

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

March 23, 2018

IN RE:)	
PETITION OF CHATTANOOGA GAS COMPANY)	
FOR APPROVAL OF AN ADJUSTMENT IN RATES)	DOCKET NO.
AND TARIFF; THE TERMINATION OF THE AUA)	18-00017
MECHANISM AND THE RELATED TARIFF)	
CHANGES AND REVENUE DEFICIENCY)	
RECOVER; AND AN ANNUAL RATE REVIEW)	
MECHANISM)	

**ORDER GRANTING THE PETITION TO INTERVENE FILED BY THE
CONSUMER ADVOCATE**

This matter is before the Hearing Officer of the Tennessee Public Utility Commission (“Commission” or “TPUC”) to consider the *Petition to Intervene* filed by the Consumer Protection and Advocate Division of the Office of the Attorney General (“Consumer Advocate”) on March 9, 2018.

RELEVANT BACKGROUND

Chattanooga Gas Company (“CGC”) is a wholly-owned subsidiary of Southern Company Gas and is incorporated under the laws of Tennessee.¹ CGC is a public utility under the jurisdiction of the Commission and is in the business of transporting, distributing, and selling natural gas in the greater Chattanooga and Cleveland, Tennessee areas within Hamilton and Bradley Counties.² On February 15, 2018, CGC filed the *Chattanooga Gas Company Petition for Approval of an Adjustment in Rates and Tariff; the Termination of the AUA Mechanism and*

¹ *Petition*, p. 2 (February 15, 2018).

² *Id.*

the Related Tariff Changes and Revenue Deficiency Recovery; and an Annual Rate Review Mechanism (“Petition”).

CONSUMER ADVOCATE’S *PETITION TO INTERVENE*

On March 9, 2018, the Consumer Advocate filed a *Petition to Intervene* seeking to intervene in the docket pursuant to Tenn. Code Ann. § 65-4-118, which qualifies the Consumer Advocate to represent the interests of Tennessee consumers of public utility services in proceedings before the Commission. The Consumer Advocate maintains that the interests of consumers in “(a) Chattanooga Gas’ requests for substantial increases in rates to customers as a result of its general rate case and potential increases in later ARM [annual rate review mechanism] filings, (b) the requested recovery by the Company of certain AUA deferred costs, (c) the approval and adoption of methodologies in connection with an ARM under Tenn. Code Ann. § 65-5-103(d)(6), and (d) the mechanisms associated with opting into and implementing that ARM may be affected by determinations and orders made by TPUC in this matter”³ Further, the Consumer Advocate asserts that only by participating in this docket can it adequately represent the interests of Tennessee consumers.⁴

FINDINGS & CONCLUSIONS

Tenn. Code Ann. § 4-5-310 establishes the following criteria for granting petitions to intervene:

(a) The administrative judge or hearing officer shall grant one (1) or more petitions for intervention if:

(1) The petition is submitted in writing to the administrative judge or hearing officer, with copies mailed to all parties named in the notice of the hearing, at least seven (7) days before the hearing;

³ *Petition to Intervene*, pp. 5-6 (March 9, 2018).

⁴ *Id.* at 6.

(2) The petition states facts demonstrating that the petitioner's legal rights, duties, privileges, immunities or other legal interest may be determined in the proceeding or that the petitioner qualifies as an intervenor under any provision of law; and

(3) The administrative judge or hearing officer determines that the interests of justice and the orderly and prompt conduct of the proceedings shall not be impaired by allowing the intervention.

(b) The agency may grant one (1) or more petitions for intervention at any time, upon determining that the intervention sought is in the interests of justice and shall not impair the orderly and prompt conduct of the proceedings.⁵

Although it is not an automatic or absolute right to participate in proceedings before the Commission, Tenn. Code Ann. § 65-4-118(b)(1) provides a general basis for the qualification of the Consumer Advocate to be permitted to intervene as a party to represent the interests of Tennessee public utility consumers. It provides as follows:

The consumer advocate division has the duty and authority to represent the interests of Tennessee consumers of public utilities services. The division may, with the approval of the attorney general and reporter, participate or intervene as a party in any matter or proceeding before the commission or any other administrative, legislative or judicial body and initiate such proceeding, in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, and the rules of the commission.⁶

Because granting CGC's *Petition* will result in a rate increase for its customers, establish methodologies for CGC's alternative ratemaking mechanisms ("ARMs"), and make a determination on certain Alignment and Usage Adjustment ("AUA") deferred costs, the Hearing Officer finds that there is a sufficient factual basis to find that the legal rights or interests held by those consumers may be determined in this proceeding. In addition, CGC does not object to the Consumer Advocate's intervention.


⁵ Tenn. Code Ann. § 4-5-310.

⁶ Tenn. Code Ann. § 65-4-118(b)(1).

THEREFORE, upon due consideration, the Hearing Officer concludes that the legal rights, duties, privileges, immunities or other legal interest of Tennessee consumers may be determined in this proceeding. Further, the Hearing Officer finds that the Consumer Advocate qualifies under law as an intervenor for the purpose of representing those consumer interests, there is no opposition to its intervention, and its *Petition to Intervene* was timely-filed and should not impair the interests of justice or the orderly and prompt conduct of the proceedings. For these reasons, the Hearing Officer concludes that the Consumer Advocate's *Petition to Intervene* should be granted.

IT IS THEREFORE ORDERED THAT:

The *Petition to Intervene* filed by the Consumer Protection and Advocate Division of the Office of the Attorney General is granted. The Consumer Protection and Advocate Division of the Office of the Attorney General may intervene and participate as a party in this proceeding and, as such, shall receive copies of any notices, orders, or other documents filed herein.


Monica Smith-Ashford, Hearing Officer