

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

<b>IN RE:</b>	)	
	)	
<b>CHATTANOOGA GAS COMPANY</b>	)	
<b>PETITION TO OPT INTO AN</b>	)	<b>DOCKET NO. 19-00047</b>
<b>ANNUAL REVIEW OF RATES</b>	)	
<b>MECHANISM PURSUANT TO</b>	)	
<b>TENN. CODE ANN. § 65-5-103(d)(6)</b>	)	

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**FIRST DISCOVERY REQUEST OF THE COMMISSION PARTY STAFF TO  
CHATTANOOGA GAS COMPANY**

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Pursuant to the procedural schedule in this docket, the Designated Party Staff of the Tennessee Public Utility Commission ("Party Staff") submits the following discovery requests to Chattanooga Gas Company ("CGC" or "Company").

**INSTRUCTIONS**

1. If you object to a question on the basis of privilege or any other objection provided for under Tennessee law, state in detail the facts on which you base your objection.
2. These interrogatories shall be deemed to be continuing and to require supplemental answers to the extent required by the Tennessee Rules of Civil Procedure and the rules of the Tennessee Public Utility Commission.
3. The terms employed in these discovery requests should be viewed in the context of their use in the Company's filings in the present docket, and their use in the rate-making and regulated public utility accounting arena.
4. Identify the responding expert witness and/or Company personnel or agents that substantively responded to each individual discovery request.

## **DISCOVERY REQUESTS**

1. Please refer to Exhibits GAT-1 and ARH-1. Provide an illustrative example using recent historical financial information that demonstrates the computations and schedules comprising the Annual ARM Filings for two Historic Base Periods. Please provide all computations and schedules in Excel format with working formulas.

**RESPONSE:**

**Responding Witness:**

2. Please provide and describe the accounting journal entries necessary to accrue and amortize the ARM Regulatory Asset or Regulatory Liability account for two consecutive Historic Base Periods.

**RESPONSE:**

**Responding Witness:**

3. Please explain the reasons for computing the “rate reset” in each Annual ARM Filing as opposed to using the baseline for revenues, operating expenses and rate base established in the Company’s most recent rate case.

**RESPONSE:**

**Responding Witness:**

4. Would it be appropriate to utilize the baseline for revenues, operating expenses and rate base established in the Company's most recent rate case to determine the earnings sufficiency or deficiency necessary to adjust the Company's earned return on equity for a historic review period to its authorized return on equity? If not, please explain why it would not be appropriate to do so.

**RESPONSE:**

**Responding Witness:**

5. Other than the adjustments described in the pre-filed direct testimony of the Company's witnesses, please describe any other normalization adjustments that may be included in the computation of the "rate reset."

**RESPONSE:**

**Responding Witness:**

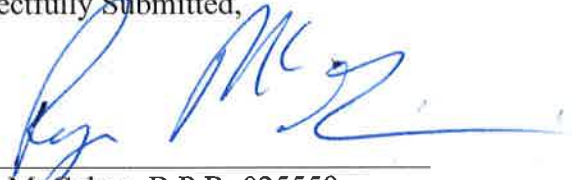
6. Please explain how the computation of the "rate reset" in each Annual ARM Filing comports with (a) T.C.A. § 65-5-103(d)(6)(C)'s language stating "the commission shall review the annual filing . . . and order the public utility to make adjustments to its tariff rates to provide that the public utility earns the authorized return on equity established in

the public utility's most recent general rate case": and (b) efforts by the Commission to "refine and streamline" the annual rate review process as stated on page 10 of the Commission's *Order Approving 2018 Annual Rate Review Filing* in Docket No. 18-00067 issued on December 4, 2018.

**RESPONSE:**

**Responding Witness:**

Respectfully Submitted,



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## CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing document has been served by electronic mail, postage pre-paid U.S. first-class mail, and/or delivering a copy by hand, upon the following person(s):

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Dated: April 30, 2019.