

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE**

<b>IN RE:</b>	)	
	)	
<b>CHATTANOOGA GAS COMPANY</b>	)	
<b>PETITION FOR APPROVAL OF</b>	)	
<b>TARIFF AMENDMENTS TO ITS</b>	)	<b>DOCKET NO. 22-00004</b>
<b>T-1, T-2, AND T-3 TARIFFS</b>	)	
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**CROSS REBUTTAL TESTIMONY**

**OF**

**DAVID N. DITTEMORE**

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**August 8, 2022**

**Q1. PLEASE STATE YOUR NAME AND OCCUPATION FOR THE RECORD.**

**A1.** My name is David N. Dittmore. I am a self-employed consultant working in the utility regulatory sector.

**Q2. ARE YOU THE SAME DAVID DITTEMORE THAT SUBMITTED DIRECT TESTIMONY IN THIS DOCKET ON JULY 11, 2022?**

**A2.** Yes.

**Q3. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

**A3.** The purpose of my testimony is to respond to the Direct Testimony of Mr. James Crist on behalf of the Chattanooga Regional Manufacturers Association (“CRMA” or the “Company”).

**Q4. WHAT ASPECTS OF MR. CRIST’S TESTIMONY DO YOU WISH TO ADDRESS?**

**A4.** I will address several points made in the testimony of Mr. Crist, including his recommended framework for transportation tariffs,<sup>1</sup> and his conclusion that the Company should continue to use its no-notice storage service to mitigate imbalances on its system.<sup>2</sup> The fact that I do not address all of the issues identified by Mr. Crist should not be construed as acceptance of his proposal.

**Q5. WHAT IS YOUR RESPONSE TO MR. CRIST’S RECOMMENDATION THAT THE COMPANY’S TRANSPORTATION TARIFFS BE OVERHAULED AS DESCRIBED BEGINNING ON PAGE 10, LINE 5 OF HIS TESTIMONY?**

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<sup>1</sup> *Direct Testimony of James L. Crist* at 10:5 – 11:14, TPUC Docket No. 22-0004 (July 11, 2022).

<sup>2</sup> *Id.*, at 6:18-21.

1   **A5.**   I do not recommend the Commission adopt or pursue Mr. Crist's recommendation to  
2       revamp the Company's transportation tariffs.

3   **Q6.   WHY DO YOU OPPOSE THE CRMA PROPOSALS AT THIS TIME?**

4   **A6.**   The general framework set out by Mr. Crist is a very general outline of his vision for the  
5       relationship between transport customers, marketers, and the Company. His testimony  
6       does not fully describe the implications on the Company's operations from his proposal.  
7       The proposal has potential consequences on the costs and reliability of service to the  
8       Company's firm customers (residential and small commercial sales customers) that are not  
9       described within the proposal. In summary, the proposal is lacking in detail and rationale  
10      for such a significant change.

11   **Q7.   CAN YOU PROVIDE AN EXAMPLE OF WHAT YOU BELIEVE TO BE A LACK**  
12      **OF DETAIL IN THE CRMA PROPOSAL?**

13   **A7.**   Yes. Mr. Crist refers to the establishment of transportation gas supply pools.<sup>3</sup> However,  
14       the term “pools” is not defined. It appears that the transportation customers themselves  
15       would establish these “pools.” Mr. Crist does not state whether a customer could opt out  
16       of a pooling arrangement and select another “pool” and if so, how frequently that selection  
17       could occur. The potential implication on the customer in selecting a pool is not discussed.  
18       The choice of a pool is important, as the proposal also indicates that any cash-out and  
19       related daily balancing charges would be assessed to the pool supplier. Also, Mr. Crist  
20       does not state whether the pooling arrangement would be subject to the authority of the

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<sup>3</sup>       *Id.* at 10:7-9.

1 Commission and whether there are implications for the Company and its non-transportation  
2 customers from a transportation customer's pool selection.

3 Next, Mr. Crist states that Chattanooga Gas Company ("CGC") will assign the pro-rata  
4 share of the interstate capacity and storage assets to each supplier pool based on their pool's  
5 aggregate maximum daily quantity.<sup>4</sup> It is unclear whether Mr. Crist is referring to the entire  
6 existing firm capacity contracted by the Company on its interstate pipeline suppliers or  
7 only some portion he believes is over that necessary to serve the Company's firm (sales)  
8 customers. Without further detail provided, the statement alone suggests that all such  
9 capacity would be available for assignment. There is no discussion of the implication of  
10 this significant change on the Company's firm customers or whether the Company would  
11 have sufficient capacity remaining to ensure that reliable, uninterrupted service would be  
12 available to meet the peak demand of the Company's firm customers.

13 **Q8. ARE THE CHANGES PROPOSED BY THE CRMA SIGNIFICANT TO ALL**  
14 **STAKEHOLDERS?**

15 **A8.** Yes. The changes suggested by the CRMA have significant implications for the Company  
16 and all its customers. From the Company's standpoint, it completely remodels the current  
17 relationship between the Company and its transportation customers. Further, the proposals  
18 would impact the Company's costs of administering its transportation program. More  
19 importantly, the capacity assignment to transportation customers has potential reliability  
20 implications for the firm customers, not to mention unresolved issues concerning cost  
21 assignment associated with such capacity. In summary, while the proposal is

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<sup>4</sup> *Id.* at 10:12-13.

1 comprehensive, the supporting testimony does not address the many details necessary to  
2 assess the impact on the Company and its firm customers.

3 **Q9. DOES THE CRMA PROVIDE A RED-LINE TARIFF THAT SETS OUT THEIR**  
4 **VIEW OF THE RULES UNDER WHICH THE POOLING PROGRAM WOULD**  
5 **OPERATE?**

6 **A9.** No.

7 **Q10. COULD YOU SUMMARIZE YOUR RECOMMENDATION ON THE CRMA**  
8 **PROPOSAL TO IMPLEMENT A POOLING METHODOLOGY AS OUTLINED**  
9 **IN MR. CRIST’S TESTIMONY?**

10 **A10.** Yes. The proposal is overly general and lacks the necessary detail required to give the  
11 proposal serious consideration.

12 **Q11. NOW TURN TO THE SECOND ISSUE YOU’D LIKE TO ADDRESS FROM MR.**  
13 **CRIST’S TESTIMONY CONCERNING THE COMPANY’S USE OF FIRM NO-**  
14 **NOTICE TRANSPORTATION SERVICE THROUGH SOUTHERN NATURAL**  
15 **GAS (“SONAT”), AN UPSTREAM INTERSTATE PIPELINE COMPANY.**

16 **A11.** Mr. Crist states that the Company has been able to mitigate penalties on its system by using  
17 its contract for firm no-notice storage service with SONAT.<sup>5</sup> He further states that  
18 customers already pay for this service through the reservation charge.<sup>6</sup>

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<sup>5</sup> *Id.* at 6:16-20.

<sup>6</sup> *Id.* at 6:20-21.

1 **Q12. DO YOU AGREE WITH THE ASSERTION MADE BY MR. CRIST THAT**  
2 **(TRANSMISSION) CUSTOMERS ARE INCURRING THE COSTS OF THE NO-**  
3 **NOTICE STORAGE SERVICE?**

4 **A12.** I'm unaware of any evidence that the T-1 class is incurring the costs associated with no-  
5 notice storage service. The T-2 class is subject to billing adjustments, including changes to  
6 the Company's Purchased Gas Adjustment clause; however, it does not appear that the T-  
7 1 customers are subject to such charges. It is the Purchase Gas Adjustment mechanism  
8 where I would expect such storage costs to be incurred by customers. Thus, it is unclear  
9 to me whether the T-1 is actually incurring these storage costs.

10 **Q13. SUPPOSE THE T-1 TRANSPORTATION CUSTOMERS ARE NOT INCURRING**  
11 **THE COSTS ASSOCIATED WITH THE T-1 STORAGE FACILITY. IS IT**  
12 **APPROPRIATE TO EXPECT THE COMPANY TO USE ITS NO-NOTICE**  
13 **STORAGE CONTRACT TO BALANCE THE RECEIPTS AND WITHDRAWALS**  
14 **OF THE T-1 CLASS?**

15 **A13.** No. The T-1 class has voluntarily assumed responsibility for its gas acquisition and  
16 upstream transportation, which includes the following obligations: balancing receipts and  
17 deliveries, obtaining the gas supply, and securing upstream transportation. In return, the T-  
18 1 customers may achieve savings in both the costs of interstate pipeline transportation  
19 (generally interruptible) and gas cost savings. The Commission should ensure that to the  
20 extent the Company has used its no-notice storage service to balance its load, including T-  
21 1 customers, that non-transportation customers are adequately compensated in the  
22 assignment of storage costs to those classes who benefit from such services.

1    **Q14. DOES THIS COMPLETE YOUR TESTIMONY?**

2    **A14.** Yes.

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**AFFIDAVIT**

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I, David Dittmore, on behalf of the Consumer Advocate Division of the Attorney General's Office, hereby certify that the attached Cross Rebuttal Testimony represents my opinion in the above-referenced case and the opinion of the Consumer Advocate Division.

David N. Dittmore  
**DAVID N. DITTEMORE**

Sworn to and subscribed before me  
this 8<sup>th</sup> day of August 2022.

Terra Allen

**NOTARY PUBLIC**



My commission expires:

September 28, 2022.