

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
NASHVILLE, TENNESSEE**

**April 10, 2018**

<b>IN RE:</b>	)	
	)	
<b>CHATTANOOGA GAS COMPANY</b>	)	
<b>PETITION FOR APPROVAL OF AN</b>	)	
<b>ADJUSTMENT IN RATES AND</b>	)	<b>Docket No.</b>
<b>TARIFF; THE TERMINATION OF</b>	)	<b>18-00017</b>
<b>THE AUA MECHANISM AND THE</b>	)	
<b>RELATED TARIFF CHANGES AND</b>	)	
<b>REVENUE DEFICIENCY</b>	)	
<b>RECOVERY; AND AN ANNUAL</b>	)	
<b>RATE REVIEW MECHANISM</b>	)	

---

**CHATTANOOGA GAS COMPANY  
NOTICE OF WITHDRAWAL FROM FURTHER CONSIDERATION IN THIS  
DOCKET OF ITS REQUESTS FOR APPROVAL OF ITS  
PROPOSED ALTERNATIVE REGULATORY METHODS**

---

Chattanooga Gas Company ("Company" or "CGC") hereby advises the Tennessee Public Utility Commission ("TPUC" or "Commission") and parties of record of its Notice of Withdrawal ("Notice") to permanently withdraw from any further consideration in this docket of CGC's requests for adoption of certain alternative regulatory methods ("ARM"), including its annual rate review request and proposed ARM Tariff as well as its proposed infrastructure economic development proposal and SEED Tariff (collectively, the "ARM Requests"). Pursuant to this Notice, CGC advises the Commission as follows:

1. On February 15, 2018, CGC initiated this docket with the filing of its Chattanooga Gas Company Petition For Approval Of An Adjustment In Rates and Tariff; The Termination Of The AUA Mechanism and The Related Tariff Changes And Revenue Deficiency Recovery; and The Implementation Of Alternative Regulatory Methods ("Petition"). As CGC indicated in paragraphs 29 through 34 of the Petition, the Company was utilizing T.C.A. Section 65-5-103(d)(1)(A) ("ARM Statute") for approval of what would be two different proposals. First, CGC was seeking approval of an annual rate review under T.C.A. Section 65-5-103(d)(6)(A). Second, CGC was seeking approval of an infrastructure economic development rider, known as the System Expansion and Economic Development-Tennessee Rider or "SEED" pursuant to T.C.A. Section 65-5-103(d)(3)(A). With respect to both requests, given the different statutory time periods associated with rate cases verses the 120-day process under the ARM Statute, at the time of filing the Petition CGC intended to temporarily withdraw its ARM

Requests and later reactivate them so that the Commission could render a final decision on both the rate case and the ARM Requests at the same time.

2. Subsequent to the filing of its Petition, CGC has determined that it would be best to not attempt to run its ARM Requests simultaneously with the rate case and AUA case, also identified in its Petition for approval in this docket. CGC advised the Commission and parties on March 14, 2018, in connection with CGC's proposed procedural schedule, that it shall be formally and completely withdrawing the annual rate review and infrastructure economic development proposals. Accordingly, CGC hereby formally, fully and completely withdraws from this docket for further consideration, without prejudice, its proposed ARM Requests, which specifically include the annual rate review request and tariff ("ARM Tariff") supported by the testimony of Mr. Cogburn (Cogburn Exhibit JCM-1), and the infrastructure economic development proposal SEED Rider Tariff ("SEED Tariff") supported by Mr. Hickerson (Hickerson Exhibit ARH-1 (proposed clean tariff), pages 97 through 98 and part of page 112; and Exhibit ARH-2 (proposed tariff with revisions marked), pages 112 through 113 and part of page 134). This withdrawal further specifically includes Section IV, paragraphs 29 through 34 of CGC's Petition.

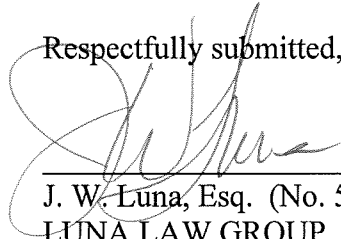
3. It is CGC's intent to file a revised and updated request for an annual rate review after the conclusion of this docket. It is also CGC's intent to file a new infrastructure economic development rider after the conclusion of this docket, unless there is customer need and good cause to file such a rider sooner.

4. In permanently withdrawing from this docket its ARM Requests, CGC notes that T.C.A. Section 65-5-103(d)(6)(A) provides that a public utility opting into the annual rate review must do so "based upon the methodology adopted in its most recent rate case." Thus, while CGC has withdrawn its specific annual rate review request and ARM Tariff, the Company is nevertheless requesting that the Commission in the final order in this rate case clearly identify the approved rate case methodology required by T.C.A. Section 65-5-103(d)(6)(A). In this regard, CGC's witness Mr. Cogburn shall remain a witness in the case, but only for the limited purpose of having the Commission clearly articulate and approve CGC's rate case methodology in order to provide the foundation for its new, later annual rate review request.

5. To facilitate the Commission's consideration of its rate case and AUA requests, CGC shall separately submit the appropriate revised testimony for Mr. Cogburn and Mr. Hickerson that, respectively, eliminate the ARM Requests and their ARM Tariff and SEED Tariff exhibits. For Mr. Cogburn, in order to make his testimony make sense given the removal of the ARM Requests, his revised testimony may include some minor new language to address the clear establishment of the rate case methodology in this docket. CGC is also assessing whether there may be other witnesses' testimonies that need to be revised to remove or modify language related to CGC's ARM Requests and the identification and approval of CGC's rate case methodology. At such time as those revised testimonies are filed, for the convenience of the Commission and parties, CGC shall also provide a strike and replace version of each so it will be clear exactly what changes have been made. CGC anticipates this testimony shall be filed on or before April 20, 2018.

**Wherefore**, Chattanooga Gas Company hereby notices that it has completely withdrawn from further consideration, without prejudice, its ARM Requests, and corresponding ARM Tariff and SEED Tariff, along with Section IV and paragraphs 29 through 34 of CGC's Petition. Since CGC intends to separately opt into an annual rate review process to be filed after this rate case, CGC request that in its final order the Commission identify and approve CGC's rate case methodology required by T.C.A. Section 65-5-103(d)(6)(A). Updated testimony reflecting the removal of the ARM Requests shall be separately filed.

Respectfully submitted,



---

J. W. Luna, Esq. (No. 5780)  
LUNA LAW GROUP, PLLC  
333 Union Street, Suite 300  
Nashville, TN 37201  
(615) 254-9146  
(615) 254-7123 facsimile  
[jwluna@LunaLawNashville.com](mailto:jwluna@LunaLawNashville.com)

and

Floyd R. Self, Esq. (PHV85597; Fla. Bar # 608025)  
Berger Singerman LLP  
313 North Monroe Street, Suite 301  
Tallahassee, Florida 32301  
Direct Telephone: (850) 521-6727  
Facsimile: (850) 561-3013  
Email: [fself@bergersingerman.com](mailto:fself@bergersingerman.com)

*Attorneys for Chattanooga Gas Company*

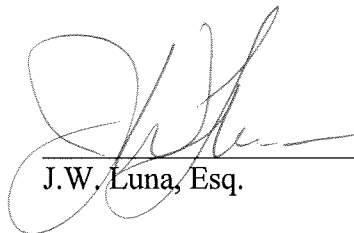
**CERTIFICATE OF SERVICE**

I hereby certify that on this 10<sup>th</sup> of April, 2018, a true and correct copy of the foregoing  
was served on the persons below by electronic mail:

Monica Smith-Ashford  
Hearing Office  
Tennessee Public Utility Commission  
502 Deaderick Street 4th Floor  
Nashville, TN 37243

Vance Broemel, Esq.  
Wayne Irvin, Esq.  
Office of Tennessee Attorney General  
UBS Building, 20th Floor  
315 Deaderick Street, Nashville, Tennessee 37243

Henry Walker, Esq.  
Bradley Arant Boult Cummings LLP  
1600 Division Street, Suite 700  
Nashville, TN 37203

  
\_\_\_\_\_  
J.W. Luna, Esq.