

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

February 23, 2023

IN RE:)	
)	
CHATTANOOGA GAS COMPANY)	DOCKET NO. 22-00004
PETITION FOR APPROVAL OF)	
TARIFF AMENDMENTS TO ITS)	
T-1, T-2, and T-3 TARIFFS)	

**CHATTANOOGA GAS COMPANY’S RESPONSE IN OPPOSITION TO
CHATTANOOGA REGIONAL MANUFACTURER’S ASSOCIATION’S MOTION TO
TAKE ADMINISTRATIVE NOTICE AND PETITION TO RECONSIDER**

Chattanooga Gas Company (“CGC” or “Company”), hereby submits its Response in Opposition to Chattanooga Regional Manufacturer’s Association’s (“CRMA”) Motion to Take Administrative Notice (“Motion”) and Petition to Reconsider (“Petition”) and in support of the denial of both CRMA pleadings, CGC states as follows:

I. INTRODUCTION AND BACKGROUND

This proceeding has always been about fairness to and protection of CGC’s 70,000 firm customers – the customers CGC and this Commission have the legal and regulatory responsibility to protect. CGC initiated this docket to request a simple but important change to its transportation tariffs to discourage interruptible transportation customers from consuming gas that does not belong to them to the detriment of CGC’s firm customers.

In response to CGC’s reasonable request to protect firm customers from this unfair cost shifting, CRMA, on behalf of a few interruptible transportation customers *who made the business decision to be responsible for their own gas supply*, asked the Commission to either (1) require CGC to sell them gas supply from the LNG facility when it is more affordable than acquiring their

own gas supply; or (2) shift a large portion of CGC's capacity that it has secured for its firm customers to poolers/marketers who are not regulated by this Commission. CRMA made these proposals in the face of a tariff that *already* provides the service they are seeking – T-2 Interruptible Transportation Service with Firm Gas Supply Back-up. Absent legal and factual support, CRMA further asserted that CGC improperly diverts gas supply off-system to the benefit of CGC and the asset manager. CRMA also requested that the triennial review assess whether CGC had unreasonably withheld incremental gas from interruptible transportation customers, notwithstanding the fact that Exeter has repeatedly considered CGC's overall gas supply plan over more than a decade and concluded that CGC's storage inventory planning criteria are reasonable.

After extensive discovery, a lengthy evidentiary hearing, and thorough briefing, this Commission approved CGC's tariff amendments and wholly rejected all of CRMA's requests, finding that each of the CRMA "requests are not in the public interest and should be denied." *Order Approving Petition for Approval of Amendments to Its T-1, T-2, and T-3 Tariffs as Amended*, Docket No. 22-00004, p. 46 (Feb. 1, 2023) ("Order"). More specifically, the Commission recognized that the interruptible transportation customers represented by CRMA "have elected to manage their own supply of gas"; "the Company's management and performance in gas supply has been found reasonable over several years of triennial reviews"; and "[i]nterruptible customers are not without options under the Company's tariffs and may choose to receive firm service at any time." *Id.*

Despite these clear findings, CRMA now seeks to re-litigate these very same issues via its Petition and Motion. Specifically, the CRMA pleading seeks to re-hash (1) expanding the scope of the triennial review; and (2) whether CGC should be required to provide incremental gas to requesting interruptible transportation customers on demand. In support, the pleading

inappropriately cites “new evidence” in the form of a December 23, 2022, email from an outside consultant on behalf of the Consumer Advocate Unit of the Tennessee Attorney General’s Office (“Consumer Advocate”) requesting additional questions be added to the scope of work in the current triennial review (“Email”). This request is absurd. The Email at issue (1) is contrary to the Order; (2) is not “evidence” of anything, much less anything new; and (3) is not appropriate for administrative notice under Tennessee law. The Motion should be rejected. In addition, the CRMA pleading seeks to introduce a new issue by seeking a change in the definition of “significant price volatility” from 20% to 50%. This request is utterly unsupported by the record in this proceeding and unrelated to the alleged “new evidence” supporting CRMA’s Petition. Oral argument on these CRMA pleadings is unnecessary and would be a waste of time, money, and Commission resources. The Motion and Petition, and the request for oral argument, should all be denied without any further discussion.

II. MOTION FOR ADMINISTRATIVE NOTICE

CRMA’s Motion should be soundly rejected. CRMA cites T.C.A. Sections 4-5-313(6)(A) 65-2-109(2) in support of its Motion. Neither of these provide a basis for taking administrative notice of an Email from an outside consultant for the Consumer Advocate after the close of the record that merely asks questions.

Sections 4-5-313(6)(A)(i) and 4-5-313(6)(A)(ii) cited by CRMA provide that an agency may take official notice of “[a]ny fact that could be judicially noticed in the courts of this state” and “[t]he record of other proceedings before the agency.” Neither of these provisions allow for official notice of the Email proffered by CRMA.

CRMA’s Motion suggests, without any support, that the unsolicited Email qualifies for official recognition as a “public record” because Commission staff was copied on the Email. This

is absurd. If this were the law, it would mean that anything could become a “public record” subject to official recognition or judicial notice simply by sending it to an agency. But regardless of its status, “judicial notice of a public record is only appropriate if its ‘existence or contents prove facts whose accuracy cannot reasonably be questioned.’” *Pridy v. Piedmont Nat’l Gas Co., Inc.*, 458 F. Supp. 3d 806, 814 (M.D. Tenn. 2020) (quoting *Passa v. City of Columbus*, 123 F. App’x 694, 697 (6th Cir. 2005)); *see also State v. Lawson*, 291 S.W.3d 864, 870 (Tenn. 2009) (relying on the corresponding federal rule when interpreting Tennessee Rule of Evidence 201). Tennessee Rule of Evidence 201 specifically recognizes that judicial notice is only appropriate where it is “not subject to reasonable dispute” and its “accuracy cannot reasonably be questioned.” The Email fails both prongs. First, there are no facts in the Email constituting evidence. Rather, the Email reflects questions the consultant unilaterally sent to Exeter that presumably in Mr. Dittimore’s opinion should be considered in the triennial review. This is simply not evidence, new or otherwise, since it is asking Exeter to consider certain issues and report its findings later this year once its review is completed.

Moreover, CRMA’s pleading is misleading because it failed to include CGC’s response to the Email wherein CGC, among other things, states that the Email’s questions had in fact already been asked and answered in the Commission’s decision:

the requested expansion of the scope of work in the triennial review . . . is outside the executed scope of work that was collaboratively developed by the Commission Staff, Consumer Advocate, and CGC, and an expansion of the triennial review audit to address gas requests from interruptible transportation customers has been expressly rejected by the Commission in the recently concluded docket.

. . .

. . . While we do not have an order yet in this matter, the motion adopted was direct and clear: “The Chattanooga Regional

Manufacturers Association requests that (1) liquefied natural gas (“LNG”) gas be offered to any customer making a request on a non-discriminatory basis; (2) excess pipeline capacity be offered to any customer that requests it via a capacity release mechanism; and (3) the next triennial review address whether the Company has reasonably interpreted and administered its incremental gas tariff. Based on the evidence and arguments presented by the Company and the Consumer Advocate, I find that these requests are not in the public interest and should be denied.”

*See Exhibit A.*¹ After sending this response, neither the Consumer Advocate nor Exeter further pursued an expansion of the triennial review. Thus, the questions in the Email are not facts, and even the Consumer Advocate now seems to recognize that it would be inappropriate to study them given their sound rejection by the Commission in the Motion and now the Order. Therefore, the Email is not a proper subject of judicial notice under T.C.A. Section 4-5-313(6)(A)(i).

The Email is likewise not subject to official recognition under Section 4-5-313(6)(A)(i), T.C.A. as it is not part of “the record of other proceedings before the agency.” Again, an unsolicited Email sent to Commission staff does not somehow automatically become part of “the record,” much less the record of “other proceedings.” The record in this matter was closed at the conclusion of the hearing on September 12, 2022, so an Email after that is not part of the record and cannot be relied upon. If it is a part of the record, the CRMA would not need to seek Administrative Notice because the Email would already be part of the record.

T.C.A. Section 65-2-109(2) likewise does not support CRMA’s Petition. Section 65-2-109(2) provides that “records and documents in the possession of the commission of which it desires to avail itself, shall be offered and made a part of the record in the case” First, again, there is no support for the proposition that an unsolicited Email would automatically qualify for judicial notice simply because Commission Staff is copied on the Email. Such a precedent would

¹ To the extent the Commission determines that the Email is appropriate for administrative recognition, CGC’s Response to Mr. Dittmore’s email should be given the same treatment.

be contrary to the very purpose of judicial notice which if “for purposes of convenience and without requiring . . . proof, of a well-known and indisputable fact.” *Lawson*, 291 S.W.3d at 868 (quoting Black’s Law Dictionary 863-64 (8th ed. 2004)). The Email certainly does not present well-known or indisputable facts. Given the objection to the Email by CGC counsel, CRMA should not now be allowed to inappropriately submit items into the record simply by sending an email to the Commission Staff.

Finally, T.C.A. Section 65-2-109(2) applies as the record in the case is being developed and is often used when the Commission wants to take administrative notice of portions of the record in other dockets, subject to an opportunity to object. *See, e.g., Notice of Administrative Notice, Docket 20-00139 (Aug. 27, 2021), Order Granting, in Part and Denying, in Part, Amended Request for Official Notice, Docket No. 15-00025 (July 27, 2015); Notice of Official Notice, Docket No. 13-00017 (Jan. 10, 2014).* CGC objects. Likewise, consistent with due process, in making a request for administrative notice parties must have the opportunity to conduct appropriate cross examination. T.C.A. Section 65-2-109(3). There is no such opportunity to conduct cross examination after the hearing and after the record has closed. For all of these reasons, CRMA’s Motion should be denied.

III. PETITION FOR REHEARING

CRMA’s Petition raises three arguments, all allegedly supported by the “new evidence” in the form of the Email addressed above: (1) expansion of the scope of the triennial review; (2) changing the definition of price volatility; and (3) requiring CGC to provide incremental gas to interruptible transportation customers on demand. As discussed below, the Petition fails to demonstrate any grounds for rehearing, and, therefore, the Petition and request for oral argument, should be denied.

A. Standard for Rehearing

A petition for rehearing is not intended to be utilized as a basis for “endless opportunities to re-litigate one or multiple issues based on new evidence in the same case after the hearing on the merits and the Commission’s final order.” *Order Accepting Chattanooga Gas Company’s Petition for Reconsideration*, Docket No. 18-00035, p. 2 (July 7, 2020); *Order Granting, in Part, and Denying, in Part, the Petition for Reconsideration*, Docket No. 15-00042 (May 16, 2016). That is exactly what the CRMA Petition is trying to do here – rehash arguments already extensively considered in the proceeding simply because it does not like the result.

By analogy to a motion to alter or amend under Rule 59 of the Tennessee Rules of Civil Procedure, reconsideration is appropriate where (1) the controlling law changes before a judgment becomes final; (2) previously unavailable evidence becomes available; or (3) there is a clear error of law or to prevent injustice. *Grayson v. Grayson*, 2021 WL 4026725, *5 (Tenn. Ct. App. 2021) (quoting *Vaccarella v. Vaccarella*, 49 S.W.3d 307, 312 (Tenn. Ct. App. 2001) (quoting *Bradley v. McLeod*, 984 S.W.2d 929, 933 (Tenn. Ct. App. 1998))). In an attempt to shoehorn itself into this standard, the Petition pleading cites “new evidence.” However, as explained above, the alleged “new evidence” is not appropriate for consideration here because it is not evidence of anything except that the Consumer Advocate’s outside consultant asked whether the scope of the triennial review should be expanded. The Consumer Advocate and Exeter took no further action on the Email once the unambiguous language of the Commission’s vote denying the previously requested expansion of the review was reported. The Petition does not merit reconsideration.

B. Scope of the Triennial Review

The Petition is *again* requesting that the Commission consider expansion of the triennial

review – a request that this Commission has already heard and rejected.² The requests in the Email are no different than what has already been asked for and denied.

In its post-hearing brief, the CRMA recommended the following: “The Commission should ask that the next triennial audit address whether CGC has reasonably interpreted and effectuated the incremental gas tariff and what changes, if any, the auditors would recommend.” CRMA, Post-hearing Brief at 4. This Commission found that the request was “not in the public interest and should be denied.” Order at p. 46. More specifically, the Commission found that “the Company’s management and performance in gas supply has been found reasonable over several years of triennial reviews.” *Id.* The Email, in different form, asks for the same things that the Commission denied. Thus, there is nothing “new” in the Email requests.

A review of the record confirms that the Email requests are the same the Petition now seeks. The CRMA witness Mr. Crist sought to expand the triennial review to investigate whether CGC’s capacity planning and gas supply practices demonstrate that CGC has available incremental gas. CRMA, Crist, Direct at p. 19, 8-19. In response, CGC provided unrefuted evidence that CGC’s capacity management and gas supply audits have been addressed in the past, over many years. CGC, Hickerson, Rebuttal at p. 9, l. 11. The triennial review process was initiated in 2009. In response to asset management and supply issues raised by the Consumer Advocate, the Commission specifically found “CGC subscribes to an appropriate level and mix of storage, peaking, and transportation capacity.” *In re: Docket to Evaluate Chattanooga Gas Company’s Gas Purchases and Related Sharing Incentives*, Docket No. 07-00224, p. 5 (Sept. 23, 2009). Since then, Exeter has considered CGC’s overall gas supply plan **three separate times** over more than a decade and concluded that CGC’s storage inventory planning criteria are reasonable.

² To the extent the email is new evidence that warrants reconsideration, which it is not, it relates only to the scope of the triennial review, and reconsideration should be limited to the scope of the review.

Hickerson, Rebuttal at p. 11, l. 2-4, l. 17-19; p. 12, l. 16. Given how extensively and thoroughly this issue has been litigated, there simply is nothing new in the Email and certainly no evidence supporting the requested reconsideration. The requested reconsideration is unnecessary and inappropriate.

C. Price Volatility

The Petition next argues that reconsideration is necessary to increase the defined point of “significant price variability” from 20% to 50%. Again, this issue was addressed in testimony, with Mr. Dittmore specifically explaining that “20 percent is a reasonable number” that “strikes a balance between all parties.” Tr. at. p. 178, l. 14-20. In addition, the parties fully briefed this issue, with the Consumer Advocate proposing 20%³ (Post-hearing Brief at 4) and CRMA proposing 100% (Post-hearing Brief at 5). This was not CGC’s request or issue, but the Company did not oppose Mr. Dittmore’s “goldilocks” recommendation of 20%. Tr. At p 141. The Commission found that the 20% language proposed by the Consumer Advocate should be included in the tariff. Order, at 46. *No one* proposed 50% **at any time** in the case or provided any record support for 50%. The Petition does not provide any factual or legal support for an increase to 50%.

As a practical matter, the Commission has just rendered this decision November 7, 2022, and reported its decision in its February 1, 2023, Order. So, this tariff provision is still very new, and there is no real track record as to whether the approved 20% threshold is working – CGC and the interruptible transportation customers potentially impacted by the tariff have not yet experienced a full winter season with multiple spikes in price that might trigger the tariff. Moreover, under the tariff, at a 20% or greater price fluctuation, CGC has the discretion as to whether to impose a volatility order. The tariff specifically states, “The Company **may** issue a

³ CGC did not oppose the Consumer Advocate’s request.

balancing order when an OFO order has been issued, **when in the judgement of the Company** it is required to maintain the operational integrity of the distribution system or during period of significant price volatility.” CGC Tariff, Third Revised Sheet No. 30D, issued November 15, 2022 (emphasis added). The 20% threshold seemed reasonable to the Consumer Advocate, CGC, and ultimately this Commission. However, if at some future point the CRMA has better information on how the tariff has worked since it was implemented, then CGC is always ready and willing to work collaboratively with its interruptible transportation customers and discuss whether a different threshold would be more appropriate. Alternatively, the CRMA could file a new original proceeding with this Commission and present real evidence of how the tariff works or does not work. But at this point, there is absolutely no evidence in the record or the Petition that would permit a change to the tariff. This request should be soundly rejected.

D. Incremental Gas

In its final argument, the Petition continues to assert the right to incremental gas on demand without paying for the level of service that would give them exactly that which is already in CGC’s tariff. As the Commission noted, “CRMA’s current claims have been subject to litigation that included extensive discovery and open debate amongst the experts of the parties.” Order at 46. Without citing to new evidence or any sort of error in law or fact, the Petition asks this Commission to again consider this issue, arguing: (1) CGC engaged in discriminatory practices in January 2022; and (2) CGC has a profit-centered motive for engaging in off-system sales. Again, these issues were the subject of extensive discovery, testimony, and briefing. This reconsideration request does not provide any basis for the Commission to reexamine its sound rejection of these arguments.

First and foremost, Mr. Dittmore agreed that CGC does not have an obligation to prioritize interruptible transportation customers over off-system sales. Tr., p. 169, l. – p. 171, l. 4. Again,

these transportation customers *do not pay for gas supply*; they take that responsibility on themselves. As the Commission found, “[i]nterruptible customers are not without options under the Company’s tariffs and may choose to receive firm service at any time.” Order at 46.

In any event, the record established that CGC **does not divert** LNG gas supply off-system to the benefit of CGC and there is **no sharing of revenues** under the Asset Management Agreement (“AMA”). CGC, Hickerson, Rebuttal at p. 16, l. 1-2. Rather, CGC receives a flat annual fee that is shared with CGC’s customers. CGC, Hickerson, Rebuttal at p.16, l. 3-5. The AMA itself has a three-year term, so there is no incentive to CGC to increase off-system sales to increase the value of the AMA or individual financial incentive to do so. Tr. at p. 79, l. 6-23. All the gas supply that the Company purchases is used by firm customers. Tr. at p. 54, l. 16-19. The Petition’s assertions otherwise are simply wrong.

The Petition also incorrectly asserts that CGC withdrew gas from the LNG facility to make displacement sales in January 2022, despite a request from an interruptible transportation customer for incremental gas during that same timeframe. This, again, is wrong. CGC categorically did not withdraw gas from the LNG facility to make displacement sales in January 2022. CGC, Hickerson, Rebuttal at p. 19, l. 16. No gas scheduled for delivery on behalf of CGC was replaced with gas from the Company’s LNG tanks. CGC, Becker/Bellinger, Rebuttal, at p. 27, l. 14-16. There is simply no basis for this assertion. All of the LNG vaporized by CGC in January 2022 was used solely to serve **firm customer** demand in accordance with its normal operating procedures and gas supply practices. CGC, Becker/Bellinger, Rebuttal, at p. 27, l. 13-18.

CGC’s decision to deny the request for incremental gas in January 2022 was completely appropriate. The Company decides if it will offer incremental gas to interruptible transportation customers after evaluating several factors, including, but not limited to, the time of the year or date

within the winter period; the current LNG inventory; and if CGC forecasts it will vaporize LNG to serve the firm customers. In January 2022, based on these criteria, CGC determined it was too early in the winter season to offer incremental gas sales using peak shaving inventory from the LNG facility. CGC, Becker/Bellinger, Rebuttal at p. 27, l. 19-p. 20, l. 2. The Commission recognized CGC's expertise in this area and found "[t]here simply is not sufficient evidence in the record to support shifting substantial risk to the detriment of customers that place complete reliance on the Company's management to provide safe, reliable, and affordable gas in order to benefit a group of customers that have elected to manage their own supply of gas." Order at 46. The Petition has not provided any legal or factual basis to reconsider this issue.

IV. CONCLUSION

For the reasons stated above, CRMA's Motion to Take Administrative Notice and Petition for Rehearing, including the request for oral argument, should be denied.

Respectfully submitted,

/s/ J.W. Luna

J. W. Luna, Esq. (Tenn. No. 5780)
Butler Snow LLP
150 3rd Avenue South, Suite 1600
Nashville, TN 37201
Telephone: (615) 651-6749
JW.Luna@butlersnow.com

and

Floyd R. Self, Esq. (TBPR PHV85597; Fla. Bar No. 608025)
Berger Singerman LLP
313 North Monroe Street, Suite 301
Tallahassee, Florida 32301
Direct Telephone: (850) 521-6727
fself@bergersingerman.com

Attorneys for Chattanooga Gas Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and exact copy of the foregoing Response to CRMA's Motion to Take Administrative Notice and Petition to Reconsider has been forwarded via electronic mail on this 23rd day of February, 2023, to the following:

Henry Walker, Esq.
Bradley Arant Boult Cumming, LLP
Roundabout Plaza
1600 Division Street, Suite 700
Nashville, TN 37203
hwalker@bradley.com

Karen Stachowski, Esq.
Vance L. Broemel, Esq.
Office of the Tennessee Attorney General
Financial Office, Consumer Advocate Unit
P.O. Box 20207
Nashville, TN 37202-0207
karen.stachowski@ag.tn.gov
vance.broemel@ag.tn.gov

/s/ J.W. Luna

J.W. Luna, Esq.

Floyd R. Self

From: Floyd R. Self
Sent: Friday, January 6, 2023 11:24 AM
To: David Dittmore; jmierzwa@exeterassociates.com
Cc: Ryan McGehee; Michelle Mairs; jw.luna@butlersnow.com; Archie Hickerson (ahickers@southernco.com); Vance Broemel; Karen H. Stachowski; Mason Rush; Alex Bradley; Victoria Glover; James P. Urban; Kasey Chow (KCHOW@southernco.com); Brooke Lewis Humphrey
Subject: RE: Scope of triennial review

Mr. Dittmore and Mr. Mierzwa,

On behalf of Chattanooga Gas Company, please be advised that the requested expansion of the scope of work in the triennial review is not approved because it is outside the executed scope of work that was collaboratively developed by the Commission Staff, Consumer Advocate, and CGC, and an expansion of the triennial review audit to address gas requests from interruptible transportation customers has been expressly rejected by the Commission in the recently concluded docket.

First, the triennial review process is designed to be a collaborative process, with the parties providing proposed procedures and criteria for each triennial review. This is the process followed this year, as in past years. In fact, in view of the issues raised by the CRMA in the recently concluded balancing tariff proceeding, Docket 22-00004, CGC held off in seeking final review and approval of the Exeter contract until after the Commission decided the balancing tariff docket so that the scope of work could be modified, if necessary, based upon the final decision. Since the Commission rejected the CRMA requested modifications to the triennial review audit, the master service agreement (“MSA”) and scope of work were collaboratively finalized without the CRMA requested language. These documents are now fully executed and final, and the Company has received the first data request from Exeter in furtherance of this year’s audit.






Second, as noted, the Commission flatly rejected expanding the triennial review audit as well as the CRMA’s other requested changes to CGC’s incremental gas policies and how CGC manages its capacity and gas resources. While we do not have an order yet in this matter, the motion adopted was direct and clear: “The Chattanooga Regional Manufacturers Association requests that (1) liquefied natural gas (“LNG”) gas be offered to any customer making a request on a non-discriminatory basis; (2) excess pipeline capacity be offered to any customer that requests it via a capacity release mechanism; and (3) the next triennial review address whether the Company has reasonably interpreted and administered its incremental gas tariff. Based on the evidence and arguments presented by the Company and the Consumer Advocate, I find that these requests are not in the public interest and should be denied.”

CGC remains mindful of the concerns of its large interruptible transportation customers. As was noted during the balancing docket hearing, CGC manages its gas supply and capacity resources consistent with its obligations to its firm customers, but the focus on infrastructure expansion and improvements is also providing meaningful benefits to interruptible customers. For a recent example, during the extreme cold weather between December 17 and 28, 2022, only five customers were curtailed (and two were an asphalt company that otherwise would not have been operational due to the low temperatures), and there were no pressure issues due to the cold temperatures.

Company representatives recently met with CRMA leaders to normalize a better ongoing relationship with that organization and its members. In furtherance of this process, informational programs are being planned to

better acquaint customers with the Company's policies and the opportunities for improved or additional services. CGC will be happy to invite the Consumer Advocate to participate in these programs. In the meantime, the Company will continue with the current, executed MSA and scope of work.

Thank you.
Floyd

 **Floyd R Self**
Board Certified State and Federal Government and Administrative Practice Lawyer
 **Berger Singerman** *Florida's Business Law Firm*
 313 N Monroe Street | Suite 301 | Tallahassee, FL 32301
D: (850)521-6727 | M: (850)566-6347
 bergersingerman.com


WARNING! WIRE FRAUD AND EMAIL HACKING/PIRATING IS ON THE RISE! IF YOU HAVE A CLOSING WITH OUR OFFICE AND YOU RECEIVE AN EMAIL CONTAINING WIRE TRANSFER INSTRUCTIONS, DO NOT RESPOND TO THE EMAIL. INSTEAD, CALL OUR OFFICE USING PREVIOUSLY KNOWN CONTACT INFORMATION FOR OUR OFFICE TO VERIFY OUR WIRE TRANSFER INSTRUCTION PRIOR TO SENDING YOUR FUNDS AND NOT THE INFORMATION PROVIDED TO YOU IN ANY SUCH EMAIL.

This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named and intended addressee(s), the recipient should immediately notify the sender by E-MAIL and by telephone at the phone number of the sender listed on the email and obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express consent of the sender or the named addressee(s). Thank you.

From: David Dittmore <ddittmoreBRC@outlook.com>
Sent: Thursday, December 22, 2022 5:03 PM
To: jmierzwa@exeterassociates.com
Cc: Ryan McGehee <Ryan.McGehee@tn.gov>; Michelle Mairs <Michelle.Mairs@tn.gov>; jw.luna@butlersnow.com; Archie Hickerson (ahickers@southernco.com) <ahickers@southernco.com>; Vance Broemel <Vance.Broemel@ag.tn.gov>; Karen H. Stachowski <Karen.Stachowski@ag.tn.gov>; Mason Rush <Mason.Rush@ag.tn.gov>; Alex Bradley <Alex.Bradley@ag.tn.gov>; Victoria Glover <Victoria.Glover@AG.TN.GOV>; James P. Urban <James.Urban@ag.tn.gov>; Floyd R. Self <fself@bergersingerman.com>
Subject: Scope of triennial review

[External E-mail]

Jerry:

Please see the following language within the Company's existing T-1 tariff:

AUTHORIZED INCREMENTAL RATE

When the Company determines that volumes of gas are available to be purchased and transported to Customers under this Rate Schedule, then the Company shall, at its option, be authorized to charge the incremental rate Customers for such gas supply distributed to those Customers who have been offered and who have agreed to pay such incremental rate in lieu of having their gas service curtailed. On days when gas is not being withdrawn from the Company's Liquid Natural Gas (LNG) facility for system supply, the incremental rate shall be the applicable index rate plus the variable pipeline charges. On those days when gas is being withdrawn from the LNG facility, the incremental rate will be increased to reflect the cost of gas used in the liquefaction and vaporization process.

The Consumer Advocate respectfully requests an expansion of the scope of work in the triennial review to include the following:

1. Has the Company unreasonably withheld gas that could otherwise have been sold to the Company's T-1 customers during the study period?
2. If such gas has been withheld, has the Company done so to ensure the continued availability of necessary gas supply to its firm customers, or has it permitted such excess gas to be marketed by a third-party, producing an indirect benefit to shareholders of the Southern Company?
3. Does the Company have a financial incentive to deny requests from T-1 customers for incremental gas sales as a result of its incentive mechanism?
4. Address the reliability of gas supply to CGC's firm customers if CGC increased its availability of gas to T-1 customers.
5. Address the financial implications to CGC's firm customers if CGC increased its availability of gas to T-1 customers.

Thank you for your consideration. If you have any questions regarding this request, please let me know.

David Dittmore
Consultant on behalf of the Tennessee Attorney General's Office
918-697-4475