

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

IN RE:)
)
CHATTANOOGA GAS COMPANY'S)
PETITION FOR APPROVAL OF ITS) **DOCKET NO. 21-00048**
2020 ANNUAL RATE REVIEW)
FILING PURSUANT TO)
TENN. CODE ANN. § 65-5-103(d)(6))

**CONSUMER ADVOCATE'S FIRST DISCOVERY REQUEST
TO CHATTANOOGA GAS COMPANY**

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This First Discovery Request is hereby served upon 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. The Consumer Advocate Unit in the Financial Division of the Office of the Attorney General ("Consumer Advocate") requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Financial Division,

Consumer Advocate Unit, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Karen H. Stachowski on or before Tuesday, May 20, 2021, at 2:00 p.m. CST.

PRELIMINARY MATTERS AND DEFINITIONS

1. **Continuing Request.** These discovery requests are to be considered continuing in nature and are to be supplemented from time to time as information is received by the Company and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.

2. **Clear References.** To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.

3. **Format of Responses.** Provide all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to audit and analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.

4. **Objections.** If any objections to this discovery are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document, and state the

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

5. **Singular/Plural.** The singular shall include the plural, and vice-versa, where appropriate.

6. **Definitions.** As used in this Request:

(a) “You,” “Your,” “Company,” “Chattanooga Gas,” or “CGC” shall mean Chattanooga Gas Company and all employees, agents, attorneys, representatives, or any other person acting or purporting to act on its behalf.

(b) “Affiliate” shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater clarification, “control” is the ownership of 20% or more of the shares of stock entitled to vote for the election of directors in the case of a corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term “Affiliate” shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an “Affiliate”.

(c) “Communication” shall mean any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings, and personal conversations, or otherwise.

(d) “Document” shall have the broadest possible meaning under applicable law. “Document” shall mean any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report,

electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made?

(e) “Person” shall mean any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.

(f) “Identify” with respect to:

- i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person’s relationship, whether business, commercial, professional, or personal with you;
- ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and current or last known business address of such person or entity (if no business address is available provide any address known to you);
- iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and
- iv. Any oral communication, means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.

(g) “And” and “or” shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.

- i. “Including” shall be construed to mean including but not limited to.

FIRST DISCOVERY REQUESTS

- 1-1.** Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 2A1” related to Allocated Plant, Accumulated Depreciation, and Deferred Income Taxes that was included with the Company’s filing and provide the following information:
- a. Source & Support/Hard-coded data. Identify and provide the source and support for the hard-coded data included on this spreadsheet;
 - b. Define/Identify. Fully identify and define the data related to the Row 29, “Topside/SUD – Manual Entry” of this spreadsheet; and
 - c. Define/Identify. Fully identify and define the data related to the Row 82, “ADIT Adjustments – Pension & OPEB” of this spreadsheet.

RESPONSE:

- 1-2.** Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 5” related to the Base Period Income Statement that was included with the Company’s filing and provide the following information:
- a. Rationale/Explanation. Explain the Company’s rationalization regarding the base period ARM Reconciliation Balance calculation of \$990,551 shown in Cell J26 of this spreadsheet including the source data on Tab “Schedule 2A1.”

RESPONSE:

- 1-3.** Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 9” related to the Excise and Income Taxes that was included with the Company’s filing and provide the following information:
- a. Source & Support/Hard-coded data. Provide the source and support for the \$23,000 amount for Permanent Differences shown in Cell I26 as a hard-coded number;
 - b. Source & Support/Hard-coded data. Provide the source and support for the \$-18,081 amount for Deferred Tax Liability Amortization shown in Cell I33 as a hard-coded number;
 - c. Source & Support/Hard-coded data. Provide the source and support for the Deferred Federal Income Tax Amortizations in the Base Period as shown in Cells I46 to I50

which appear as hard-coded numbers. In addition, explain the Company's logic for the formulas in these cells; and

- d. Source & Support. Provide the source and support for the \$500,995 amount for the normalization adjustment for the Excess Deferred Tax Liability Amortization as shown in Cell L46.

RESPONSE:

1-4. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Schedule 14" related to Depreciation and Amortization that was included with the Company's filing and provide the following information:

- a. Source & Support/Hard-coded data. Identify and provide the source and support for the account balances in Column F which appear as hard-coded numbers. Specifically, we note that the asset balance amounts should tie to Tab "Schedule 14.1"; however, many of the accounts on that schedule are grouped making a direct comparison impossible;
- b. Source & Support/Hard-coded data. Provide the source and support for the depreciation and amortization rates included in Column J which appear as hard-coded numbers;
- c. Rationale/Explanation. Explain the Company's rationale for using the asset balance (Column F) at December 31, 2020 to calculate depreciation and amortization expense instead of the asset balance at the midpoint of 2020; and
- d. Source & Support/Hard-coded data. Provide the source and support for the Rate Case Adjustment of \$-172,488 in Cell K64 which appears as a hard-coded number.

RESPONSE:

1-5. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab "Schedule 14.1" related to Monthly Summaries of Plant in Service that was included with the Company's filing and provide the following information:

- a. Corrected/Updated Information. Provide an updated schedule that provides this same information but does not group the data for accounts (e.g., 391, 392);
- b. Source & Support/Hard-coded data. Explain the Utility Plant in Service Adjustments that are included on Row 54 of this spreadsheet that appear as hard-coded numbers;

- c. Corrected/Updated Information. There appears to be an error in the 13-month average calculation of Account 367. The average is including a null amount (instead of \$0) for December 2019; and
- d. Source & Support/Hard-coded data. Provide the source and support for the December 2019 amounts (Column Q) of this spreadsheet which appear as hard-coded numbers. Also note that these amounts do not precisely match up against the calculated amounts (previously monthly balance + monthly additions – monthly retirements – adjustments).

RESPONSE:

1-6. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 14.2” related to Monthly Summaries of Accumulated Depreciation that was included with the Company’s filing and provide the following information:

- a. Reconciliation. Reconcile the balances for Accumulated Depreciation Utility – Adjustment on this Schedule with the amounts shown on Tab “Schedule 2A1”; and
- b. Corrected/Updated Information. Provide an updated schedule that provides this same information but does not group the data for accounts (e.g., 391, 392).

RESPONSE:

1-7. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 14.3” related to Depreciation of Active Service Lines that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Provide a copy of the referenced DOT Report showing 80,757 service lines for Chattanooga Gas Company as shown in Cell H8 as a hard-coded number; and
- b. Source & Support/Hard-coded data. Provide the source and support for the 1,751 service lines with inactive meters as shown in Cell H19 as a hard-coded number.

RESPONSE:

1-8. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 15” related to Historic Base Revenues that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Identify and provide the source and support for all billing determinants and revenue amounts that included as hard-coded numbers on this spreadsheet; and
- b. Source & Support. Identify and provide the source and support for the Miscellaneous Base Revenue shown on Row 248 of this spreadsheet that references another supporting spreadsheet.

RESPONSE:

1-9. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 15.1” related to Annualized Revenues that was included with the Company’s filing and provide the following information:

- a. Reconciliation. Reconcile the Summer Rates for Rate Schedule C-1. Specifically, October 2020 shows a rate of \$0.18581/therm, but the annualized rate for May 2020 shows \$0.16605/therm;
- b. Reconciliation. Reconcile the Customer Charge Rates for Rate Schedule C-1 A/C and Rate Schedule C-2 A/C between Tabs “Schedule 15” and “Rate Schedule 15.1”;
- c. Reconciliation. Reconcile the minimum usage during the Summer months for C-1 A/C customers with regular C-1 customers. It doesn’t appear that the C-1 A/C customers are using gas for air conditioning;
- d. Reconciliation. Reconcile the total volumes for C-2 customers in Row 126 with the volumes by rate block for these same customers in Rows 467 to Rows 470;
- e. Reconciliation. Reconcile the July 2020 total volumes for Rate Schedule F-1/T-2 of 200,992 Dth in Cell J246 with the sum of the volumes by rate block (185,686 Dth) in Cells J268 to J271;
- f. Corrected/Updated Information. Refer to Row 393 relating to total current revenues for Rate Schedule T-1. It appears that the Company has used a hard-coded amount for each month of 2020 (\$83,663) instead of calculating the correct amount. Provide an updated calculation;
- g. Source & Support. Provide the billing determinants and current rates for the Company’s Special Contract customer;
- h. Corrected/Updated Information. Refer to Cell P429 relating to the uncollectible expense adjustment (\$115) resulting from the annualization of revenues. It appears that the Company has calculated the uncollectible expense adjustment based on the projected change in forfeited discounts instead of the revenue annualization. Provide an updated calculation; and

- i. Corrected/Updated Information. Refer to Cells D433 to P439 relating to Other Revenue. It appears that the Company has included 2019 data here instead of 2020 amounts. Provide an updated calculation.

RESPONSE:

1-10. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 16.1A” related to Weather Normalized Usage and Revenues that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Identify and provide the source and support for the “Post Test Year Billing Determinants” included in Columns C, D and E that are presented as hard-coded numbers;
- b. Rationale/Explanation. Explain the Company’s rationale for not segregating Winter and Summer therm volumes for Residential R-1 customers in Cells C20 to D20 in the same manner that the Company has carried out for other rate schedules on this spreadsheet;
- c. Rationale/Explanation. The purpose of this schedule appears to be for calculating a weather normalized usage per customer in order to make a related revenue adjustment. However, the Company has already included its WNA revenue in the base period which would appear to negate the need to make a separate weather adjustment within the ARM filing. For example, on Schedule 15, Cell P19, the Company includes \$\$722,031 in WNA revenue. Therefore, explain the Company’s rationale for calculating a separate weather normalization adjustment within the ARM filing; and
- d. Rationale/Explanation. For Rate Schedule C-2, the Company appears to have calculated the weather normalized usage (in Columns W and X) using the assumption that all C-2 customers use gas in all rate blocks. Explain the Company’s rationale for this assumption and provide evidence supporting this conclusion.

RESPONSE:

1-11. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 16.3” related to Weather Normalized Revenue Adjustments that was included with the Company’s filing and provide the following information:

- a. Rationale/Explanation. In Cell E12, the Company makes a \$-383,444 (a negative adjustment) weather normalization adjustment to Rate Schedule R-1. In Cell E29, the Company makes a \$378,893 (a positive adjustment) weather normalization adjustment to Rate Schedule C-2. Explain the Company’s rationale for making both positive and

negative adjustments for two different rate schedules in order to calculate the same differential from normal weather during 2020.

RESPONSE:

1-12. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 16.4” related to the number of customers, volumes and base revenue that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Provide the source and support for the monthly billing determinants on this Schedule that appear as hard-coded numbers; and
- b. Reconciliation. Reconcile the billing determinants on this Schedule with those included on Tab “Schedule 15”. For example, Schedule 16.4 shows Residential R-1 volumes to be 535,307 (Dth) for January 2020 in Cell H16. However, Schedule 15 shows Residential R-1 volumes to be 6,185,182 (Therms) for January 2020 in Cell D11. Reconcile all differences between these two schedules along with all supporting documentation.

RESPONSE:

1-13. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 19” related to the Income Statement that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Identify and provide the source and support for the hard-coded data included on this spreadsheet.

RESPONSE:

1-14. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 19.1” related to the Income Statement-FERC that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Identify and provide the source and support for the hard-coded data included on this spreadsheet.

RESPONSE:

1-15. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 20” related to the AGL Services Income Statement that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Identify and provide the source and support for the hard-coded data included on this spreadsheet.

RESPONSE:

1-16. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 20.1” related to the AGL Services Income Statement that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Identify and provide the source and support for the hard-coded data included on this spreadsheet; and
- b. Comparison. Provide a comparison of the data on this Schedule with the FERC income statement in a format similar to Tab “Schedule 19.1a”.

RESPONSE:

1-17. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 22” related to the Capital Expenditures by Category that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Identify and provide the source and support for the hard-coded data included on this spreadsheet;
- b. Define/Identify. Identify the specific plant accounts associated with each category listed on this Schedule; and
- c. Reconciliation. Reconcile the monthly amounts included on this Schedule with the plant additions included on Tab “Schedule 14.1”.

RESPONSE:

1-18. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 23.1” related to the Allocated Cost Adjustment that was included with the Company’s filing and provide the following information:

- a. Define/Identify. Refer to Row 19 of this spreadsheet that calculates the monthly AGSC allocation rate to Chattanooga Gas based on costs that were actually allocated to AGSC’s total costs. Identify the actual monthly allocation factors charged to each affiliate of AGSC during 2020; and
- b. Source & Support. Refer to Row 19 of this spreadsheet that calculates the monthly AGSC allocation rate to Chattanooga Gas based on costs that were actually allocated to AGSC’s total costs. Provide the source and support for the data used to make the monthly allocation factor calculation for each month of 2020 for each affiliate of AGSC.

RESPONSE:

1-19. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 24.2 related to Department 1637 Government Affairs that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Identify and provide the source and support for the hard-coded data included on this spreadsheet.

RESPONSE:

1-20. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Schedule 24.3 related to the Lobbying Portion of Organization Dues that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Provide the source and support for the amounts included in Column E of this spreadsheet which appear as hard-coded data; and
- b. Source & Support/Hard-coded data. Provide the source and support for the Lobbying Percentages included in Column H of this spreadsheet which appear as hard-coded data.

RESPONSE:

1-21. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 27” related to Incentive Compensation and Other Payroll Workpaper that was included with the Company’s filing and provide the following information:

- a. Source & Support. Provide the source and support for the 171% factor embedded within the “Adjustment to 100%” formula for Chattanooga Gas Company on Row 16 of this spreadsheet;
- b. Source & Support. Provide the source and support for the 170% factor embedded within the “Adjustment to 100%” formula for Allocated Expense-AGSC on Row 45 of this spreadsheet;
- c. Source & Support. Provide the source and support for the 176% factor embedded within the “Adjustment to 100%” formula for Allocated Expense-SCS on Row 72 of this spreadsheet; and
- d. Source & Support. Provide the source and support for the 50% factor embedded within the “AIP” formulas on Rows 20, 49 and 76 of this spreadsheet.

RESPONSE:

1-22. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 28” spreadsheet related to Normalization Adjustments Other Than Weather Workpaper that was included with the Company’s filing and provide the following information:

- a. Source & Support/Hard-coded data. Provide the source and support for the Pre-2020 Group Insurance amounts shown in Cells E14 to E17 of this spreadsheet that appear as hard-coded numbers;
- b. Rationale/Explanation. Provide an explanation of the substantial reduction in Group Insurance expense for 2020 from previous years;
- c. Source & Support/Hard-coded data. Provide the source and support for the Pre-2020 Other Revenue amounts shown in Cells E56 to E58 of this spreadsheet that appear as hard-coded numbers. In addition, provide the Other Revenue for 2016 that was not included in the Company’s calculation. Finally, provide an explanation why the Company only considered four years in normalizing this adjustment;
- d. Source & Support/Hard-coded data. Provide the source and support for the Pre-2020 Uncollectible Expense amounts shown in Cells F56 to F59 of this spreadsheet that appear as hard-coded numbers;
- e. Source & Support/Hard-coded data. Provide the source and support for the Pre-2020 Materials & Supplies amounts shown in Cells E69 to E70 of this spreadsheet that

- appear as hard-coded numbers. In addition, provide the Materials & Supplies for 2016 and 2017 that were not included in the Company's calculation. Finally, provide an explanation why the Company only considered three years in normalizing this adjustment;
- f. Source & Support/Hard-coded data. Provide the source and support for the Pre-2020 Prepayment amounts shown in Cells F69 to F70 of this spreadsheet that appear as hard-coded numbers. In addition, provide the Prepayments for 2016 and 2017 that were not included in the Company's calculation. Finally, provide an explanation why the Company only considered three years in normalizing this adjustment;
 - g. Source & Support/Hard-coded data. Provide the source and support for the Pre-2020 Gas Inventory amounts shown in Cells G69 to G70 of this spreadsheet that appear as hard-coded numbers. In addition, provide the Gas Inventory for 2016 and 2017 that was not included in the Company's calculation. Finally, provide an explanation why the Company only considered three years in normalizing this adjustment;
 - h. Source & Support/Hard-coded data. Provide the source and support for the Pre-2020 Reserve for Uncollectible amounts shown in Cells H69 to H70 of this spreadsheet that appear as hard-coded numbers. In addition, provide the Reserve for Uncollectible for 2016 and 2017 that was not included in the Company's calculation. Finally, provide an explanation why the Company only considered three years in normalizing this adjustment;
 - i. Source & Support/Hard-coded data. Provide the source and support for the Pre-2020 Reserve for Health Insurance amounts shown in Cells E78 to E79 of this spreadsheet that appear as hard-coded numbers. In addition, provide the Reserve for Health Insurance for 2016 and 2017 that was not included in the Company's calculation. Finally, provide an explanation why the Company only considered three years in normalizing this adjustment;
 - j. Source & Support/Hard-coded data. Provide the source and support for the Pre-2020 Other Reserve amounts shown in Cells F78 to F79 of this spreadsheet that appear as hard-coded numbers. In addition, provide the Other Reserves for 2016 and 2017 that were not included in the Company's calculation. Finally, provide an explanation why the Company only considered three years in normalizing this adjustment;
 - k. Source & Support/Hard-coded data. Provide the source and support for the Balance Over 6 Months and the Balance Under 6 Months used in Cells E87 to E88 for the Interest on Customer Deposits calculation that appear as hard coded numbers;
 - l. Source & Support/Hard-coded data. Provide the source and support for the prime interest rate of 3.25% in Cell E95 that appears as a hard-coded number; and
 - m. Source & Support/Hard-coded data. Provide the source and support for Rate Case Expense of \$241,932 shown in Cell E102 as a hard-coded amount.

RESPONSE:

1-23. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab "28.1" related to a Normalization Workpaper that was included with the Company's filing and provide the following information:

- a. Source & Support/Hard-coded data. Provide the source and support for the Price Waterhouse-Cooper Adjustment of \$327,635 in Cell J137 that appears in a formula as two separate hard-coded amounts;
- b. Source & Support/Hard-coded data. Provide the source and support for the Crossbore Legacy Program Adjustment of \$144,306 in Cell M134 that appears as a hard-coded amount. In addition, provide a more complete description for the purpose of this expenditure;
- c. Source & Support/Hard-coded data. Provide the source and support for the Stakecenter Locating Adjustment of \$40,137 in Cell N137 that appears as a hard-coded amount. In addition, provide a more complete description for the purpose of this expenditure;
- d. Source & Support/Hard-coded data. Provide the source and support for the Maintenance of Gas Holders Adjustment of \$127,797 in Cell O158 that appears as a hard-coded amount; and
- e. Correction/Updated Information. The formula for total operations and maintenance expense in Row 176 does not appear to contain all of the data presented.

RESPONSE:

1-24. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab "Schedule 28.2" related to the LNG Maintenance Workpaper that was included with the Company's filing and provide the following information:

- a. Source & Support/Hard-coded data. Provide the source and support for the "Expense Removal" of \$927,758 in Cell E11 that appears as a hard-coded amount; and
- b. Source & Support/Hard-coded data. Provide the source and support for the 50% adjustment factor embedded within the formula in Cell E19 that appears as a hard-coded amount.

RESPONSE:

1-25. The following accounts have seen a substantial increase in the base period compared with prior periods. With respect to these costs, respond to the following:

a. Account 670200 Outside Services Employed:

Subaccount #670200	
Outside Services Empl.	
Year Ending	Amount
2016	\$178,968
2017	\$88,275
2018	\$122,810
2019	\$520,887
2020	\$791,060

- i. Rationale/Explanation. Provide a comprehensive explanation for the increased charges in this account; and
- ii. Define/Identify. Provide a list, amount, and description of services performed for each vendor whose costs were charged to the account in 2020.
- iii. Provide a comprehensive explanation of services performed for all vendors in excess of \$30,000.

b. Account 671416 Allocated Call Center:

Subaccount #671416	
Allocated Call Center	
Year Ending	Amount
2016	\$490,680
2017	\$547,140
2018	\$660,047
2019	\$483,462
2020	\$947,252

- i. Rationale/Explanation. Provide a comprehensive explanation for the increased charges in this account;
- ii. Source & Support. To the extent there are any non-labor charges recorded to this account, provide the general ledger information supporting these non-labor charges.

c. Account 670590 AIP Bonus:

Subaccount #670590	
AIP Bonus	
Year Ending	Amount
2016	\$239,506
2017	\$228,786
2018	\$290,525
2019	\$321,034
2020	\$423,912

- i. Rationale/Explanation. Provide a comprehensive explanation for the increased charges to this account.

d. Account 660360 Environmental costs:

Subaccount #660360	
Environmental Costs	
Year Ending	Amount
2016	\$10,713
2017	\$890
2018	\$5,726
2019	\$9,861
2020	\$21,065

- i. Rationale/Explanation. Provide a comprehensive explanation for the increased charges to this account; and
- ii. Define/Identify. Provide the type of services provided and the matter(s) the costs were related to.

[Intentionally Blank to Fit Chart on One Page – See Below]

e. Account 670201 Outside Svc. – Printing:

Subaccount #670201	
Outside Svc. -Printing	
Year Ending	Amount
2016	\$53,270
2017	\$80,153
2018	\$84,114
2019	\$133,778
2020	\$183,005

- i. Rationale/Explanation. Provide a comprehensive explanation for the increased charges to this account; and
- ii. Define/Identify. Provide a list, amount, and description of services performed for each vendor who had costs assigned to this account in 2020.

RESPONSE:

1-26. Define/Identify. Refer to Account 660321 Crossbore Legacy Program. Provide the number of crossbores located and/or remediated for the years 2017-2020.

RESPONSE:

1-27. Rationale/Explanation. Refer to Account 680304 Inctenco Billing General O&M. Provide a comprehensive explanation of the charges making up this account. Additionally, provide a discussion on why this subaccount has gone from a credit balance for the previous 4 years to a positive \$100k balance during the historic period.

RESPONSE:

1-28. Rationale/Explanation. Refer to Schedule 39.1 regarding Account 670402 Outside Legal Services. Provide the Company's explanation for inclusion of Non-Regulatory Outside Legal Service of \$33,857. Additionally, provide a general overview of services performed.

RESPONSE:

RESPECTFULLY SUBMITTED,

HERBERT H. SLATERY III

Attorney General and Reporter
State of Tennessee



KAREN H. STACHOWSKI (BPR No. 019607)

Assistant Attorney General

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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 First Discovery Request

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Consumer Advocate's First Discovery Requests to Chattanooga Gas Company* was served via U.S. Mail or electronic mail on June 12, 2020, upon:

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This the 7th day of May 2021.



KAREN H. STACHOWSKI

Assistant Attorney General