

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

IN RE:)	
)	
DOCKET TO EVALUATE CHATTANOOGA GAS COMPANY'S PURCHASES AND RELATED SHARING INCENTIVES))))	Docket No. 20-00139

MOTION TO SET HEARING

The Consumer Advocate Unit in the Financial Division of the Office of the Attorney General ("Consumer Advocate"), by and through Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, pursuant to Tenn. Code Ann. § 65-4-118, respectfully moves the Tennessee Public Utility Commission (TPUC or the "Commission") to set a hearing in the above-captioned docket for the reasons that follow:

1. In June of 2020, Exeter Associates, Inc. ("Exeter") prepared a report titled *Review of Chattanooga Gas Company's Performance Based Ratemaking Mechanism Transactions and Activities* ("Exeter report" or "triennial-review report"), in accordance with the TPUC Order in Docket No. 07-00024 dated November 9, 2017 and October 13, 2009. The Exeter report features a section titled Findings of Fact and Areas of Concern, which includes a recommendation that the sharing ratio of Asset Management and Agency Agreement (AMMA) fees be reduced from 50%/50% to 75%/25%, to better reflect industry standards.¹

2. Regarding Exeter's Findings of Fact and Areas of Concern, Chattanooga Gas Company (CGC) stated that it opposes Exeter's finding that the AMMA sharing ratio be reduced

¹ *Chattanooga Gas Company Review of Performance Based Ratemaking Mechanism Transactions and Activities*, pp. 43-46, § 6.1, TPUC Docket No. 07-00224 (June 30, 2020).

but that the Company would “provide a substantive explanation for its objections . . . at a later date.”² To date, CGC has not provided an explanation for its opposition of Exeter’s findings that the Company’s current AMMA profit-sharing ratio is improper, nor has CGC made any adjustments to its AMMA profit-sharing ratio.

3. During the most recent triennial review, the Consumer Advocate evaluated the Exeter report.³ After its evaluation, the Consumer Advocate filed comments addressing various concerns highlighted within the triennial-review report, including the finding that the Company retains excessive profits from the AMMA.⁴

4. On December 23, 2020, the Consumer Advocate requested the Commission open a docket to consider the item above along with other matters related to the Performance Based Ratemaking Mechanism.⁵ The request was granted, and the above-captioned Docket was opened.

5. The Consumer Advocate and CGC have since agreed to limit this Docket to a single issue, and on April 7, 2021, the Hearing Officer so ordered the single issue be considered: ***Should the sharing incentive percentage of Chattanooga Gas Company’s Asset Management and Agency Agreement be modified, and if so, what is the appropriate percentage?***⁶

6. The Consumer Advocate’s position in this Docket is based upon the recommendations contained within the Exeter report. Exeter is an independent consultant, selected jointly by stakeholders to evaluate the Company’s incentive sharing mechanism. Because the

² *Id.*

³ *Review of Performance Based Ratemaking Mechanisms Transactions and Activities*, TPUC Docket No. 07-00224 (June 30, 2020).

⁴ *Consumer Advocate’s Comments Concerning Chattanooga Gas Company’s AMAA Triennial Review*, TPUC Docket No. 07-00224 (July 9, 2020).

⁵ *Petition of The Consumer Advocate Division for The Tennessee Public Utility Commission to Modify Chattanooga Gas Company’s Performance Based Ratemaking Mechanism*, TPUC Docket No. 20-00139 (Dec. 23, 2020).

⁶ *Order Establishing Issue to Be Addressed in Docket and Setting Date for Response*, TPUC Docket No. 20-00139 (April 7, 2021).

Exeter report—the findings of a third party—is primarily under dispute, no additional fact finding should be necessary for the Commission to make a reasoned decision in this Docket.

7. Furthermore, as previously stated, CGC has not provided an explanation of its opposition to the independent consultant recommendations contained within the Exeter report. The basis for a third-party review is to avoid duplicative, partisan arguments in the evaluation of the mechanism. Having the traditional procedural process in this docket—involving discovery and testimony—would be duplicative and an inefficient use of resources.

8. Accordingly, the Consumer Advocate moves for the Commission to set a hearing in the above-captioned Docket, limited to oral arguments on the matter.

WHEREFORE, the Consumer Advocate respectfully requests the Commission to set a hearing on the above-captioned docket.

[Intentionally Blank – Signature Page Follows]

This the 7th day of May, 2021.

RESPECTFULLY SUBMITTED,



RACHEL C. BOWEN (*Pro Hac Vice Pending*)

Practicing Pending Admission

Counsel for the Consumer Advocate Unit

VANCE L. BROEMEL (BPR No. 011421)

Senior Assistant Attorney General

Office of the Tennessee Attorney General

Financial Division, Consumer Advocate Unit

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 741-2357

Fax: (615) 532-2910

Email: rachel.bowen@ag.tn.gov

Email: vance.broemel@ag.tn.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail and electronic mail upon:

Kelly Cashman Grams, Esq.
General Counsel
Tennessee Public Utility Commission
Legal Division
502 Deaderick Street, 4th Floor
Nashville, TN 37243
Email: kelly.grams@tn.gov

J.W. Luna Esq.
Butler Snow LLP
150 3rd Ave. South, Suite 1600
Nashville, TN 37201
Telephone: (615) 651-6749
Email: jw.luna@butlersnow.com

Paul Teague
Director, External Affairs
Chattanooga Gas Company
2207 Olan Mills Drive
Chattanooga, TN 37421
Telephone: (404) 693-5986
Email: pteague@southernco.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

Elizabeth Wade, Esq.
Chief Regulatory Counsel
Southern Gas Company
Ten Peachtree Place, NW
Atlanta, GA 30309
Telephone: (404) 584-3160
Email: ewade@southernco.com

This the 7th day of May, 2021.



RACHEL C. BOWEN

Counsel for the Consumer Advocate Unit