

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

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

**THIRD SUPPLEMENT TO FIRST DISCOVERY REQUEST
OF THE CONSUMER PROTECTION AND ADVOCATE DIVISION
TO CHATTANOOGA GAS COMPANY**

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This Third Supplement to the First Discovery Request is hereby served upon Chattanooga Gas Company pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. The Consumer Protection and Advocate Division of the Attorney General's Office (Consumer Advocate) requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Protection and Advocate Division, 315 Deaderick Street, 20th Floor, Nashville, Tennessee 37243, c/o Wayne M. Irvin, on or before 4:00 p.m. (CDT), May 29, 2018, or at such other time as may be ordered by the Hearing Officer in the adoption or approval of a procedural schedule in this TPUC Docket.

PRELIMINARY MATTERS AND DEFINITIONS

These supplemental discovery requests incorporate the same Preliminary Matters and Definitions set forth in the *First Discovery Request of the Consumer Protection and Advocate Division to Tennessee Chattanooga Gas Company* filed March 20, 2018, and are to be considered continuing in nature, and are to be supplemented from time to time as information is received by CGC and any CGC affiliate which would make a prior response inaccurate, incomplete, or incorrect. Further, to the extent that some responses may contain confidential information, clearly and conspicuously mark those responses that CGC asserts are confidential and separate these responses from the public filing. CGC shall also comply with any other requirements in the Protective Order.

THIRD SUPPLEMENT TO FIRST DISCOVERY REQUESTS

1-395 Refer to the Company's response to CPAD 1-2b regarding historical Plant in Service by account. It appears that starting in August 2013, the Company began including a line for plant that was completed but not yet classified. However, the data included in this response indicates

that the detailed amounts total to the sum of both the classified and unclassified plant. Explain how this plant could be “unclassified” if it is already assigned to a particular account.

RESPONSE:

1-396 Refer to the spreadsheets included with MFG 64-2 and the Company’s response to CPAD 1-38 regarding Special Projects for plant additions. It appears that many of the items included here as Special Projects would not typically meet these criteria because of materiality. For example, the total Special Projects for 2011 only amount to \$4,428. This contrasts with the Special Projects that the Company has included for the attrition year in MFG 65 that total over \$20 million. Confirm the specific criteria that the Company has used to classify projects as Normal or Special from 2010 through 2017.

RESPONSE:

1-397 Refer to the spreadsheets included with MFG 65 regarding Special Projects for 2018 and 2019. Provide a narrative description for each of these Special Projects along with supporting information and justification for these anticipated expenditures.

RESPONSE:

1-398 Refer to the spreadsheet included in MFG 65 regarding Special Projects for 2019. Update this response to include capital expenditures for July through December 2019.

RESPONSE:

1-399 Refer to the spreadsheets included in MFG 65 regarding Special Projects for 2018 and 2019. To the extent possible, categorize these Special Projects by plant account.

RESPONSE:

1-400 Refer to the Company's response to CPAD 1-336 regarding allocated plant and provide the following information.

- a. Identify each entity that was allocated costs from AGL Services Company (GL29) from January 2010 through December 2017.
- b. For each entity identified above, provide the annual income statement from 2010 through 2017 in the same format as the "(D) & (E) Inc Stmt All (12.2017)" tab of the response to CPAD 1-336, along with the monthly allocation factor for each entity.
- c. For each entity identified above, provide the annual number of customers from 2010 through 2017.
- d. For each entity identified above, provide the annual net investment (plant less accumulated depreciation) from 2010 through 2017.

RESPONSE:

1-401 Refer to the Company's response to CPAD 1-336 regarding allocated plant. Provide a narrative response for the source and calculations on each tab of this spreadsheet.

RESPONSE:

1-402 Refer to the Company's response to CPAD 1-336 regarding allocated plant. Specifically refer to the "(A) WP NON-APPL ASSETS (12.2017)" tab of this spreadsheet that provides a calculation of the Non-Applicable Assets at 12-31-17. Provide this same information by month from January 2010 through December 2017.

RESPONSE:

1-403 Refer to the Company's response to CPAD 2-22, specifically to the 2017 12 tab within the Confidential Attachment 2-022. For each of the following accounts, provide the balance split by affiliate that comprises the total asset value. This response would include the balance by affiliate that ties to the total account value.

- a. 113100 – Non-utility Plant in Service
- b. 113110 – Non-Utility CCNC

- c. 113120 – Non-Utility Construction WIP
- d. 113200 Accumulated Depreciation Non-Utility Plant

RESPONSE:

1-404 Refer to the Company's response to CPAD 2-43 indicating that it has misclassified a \$504,214 adjustment identified as 401k benefits, when \$314,642 of this amount should have been identified as an adjustment to account 670509 Health-Distributed. Provide the source and support, including all related workpapers, for such increase in account 670509, along with a full and complete explanation for such payroll related cost increase. Further, in your response, include a detailed breakout of the specific types of costs comprising this balance.

RESPONSE:

1-405 Refer to the Company's response to CPAD 2-33, specifically to the Gross Timing and Rate tab. Regarding the timing differences for "Pension-Other" and "Accrued Post Retirement Benefits", provide the portion of each that relates to accruals charged to O&M costs versus those capitalized.

RESPONSE:

1-406 Refer to the Company's response to CPAD 1-356. The purpose of this request is to obtain financial evidence which would validate the fact that minimal to no corporate costs are allocated to the following non-regulated entities, thus resulting in an increased amount of corporate costs allocated to CGC. As the response stands, CGC has failed to justify its lack of corporate cost allocations to non-affiliates. Provide a copy of the 2016 and 2017 Trial Balance and Income Statements for the following entities:

- a. Nicor Gas Exploration
- b. Gas Utility Finance Corp

- c. AGL Rome Holding Inc
- d. Appliance Bus FL Service
- e. Pivotal Jefferson Island Storage and Hub
- f. Georgia Gas Company
- g. Georgia Natural Gas Company

RESPONSE:

1-407 Refer to the Company's response to CPAD 2-55. Provide all documents identified which provide projections of the impact of the AGL Resources transaction on the Operating costs (direct and indirect) of CGC.

RESPONSE:

RESPECTFULLY SUBMITTED,



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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:

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This the 24th day of May, 2018.



Wayne M. Iryin