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March 14, 2018

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

Re: TPUC Docket No. 18-00017
Procedural Schedule Proposed by Chattanooga Gas Company

Dear Chairman Jones:

As requested by the Hearing Officer, we have worked with the Consumer Advocate and the Chattanooga Regional Manufacturing Association on the two draft procedural schedules. We are happy to report that we have reached an agreement on all dates except for one date under each option. The attached document represents CGC's proposed schedule with the two disputed dates highlighted in yellow.

Under Option 1, CGC is proposing that it be allowed 5 weeks between the filing of the Intervenor's testimony and the filing of CGC's rebuttal. Intervenor's propose only 3 weeks for CGC's review of their testimony, preparation of discovery questions, Intervenor's discovery responses, and then the preparation of CGC's rebuttal testimony and exhibits. Under CGC's proposal for Option 1, Intervenor's will have had more than four months to review the CGC's direct testimony, exhibits, and minimum filing guidelines and three months of extensive discovery. To facilitate Intervenor's discovery of CGC's case, CGC has committed to the parties that it will endeavor to respond to discovery requests as soon as possible and not wait until any set date under the rules. Moreover, notwithstanding the designation of "First" and "Second" sets of discovery, CGC has also committed to not limiting Intervenor's to only two rounds of discovery; CGC will accept without objection as many different sets of discovery so that as their understanding of the case evolves they can serve their questions. CGC appreciates that this is a big case, but since Intervenor's will have more than four months to prepare their case, CGC should have a reasonable amount of time to review, discover, and file rebuttal. If you believe June 29 and five weeks is too long, then we request at least four weeks, with Intervenor's filing July 3.

Under Option 2, Intervenor's propose a month between CGC's response to their first round of discovery and service of their second. As previously stated, CGC has committed to the

parties that it will endeavor to respond to discovery requests as soon as possible and not wait until any set date under the rules. Providing an additional week for CGC to respond to the first set is reasonable under this longer lead up to the later hearing.

Intervenors also propose that all parties provide unlocked, native Excel spreadsheets where appropriate, and we completely agree with that and we have already done so with direct exhibits and minimum filing guidelines.

To the extent Intervenors seek to provide for a short turnaround time for “informal discovery,” we strongly disagree. CGC believes that discovery is discovery under the rules, as there is no formal and informal distinction. The real issue with this is whether later in the case CGC should be under an obligation to respond to discovery in a shorter time frame. Conceptually, CGC does not oppose the idea of progressively shorter turnaround times as the case develops. Indeed, in lieu of the set schedule in the agreed upon schedule, CGC would be agreeable to having a four week maximum response for discovery served in March, a three week response deadline for discovery served in April, and a two week response deadline for discovery served in May or later. In addition, to avoid the initial discovery motion, CGC would propose that the procedural order waive the discovery rules and grant each Intervenor a maximum combined total of 200 discovery requests, which includes interrogatories, production of documents, and requests for admissions, with subparts counted against the total. If a party needed more than 200 discovery requests, then it could file a motion seeking any discovery above that 200 limit, which CGC would not unreasonably object to.

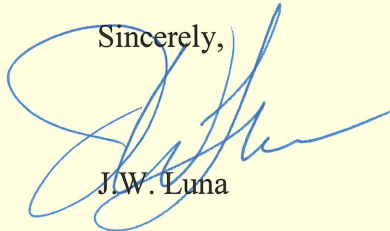
To the extent Intervenors seek to require that CGC’s rebuttal testimony include specific line and page numbers to the Intervenors’ direct testimony, we believe this is both unnecessary and burdensome, and would compel additional time over and above the five weeks we seek under Option 1. Generally our witnesses will strive to be as specific as possible in responding to direct testimony, but sometimes the scope or scale of the Intervenors’ direct is such that a pinpoint reference to the direct is not reasonably possible; larger principles or theories may be implicated which require rebuttal but which don’t necessarily point to a specific line of direct testimony. The lack of pinpoint references is rarely an issue. But to the extent that a party believes rebuttal testimony goes beyond the scope of the direct, that witness is subject to cross examination and/or an appropriate objection. We respect the scope of rebuttal, but we need to be able to fully respond as necessary to what has been raised in direct which may not be readily susceptible to a pinpoint reference.

At this time we would like to also advise the Commission and parties that CGC shall be formally and completely withdrawing its annual rate review proposal and its SEED Rider proposal. This withdrawal will affect both the testimony and supporting exhibits. CGC shall be making the formal notice of complete withdrawal of these alternative regulatory methods no later than March 23, 2018. CGC contemplates filing a new annual rate review proposal after the conclusion of this rate case. CGC also expects to file a new SEED Rider proposal at the end of this rate case unless circumstances merit an earlier filing. In both cases, our intent is to work

with the Commission and parties on appropriate revisions so that we might have a settlement for both before they are actually filed.

Finally, CGC, in the strongest way possible, seeks your approval of the Option 1 schedule that would have the hearing begin on August 21, a decision on September 17, with permanent rates becoming effective on October 1. If CGC had filed in December as originally intended, then the latest rates would have gone into effect would have been September 1, 2018, but CGC respectfully deferred based upon the feedback we received and then we were further deferred in order to update the case to include the impacts of the new tax law changes. Management of CGC respects that this Commission has always decided rate cases within or very close to 6 months, and has therefore never had a utility implement interim rates. But as CGC will demonstrate on the record, the financial impact of not having new rates in effect already is material and significant, and each month the adverse impact grows, compounded by the limitations of the AUA underpayments methodology. At this time, CGC will commit to not implementing interim rates if the Commission hears this case and makes a final decision in time for rates to go into effect October 1, 2018. If the decision is made to use the Option 2 schedule, where rates could not take effect until November 1, 2018, then CGC advises that it shall reserve its right to implement interim rates for the September 1 to November 1 period.

Sincerely,

A handwritten signature in blue ink, appearing to read "J.W. Luna", is written over the typed name.

J.W. Luna

/cb

Enclosure

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

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

March 14, 2018

IN RE:)
)
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 AN ANNUAL)
RATE REVIEW MECHANISM)

Docket No.
18-00017

CHATTANOOGA GAS COMPANY'S
PROPOSED PROCEDURAL SCHEDULES

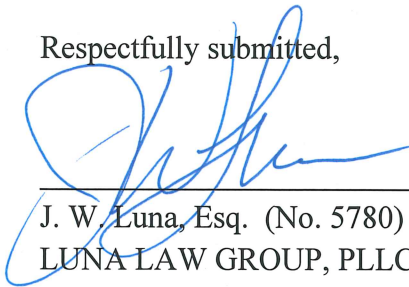
Option 1 Target Hearing Date 8/21/2018	Option 2 Target Hearing Date 9/17/2018	
2/15/2018	2/15/2018	Chattanooga Gas Company (CGC) filed Petition
3/12/2018	3/12/2018	Status Conference
3/20/2018	3/20/2018	First Formal Round Intervenor Discovery Requests Due
4/10/2018	4/17/2018	First Formal Round Responses to Intervenor Discovery Due
4/24/2018	5/11/2018	Second Formal Round of Intervenor Discovery Requests Due
5/8/2018	6/1/2018	Second Formal Round Responses to Intervenor Discovery Due
6/29/2018	7/13/2018	Intervenor Pre-filed Direct Testimony Due

7/16/2018	7/30/2018	CGC Discovery Requests Due
7/20/2018	8/10/2018	Intervenor Discovery Responses Due
7/25/2018	8/13/2018	Final Discovery Request Date
8/3/18	8/29/2018	CGC Pre-Filed Rebuttal Testimony Due
TBD	TBD	TPUC Public Comment Hearing in Chattanooga
8/14/2018 or as set by Hearing Officer	9/5/2018 or as set by Hearing Officer	Pre-Hearing Conference for General Rate Case
8/21/18	9/17/2018	Target Date for Hearing on the Merits for General Rate Case; CGC requests reserving 4 days
9/4/2018	10/2/2018	If Needed, Post-Hearing Briefs Due
9/17/2018	10/15/2018	Target Date for TPUC Deliberations on General Rate Case
10/1/2018	11/1/2018	Target Date for Effective Date of New Rates

All spreadsheets filed in discovery responses shall be in Excel format with working formulas intact.

Any pre-filed testimony shall include all supporting worksheets in Excel format with working formulas intact. To the extent that any pre-filed testimony or other filing prior to the date of the Order implementing this Procedural Schedule has been made without supporting worksheets in Excel format with working formulas intact, the filing Party shall comply with this requirement within 3 days of the Order implementing Procedural Schedule.

Respectfully submitted,



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Attorneys for Chattanooga Gas Company

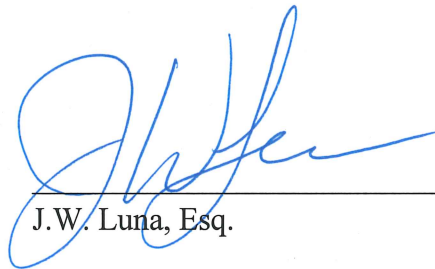
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 14th of March, 2018, a true and correct copy of the foregoing was served on the persons below by electronic mail:

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