

# BUTLER | SNOW

November 10, 2023

Chairman Herb Hilliard  
ATTN: Ectory Lawless, Docket Clerk  
Tennessee Public Utility Commission  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243

Electronically Filed in TPUC Docket Room  
on November 10, 2023 at 2:13 p.m.

*Re: Chattanooga Gas Company's Petition for Approval of Asset Management and Agency Agreement and Gas Purchase and Sale Agreement*  
Docket No. 21-00134

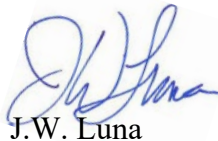
Dear Chairman Hilliard:

Enclosed is the Third Amendment to the Chattanooga Gas Asset Management and Agency Agreement and Gas Purchase and Sale Agreement approved in this docket on December 6, 2021, and approved by Commission Order on January 9, 2022. Previously, on February 10, 2022, the Company submitted the First and Second Amendments to the AMAA, which addressed the additional 25,000 Dths/day the Company acquired on the East Tennessee line beginning February 1, 2022.

This Third Amendment addresses the reduction of capacity in the asset array from a 2,500 Dths/day capacity release of the additional 25,000 Dths/day the Company acquired on the East Tennessee line beginning February 1, 2022. Note 100% of CGC's share of any net margin is credited 100% back to the IMCR.

Should you have any questions, please do not hesitate to contact me.

Yours truly,



J.W. Luna

JWL/cb  
Enclosures

T 615.651-6700  
F 615.651.6701  
[www.butlersnow.com](http://www.butlersnow.com)

Jones Wilson (J.W.) Luna  
T 615-651-6749  
[jw.luna@butlersnow.com](mailto:jw.luna@butlersnow.com)

150 3rd Ave. South  
Suite 1600  
Nashville, TN 37203

Butler Snow LLP

**THIRD AMENDMENT TO  
ASSET MANAGEMENT AND AGENCY AGREEMENT**

**THIS THIRD AMENDMENT** (this “**Amendment**”), is made, entered into, and effective as of the **1st day of April, 2023** (“**Effective Date**”), by and between **Chattanooga Gas Company** (“**CGC**” or the “**Company**”) and **Sequent Energy Management LLC**, formerly known as Sequent Energy Management, L.P. (“**SEM**”), hereinafter sometimes collectively referred to as the “Parties” or individually referred to as a “Party.”

**WITNESSETH:**

**WHEREAS**, CGC and SEM are parties to an Asset Management and Agency Agreement dated effective April 1, 2022, and as may be further amended from time to time, hereinafter referred to as the “**Agreement**,” and

**WHEREAS**, SEM and CGC desire to amend the Agreement in order to update the list of contracts to be managed by SEM to add the volumes associated with East Tennessee Natural Gas, LLC Contract No. 410691; and

**WHEREAS**, SEM and CGC desire to amend the Agreement’s Net Margin provisions in order to reflect the added volumes associated with East Tennessee Natural Gas, LLC Contract No. 410691; and

**WHEREAS**, SEM and CGC desire to enter into this Amendment for the purpose of setting forth their agreement with respect to such matter.

**NOW, THEREFORE**, for and in consideration of the foregoing premises, and other good and valuable consideration, the receipt and sufficiency of which CGC and SEM acknowledge, CGC and SEM agree as follows:

1. **Amendment to Exhibit A.** CGC and SEM agree that **Exhibit A** to the Agreement is deleted in its entirety and replaced with the attached **Revised Exhibit A**.

2. **Amendment to Section 6.** CGC and SEM agree that **Section 6.3** to the Agreement is deleted in its entirety and replaced with the following:

**6.3** For the avoidance of doubt, the Parties hereby confirm and agree that, except for the specified volumes associated with East Tennessee Natural Gas, LLC Contract No. 410691 described in this Section 6.3, the sole consideration the Asset Manager shall receive for performing the asset management services specified in this Agreement is the Net Margin calculated in accordance with Exhibit D hereto and the sole consideration CGC shall receive for Asset Manager’s optimization of the Assets subject to this Agreement as identified on Exhibit A is the Annual Fixed Fee. The consideration for the optimization of Excluded Assets shall be as provided in Section

3 of this Agreement. As to Contract No. 410691 with East Tennessee Natural Gas, LLC, Asset Manager and CGC agree that:

- From April 1, 2023 to April 30, 2024, for each dekatherm in excess of 25,000 dekatherms, but no more than 47,500 dekatherms, optimized each day for Contract No. 410691, the Parties shall split the resulting Net Margin 50/50.
- From May 1, 2024 to March 31, 2025, for each dekatherm in excess of 25,000 dekatherms, but no more than 50,000 dekatherms, optimized each day for Contract No. 410691, the Parties shall split the resulting Net Margin 50/50.

**3. Miscellaneous.**

(a) The Agreement shall remain in full force and effect as revised. This Amendment is intended to amend the Agreement only as expressly provided herein.

(b) To the extent not otherwise defined herein, all capitalized terms used in this Amendment shall have the meanings ascribed to them in the Agreement.

(c) This Amendment shall be binding upon the parties hereto and their respective successors and permitted assigns.

(d) This Amendment may be executed in a number of identical counterparts. If so executed, each of such counterparts shall be deemed an original for all purposes, and such counterparts shall, collectively, constitute one agreement.

(e) For purposes of this Amendment, signatures delivered electronically shall be as binding as originals upon the parties so signing and delivering.

(f) In the event of a conflict between the terms of this Amendment and the other terms of the Agreement, the terms of this Amendment shall control.


(g) The captions and headings used in this Amendment are for convenience only and do not in any way restrict, modify or amplify the terms of this Amendment or the Agreement.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment as of the day and year above written.

**CGC:**

**CHATTANOOGA GAS COMPANY**

Sign: 

Name: Timothy S. Sherwood

Title: Vice President of Gas Supply Operations

**SEM:**

**SEQUENT ENERGY MANAGEMENT LLC**

Sign:   
5325E6912A73448...

Name: Berney Aucoin

Title: Vice President

**Revised Exhibit A**  
**Agency Contracts Schedule**

**Chattanooga Gas Company**  
**Supply and Capacity Assets**

CONTRACT PARTY	Contract Number	Tariff Rate	Deliverability		Storages		Receipt Point	Delivery Point	Effective Term	Index Point	
			Daily (Dth)	Annual (Dth)	Maximum Withdraw (Dth)	Maximum Injection (Dth)					
ASSETS											
FIRM TRANSPORT											
Kinder Morgan - Southern Natural Gas Company	FSNG130	FT	5,105	1,863,325			Logansport Meter Station - #650075		8/31/2023	Southern Natural, La.	
	FSNG130	FT	7,157	2,612,305			High Point-TOCA to SNG #640000	Chat Gas/SNG Hamilton- #790200	8/31/2023		
	FSNG130	FT	523	190,895			TOCA Exchange St Bernard - #420556		8/31/2023		
	FSNG130	FT	436	159,140			Sabine - Sabine Vermillion #605200		8/31/2023		
Kinder Morgan - Tennessee Gas Pipeline	48082	FT-A	1,519	554,435			Wharton County Tie - #411929		10/31/2025	Tennessee Zone 0	
	48082	FT-A	700	255,500			Cocodrie 523 Bluewater - #412883		10/31/2025	Tennessee Zone L	
	48082	FT-A	2,437	889,505			Egan Gas Storage - #420822		10/31/2025	Tennessee Zone L	
	48082	FT-A	595	217,175			Lowry Plant - #410671	E Lobelville Tenn - #420042 (20,903 dths) & Greenbrier Tenn 2 - #420289 (16,916 dths)	10/31/2025	Tennessee Zone L	
	48082	FT-A	2,401	876,365			Wharton County Transpo - #411911		10/31/2025	Tennessee Zone 0	
	48082	FT-A	22	8,030			Tijerina Dehy - #412356		10/31/2025	Tennessee Zone 0	
	48082	FT-A	1,858	678,170			Pooling Pt-800 Leg - #420998		10/31/2025	Tennessee Zone L	
		48082	FT-A	7,148	2,609,020			Monte Cristo Exchange - #412088		10/31/2025	Tennessee Zone 0
		48082	FT-A	7,741	2,825,465			Portland Storage - #460025		10/31/2025	Tennessee Zone 1
		48082	FT-A	13,398	4,890,270			Bear Creek Storage - #460017		10/31/2025	Tennessee Zone 1
Enbridge - East Tennessee Natural Gas	410203	FT-A	2,472	902,280			El Paso - Lobelville Receiving, #53201	ETNG Meter #s: 59001, 59007, 59016, 59017, 59024, 59106, 59108, 59142, 59151	10/31/2022		
	410203	FT-A	10,528	3,842,720			El Paso - Ridgetop Receiving, # 53101		10/31/2022		
	410204	FT-A	20,439	7,460,235			El Paso - Lobelville Receiving, #53201	ETNG Meter #s: 59001, 59007, 59016, 59017, 59024, 59106, 59108, 59142	10/31/2022		
	410204	FT-A	3,012	1,099,380			El Paso - Ridgetop Receiving, # 53101		10/31/2022		
	410204	FT-A	4,899	1,788,135			Dickenson Co. Receiving, #59315		10/31/2022		
For the Term April 1, 2023 to April 30, 2024	410691	FT-A	47,500	17,337,500			Texas Eastern - Mt. Pleasant, #59329	ETNG Meter #s: 59001, 59108	3/31/2055		
For the Term May 1, 2024 to March 31, 2025	410691	FT-A	50,000	18,250,000			Texas Eastern - Mt. Pleasant, #59329	ETNG Meter #s: 59001, 59108	3/31/2055		
Total: (April 2023 - April 2024)			139,890								
Total: (May 2024 - March 2025)			142,390								

**Revised Exhibit A**  
**Agency Contracts Schedule**

**Chattanooga Gas Company**  
**Supply and Capacity Assets**

CONTRACT PARTY	Contract Number	Tariff Rate	Deliverability		Storages		Receipt Point	Delivery Point	Effective Term	Index Point
			Daily (Dth)	Annual (Dth)	Maximum Withdraw (Dth)	Maximum Injection (Dth)				
FIRM TRANSPORT ASSOCIATED WITH STORAGE										
Kinder Morgan - Tennessee Gas Pipeline <sup>(1)</sup>	22923	FS-PA	13,659	4,985,535	13,659		TGP Meter #460017	E Lobelville Tenn - #420042 (20,903 dths) & Greenbrier	10/31/2025	
Kinder Morgan - Tennessee Gas Pipeline <sup>(1)</sup>	3947	FS-MA	7,741	2,825,465	7,741		TGP Meter #460025	Tenn 2 - #420289 (16,916 dths)	11/1/2025	

**Total** **21,400**

(1) Tennessee Gas Pipeline FT-A contract 48082 is used to deliver gas to the FS-PA and FS-MA storages and to deliver gas from the FS-PA and FS-MA storages.

**STORAGE**

Kinder Morgan - Tennessee Gas Pipeline	22923	FS-PA	13,659		13,659	13,616	TGP Meter #460017	E Lobelville Tenn - #420042 (20,903 dths) & Greenbrier	10/31/2025	
Kinder Morgan - Tennessee Gas Pipeline	3947	FS-MA	7,741		7,741	5,682	TGP Meter #460025	Tenn 2 - #420289 (16,916 dths)	11/1/2025	
<b>Total</b>			<b>21,400</b>							

**FIRM TRANSPORT ASSOCIATED WITH STORAGE - (UTILITY RETAINED)**

**(Assets are not eligible for optimization by Asset Manager / Seller. Asset Manager / Seller is responsible for nominating these assets)**

Kinder Morgan - Southern Natural Gas Company	FSNG130	FTNN	14,346	5,236,290	14,346		Bear Creek/Muldon Field	Chat Gas/SNG Hamilton- #790200	8/31/2023	
<b>Total</b>			<b>14,346</b>							

**STORAGE (UTILITY RETAINED)**

**(Assets are not eligible for optimization by Asset Manager / Seller. Asset Manager / Seller is responsible for nominating these assets)**

Kinder Morgan - Southern Natural Gas Company	SSNG69	CSS	14,346		14,346	5,465	@ Storage	Chat Gas/SNG Hamilton- #790200	8/31/2023	
<b>Total</b>			<b>14,346</b>							