

IN RE:	)	
	)	
TENNESSEE PUBLIC UTILITY	)	DOCKET NO.
COMMISSION INVESTIGATION OF	)	18-00001
IMPACTS OF FEDERAL TAX	)	
REFORM ON THE PUBLIC UTILITY	)	
REVENUE REQUIREMENTS	)	

Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Protection and Advocate Division of the Office of the Attorney General (Consumer Advocate), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (TPUC or Commission) to grant the Consumer Advocate's intervention into this Docket because consumers' interests, rights, duties or privileges may be determined or affected by the Order Opening an Investigation and Requiring Deferred Accounting Treatment in TPUC Docket No. 18-00001. For cause, the Consumer Advocate would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating and intervening as a party in any matter or proceeding before the Commission in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and Commission rules.

2. On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (TCJA). Among other provisions, the TCJA lowers the federal corporate tax rate from 35% to 21%.

3. In the public utility context, regulated utilities will realize significantly reduced federal income tax expense. As ratepayers bear the costs of tax expense, rates should be reduced by a corresponding amount. Further, as a result of the lower tax rate, utilities will experience excess deferred tax reserves, and utilities owe ratepayers refunds for these accounts.

4. On February 6, 2018, the Commission issued its Order in TPUC Docket No. 18-00001 as a result of the TCJA.<sup>1</sup> The Order requires Tennessee's five largest public utilities – Tennessee American Water Company, Piedmont Natural Gas, Kingsport Power Company, Atmos Energy Corporation, and Chattanooga Gas Company – to file reports with the Commission by March 31, 2018.

5. Further, each of these utilities is directed to include three subject areas in the reports: (a) the portion of revenue representing the difference between the cost of service in the utility's most recent rate case and the cost of service if the tax rate had been 21% rather than 35%; (b) the excess deferred tax reserve caused by the reduction in the corporate tax rate; and (c) any other tax effects experienced by the utility resulting from the TCJA.

6. The interests of consumers, including without limitation the new rates that will be set and the refunds owed to consumers as a result of the TCJA, may be affected by determinations and orders made by the Commission with respect to (a) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-105 and other relevant statutory and regulatory provisions and (b) the review and analysis of the documentation, financial spreadsheets, and materials provided by each utility.

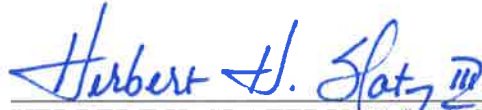
---

<sup>1</sup> This Docket was first set on the TPUC Conference Agenda on January 16, 2018. During this January Conference, TPUC voted to open an investigation into the impacts of the recent federal tax reform and directed action by both utilities and TPUC staff. Transcript, pp. 8-12.

7. Only by participating as a party to this Docket can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

Wherefore, the Consumer Advocate requests the Commission to grant this Petition to Intervene.

RESPECTFULLY SUBMITTED,



HERBERT H. SLATTERY III (BPR No. 09077)  
Attorney General and Reporter  
State of Tennessee



DANIEL P. WHITAKER, III (BPR No. 035410)  
Assistant Attorney General  
KAREN H. STACHOWSKI (BPR No. 019607)  
Office of the Tennessee Attorney General  
Public Protection Section  
Consumer Protection and Advocate Division  
P.O. Box 20207  
Nashville, Tennessee 37202-0207  
Phone: (615) 741-1671  
Facsimile: (615) 532-2910  
Daniel.Whitaker@ag.tn.gov  
Karen.Stachowski@ag.tn.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

The Honorable Earl Taylor  
Tennessee Public Utility Commission  
502 Deaderick Street, Fourth Floor  
Nashville, TN 37243

J.W. Luna, Esq.  
Luna Law Group, PLLC  
Attorney of Record for Chattanooga Gas Company  
333 Union Street, Suite 300  
Nashville, TN 37201  
jwluna@lunalawnashville.com


A. Scott Ross, Esq.  
Neal & Harwell, PLC  
Attorney of Record for Atmos Energy Corporation  
1201 Demonbreun Street, Suite 1000  
Nashville, TN 37203  
sross@nealharwell.com

Melvin J. Malone  
Butler Snow LLP  
Attorney of Record for Tennessee-American Water Company  
The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201  
melvin.malone@butlersnow.com

William C. Bovender, Esq.  
Joseph B. Harvey, Esq.  
Hunter, Smith & Davis, LLP  
Attorneys of Record for Kingsport Power Company  
P.O. Box 3740  
Kingsport, TN 37664  
bovender@hdsdlaw.com  
jharvey@hdsdlaw.com

*Continued on next page*

James H. Jeffries, IV, Esq.  
Moore & Van Allen  
Attorney of Record for Piedmont Natural Gas  
100 North Tyron Street, Suite 4700  
Charlotte, NC 28202  
(704) 331-1079  
jimjeffries@mvalaw.com



---

DANIEL P. WHITAKER, III  
Assistant Attorney General  
KAREN H. STACHOWSKI  
Assistant Attorney General