

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:)	
)	
CHATTANOOGA GAS COMPANY)	
PETITION FOR APPROVAL OF ITS)	DOCKET NO. 20-00049
2019 ANNUAL RATE REVIEW)	
FILING PURSUANT TO)	
TENN. CODE ANN. § 65-5-103(d)(6))	

CONSUMER ADVOCATE'S PETITION TO INTERVENE

Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate Unit in the Financial 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 ("Commission" or "TPUC") to grant the Consumer Advocate's intervention into this proceeding because consumers' interests, rights, duties, or privileges may be determined or affected by the *Chattanooga Gas Company Petition for Approval of its 2019 Annual Rate Review Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)* filed by Chattanooga Gas Company ("CGC" or "Company"). 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 proceedings before the Commission in accordance with the Uniform Administrative Procedures Act and Commission rules.

2. CGC is a public utility regulated by the Commission and provides natural gas service to residential, commercial, and industrial customers in Tennessee. CGC's principal

office and place of business is located at 2207 Olan Mills Drive, Chattanooga, Tennessee 37421.

3. On April 15, 2019, CGC filed a *Petition* seeking to opt into the annual rate review (“ARRM”) procedure established under Tenn. Code Ann. § 65-5-103(d)(6).¹ In the *Petition*, CGC requested TPUC approval of an ARRM based on the Company meeting two statutory preconditions: (1) CGC’s engagement in a general rate case within the last five years; and (2) CGC’s filing for an ARRM based on the methodologies it alleged were adopted in its most recent rate case.

4. The Consumer Advocate intervened in that Docket along with the Chattanooga Regional Manufacturers Association and TPUC Party Staff. The Docket resulted in a *Stipulation and Settlement Agreement*, whereby CGC’s ARRM was approved with certain modifications and requirements. The Commission approved the parties’ *Stipulation and Settlement Agreement* and issued a final order on October 7, 2019.

5. On April 8, 2020, CGC filed a request with the Commission seeking to open an ARRM docket but extend the deadline for filing its *Petition* from April 20, 2020, as required by the *Stipulation and Settlement Agreement* in Docket No. 19-00047, to May 29, 2020. The Consumer Advocate did not oppose this request, which TPUC subsequently granted.

6. On May 29, 2020, CGC filed its *Petition* in this Docket. The *Petition* requests that TPUC approve its ARRM filing for 2019. Among other items, CGC requests recovery through rates of a revenue deficiency of approximately \$5.2 million.² This results in an approximately 7.25% increase to a consumer’s annual bill.³

¹ See TPUC Docket No. 19-00047.

² *Chattanooga Gas Company Petition for Approval of its 2019 Annual Rate Review Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)*, p. 5 (May 29, 2020).

³ *Id.*

7. In order to provide a one-time offset to a substantial rate increase, CGC also requests to expedite the return of Excess Accumulated Deferred Income Taxes⁴ from three years as ordered by TPUC in Docket No. 18-00035 to one year.⁵ If not for this modified tax treatment, the increase to rates would amount to approximately 23% in this first annual filing. In other words, CGC's rate increase in the first year of its ARRM will result in a significantly higher rate increase than the Commission awarded the company in Docket No. 18-00017, its last general rate case.⁶

8. CGC has stated that it does not object to the Consumer Advocate's intervention in this proceeding.⁷

9. In this matter, the Consumer Advocate seeks to represent the interests of consumers served by CGC. The interests of consumers, including without limitation the proposed increase in rates to be paid by CGC's consumers, may be affected by determinations and orders made by the Commission with respect to (i) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103(d)(6) and other relevant statutory and regulatory provisions and (ii) the review and analysis of the Supporting Schedules and other documentation, financial spreadsheets, and materials provided by CGC.

10. Only by participating in this proceeding can the Consumer Advocate carry out its statutory duty to represent the interests of consumers.

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⁴ Id. at 4-5.

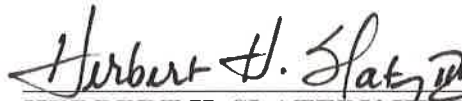
⁵ See *Final Order*, TPUC Docket No. 18-00035 (May 20, 2020).

⁶ The Commission determined in the general rate case that CGC had a revenue deficiency of \$1,390,347. *Amended Order*, TPUC Docket No. 18-00017, p. 88 (January 15, 2019).

⁷ CGC *Cover Letter*, TPUC Docket No. 20-00049, p. 2 (May 20, 2020).

WHEREFORE, the Consumer Advocate respectfully requests that the Commission grant
this *Petition to Intervene*.

RESPECTFULLY SUBMITTED,



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In Re: TPUC Docket No. 20-00049
Consumer Advocate's Petition to Intervene

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 17th day of June, 2020.



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