

**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 SECOND DISCOVERY REQUEST
TO CHATTANOOGA GAS COMPANY**

TO: J.W. Luna, Esq. Butler Snow LLP The Pinnacle at Symphony Place 150 3rd Ave S, Ste. 1600 Nashville, TN 37201 Email: jw.luna@butlersnow.com	Elizabeth Wade, Esq. Chief Regulatory Counsel South Company Gas Ten Peachtree Place, NW Atlanta, GA 30309 Email: ewade@southernco.com
Floyd R. Self, Esq. Berger Singerman, LLP 313 North Monroe Street, Suite 301 Tallahassee, FL 32301 Email: fself@bergersingerman.com	Paul Teague Director, External Affairs Chattanooga Gas Company 2207 Olan Mills Drive Chattanooga, TN 37421 Email: pteague@southernco.com

This Second Discovery Request is hereby served upon Chattanooga Gas Company, Inc. (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 Friday, June 7, 2021, at 2:00 p.m. CST.

PRELIMINARY MATTERS AND DEFINITIONS

These Additional Discovery Requests incorporate by reference the same Preliminary Matters and Definitions as set forth in the Consumer Advocate's First Discovery Request to Chattanooga Gas Company sent to the Company on May 7, 2021, are to be considered continuing in nature, and are to be supplemented from time to time as information is received by the Company which would make a prior response inaccurate, incomplete, or incorrect.

SECOND DISCOVERY REQUESTS

- 2-1.** Refer to <Exhibit GT-3> regarding the projected revenue deficiency/(excess) for 2020 - 2024 that was included with the Company's filing and provide the following information:
- a. Source & Support/Native format. Provide the source and support for the data included in this Exhibit in Excel format.

RESPONSE:

- 2-2.** Refer to file <CGC Tucker Exhibit GT-1 (Arm Model)>, Tab "Schedule 2A1" of the spreadsheet 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. Provide the source and support for the monthly balances for "Recorded Tax Refund" shown on Row 87 of this spreadsheet which appear as hard-coded amounts;
 - b. Source & Support/Hard-coded data. Provide the source and support for the monthly balances for "Dkt 18-00035 Tax Refund" shown on Row 91 of this spreadsheet which appear as hard-coded amounts;

- c. Source & Support/Hard-coded data. Provide the source and support for the monthly balances for “Approved 2019 Deficiency” shown on Row 104 of this spreadsheet which appear as hard-coded amounts; and
- d. Source & Support/Hard-coded data. Provide the source and support for the monthly balances for “Prepaid AGSC Pension Cost” shown on Row 110 of this spreadsheet which appear as hard-coded amounts.

RESPONSE:

- 2-3.** Refer to file <CGC Tucker Exhibit GT-1 (Arm Model)>, Tab “Schedule 2A1” of the spreadsheet related to Allocated Cost Adjustment that was included with the Company’s filing and provide the following information:
- a. Reconciliation. We are having difficulty tracing the amounts included here with the Service Company invoices included on the Workpaper for Schedule 23 (GL29). For example, the Total Net Costs Subject to AGSC Allocation shown on Row 17 of Schedule 23.1 for January 2020 equals \$26,266,628. However, the GL29 monthly invoice for January 2020 shown in the Workpapers for Schedule 23 show a total cost of \$26,264,023 for a difference of \$2,605. Please reconcile the monthly differences from January 2020 through December 2020 between the total AGSC costs to be allocated on Schedule 23.1 with the monthly Service Company invoices.

RESPONSE:

- 2-4.** Refer to file <Schedule 35.5 EDIT Bal and Act Workpapers>, a spreadsheet that was included with the Company’s filing. Specifically refer to Tab “EDIT Summary” of this spreadsheet and provide the following information:
- a. Source & Support/Hard-coded data. Provide the source and support for the “Pre-Tax Reform Regulatory Tax Liability” of \$-1,652,824 in Cell G25, which appear as a hard-coded amount; and
 - b. Define/Identify. Identify where any components of this spreadsheet are linked with the <CGC Tucker Exhibit GT-1 (Arm Model)> spreadsheet.

RESPONSE:

- 2-5.** Refer to file <Schedule 35.7 ADIT Workpapers>, a spreadsheet that was included with the Company’s filing. Specifically refer to Tab “Schedule 35.7 ADIT Summary” of this spreadsheet and provide the following information:

- a. Reconciliation. The data in this spreadsheet states that it is specifically for 2019, but the summary information presented here is then transferred to Schedule 2A1 as 2020 data. Reconcile this conflict with the appropriate information;
- b. Source & Support/Hard-coded data. All of the data on this spreadsheet appears as hard-coded information. Provide an updated schedule with formula links to the federal and state supporting spreadsheets;
- c. Source & Support/Hard-coded data. Provide an updated spreadsheet with formulas to support the monthly amounts for Accounts 279100, 279101, 279150, 279200, 279250 and 279300 in Cells A57 to AR62 that are presented as hard-coded amounts; and
- d. Rationale/Explanation. Provide an explanation and rationale for the multiple columns used for each month of this spreadsheet (some hidden) that appear in the summary and supporting spreadsheets.

RESPONSE:

2-6. Refer to <Schedule 35.10 Impacts of April 2020 Tornado Event>, a spreadsheet that was included with the Company's filing and provide the following information:

- a. Corrected/Updated Information. Provide the missing information for Account 671021-Fleet Capitalization in Cell G41 that appears as an empty (null) amount; and
- b. Corrected/Updated Information. Provide the missing information for Account 427100-General Tax Expense-Payroll in Cell G47 that appears as an empty (null) amount.

RESPONSE:

2-7. Refer to the direct testimony of Company witness Archie Hickerson. Specifically, pages 9-10, where he discusses the Company's proposed tariff change for over-delivery of gas by transportation customers and provide the following information:

- a. Define/Identify. Provide a schedule showing the monthly over-delivery of gas by transportation customers (by rate schedule) from 2017 to 2020 along with the pro forma revenue collected if the Company's proposed \$15/Dth charge had been in place during this time.

RESPONSE:

2-8. Refer to the direct testimony of Company witness Archie Hickerson. Specially, page 11 where he discusses the Company's proposed tariff change for the determination of demand volume determinants for T-3 customers and provide the following information:

- a. Rationale/Explanation. Provide a pro forma analysis of the impact on T-3 billing demand revenue for 2020 due to the proposed changes in how demand volumes will be calculated.

RESPONSE:

2-9. Source & Support. Provide a copy of the supporting schedules to the Company's ARM Model that have not been previously requested.

RESPONSE:

2-10. Define/Identify. Provide a list of all known errors in the Company's ARM Model.

RESPONSE:

2-11. Refer to the Company's Response to Consumer Advocate DR No. 1-1. Specifically, file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab "Schedule 2A1" in the Company's filing, provide the following information:

- a. Define/Identify. Define and explain the term "Topside/SUD-Manual Entries" as noted in the Company's Response to Consumer Advocate DR No. 1-1b.
- b. Source & Support. Provide a copy of the manual journal entries described in the Company's Response to Consumer Advocate DR No. 1-1b.

RESPONSE:

2-12. Refer to the Company's Response to Consumer Advocate DR No. 1-3. Specifically, file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab "Schedule 9" in the Company's filing, provide the following information:

- a. Source & Support. Refer to the spreadsheet attached to the Company's Response to Consumer Advocate DR No. 1-3. Provide the source and support for the

“Regulatory Tax Liability” at December 31, 2019 on Line 1 of the attached spreadsheet and specifically note what accounts these regulatory liability amounts tie to in the Company's balance sheet from Schedule 21.2; and

- b. Source & Support. Refer to the spreadsheet attached to the Company’s Response to Consumer Advocate DR No. 1-3. Provide the source and support for the state and federal amortization shown on Lines 8 and 9 of the attached spreadsheet and specifically note what accounts these amounts tie to in the Company's income statement from Schedule 19.

RESPONSE:

2-13. Refer to the Company’s Response to Consumer Advocate DR No. 1-4. Specifically, file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 14” in the Company’s filing, provide the following information:

- a. Source & Support/Missing Information. Provide a copy of the letter and any other information provided to the Commission Staff regarding the Company’s proposed 1.40% depreciation rate for Account 367.10-Transmission Mains as noted in the Company’s Response to Consumer Advocate DR No. 1-4b.

RESPONSE:

2-14. Refer to the Company’s Response to Consumer Advocate DR No. 1-5. Specifically, file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 14.1” in the Company’s filing, provide the following information:

- a. Define/Identify. Provide a copy of the journal entries made to correct the Powerplan subledger as noted in the Company’s Response to Consumer Advocate DR No. 1-5b.

RESPONSE:

2-15. Refer to the Company’s Response to Consumer Advocate DR No. 1-8. Specifically, file <Revised Schedule 21 for CGC Tucker GT-1 (ARM Model)>, Tab “Schedule 15” in the Company’s filing, provide the following information:

- a. Source & Support/Missing Information. Refer to the attached spreadsheet provided in the Company’s Response to Consumer Advocate DR No. 1-8. This spreadsheet

appears to reference data from other spreadsheet and, also, appears to utilize formulas from multiple locations in these other spreadsheets. Provide the spreadsheets referenced by these formulas along with any data that supports their calculation; and

- b. Source & Support. The purpose of the data included in the spreadsheet attached to the Company's Response to Consumer Advocate DR No. 1-8 was to identify the source and support for the determinants used in the Company's calculation of Margin Revenue Summary by Charge Type on Schedule 15. However, the support for some of these determinants appear to be missing in the Company's response. Provide the source and support for the following billing determinants used on Schedule 15.

- Capacity Billing Units for the T-1 Rate Schedule
- Capacity Units for the F-1/T-2+T-1 Rate Schedule
- Billing Units for the R-4 Rate Schedule
- Billing Units and Therms for the Gas Lights Rate Schedule.

RESPONSE:

- 2-16.** Refer to the Company's Response to Consumer Advocate DR No. 1-9. Specifically, file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab "Schedule 15.1" in the Company's filing, provide the following information:

- a. Reconciliation. Reconcile the monthly Special Contract usage reported in Attachment 9g-A, with the usage reported on Schedule 15.1 and indicate which transportation volumes are correct for which month. Specifically, we note that the volumes reported on Attachment A appear to be lagged by one month from those reported on Schedule 15.1; and
- b. Corrected/Updated Information. Refer to Row 40 of the spreadsheet included with Consumer Advocate DR No. 1-9, Attachment A regarding monthly customer charges revenues for Rate Schedule R-4 from February 2020 through December 2020. It appears that the Company has mistakenly altered the previous formula for these revenues from its original filing. Please provide a corrected spreadsheet. Also, note that this error cascades into the uncollectible expense adjustment.

RESPONSE:

2-17. Refer to the Company’s Response to Consumer Advocate DR No. 1-12. Specifically, file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 16.4” in the Company’s filing and provide the following information:

- a. Source & Support. Refer to the monthly reports referenced in the Company’s Response to Consumer Advocate DR No. 1-12a. Provide a copy of these monthly reports to include in the record in this Docket.

RESPONSE:

2-18. Refer to the Company’s Response to Consumer Advocate DR No. 1-21. Specifically, file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 27” in the Company’s filing, 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 Schedule 27;
- b. Source & Support. Provide the source and support for the 170% factor embedded within the “Adjustment to 100%” formula for Chattanooga Gas Company on Row 45 of Schedule 27; and
- c. Source & Support. Provide the source and support for the 176% factor embedded within the “Adjustment to 100%” formula for Chattanooga Gas Company on Row 72 of Schedule 27.

RESPONSE:

2-19. Refer to the Company’s Response to Consumer Advocate DR No. 1-22. Specifically, file <CGC Tucker Exhibit GT-1 (ARM Model)>, Tab “Schedule 28” in the Company’s filing, provide the following information:

- a. Rationale/Explanation. Refer to the Company’s Response to Consumer Advocate DR No. 1-22k regarding Customer Deposits. Explain the Company’s rationale for segregating Customer Deposits between over six months and under six months.

RESPONSE:

2-20. Rationale/Explanation. The Company's Response to Consumer Advocate DR No. 1-28 included a charge of \$21,364 to Troutman Pepper Hamilton Sanders LLP for services identified as "Project Development Renewable Natural Gas". Provide a comprehensive explanation supporting the necessity for such costs in the provision of retail natural gas service.

RESPONSE:

2-21. Refer to the Company's Response to Consumer Advocate DR No. 1-25(b) regarding allocated call center costs. Specifically refer to the Company's attachment to the Discovery Response <CA-1-025b Attachment.xlsx> Tab "GL 29 Dept Summ" and provide answers to the following:

- a. Confirmation. Confirm and provide documentation that "670590 AIP Bonus" for this department is being adjusted in accordance with the Commission's order in TPUC Docket No. 18-00017 in this filing.
- b. Comparison/Source & Support. Regarding "670459 Pension – Distributed" provide a compressive description of this account and how it differs from account "670450 – Pensions"; additionally, provide documentation that these pension expenses are based upon assignment of cash pensions contributions (if applicable).

RESPONSE:

2-22. Define/Identify. Refer to Company Subaccount 670120 Civic Participation-Other with a year ending balance \$64,986. Provide a comprehensive breakdown of these expenditures along with the activities and event performed.

RESPONSE:

2-23. Define/Identify. Refer to file <CGC Tucker Exhibit GT-1 (ARM Model).xlsx>, Schedule 19. Specifically, refer to subaccount "671421 Allocated Ext Relations – Corp" and provide

a list, amount, and description of services performed for each vendor who had costs assigned to this account in 2020.

RESPONSE:

2-24. Define/Identify. Refer to <CGC Tucker Exhibit GT-1 (ARM Model).xlsx>, Tab “Schedule 19”. Specifically, refer to subaccount ‘671429 Allocated Other Corporate’ and provide the general ledger detail supporting these charges.

RESPONSE:

RESPECTFULLY SUBMITTED,

HERBERT H. SLATERY III

Attorney General and Reporter
State of Tennessee



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Consumer Advocate's First Set of 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 28th day of May, 2021.



KAREN H. STACHOWSKI

Assistant Attorney General