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February 1, 2022

Via Email and First Class U. S. Mail

Executive Director Earl Taylor
c/o Ectory Lawless
Tennessee Public Utility Commission
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

Electronically Filed in TPUC Docket Room
on February 1, 2022 at 1:45 p.m.

Re: Petition of Piedmont Natural Gas Company, Inc. to Adopt an Annual Review of Rates Mechanism Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)

Dear Mr. Taylor:

I have enclosed an original and five (5) copies of Discovery Request of Piedmont Natural Gas Company, Inc. to the Consumer Advocate.

This material is also being filed today by way of email to the Tennessee Public Utility Commission docket manager, Ectory Lawless. Please file the original and provide a “filed” stamped copy of the same via my assistant’s email, at denise.guye@wallerlaw.com.

Please do not hesitate to call me if you have any questions.

Very truly yours,

Paul S. Davidson

PSD:cdg
Enclosure

cc: Consumer Advocate
Bruce Barkley
Pia Powers
James Jeffries IV

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:	)	
	)	
PETITION OF PIEDMONT NATURAL	)	
GAS COMPANY, INC. TO ADOPT AN	)	
ANNUAL REVIEW OF RATES MECHANISM	)	Docket No. 21-00135
PURSUANT TO TENN. CODE ANN. § 65-5-	)	
103(d)(6)	)	
	)	

**DISCOVERY REQUEST OF PIEDMONT NATURAL GAS
COMPANY, INC. TO THE CONSUMER ADVOCATE**

Pursuant to the Order Establishing Procedural Schedule issued by the Hearing Officer on November 15, 2021, Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11, Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”) hereby submits the following Interrogatories and Requests for Production (“Data Requests”) upon the Consumer Advocate Unit in the Financial Division of the Attorney General (“Consumer Advocate”). Piedmont requests that the Consumer Advocate respond to the following Data Requests under oath and in accordance with the Instructions and Definitions below by February 3, 2022. The Consumer Advocate’s responses and Documents should be produced at the offices of Waller Lansden Dortch & Davis, LLP, 511 Union Street, Suite 2700, Nashville, TN 37219, Attn: Paul S. Davidson.

INSTRUCTIONS

1. These Data Requests are continuing in nature, and are to be supplemented or amended promptly if information is received or a position held by the Consumer Advocate changes, which would make a prior response or production of documents inaccurate, incomplete, or incorrect.
2. Each Data Request calls for all knowledge and documents in the possession, custody, and control of the Consumer Advocate, including all information and documents in the possession of your attorneys, agents, consultants, or representatives. When asked to answer an interrogatory, the request pertains to information within your actual or constructive possession, control, or custody, including information which may be held by your attorneys, representatives, and all persons acting

under, by, or through you, or subject to your control or supervision, and all persons acting on your behalf.

3. Documents that are responsive to a particular Data Request should be labeled with the corresponding number of the Data Request. All documents produced shall be consecutively numbered on each page with alphanumeric characters identifying your company and with numerical characters identifying the page.
4. Where all or a portion of a document is responsive to one or more of these Data Requests, produce the entire document together with any attachments or exhibits thereto.
5. Whenever you object to a particular Data Request, or portion thereof, you must respond to the extent you have not objected.
6. If you object to providing a response to an interrogatory, in whole or in part, on the grounds of privilege, provide your objection in writing with sufficient specificity to permit a determination concerning the validity of the claim of privilege, together with the factual and legal basis for each objection asserted. If you object to providing a response in part, respond to that portion of the interrogatory to which no objection is made.
7. If you cannot fully answer any interrogatory, then you should answer such interrogatory to the fullest extent possible, and should indicate the reason for failing to answer fully. Further, you should provide all available information relating to the interrogatory and should identify the person or persons who can more fully answer such interrogatory.
8. In each instance in which you aver insufficient knowledge or information as a grounds for not providing information or for providing only a portion of the information requested by an interrogatory, please set forth a description of the efforts made to locate information needed to answer the interrogatory. In addition, identify each person, if any, who is known by you to have such knowledge.
9. If a Data Request specifically calls for an answer in response rather than the production of documents, an answer is required. The production of documents will not suffice.

DEFINITIONS

1. “You” or “your” or “Consumer Advocate” refers to the Consumer Advocate Unit in the Financial Division of the Attorney General, its officers, employees, agents, consultants, or representatives during the period of time covered by the Data Request, and any other person acting on the Consumer Advocate’s behalf or subject to its control, now or in the past.
2. “Document” is intended to have the broadest permissible meaning and includes, without limitation, the original and all copies of all communications and any written, printed, electronically recorded, typed or graphic matter of any kind or nature however produced or reproduced, and whether or not claimed to be privileged or otherwise excludable from discovery; specifically, including but not limited to, notes; letters; correspondence; memoranda; books of any character; summaries or records of telephone conversations; summaries or records of personal conversations; diaries; routing slips or memoranda; reports and notebooks; periodicals; publications; invoices; bills; receipts; specifications; shipping papers; purchase orders; minutes or records of meetings; reports and/or summaries of interviews; agreements and contracts; electronic recordings; audio and video tapes; journals; ledgers; or any other type of data compilation from which information can be obtained and translated, if necessary, by you through computers, detection devices or any other mechanical device into reasonably usable form.
3. “Person” means any natural person, corporation, partnership, business, governmental body, and all types and kinds of entities of any kind.
4. “Communication” includes without limitation, any oral, electronic, visual, or written exchange of work, thoughts, ideas or Documents between persons or entities by any means.
5. Any reference to a filing or Order means a filing or Order in this Proceeding unless otherwise indicated.
6. “Proceeding” refers to TPUC Docket No. 21-00135, Petition of Piedmont Natural Gas Company, Inc. to Adopt an Annual Review of Rates Mechanism Pursuant to Tenn. Code Ann. § 65-5-103(d)(6).

7. “Identify” or “identification” when used in reference to a natural person means to provide that person’s full name, present or last known business address (or, if no business address, home address), and that person’s employer and position at the time in question with respect to the particular interrogatory involved.
8. “Identify” or “identification” when used in reference to a Document means to provide the title, date, author, signatories, recipients, a general description of such Document sufficient to permit it to be identified with particularity in a request for the production of Documents, the present or last known location of such Document, and the identity of the person or persons having custody, control, or possession thereof.
9. The singular form of a noun or pronoun shall be considered to include within its meaning the plural form of the noun or pronoun so used, and vice versa; and the use of any tense of any verb shall be considered to include also within its meaning all other tenses of the verb so used.
10. Whenever the terms “all”, “any” or “each” are used herein, each of these terms shall be construed to include each of the other terms.
11. The connectives “and” and “or” shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery all responses which might otherwise be construed to be outside of its scope.

DATA REQUESTS

- 1-1. Referring to Mr. Dittmore’s testimony beginning on page 5 of his Direct Testimony to the effect that the accuracy of Piedmont’s accounting records do not match the “level of precision requested by the Company” in its proposed ARM and specifically referencing Piedmont’s accounting for Income Tax Expense and Accumulated Deferred Income Taxes:
 - a. State whether the estimated levels of tax expense and incremental depreciation expense embedded in Piedmont’s last general rate case were subject to the same “flaw” Mr. Dittmore raises in his testimony.
 - b. If the answer to the immediately foregoing question is no, then explain, in detail, each and

every difference in the way tax and depreciation expense were calculated for the rates approved in Piedmont's last general rate case as compared to how these items of expense are proposed to be calculated under Piedmont's ARM proposal.

- c. State whether Mr. Dittmore has identified a methodology (or methodologies) for calculating tax expense and incremental depreciation expense under the ARM that is more accurate than the methods proposed by Piedmont and, if the answer is yes, provide a detailed description of such method.
- d. Describe any differences between the manner in which Piedmont proposes to account for tax and incremental depreciation expense under its ARM proposal and the manner in which Atmos Energy and Chattanooga Gas account for such expenses under their approved ARM mechanisms.

1-2 Referring to Mr. Dittmore's testimony beginning on page 6 of his Direct Testimony to the effect that Piedmont's proposed HBP Reconciliation for its ARM mechanism would result in retroactive ratemaking or violate the filed rate doctrine:

- a. State whether Mr. Dittmore is holding himself out as an expert on the law of Tennessee with respect to these topics.
- b. Describe his understanding of when new rates would be effective under Piedmont's proposed ARM mechanism if those rates were based on an HBP consisting of calendar year 2021.
- c. Provide a copy of all legal authority (including without limitation, statutes, regulations, decisions of the trial or appellate courts, and decisions of the Commission) or opinions of counsel, upon which his conclusions regarding retroactive ratemaking and the filed rate doctrine are based.
- d. State whether Mr. Dittmore contends that new rates established by Piedmont's ARM proposal, should it be approved as filed, would apply retroactively to service previously rendered to Piedmont's customers.
- e. State whether Mr. Dittmore contends that should Piedmont's proposed initial HBP of calendar year 2021 be utilized to make the initial rate adjustment under Piedmont's ARM,

that Piedmont customers would be billed for services received during 2021 at rates other than those approved by the Commission and in effect at the time they received such service.

1-3 Referring to Mr. Dittemore's testimony beginning on page 11 of his Direct Testimony relating to customer notice, please identify what notice requirements are currently required by the Commission for annual ARM filings by Atmos Energy and Chattanooga Gas.

1-4 Referring to Mr. Dittemore's testimony on pages 9 and 13 where he recommends that the Commission not take into account the small incremental nature of the first year increase in rates under the ARM but should take into account the current rates being charged by Piedmont, please state whether Mr. Dittemore believes that the size of a proposed ARM rate increase is related or unrelated to "bill affordability."

1-5 Referring to Mr. Dittemore's testimony beginning on page 15 of his Direct Testimony, identify all facts, statements, documents, or any other information relied upon by Mr. Dittemore to support his conclusion that "it's clear that Piedmont will not make major modifications in customer notice unless the Commission adopts new requirements."

1-6 Referring to page 21 of the Direct Testimony of Mr. Dittemore, where he suggests that Piedmont exclude certain activities from the level of equity included in its ARM mechanism, is Mr. Dittemore aware of another gas distribution company that excludes these activities from the level of equity included in its ARM mechanism? If so, please provide the name(s) of the company or companies.

1-7 On page 26 of the Direct Testimony of David N. Dittemore, Mr. Dittemore recommends that Piedmont exclude non-cash items from the lead-lag study. Are there any items in the lead lag study included in Piedmont's 2021 general rate case settlement that Mr. Dittemore believes are inappropriate for ARM purposes? If so, which items should be excluded as "non-cash"?

1-8 On page 28 of the Direct testimony of David N. Dittmore, Mr. Dittmore includes on his list of unresolved revenue requirement issues “should modifications to the mechanism be made to reflect the impacts of the delayed tax provision true-up entries recorded after the HBP.” Describe and explain the CAD’s substantive position on this issue.

1-9 Beginning on page 33 of Mr. Dittmore’s Direct Testimony, Mr. Dittmore recommends the Commission consider implementation of a “rate cap” to be used in conjunction with Piedmont’s proposed ARM mechanism. Identify each and every instance of which Mr. Dittmore is aware where a state regulatory commission has imposed a rate cap on potential rate changes under an alternative ratemaking mechanism, and identify the State and utility involved and provide a copy of the relevant order imposing such cap.

This the 28th day of January, 2022.

Piedmont Natural Gas Company, Inc.

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