

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

March 21, 2020

IN RE:

**CHATTANOOGA GAS COMPANY ANNUAL
INCENTIVE PLAN FILING FOR THE TWELVE
MONTHS ENDED JUNE 30, 2019**

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**DOCKET NO.
19-00078**

**ORDER ADOPTING COMPLIANCE AUDIT REPORT OF
TENNESSEE PUBLIC UTILITY COMMISSION'S UTILITIES DIVISION**

This matter came before Chair Robin L. Morrison, Commissioner Herbert H. Hilliard and Commissioner John Hie of the Tennessee Public Utility Commission ("TPUC" or "Commission"), the voting panel assigned to this docket, during a regularly scheduled Commission Conference held on February 18, 2020 for consideration of the report of the Commission's Utilities Division Audit Staff ("Staff") resulting from the Staff's audit of Chattanooga Gas Company's ("CGC" or the "Company") Incentive Plan Account Filing (the "IPA Filing") for the year ended June 30, 2019. The Compliance Audit Report ("IPA Report"), attached hereto as Exhibit 1 and incorporated into this document as if fully rewritten herein, contains the conclusions and recommendations of the Staff.

On August 30, 2019, CGC submitted its annual report of the shared gas cost savings in its Incentive Plan for the twelve months ended June 30, 2019.¹ On January 22, 2020 Staff filed the IPA Report for CGC for the year ended June 30, 2019.² There were no material errors in

¹ *ACA Account Filing* (August 30, 2019).

² The original deadline for the completion and approval of the IPA Audit was February 15, 2020. Audit Staff by rule has 180 days to complete its audit. The audit deadline, however, may be extended by mutual agreement between Staff and the Company or by action of the Commission. See Commission PGA Rule 1220-04-07-.03(2). Since the next scheduled Commission Conference was March 9, 2020, the Staff requested an extension of the audit deadline. As evidenced by the Staff memo filed in this docket on January 22, 2020. Staff and CGC mutually agreed to extend the deadline to March 16, 2020.

the findings. Staff concluded the Company is correctly applying its incentive plan tariff, that the Company's invoiced gas costs for the twelve months ended June 30, 2019 were accurate and in compliance with its tariff, and recommends CGC be released from the prudence audit requirements of the Purchase Gas Adjustment Rule (PGA).

During the regularly scheduled Commission Conference held on February 18, 2020, the panel considered the IPA Report and found that the audit objective was met and that Audit Staff found no material errors. Further, the panel found that the Company is correctly applying its incentive plan tariff and that the Company's invoiced gas costs for the twelve months ended June 30, 2019 meets the criteria set forth in its tariff. As such, CGC may be released from the prudence audit requirements of the Purchase Gas Adjustment Rules. Thereafter, the panel voted unanimously to approve the January 22, 2020 Staff Compliance Report, as filed.

IT IS THEREFORE ORDERED THAT:

The Compliance Audit Report of Chattanooga Gas Company's Annual Incentive Plan Account Filing for the twelve (12) months ended June 30, 2019, a copy of which is attached to this Order as Exhibit 1, is approved and adopted, and it is incorporated in this Order as if fully rewritten herein.

Chair Robin L. Morrison, Commissioner Herbert H. Hilliard, and Commissioner John Hie concur.

ATTEST:



Earl R. Taylor, Executive Director