

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:

CHATTANOOGA GAS COMPANY'S
PETITION FOR APPROVAL OF ITS 2020
ANNUAL RATE REVIEW FILING
PURSUANT TO
TENN. CODE ANN. § 65-5-103(d)(6)

DOCKET NO. 21-00048

CONSUMER ADVOCATE'S PETITION TO INTERVENE

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 petitions the Tennessee Public Utility Commission (TPUC or the "Commission") 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 2020 Annual Rate Review Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)* ("Petition") filed by Chattanooga Gas Company (CGC or the "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. In 2019, CGC filed a petition seeking to opt into the annual review mechanism (ARM) procedure established under Tenn. Code Ann. § 65-5-103(d)(6).¹ In this 2019 Petition, CGC requested TPUC approval of an ARM based on the Company meeting two statutory preconditions: (1) the Company's engagement in a general rate case within the last five years; and (2) the Company's filing for an ARM based on the methodologies it alleged were adopted in its most recent rate case.

4. The Consumer Advocate and the Chattanooga Regional Manufacturers Association and TPUC Party Staff were separate intervenors in the 2019 docket. The Parties negotiated a *Stipulation and Settlement Agreement*, which the Commission approved.²

5. On April 20, 2021, the Company filed its second annual ARM filing. In its current *Petition*, the Company has calculated its revenue deficiency for the 2020 Historic Base Period amounting to \$11.8 million.³

6. Due to the size of \$11.8 million deficiency, CGC proposes to voluntarily limit the total rate increase for any year over the next four years to a maximum amount of \$6.8 million resulting in a 17% increase in the first year.⁴ Any excess will be carried forward and combined with the over/under recovery of the successive years. Any cumulative net recovery remaining after the four years will be added to the 2025 ARM docket filing.⁵

¹ *Chattanooga Gas Company Petition to Opt into an Annual Review of Rates Mechanism Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)*, TPUC Docket No. 19-00047 (April 15, 2019).

² *Stipulation and Settlement Agreement by and Among the Consumer Advocate Unit of the Attorney General, the Chattanooga Regional Manufacturers Association, and Party Staff*, TPUC Docket No. 19-00047 (July 26, 2019) and *Order Approving Settlement Agreement*, TPUC Docket No. 19-00047 (October 7, 2019).

³ *Petition* at p. 5, ¶10. The \$11.8 million includes "a \$7.7 million 2020 deficiency and a \$3.9 rate reset including associated carrying charges on the deficiency." *Id.*

⁴ *Id.* p. 5, ¶11.

⁵ *Id.* The Company does not project any cumulative net recovery after four years. *Id.* at p. 6, ¶11.

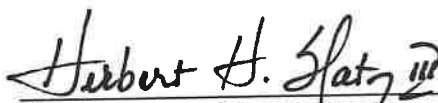
7. In the instant matter, the Consumer Advocate seeks to represent the interests of consumers served by CGC. The interests of consumers, including without limitation the proposed increase in rates to be paid by CGC's consumers, may be affected by determinations and orders made by the Commission with respect to: (1) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103(d)(6) and other relevant statutory and regulatory provisions; and (2) the review and analysis of the Supporting Schedules and other documentation, financial spreadsheets, and materials provided by CGC.

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

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

{Signatures on Following Page}

RESPECTFULLY SUBMITTED,



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In re: Chattanooga Gas Company Petition for Approval of its 2020 Annual Rate Review
TPUC Docket No. 21-00048
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.

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This the 6th day of May, 2021.


KAREN H. STACHOWSKI
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