

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

January 23, 2019

IN RE:

**DOCKET TO INVESTIGATE AND
CONSIDER MODIFICATIONS TO ATMOS
ENERGY CORPORATION'S ANNUAL
RATE REVIEW MECHANISM UNDER
TENN. CODE ANN. 65-5-103(6)**

**Docket No.
18-00112**

**CHATTANOOGA GAS COMPANY
PETITION TO INTERVENE**

Chattanooga Gas Company ("CGC"), pursuant to Rule 1220-02-.08, of the rules of the Tennessee Public Utility Commission ("TPUC" or "Commission") and T.C.A. § 65-5-103, respectfully petitions the Tennessee Public Utility Commission ("TPUC" or "Commission") to grant CGC's intervention into this docket as a party of record because its legal rights, duties, privileges, immunities, or other legal interests may be determined or affected by the Commission's determinations or orders in this docket regarding requirements for or modifications to the Atmos Energy Corporation ("Atmos") annual rate review mechanism notwithstanding the fact that the scope of this docket purports to only address the annual rate review mechanism for Atmos. In support of this Petition and intervention, CGC states as follows:

1. CGC is incorporated under the laws of the State of Tennessee and is engaged in the business of transporting, distributing, and selling natural gas in the greater Chattanooga and Cleveland, Tennessee areas within Hamilton and Bradley Counties. CGC is a public utility pursuant to the laws of the State of Tennessee, and its public utility operations, including its rates, terms, and conditions of service, are subject to the jurisdiction of this Commission. For record

purposes, CGC's principal office and place of business is located at 2207 Olan Mills Drive, Chattanooga, Tennessee 37421.

2. The annual rate review mechanism is an alternative form of regulation authorized for public utilities by the Tennessee General Assembly pursuant to the alternative regulatory methods statute codified at Tennessee Code Annotated Section 65-5-103(d)(6)(a).

3. This docket was initiated by order of the Commission issued on December 4, 2018, in Docket No. 18-00067. *See* Order Approving 2018 Annual Rate Review Filing, Docket No. 18-00067, *In re: Petition of Atmos Energy Corporation For Approval of its 2018 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)* (hereinafter, "Atmos 2018 ARR Order"). In this Order, the Commission acknowledged that "both parties state a willingness to explore options for replacing the current two-step budget and reconciliation process and replacing it with a more efficient and transparent one-step annual review process." Atmos 2018 ARR Order, at 9. Based upon this finding, the Commission directed, "A new docket shall be opened to examine and consider a one-step approach for Atmos Energy Corporation's annual rate review mechanism and other changes and/or modifications necessary to implement a more streamlined and transparent annual rate review mechanism." *Id.*, at 10, ordering paragraph 2.

4. While this docket may be formally focused on specific changes to the Atmos annual rate review process, any modifications to the Atmos annual review mechanism may have significant and far reaching ramifications for any other natural gas utility with an annual rate review mechanism. This is true because the Commission does not currently have any procedural or substantive rules regarding the overall implementation of the alternative regulatory methods statute or specifically regarding an annual rate review mechanism. Further, at this time, Atmos is the only natural gas utility with an annual rate review mechanism, so its mechanism may be

considered precedential for any other natural gas utility. As the Consumer Advocate witness, Mr. David Dittmore, acknowledged in his formal written presentation to the Commission at the October 15, 2017, Commission Conference when considering Atmos's 2018 annual rate review filing, "A one-step process should be the model for other annual ARM filing that TPUC jurisdictional utilities may pursue." Docket No. 18-00067, The Consumer Advocate's Response to Questions Posed in Procedural Order for Docket No. 18-00067, Slide 6, third bullet point (Consumer Advocate handout from October 15, 2018, Commission Conference, referenced at Conference Hearing Transcript, at page 37).

5. With respect to CGC's interests in this matter, as CGC indicated in its recent rate case pleadings in Docket No. 18-00017, CGC shall be filing for approval with the Commission its own annual rate review mechanism this year, and likely in the next 60 days. In previous discussions with the Consumer Advocate and Protection Division ("Consumer Advocate") regarding a CGC annual rate review mechanism, the Consumer Advocate has offered to CGC the Atmos annual rate review mechanism as a model for the development of a CGC annual rate review mechanism. Thus, any modifications to the Atmos annual rate review mechanism, even if limited to only a one-step process versus Atmos' current two-step process, will reasonably and likely have a significant impact on CGC and any annual rate review mechanism CGC may propose and, more importantly, any annual rate review mechanism that gets approved. Through intervention, CGC will be able to protect its substantial and material interests for its annual rate review mechanism as the Commission investigates any modifications or changes to the Atmos mechanism.

6. CGC is seeking intervention in this Docket not to impede Atmos or the Commission in their pursuit of appropriate modifications to the Atmos annual rate review mechanism. Rather, CGC seeks intervention in order to obtain first-hand knowledge and experience as to the particular

details and considerations going into any modified Atmos annual rate review mechanism. Through CGC's participation and input of concerns or suggestions, CGC believes that the resulting modified Atmos annual rate review mechanism will not only work better for Atmos but also provide a more useful model for CGC's annual rate review mechanism. This collaborative effort will ultimately be more efficient and valuable for the Commission, Consumer Advocate, and CGC as CGC pursues establishment of its own annual rate review process. Only by participating as a party of record in this proceeding will CGC be able to adequately protect its legal rights, duties, privileges, immunities, and other legal interests.

7. Upon granting intervention, all correspondence, pleadings, orders, and other communications should be sent to the following on behalf of CGC:

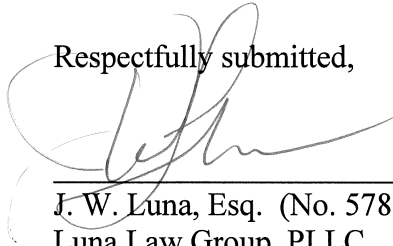
J. W. Luna, Esq
Luna Law Group, PLLC
L&C Tower, 22nd Floor
401 Church Street
Nashville, TN 37219
Telephone: (615) 254-9146
Email: jwluna@LunaLawNashville.com

Floyd R. Self, Esq.
Berger Singerman, LLP
313 North Monroe Street, Suite 301
Tallahassee, FL 32301
Telephone: (850) 521-6727
Email: fself@bergersingerman.com

8. CGC has advised the Consumer Advocate and Atmos regarding CGC's intervention, but neither party has taken a formal position as of this filing.

WHEREFORE, Chattanooga Gas Company respectfully requests that the Hearing Officer grant this Petition of Chattanooga Gas Company to intervene in this docket.

Respectfully submitted,



J. W. Luna, Esq. (No. 5780)
Luna Law Group, PLLC
L&C Tower, 22nd Floor
401 Church Street
Nashville, TN 37219
Telephone: (615) 254-9146
jwluna@LunaLawNashville.com

AND

Floyd R. Self, Esq. (Fla. Bar # 608025)
Berger Singerman LLP
313 North Monroe Street, Suite 301
Tallahassee, Florida 32301
Telephone: (850) 521-6727
Email: fself@bergersingerman.com

Attorneys for Chattanooga Gas Company

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing has been forwarded via electronic mail and U.S. Mail on this the 25th day of January, 2019, to the following:

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

Ryan McGehee, Esq.
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
Ryan.McGehee@tn.gov

Karen H. Stachowski, Esq.
Office of the Tennessee Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Karen.Stachowski@ag.tn.gov

Scott Ross, Esq.
Neal & Harwell, PLC
1201 Demonbreum Street, Suite 1000
Nashville, TN 37203
sross@nealharwell.com

