

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

December 21, 2017

IN RE:

REQUEST OF CHATTANOOGA GAS COMPANY  
FOR APPROVAL OF REQUEST FOR PROPOSAL  
FOR ASSET MANAGEMENT AND AGENCY  
AGREEMENT AND GAS PURCHASE AND SALE  
AGREEMENT

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DOCKET NO.  
17-00093

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ORDER GRANTING APPROVAL OF THE REQUEST FOR PROPOSAL

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This matter came before Chairman David F. Jones, Vice Chairman Robin L. Morrison and Commissioner Keith Jordan of the Tennessee Public Utility Commission (“Commission” or “TPUC”), the voting panel assigned to this docket, at a regularly scheduled Commission Conference held on October 23, 2017, to consider the *Notice of Filing Request for Proposal* (“*Notice*”) filed by Chattanooga Gas Company (“CGC” or “Company”) on September 5, 2017.

**BACKGROUND**

The Commission first ordered CGC to file its Asset Management Agreement (“AMA”) for Commission approval in Docket No. 03-00516.<sup>1</sup> On January 14, 2008, CGC filed an AMA for consideration by the Commission in Docket No. 08-00012.<sup>2</sup> In that docket, the Commission considered and ruled on a number of issues raised by the parties pertaining to the bidding process and the terms of the AMA itself. The Commission approved the AMA between CGC and Sequent

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<sup>1</sup> See *In re: Tennessee Regulatory Authority's Audit Of Chattanooga Gas Company's Actual Cost Adjustment Filing (ACA) for the Period Ending June 30, 2003*, Docket No. 03-00516, *Order Adopting, In Part, ACA Audit Report of Tennessee Regulatory Authority's Energy and Water Division* (May 6, 2005).

<sup>2</sup> See *In re: Request of Chattanooga Gas Company for Approval of Asset Management Agreement*, Docket No. 08-00012, *Chattanooga Gas Company's Filing of Its Asset Management Agreement with the Tennessee Regulatory Authority for Approval* (January 14, 2008).

Energy Management, L.P. filed in Docket No. 08-00012 and ordered that CGC file a notice with the Commission, one year prior to the expiration of the initial three-year term of the AMA, as to CGC's intent to exercise its option to extend the AMA.<sup>3</sup> In Docket No. 07-00224, the Request for Proposal ("RFP") process and other asset management activities were opened for further review, and the Commission concluded that CGC must submit all future asset management RFPs to the Commission for prior approval before issuing the RFPs.<sup>4</sup> CGC's current AMA was awarded and approved by the Commission in Docket No. 14-00137 and is set to expire on March 31, 2018.<sup>5</sup>

### PROCEDURAL HISTORY

On September 5, 2017, the Company filed the *Notice* seeking approval of its RFP for an Asset Management and Agency Agreement ("AMAA") and a Gas Purchase and Sale Agreement. CGC requested that this matter be heard at the October Commission Conference so that a new AMAA can be approved by TPUC before the end of 2017. Prior to the filing of the *Notice* and provided for in the terms of the Company's approved tariff, the Company requested the consent of the Commission Staff to shorten the minimum period of notice and advertising of the RFP from thirty (30) days to twenty-eight (28) days to allow for bids to be opened prior to the Thanksgiving holiday and provide interested parties sufficient time to review any proposals received prior to the Commission's Conference scheduled for December 12, 2017.<sup>6</sup> The Commission Staff responded in writing, pursuant to the Company's approved tariff, and consented to the request.<sup>7</sup>

On October 4, 2017, the Consumer Protection and Advocate Division of the Office of the Attorney General ("Consumer Advocate") filed a *Petition to Intervene* stating, in part, that only by

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<sup>3</sup> See *In re: Request of Chattanooga Gas Company for Approval of Asset Management Agreement*, Docket No. 08-00012, *Order Approving Asset Management and Agency Agreement* (July 15, 2008).

<sup>4</sup> See *In re: Docket to Evaluate Chattanooga Gas Company's Gas Purchases and Related Sharing Incentives*, Docket No. 07-00224, *Order*, p. 6 (September 23, 2009).

<sup>5</sup> See *In re: Petition of Chattanooga Gas Company for Approval Asset Management Agreement and Agency Agreement and Gas Purchase and Sales Agreement*, Docket No. 14-00137, *Order Approving Asset Management Agreement* (January 12, 2015).

<sup>6</sup> *Letter of Commission Staff Approving Minimum Period of 28 Days*, (September 1, 2017).

<sup>7</sup> *Id.*

intervening in the docket and becoming subject to a Protective Order can the Consumer Advocate review confidential information filed in the docket in order to represent the interest of consumers.<sup>8</sup> There was no opposition to the intervention and the Hearing Officer authorized the Consumer Advocate's intervention in the proceeding.<sup>9</sup> No other party sought intervention and there is no indication in the record of opposition to the *Notice*.

In the Company's *Notice*, CGC states that the RFP will be posted no later than October 24, 2017.<sup>10</sup> Proposals will be due on or before November 21, 2017.<sup>11</sup>

### **FINDINGS & CONCLUSIONS**

At the regularly scheduled Commission Conference held on October 23, 2017, the panel considered the RFP. Based on the entire record, the panel voted unanimously to approve the RFP submitted by CGC on September 5, 2017 to be issued on October 24, 2017.

### **IT IS THEREFORE ORDERED THAT:**

The Request for Proposal filed in this docket by Chattanooga Gas Company is approved and shall be issued on October 24, 2017.

**Chairman David F. Jones, Vice Chairman Robin L. Morrison and Commissioner Keith Jordan concur.**

**ATTEST:**



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**Earl R. Taylor, Executive Director**

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<sup>8</sup> *Petition to Intervene*, p. 2 (October 4, 2017).

<sup>9</sup> *Order Granting the Petition to Intervene of the Consumer Advocate* (October 6, 2017).

<sup>10</sup> *Notice of Filing Request for Proposal*, p. 2 (September 5, 2017).

<sup>11</sup> *Id.*