

Before the
Tennessee Public Utility Commission

Docket No. 22-00004

August 19, 2022

**CHATTANOOGA GAS COMPANY
PETITION FOR APPROVAL OF TARIFF AMENDMENTS TO
ITS T-1, T-2, AND T-3 TARIFFS**

Rebuttal Testimony Of
Tiffany Callaway-Ferrell
On Behalf Of
Chattanooga Gas Company

1 **I. WITNESS IDENTIFICATION**

2 **Q. Please state your name, title, and business address.**

3 A. I am Tiffany Callaway-Ferrell, Vice President of Operations, Chattanooga Gas
4 Company (“Company” or “CGC”). My business address is Ten Peachtree Place
5 NE, Atlanta, Georgia 30309.

6 **Q. What are your duties and responsibilities for CGC?**

7 A. My responsibilities include safety, compliance, operations excellence, and the
8 financial performance of the utility so that we can deliver safe, reliable, affordable,
9 and high-quality service to our customers. I am involved in the review and approval
10 of capital budgets, I help to ensure that our team resident in Chattanooga has the
11 resources it needs to carry out its responsibilities, I interface and work with the
12 Southern Company Gas services teams that support the Chattanooga operations for
13 such things as billing and customer support, and I work closely with and support
14 our Regional Director of Operations, Mr. Paul Leath who is resident in
15 Chattanooga.

16 **Q. When did you assume responsibility for CGC?**

17 A. I became the Vice President of Operations for the Company beginning September
18 2020.

19 **Q. Please summarize your professional career and education.**

20 A. I am a 22-year experienced energy professional having served in progressively
21 more responsible operational, supervisory, and managerial roles for the Southern
22 Company’s natural gas and electric utilities. I have a degree in chemical
23 engineering from Vanderbilt University, in Nashville Tennessee, and my previous

1 experience as a process engineer for a consumer foods manufacturer, General Mills,
2 severed as my foundation as an operations leader for Atlanta Gas Light and CGC.
3 Additionally, I have continued my professional education by earning my Master of
4 Business at the J. Mack Robinson School of Business, at Georgia State University.

5 **Q. In your role as Vice President of Operations for CGC, how have you supported**
6 **the Company's operations and engagement in the local community?**

7 A. As Vice President of Operations for CGC, I have helped to ensure that Southern
8 Company foundation funds are secured for community outreach in the Chattanooga
9 and Cleveland communities. Additionally, I have worked to ensure customer
10 education as it relates to LIHEAP funding through our outreach telethons. I
11 personally participate in various volunteer and civic engagement events such as the
12 YMCA school lunch program and Toy Drive. Operationally, I have led the largest
13 Southern Company Gas Region for six years and previously have served a manager
14 of asset protection and as manager of our LNG facilities in Georgia and Tennessee,
15 which has given me great insight into the critical role our peaking facilities play in
16 ensuring reliable gas supply for our firm customers.

17 **Q. Have you ever formally testified before this Commission or any other**
18 **Commission?**

19 A. No, I have not.

20 **II. PURPOSE OF TESTIMONY**

21 **Q. What will your testimony address?**

22 A. In my testimony, I will provide a general policy overview of the Company's
23 obligations to ensure we meet our commitment to deliver safe, reliable, and

1 affordable natural gas service to our customers, with a particular focus on our firm
2 customers. I will also briefly respond to certain issues raised in the testimony of
3 Mr. James Crist filed on behalf of Chattanooga Regional Manufacturer's
4 Association ("CRMA"), in particular the impact CRMA's proposal relative to use
5 of the Company's LNG facility would have on our operations and ability to serve
6 our customers.

7 **Q. Are you including any exhibits in connection with your testimony?**

8 A. No.

9 **III. INCREMENTAL GAS AND INTERRUPTIBLE CUSTOMER BENEFITS**

10 **Q. Earlier you recognized that CGC has an obligation to provide, among other**
11 **things, reliable service to its customers. How does CGC ensure that occurs?**

12 A. Service reliability starts with a focus on our firm customers and their needs. We
13 consider both the physical resources necessary to supply and operate the system as
14 well as the people and the training and other resources they need to be successful
15 in safely operating the system. By planning and preparing to meet the needs of our
16 firm customers, we can also provide certain services to our non-firm customers,

17 **Q. What is the role of the LNG facility in ensuring reliable service?**

18 A. I will defer to Mr. Becker and Mr. Bellinger, who have extensive testimony
19 regarding the appropriate role for the LNG facility. I would especially emphasize
20 that the LNG plant was originally built and intended to be a peaking facility,
21 meaning it was designed for service to firm customers on those very cold or other
22 days where gas supply was otherwise constrained. At the time of CGC's 2018 rate
23 case, the Company was dealing with a very limited set of options for how to meet

1 the needs of our firm customers. At that time, and under the totality of
2 circumstances then present, we made the business decision to utilize the LNG
3 facility as a more cost-effective way to make up for anticipated transportation
4 capacity CGC would lose in 2022. However, in obtaining the 50,000 Dths/day of
5 incremental transportation capacity earlier this year, and with the ever-growing
6 demand that the Company faces in its service area, it is vitally important that we
7 return the LNG facility back to its intended purpose as a peaking-only facility.

8 **Q. The CRMA is seeking access to what it calls excess or incremental gas. Do you**
9 **agree that the LNG facility is “excess” capacity?**

10 A. No, not at all. The term “excess capacity” suggests that the transportation and gas
11 supply assets obtained by CGC are more than what is required to meet the needs of
12 customers. As I have said, the LNG facility, even though it may not be utilized on
13 a daily basis, is serving a vitally important purpose for our firm customers. One
14 need to only look at what happened in Texas in February 2021, where a week-long
15 severe winter storm event shows you the importance of preserving limited vital
16 resources for their intended purpose.

17 **Q. What are the benefits of the LNG facility to firm customers?**

18 A. CGC’s LNG facility is located on the distribution system and therefore benefits the
19 system by allowing CGC to not seek out transportation capacity and/or gas supply
20 on a day where one or both may be constrained by weather or other reasons. While
21 the Texas 2021 event I mentioned lasted a week, extreme weather or other system
22 issues generally only last a couple of days. This is important because the LNG
23 facility can only provide deliverability for a few days due to storage limitations.

1 Because of this limitation, the LNG plant is usually used only under extreme cold
2 conditions or toward the end of the winter period, when the need for design day
3 coverage has passed. Without the LNG facility, and otherwise without adequate
4 gas supply or transportation capacity, customers may experience outages that can
5 cause life-threatening consequences, such as what happened in Texas.

6 **Q. The CRMA testimony suggests that now that CGC has obtained the 50,000**
7 **Dth/day in incremental transportation capacity that the LNG facility can be**
8 **made available to those wanting gas when they need it. How do you respond**
9 **to that characterization?**

10 A. I defer to the joint testimony of Mr. Becker and Mr. Bellinger, who thoroughly
11 discusses this transportation capacity and its relationship to the LNG facility and
12 why the LNG plant should not be used in the manner being requested by the
13 CRMA. However, I would like to provide a different perspective on how that LNG
14 facility can alternatively be used to serve our firm customers. A few years ago, the
15 East Tennessee pipeline had some scheduled maintenance serving Cleveland. In
16 order to make up for that situation, the Company had to roll a tanker truck to the
17 LNG plant, fill it with LNG, and then use the tanker and other appropriate
18 equipment to inject gas into the system to support our firm customers in Cleveland.
19 This is certainly not an everyday occurrence. However, this is a real-world example
20 of what our team often faces, and must do, in order to fulfill our commitment to
21 serve firm customers. In this regard, the value of the LNG plant is priceless.

22 **Q. While Mr. Becker and Mr. Bellinger in their joint rebuttal testimony, as well**
23 **as Mr. Hickerson in his rebuttal, provide specific and detailed responses to the**

1 **CRMA request and why the CRMA request should be denied, do you have any**
2 **additional relevant information on this issue?**

3 A. Yes, I do. I certainly respect and appreciate that our interruptible customers do not
4 want their service interrupted even though they have voluntarily taken interruptible
5 service. We do not want to interrupt their service, but sometimes there are
6 conditions beyond our control that result in interruptions. Once interrupted, these
7 customers want a simple and easy way to obtain alternative service. As Mr.
8 Hickerson testifies in his rebuttal testimony, if these customers need a more reliable
9 alternative to being interrupted, then they should subscribe to our firm back up
10 service.

11 While some conditions causing interruptions are truly beyond our control,
12 there are some things that we can do, and that we have been doing, that help to
13 minimize potential interruptions within our system. As I and our other witnesses
14 have said, the CGC system is constructed and maintained to meet the projected
15 needs of our firm customers. The system, as a whole, is able to provide interruptible
16 service primarily because it is constructed and maintained, in its totality, to meet
17 the projected needs of firm customers. No subset of the system can stand on its
18 own to serve a specific customer or subset of customers. Interruptible customers
19 are afforded a level of service so long as it does not impede the Company's ability
20 to meet our obligations to our firm customers. That said, CGC's pressure
21 improvement and other system enhancement projects over the last several years
22 have resulted in very meaningful upgrades in the system's ability to support our
23 firm load obligations, which today provide greater reliability for our interruptible

1 customers. Thus, all customers benefit from our efforts to improve our ability to
2 deliver gas to firm customers.

3 **Q. Please elaborate on the benefits to interruptible customers.**

4 A. Even though our pressure improvements are designed for the benefit of our firm
5 customers, our interruptible customers have benefitted from the multiple system
6 improvements that have been completed over time, especially those in the last five
7 years. The 2021 curtailment plan removed 18 interruptible customers in
8 comparison to the 2020 plan, and today there are only 12 customers on the 2021-
9 22 curtailment plan. For 2022, Curtailment Group 1 has a revised trigger of
10 38HDD (27 degrees), compared to 22HDD (43 degrees). In addition, we had two
11 CGC system curtailment orders during the 2021-2022 winter. One was canceled
12 due to warmer than expected temperatures; the other lasted only one day, a Saturday
13 in March. Thus, even though our pressure improvements are designed for the
14 benefit of our firm customers, our interruptible customers have benefitted from
15 these improvements as well.

16 **Q. Earlier you stated that you understand that the interruptible transportation**
17 **customers do not want their service interrupted, even though it is a status**
18 **voluntarily assumed, but as a practical matter once interrupted, they likely**
19 **want an easy way to get alternative service. Does CGC currently offer a**
20 **service that will provide these interruptible transport customers an alternative**
21 **to being interrupted?**

22 A. Yes. As I already testified, CGC offers Interruptible Transportation Service with
23 Firm Backup under Rate Schedule T-2. Interruptible customers served under Rate

1 Schedule T-1 can elect to receive full backup service under Rate Schedule T-2 or
2 elect only partial backup. The interruptible with firm back-up is certainly a very
3 good option for these customers as it places the burden on CGC to provide that back
4 up when they want it. Because of the extra work CGC must undertake to provide
5 that firm back up, there is a cost associated with that and therefore a tariff rate that
6 corresponds to the service. A new requirement that CGC make incremental service
7 available to these customers, such as what the CRMA is proposing, is not needed.

8 **Q. Does this conclude your testimony?**

9 **A. Yes.**