

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

IN RE:)
)
DOCKET TO COLLECT AND CONSIDER)
INFORMATION RELEVANT TO)
COMMISSION PRACTICE AND) **DOCKET NO. 21-00018**
PROCEDURE FOR RULEMAKING ON)
TENN. R. AND REGS. 1220-01-01, 1220-01-02,)
AND OTHER SECTIONS AS DETERMINED)
RELEVANT)

CONSUMER ADVOCATE'S SECOND SUPPLEMENTAL COMMENTS

The Consumer Advocate Division of the Office of the Tennessee Attorney General (the “Consumer Advocate”), pursuant to Tenn. Code Ann. § 65-2-102(a)(4), respectfully submits its Comments to the Tennessee Public Utility Commission (“TPUC” or the “Commission”) for consideration in this proceeding. In response to the Commission’s February 24, 2025, Notice of Rulemaking Hearing and approval of the Administrative Judge, the Consumer Advocate respectfully submits the following supplemental comments:

BACKGROUND

On February 25, 2021, the Commission held a rulemaking Workshop in this Docket to facilitate discussion concerning the Commissions’ intention to amend and update its practice and procedure rules. The Consumer Advocate and the Chattanooga Gas Company (“CGC”) were the only parties to submit written comments prior to the Workshop. At the conclusion of the Workshop, the attendees were directed to provide a status report to the Commission of the participants’ progress on reaching an agreement on proposed rule amendments by March 19, 2021. Although substantive discussions took place, the participants did not reach an agreement on any

proposed amendments to the rules.

On April 19, 2021, Kingsport Power Company d/b/a AEP Appalachian Power, Tennessee-American Water Company, Piedmont Natural Gas Company, Inc., and CGC filed written comments in this Docket. On April 19, 2021, the Consumer Advocate moved to file supplemental comments in response to these filings, and the motion was granted. On May 3, 2021, the Consumer Advocate filed supplemental comments.

On February 24, 2025, the Commission issued a Notice of Rulemaking Hearing scheduled for Tuesday, April 22, 2025. Since the filing of the Consumer Advocate's supplemental comments, a petition for a rate increase has been filed and assigned TPUC Docket No. 24-00044. In the rate case docket, close to 300 utility customers filed comments with many of the customers complaining about the lack of notice and explanation about the proposed rate increase from its utility. Customers complained not just about the lack of notice,¹ but also about timing² and content³ of the public notice. As a result of the numerous customer complaints, the Consumer

¹ *Written Public Comment of George Gregory*, TPUC Docket No. 24-00044 (February 3, 2025); *Written Public Comments of Elizabeth Pendley*, TPUC, 24-00044 (February 4, 2025); *Written Comments of Keith Inman* (February 5, 2025); *Written Public Comment of Carol McDowell*, TPUC Docket No. 24-00044 (February 7, 2024); *Written Public Comment of Robert M. Reeves*, TPUC Docket No. 24-00044 (February 10, 2025); *Written Public Comment of Tammy and Bubba Williams*, TPUC Docket No. 24-00044 (February 8, 2025); *Written Public Comment of Larry Robertson*, TPUC Docket No. 24-00044 (February 10, 2025); and *Written Public Comment of Elizabeth Pendley*, TPUC Docket No. 24-00044 (February 12, 2025).

² *Written Public Comment of Tammy and Bubba Williams*, TPUC Docket No. 24-00044 (February 10, 2025); *Written Public Comment of Dale Holdaway*, TPUC Docket No. 24-00044 (February 12, 2025); *Written Public Comment of Elizabeth Pendley*, TPUC Docket No. 24-00044 (February 12, 2025); *Written Public Comment of April Moseley*, TPUC Docket No. 24-00044 (February 13, 2025); *Written Public Comment of Rick Locker*, TPUC Docket No. 24-00044 (February 14, 2025); *Written Public Comment of Douglas P. Turner*, TPUC Docket No. 24-00044 (February 14, 2025); *Written Public Comment of Lucia L. Cherry*, TPUC Docket No. 24-00044 (February 18, 2025); *Written Public Comment of Sarah and Joey Williams*, TPUC Docket No. 24-00044 (February 18, 2025); and *Written Public Comment of Autumn Moore*, TPUC Docket No. 24-00044 (February 18, 2025).

³ *Written Public Comment of George Gregory*, TPUC Docket No. 24-00044 (January 1, 2025); *Written Public Comment of Tammy and Bubba Williams*, TPUC Docket No. 24-00044 (February 8, 2025); *Written Public Comment of Bill Williard*, TPUC Docket No. 24-00044 (February 11, 2025); *Written Public Comment of Cynthia B. Childress*, TPUC Docket No. 24-00044 (February 11, 2025); *Written Public Comment of Randall Huling*, TPUC Docket No. 24-00044 (February 12, 2025); *Written Public Comment of Douglas P. Turner*, TPUC Docket No. 24-00044 (February 14, 2025); and *Written Public Comment of Susan Dreezen*, TPUC Docket No. 24-00044 (February 25, 2025).

Advocate requested extra time and the opportunity to provide comments on the issue of public notice. On March 24, 2025, the Commission issued a *Notice Soliciting Public Comments* on Rulemaking. As a result, the Consumer Advocate withdrew its motion as it was now moot.

The Consumer Advocate respectfully submits the following comments about public notice requirements in the Proposed Rules.

CUSTOMER NOTICE

The Consumer Advocate supports changes to the proposed rules about requirements for public utilities to provide more timely and thorough notice when filing revisions of rates or tariff changes and informing customers of potential changes to their bills and how to exercise their right to participate in the regulatory process. The Consumer Advocate also supports the requirements to summarize proposed rate changes and identify the minimum information requirements that must be provided as part of the notice. However, after hearing from utility customers, in an existing rate case,⁴ through both written comments and in-person public comment hearings, the proposed changes do not go far enough to inform customers of pending increases to their utility bills.

The Consumer Advocate starts with the premise that customers deserve to be told of all rate changes. The customer notice requirements, as drafted, limit customer notification to those filings pursuant to Tenn. Code Ann. § 65-5-103(a). From the customer perspective, there is no distinction between a rate increase adopted pursuant to a base rate proceeding filed under Tenn. Code Ann. § 65-5-103(a) and a rate increase adopted in accordance with alternative ratemaking mechanisms (“ARM”) filed under Tenn. Code Ann. § 65-5-103(d). It is the Consumer Advocate’s position that there is no justification for excluding customer notice requirements for rate increases due to ARM proceedings from those increases resulting from base rate proceedings. Accordingly, the Consumer

⁴ *Petition of Limestone Water Utility Operating Company, LLC to Increase Charges, Fees and Rates and for Approval of a General Rate Increase and Consolidated Rates*, TPUC Docket No. 24-00044 (July 16, 2024).

Advocate recommends customer notifications be required for any rate increase requested pursuant to Tenn. Code Ann. § 65-5-103(a) and (d).

The mode of the delivery of a public notice is extremely important especially in light of technological advances and the popularity of social media. The Consumer Advocate agrees with the proposed rule which emphasizes the need for a notice of a rate change to be prominently displayed on a utility's main page of its website. Notices sent to customers using electronic mail ("email") should only address the issue of the filing of a potential rate increase/decrease. Limiting the email notice to just one topic will highlight the issue to customers and prevent customers from missing the alert if other information is part of the email. The Consumer Advocate also recognizes that parts of the customer population still prefer newspapers and paper bills; therefore, maintaining public notices by newspapers is appropriate. However, the utility's direct notices to individual customers, through the U.S. Mail, should be either a separate bill insert or postcard⁵ that prominently announces the utility's petition for a rate change. Direct notices in paper format through the U.S. Mail should not be through the insertion of "fine print" at the end of a utility bill. The Consumer Advocate proposes the following language:

Rule 1220-01-02-.23(5)(a)(ii)

- (ii) Within the next billing cycle or 45 days from the filing date of the rate petition, whichever is sooner, the Company shall use the following modes of notification to alert its customers of proceeding impacting rates, which includes the summary set forth in (a) above:
 - (I) Publish in a newspaper of general circulation distributed in the utility's service area; and
 - (II) Send a bill insert or postcard by first-class mail; and
 - (III) Send notification directly to its customers on the next monthly utility bill the information about the proposed rate change; and

⁵ One utility's communication includes distribution of postcards to encourage customers to communicate any changes in contact details. If a utility is willing to send postcards out to encourage customers to update contact details, the same utility can send out postcards to its customers when it files a petition to change its rates. *Direct Testimony of Brent Thies* at 5:24 – 6:1, TPUC Docket No. 24-00044 (July 16, 2024).

- (IV) Send directly to its customers by electronic mail (“email”). This email shall include only the topic of the potential rate increase/decrease filing.

The Consumer Advocate also proposes the following language:

1220-01-01-.23 PETITION FOR RATES

- (5) The Company filing the rate petition shall, after consultation with the Commission, provide notice to its customers. This notice shall be in such form, and contains such information as prescribed or approved by the Commission or its designee as follows:

CONCLUSION

The Consumer Advocate thanks the Commission for this opportunity to provide comments on the Proposed Rules and respectfully requests that the Commission consider the Consumer Advocate’s Additional Comments to the noticed rule revisions.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via electronic mail. If requested, a hard copy can be mailed by U.S. Mail Post.

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This, the 1st day of April, 2025.

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