

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

**October 18, 2021**

<b>IN RE:</b>	)	
	)	
<b>DOCKET TO EVALUATE</b>	)	<b>Docket No.</b>
<b>CHATTANOOGA GAS COMPANY’S</b>	)	
<b>PURCHASES AND RELATED</b>	)	<b>20-00139</b>
<b>SHARING INCENTIVE</b>	)	
	)	

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**CHATTANOOGA GAS COMPANY’S FIRST DISCOVERY REQUEST TO THE  
CONSUMER ADVOCATE**

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To: Office of the Tennessee Attorney General  
Consumer Advocate Unit, Financial Division  
c/o Karen H. Stachowski, Esq.  
Rachel C. Bowen, Esq.  
Vance Broemel, Esq.  
P.O. Box 20207  
Nashville, Tennessee 37202-0207

These discovery requests are hereby served upon the Consumer Advocate Unit in the Financial Division of the Tennessee Attorney General’s Office (“Consumer Advocate”) by Chattanooga Gas Company (“CGC” or “Company”) pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11, and the agreed upon procedural schedule of the parties jointly filed with the Tennessee Public Utility Commission (“TPUC”) in this docket on September 22, 2021. CGC requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure and the orders and rules of the TPUC. The Consumer Advocate’s responses are to be produced at the offices of Butler Snow LLP, 150 3rd Avenue South, Suite 1600, Nashville, TN 37201 as agreed upon by the parties on or before November 1, 2021 at 2:00 p.m. Central, unless the TPUC orders a different date. Pursuant

to the Commission's requirements, emailed copies of responses also should be provided to Mr. Luna and Mr. Self.

## **PRELIMINARY MATTERS AND DEFINITIONS**

Each discovery request calls for all knowledge, information, and material available to the CONSUMER ADVOCATE, as a party, whether it be the CONSUMER ADVOCATE, in particular, or knowledge, information, or material possessed or available to the CONSUMER ADVOCATE through its employees, representatives, agents, experts, or consultants.

These discovery requests are to be considered continuing in nature as is required by the Tennessee rules, and are to be supplemented from time to time as information is received by the CONSUMER ADVOCATE or any of its employees, representatives, agents, experts, or consultants which would make a prior response inaccurate, incomplete, or incorrect.

For each discovery request, provide the name of the witness(es) or employee(s) responsible for compiling and providing the information contained in each response.

For purposes of these discovery requests, the term "you" shall mean and include the CONSUMER ADVOCATE and all employees, agents, experts, consultants, and representatives thereof.

As used herein, the term "document" shall have the broadest possible meaning under applicable law. "Document" as used herein means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, electronic, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, work paper, spreadsheet, email note, photograph, tape recording, computer disk or record, or other data compilation in any form without

limitation. You shall produce the original and each copy, regardless of origin or location, of any document, including but not limited to any book, pamphlet, periodical, publication, letter, correspondence, note, report, survey, summary, draft, work paper, memorandum (including memoranda, note or report of a meeting or conversation), projection, comparison, evaluation, telephone call records, transcripts, witness statements, minutes or statistical compilation, spreadsheet, photograph, videotape, audio tape, computer disk, other electronic record or tape or printout, e-mail or electronic email files, or any other written, typed, reported, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody or control. If any such document or thing was, but no longer is, in your possession or control, state what disposition was made of it and when.

If you produce documents in response to these discovery requests, produce the original of each document or, in the alternative, produce a copy of each original document and identify the location of the original document. If the original document is itself a copy, that copy should be produced as the original.

If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy), each version shall be treated as a different document and each must be identified and produced.

As used herein, the terms “and” and “or” shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

As used herein, the term “communication” means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal

conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

If you contend that you are entitled to refuse to fully answer any of the discovery requests, state the exact legal basis for each such refusal.

If any of the discovery requests are not answered on the basis of privilege or immunity, include in your response to each such request a written statement evidencing:

- a. A complete explanation of the privilege being asserted;
- b. The nature of the communication, document, or information;
- c. The date of the communication, document, or information;
- d. The identity of the persons present at such communication or who prepared the document or information; and
- e. A brief description of the communication, document, or information sufficient to allow the Authority to rule on a motion to compel.

If, for any reason, you are unable to answer a discovery request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information requested. If you have reason to believe that other sources of more complete and accurate information exist, identify those sources.

“Identify” or “identifying” or “identification” when used herein with respect to any document means to provide a description of the document, including but not limited to the type of document (e.g., letter, memorandum, etc.), the date of the document, the title or label of the

document, the identity of the person(s) who authored the document, was a recipient of the document, or possessed a copy of the document, and the current location of the document. “Identify” or “identifying” or “identification” when used herein with respect to any person or entity means without limitation the name of the person or entity and the current contact information (including but not limited to the daytime telephone number and address).

If any information requested is not furnished as requested, state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure, and the person instructing that the information be excluded.

References to “Exeter” or the “Exeter Report” shall mean Mr. Dittmore’s Exhibit DND-

3.

### **DISCOVERY REQUESTS**

1. Has Mr. Dittmore ever worked for a natural gas utility that had an outside asset manager similar to CGC’s situation? If yes, please provide the basic facts associated with how the arrangement between the utility and the asset manager worked, including any key terms of the asset manager agreement including, specifically, whether there was any type of sharing of revenues/margins that was a part of the arrangement. Include in this discussion whether Mr. Dittmore played any role in the engagement, monitoring, or regulatory oversight of the asset manager or the relationship with the asset manager. Provide copies of any state Commission orders approving, memorializing, extending, modifying, or terminating such asset manager arrangement.

### **RESPONSE:**

2. Did Mr. Dittemore review any of the sharing plans for any of the utilities identified in Section 6.0 of the Exeter Report? If yes, please provide the following information:

- a. Identify each utility and the regulatory authority with oversight of that utility.
- b. Identify for each utility when the sharing incentive started.
- c. Describe the type of sharing mechanism (percentage split or other basis) for the utility.
- d. Discuss the stated basis for the sharing incentive.
- e. Explain why Mr. Dittemore did not include any information for such utilities in his testimony. If Mr. Dittemore did not agree with the sharing percentage methodology used, please explain his concerns, problems, disagreements with such sharing methodology or percentages.
- f. Provide as available, either electronic copies of any documents reflecting such sharing programs that Mr. Dittemore reviewed or links to such documents he reviewed.

**RESPONSE:**

3. Excluding the utilities identified in the Exeter Report, has Mr. Dittemore performed any investigation, study, or other analysis that involves the sharing of revenues, margins, or other financial benefits between a utility and its ratepayers? If yes, please provide the following information:

- a. Identify each utility and the regulatory authority with oversight of that utility.
- b. Identify for each utility when the sharing incentive started.
- c. Describe the type of sharing mechanism (percentage split or other basis) for the utility.

- d. Discuss the stated basis for the sharing incentive.
- e. Explain why Mr. Dittmore did not include any information for such utilities in his testimony. If Mr. Dittmore did not agree with the sharing percentage methodology used, please explain his concerns, problems, disagreements with such sharing methodology or percentages.
- f. Provide as available, either electronic copies of any documents reflecting such sharing programs that Mr. Dittmore reviewed or links to such documents he reviewed.

**RESPONSE:**

4. Is Mr. Dittmore aware of any other natural gas utility in the United States with a 50/50 sharing incentive sharing split for AMA fees, capacity release revenues, and off-system sales margins? If so, please identify such utilities by jurisdiction and explain why information regarding those utilities was not discussed or otherwise included in Mr. Dittmore's testimony.

**RESPONSE:**

5. Does the Consumer Advocate have any evidentiary support or other information to offer in this docket other than the Exeter Report that would report, discuss, or analyze the sharing split for AMA fees, capacity release revenues, and off-system sales margins? If yes, please provide such information.

**RESPONSE:**

6. Is the Consumer Advocate basing its case for changing CGC's sharing percentage solely on the Exeter Report? If not, please identify such other evidence the Consumer Advocate intends to offer in this proceeding to support the proposed 75/25 percentage split.

**RESPONSE:**

7. Does the Consumer Advocate agree with the Exeter Report statement at page 45, "Exeter has observed no material differences in the resource efforts of natural gas utilities to generate AMA fees, capacity release revenues, or off system sales margins under a 25% sharing incentive compared to a 10% sharing incentive nor has Exeter observed a natural gas utility failing to devote sufficient resources to maximize these revenues/margins when provided a sharing incentive." If the Consumer Advocate agrees with this explain, please explain why it believes this is true and provide such other information that supports such a conclusion.

**RESPONSE**

8. How familiar is Mr. Dittmore with the incentive programs of Atmos and Piedmont discussed in Sections 6.1.2 and 6.1.3 of the Exeter Report? To the extent Mr. Dittmore has any familiarity or knowledge with the Atmos and Piedmont incentive mechanisms, please explain how and to what extent the circumstances for Atmos and Piedmont are the same and different from those applicable to CGC.

**RESPONSE:**



9. Identify any information used or relied upon by Mr. Dittmore in support of his conclusion that a cap of \$550,000 would be appropriate for CGC.

**RESPONSE:**

10. Does Mr. Dittmore agree that some kind of incentive sharing mechanism is necessary so that the utility has an incentive sufficient to ensure ratepayer benefits are maximized? In responding to this request, discuss how and why a 75/25 split in the ratepayers' favor provides more of an incentive to the utility than a 50/50 split. Please discuss any other relevant policy or economic matters relevant to Mr. Dittmore's response to this question.

**RESPONSE:**

11. Provide copies of any documents utilized or relied upon by Mr. Dittmore in preparing his testimony or responses to this discovery that have not otherwise been produced or identified in responding to this discovery. In lieu of producing electronic copies, an index of links to documents may be provided for those materially publicly available online in an electronic form.

**RESPONSE:**

Respectfully submitted this 18<sup>th</sup> day of October, 2021.



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*Attorneys for Chattanooga Gas Company*

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and exact copy of the forgoing First Set of Discovery to the Consumer Advocate have been forwarded via electronic mail on this the 18<sup>th</sup> day of October, 2021 to:

Office of the Tennessee Attorney General  
Consumer Advocate Unit, Financial Division  
c/o Karen H. Stachowski, Esq.  
Rachel C. Bowen, Esq.  
Vance Broemel, Esq.  
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Nashville, Tennessee 37202-0207



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J.W. Luna