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May 23, 2018

Chairman David Jones
c/o Sharla Dillon
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Re: Chattanooga Gas Company
TPUC Docket No. 18-00017

Dear Chairman Jones:

Today's filing principally consists of Chattanooga Gas Company's ("CGC") responses to CPAD's discovery request entitled Second Supplement to First Discovery Request and CPAD's First Supplement to Second Discovery Request.

All but 8 of the total of 46 numbered requests in these two sets of discovery requests are included. The remaining 8 responses are to the Second Supplement to First Discovery and should be provided to CPAD and filed with TPUC by the end of the week.

Additionally included in this filing are revisions to three previously filed responses as follows: CPAD-1-002; CPAD-1-177; and CPAD-1-178.

In an effort to assist in locating these responses, we are providing the listing below differentiating between the contents of the public and confidential CDs.

Included herein on the public CD (set of 5 CDs enclosed) are the following:

Responses to CPAD's First Supplement to Second Discovery Request:

CPAD-2-74
CPAD-2-75
CPAD-2-76
CPAD-2-77
CPAD-2-78
CPAD-2-79
CPAD-2-80
CPAD-2-81

Responses to CPAD's Second Supplement to First Discovery Request:

CPAD-1-357 CPAD-1-358

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CPAD-1-364	CPAD-1-365
CPAD-1-367	CPAD-1-369
CPAD-1-370	CPAD-1-371
CPAD-1-372	CPAD-1-376
CPAD-1-378	CPAD-1-379
CPAD-1-380	CPAD-1-381
CPAD-1-386	CPAD-1-387
CPAD-1-388	CPAD-1-389
CPAD-1-390	CPAD-1-391
CPAD-1-392	CPAD-1-393
CPAD-1-394	

Updates to previously filed Responses to the CPAD's First Discovery:

CPAD-1-002
CPAD-1-177
CPAD-1-178

Included in the CD marked Confidential (set of 5 CDs enclosed) are confidential responses listed below:

Confidential Responses to CPAD's Second Supplement to First Discovery
Request:

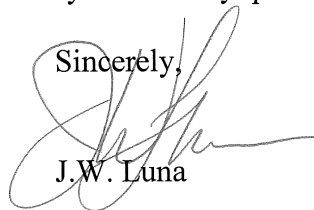
CPAD-1-357 (attachment)	CPAD-1-359
CPAD-1-360	CPAD-1-361
CPAD-1-362	CPAD-1-363
CPAD-1-366	CPAD-1-368 (Response and attachments)

Confidential Responses to CPAD's First Supplement to Second Discovery
Request:

CPAD-2-77 (attachments)

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,



J.W. Luna

Enclosures

cc: Monica Smith-Ashford, Esq.
Vance Broemel, Esq.
Wayne Irvin, Esq.
Henry Walker, Esq.
Floyd Self, Esq.

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-2

CPAD-2-74 SUPPLEMENTAL REQUEST

Question:

Refer to the Company's response to CPAD 2-1. Specifically, refer to Attachments CPAD 2-1a through 2-1g regarding the support for new meters.

- a. Provide a legend that defines the "Rate Codes" contained in "Column A" of the "Res Summary" and "Com Summary" tabs of these spreadsheets.
- b. Identify the source of the information contained on the "Chat Res" and "Chat Com" tabs of these spreadsheets. Specifically, does this data come from regular internal reports of the Company or is it just pulled together for this request? If this data comes from regular internal reports of the Company, provide the internal reports containing this data.

Response:

Please refer to Attachment CPAD-2-74a for a legend that defines the "Rate Codes" contained in "Column A" of the "Res Summary" and "Com Summary" tabs.

The new meter data provided is the raw internal report with the customer names and addresses removed.

Contact Person: Heath Brooks

Chattanooga Gas Company

Tariff Codes

<u>Tariff Code</u>	<u>Customer Class</u>	<u>Nickname</u>	<u>General Description</u>
101	Residential	R-1	Regular
102	Residential	R-1	A/C
103	Residential	R-1	Heat Only
121	Residential	R-1 Senior Citizen *	Low Income Senior Citizen Regular
122	Residential	R-1 Senior Citizen *	Low Income Senior Citizen A/C
123	Residential	R-1 Senior Citizen *	Low Income Senior Citizen Heat Only
311	Commercial C-1	C-1	Small Commercial Regular
312	Commercial C-1	C-1	Small Commercial A/C
313	Commercial C-1	C-1	Small Commercial Heat Only
347	Commercial C-2	C-2	Medium Commercial Regular
348	Commercial	C-1	Small Commercial A/C
365	Multi-Family	R-4	Multi-Family A/C
367	Multi-Family	R-4	Multi-Family Regular
371	ECONOMIC DISCOUNT	C-2	COKE
511	Commercial	C-1	Small Industrial Regular
512	Commercial	C-1	Small Industrial A/C
513	Commercial	C-1	Small Industrial Heat Only
547	Commercial C-2	C-2	Medium Industrial Regular
548	Commercial C-1	C-1	Small Industrial A/C Contract
571	Commercial C-1	C-1	Small Industrial Seasonal
601	Residential	R-1	Not Measured Gas Light
602	Commercial	C-1	Not Measured Gas Light

* Currently No Senior Discount in CGC

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-2

CPAD-2-75 SUPPLEMENTAL REQUEST

Question:

Refer to the Company's response to CPAD 2-17. Specifically, refer to Attachment CPAD 2-17a CONFIDENTIAL regarding support for the therm billing conversion from volumetric meter readings. Identify the source of the information contained on the "Dec 2017 Industrial Consumption" tab of this spreadsheet. Specifically, does this data come from regular internal reports of the Company or is it just pulled together for this request? If this data comes from regular internal reports of the Company, provide the internal reports containing this data.

Response:

The data provided on the "Dec 2017 Industrial Consumption" tab is not part of a regular internal report. The data was specifically pulled from The Company's billing system in order to respond to CPAD-2-17. Daily volumes are not used for forecasting purposes. Monthly data is provided in the format found in Attachment CPAD-2-29aa through Attachment CPAD-2-29z.

Contact Person: Heath Brooks

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-2

CPAD-2-76 SUPPLEMENTAL REQUEST

Question:

Refer to the Company's response to CPAD 2-17. Specifically, refer to Attachment CPAD 2-17b regarding support for the therm billing conversion from volumetric meter readings. Identify the source of the information contained on the "Data" tab of this spreadsheet. Specifically, does this data come from regular internal reports of the Company or is it just pulled together for this request? If this data comes from regular internal reports of the Company, provide the internal reports containing this data.

Response:

The data provided in Attachment CPAD 2-17b is not part of a regular internal report. The data was queried from the billing system in order to respond to CPAD 2-17.

Contact Person: Heath Brooks

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-2

CPAD-2-77

Question:

Refer to the Company's response to CPAD 2-18 regarding the detail supporting Account 402300 – LNG Sales in the Company's trial balance contained in CPAD 1-2. We are unable to readily tie the amounts included in the Company's response to the Company's trial balance. Provide a narrative explanation of how the amounts contained in the Attachments to CPAD 2-18 tie to the amounts recorded on the trial balance. In addition, provide a copy of the trial balance for any affiliates that are recording components of LNG sales transactions.

Revised Response:

Please refer to CPAD-1-002a Revised Attachment Supplemental Request, tab "Revenue 402300". Highlights have been added to help navigate the large amount of data provided. The revenues that are recorded in the account in a given month are the estimated current month transfer value between CGC and its asset manager, the prior month transfer value, and the reversal of the estimated transfer value in the current month. It is broken down monthly in Column Q and the actuals that were filed are highlighted in Columns K, N, and P. In addition to what was previously submitted, Columns S-U were added to show how the GL agrees with the annual trial balances that were supplied.

Please refer to CPAD-2-077a CONFIDENTIAL Attachment Supp. Req. New and CPAD-2-077b CONFIDENTIAL Attachment Supp. Req. New for the trial balances for Pivotal LNG and Sequent, respectively.

Contact Person: Archie Hickerson

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-2

CPAD-2-78 SUPPLEMENTAL REQUEST

Question:

Refer to the Company's response to CPAD 1-19. Provide the Other Revenue determinants and recorded amounts by month from January 2010 through December 2017 in the following categories:

- a. Reconnect Charges – Firm.
- b. Seasonal Reconnect Charges.
- c. Turn-On Charges.
- d. Meter Set Charges.
- e. Returned Check Charges.
- f. Non-Metered Gas Light Charges.
- g. Unauthorized or Excess Gas Use Charges (by tariff).
- h. All other miscellaneous revenues.

Response:

Please refer to Attachment CPAD-2-78a.

Billing determinants are not tracked for the following accounts:

- a. Lost & Unaccounted for Gas
- b. Damage Billing-Mains
- c. Damage Billing-Services
- d. Late Payment Fees
- e. Gas Management Fee
- f. Miscellaneous Revenue

Please refer to Attachment CRMA-1-3 filed as part of the response to CRMA-1-3 for Unauthorized or Excess Gas Use revenues by month starting November of 2015. All other penalty charges can be found in Attachment CPAD-2-29b CONFIDENTIAL through Attachment CPAD-2-29ay CONFIDENTIAL filed as part of the response to CPAD-2-29. Filter the Account to "162204" and the Charge to "Penalty." Penalty charges are credited to the purchased gas adjustment and not part of The Company's margin.

Contact Person: Heath Brooks

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-2

CPAD-2-79 SUPPLEMENTAL REQUEST

Question:

Refer to the spreadsheet included as the "Rate Case Revenue Model" with the Company's response to MFG 25 regarding revenue workpapers. Specifically refer to Rows 113 and 114 of the "Attrition Year" tab of this spreadsheet regarding Damage Billing for Mains and Services.

- a. Identify the account where the Company records Damage Billing revenue for Mains and Services. Specifically, provide a reference and narrative locating any accounts related to Damage Billing revenue in the Company's trial balance provided in CPAD 1-2a.
- b. Describe the Company's accounting procedures for recording receipts from Damage Billing. Specifically, explain whether these receipts are recorded to revenues or as a credit to utility plant.

Response:

For the periods represented in CPAD 1-2a damaged billing revenue was recorded in accounts 450100 and 450200 for Mains and Services, respectively. Specifically refer to Rows 205 and 206 of the "2017" tab of CPAD 1-2a spreadsheet for 2017 amounts. It should be noted that in accordance with GAAP revenue recognition standards, effective January 1, 2018 the revenues are recorded as contra expense in accounts 670250 and 670251 for Mains and Services, respectively.

The procedure for recording receipts from Damaged Billing are to bill for damaged billing through the company's accounts receivable system – via a debit to AR account 134610 and a credit to the appropriate revenue (prior to 2018) or contra expense account (January 1, 2018 prospectively) as appropriate. No amounts are recorded as a credit to utility plant.

Contact Person: Gary Tucker

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-2

CPAD-2-80 SUPPLEMENTAL REQUEST

Question:

Refer to the spreadsheet included with the Company's response to CPAD-2-29ax CONFIDENTIAL regarding billing and capacity demand determinants. The narrative of the Company's response indicates that this spreadsheet includes data from January 2014 through November 2017. However, it appears that this response only includes data through July 2017. Provide the missing data from August 2017 through November 2017.

Response:

Data for August 2017 through November 2017 is included in Attachment CPAD-2-29ax CONFIDENTIAL on the "Industrial Data Total" tab, Rows 52632 through 57464. Column V on the "Industrial Data Total" tab specifies the month.

Contact Person: Heath Brooks

CHATTANOOGA GAS COMPANY
Docket No. 18-00017
Chattanooga Gas Company's 2018 Rate Case

Consumer Protection and Advocate Division (CPAD)
Data Request Set: CPAD-2

CPAD-2-81 SUPPLEMENTAL REQUEST

Question:

Refer to the spreadsheet included with the Company's response to CPAD-2-29a CONFIDENTIAL regarding billing and capacity demand determinants for Rate Class C-2. Provide a narrative description of the contents for each column of this spreadsheet.

Response:

Columns A through D contain the data that was originally requested in CPAD-2-29. Columns E through N were utilized by internal IT to confirm the correct values were pulled from the billing system. A brief narrative for each column can be found below.

Column A: Billing Month
Column B: Demand factor for the billing month in column A
Column C: Account number
Column D: Premise number
Column E: Current Rate Schedule
Column F: Effective date of when customer became part of C-2 class
Column G: Rate schedule from a service point tariff history for the premises with eff/term dates that indicate it was active for month in question
Column H: Effective date of historical service point tariff history
Column I: Term date of rate schedule service point tariff history
Column J: Effective date of current demand factor value for premise
Column K: Current demand factor for Premise
Column L: Effective Date for demand factor in Column B
Column M: Ending date of demand factor in Column B
Column N: Demand factor for month in column A

Contact Person: Heath Brooks