

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

IN RE:

**CHATTANOOGA GAS COMPANY
COMPLIANCE FILING AND REPORT**

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**DOCKET NO.
18-00035**

CONSUMER ADVOCATE'S PETITION TO INTERVENE

Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Protection and Advocate Division of the Office of the Attorney General (Consumer Advocate), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (TPUC or Commission) to grant the Consumer Advocate's intervention into this Docket because consumers' interests, rights, duties or privileges may be determined or affected by *Chattanooga Gas Company Compliance Filing and Report* in TPUC Docket No. 18-00035. For cause, the Consumer Advocate would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating and intervening as a party in any matter or proceeding before the Commission in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and Commission rules.
2. On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (TCJA). Among other provisions, the TCJA lowers the federal corporate tax rate from 35% to 21%.
3. In the public utility context, regulated utilities will realize significantly reduced federal income tax expense. As ratepayers bear the costs of tax expense, rates should be reduced

by a corresponding amount. Further, as a result of the lower tax rate, utilities will experience excess deferred tax reserves, and utilities owe ratepayers refunds for these accounts.

4. On February 6, 2018, the Commission issued its Order in TPUC Docket No. 18-00001 as a result of the TCJA.¹ The Order required Tennessee's five largest public utilities – Tennessee American Water Company, Piedmont Natural Gas, Kingsport Power Company, Atmos Energy Corporation, and Chattanooga Gas Company (CGC) – to file reports with the Commission by March 31, 2018.²

5. Further, each of these utilities was directed to include three subject areas in the reports: (a) the portion of revenue representing the difference between the cost of service in the utility's most recent rate case and the cost of service if the tax rate had been 21% rather than 35%; (b) the excess deferred tax reserve caused by the reduction in the corporate tax rate; and (c) any other tax effects experienced by the utility resulting from the TCJA.

6. On March 13, 2018, the Consumer Advocate filed its Petition to Intervene in TPUC Docket No. 18-00001. To date, no hearing officer has been assigned to this Docket nor has any action been taken on the Consumer Advocate's Petition to Intervene.

7. On March 29, 2018, CGC filed its report in response to the Commission's Order in TPUC Docket No. 18-00001. In response to its filing, the Commission opened the present Docket separate from the original docket, TPUC Docket No. 18-00001, and separate from the other utilities previously named in the Commission's Order.³

¹ This Docket was first set on the TPUC Conference Agenda on January 16, 2018. During this January Conference, TPUC voted to open an investigation into the impacts of the recent federal tax reform and directed action by both utilities and TPUC staff. Transcript, pp. 8-12.

² *Order Opening an Investigation and Requiring Deferred Accounting Treatment*, TPUC Docket No. 18-00001, pp. 5-6.

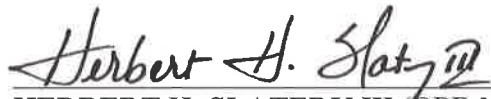
³ E-mail from Kelly Cashman-Grams, General Counsel, Tenn. Public Utility Comm. to Roberta Davis, Paralegal, Hunter, Smith & Davis, LLP (March 29, 2018, 1:41PM CT). In this e-mail, Ms. Cashman-Grams advised that compliance filings in response to TPUC Docket No. 18-00001 of each utility should be made in a separate docket from TPUC Docket No. 18-00001.


8. The interests of consumers, including without limitation the new rates that will be set and the refunds owed to consumers as a result of the TCJA, may be affected by determinations and orders made by the Commission with respect to (a) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-105 and other relevant statutory and regulatory provisions and (b) the review and analysis of the documentation, financial spreadsheets, and materials provided by each utility.

9. Only by participating as a party to this Docket can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

Wherefore, the Consumer Advocate requests the Commission to grant this Petition to Intervene.

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 24 day of April, 2018.



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