

1     **I.       WITNESS INTRODUCTION.**

2     **Q.       Please state your name, position and address.**

3     A.     I am Paul Leath, Regional Director of Operations, Chattanooga Gas (“Company”  
4           or “CGC”) and Northeast Georgia. My business address is 2207 Olan Mills Drive,  
5           Chattanooga, Tennessee, 37421.

6     **Q.       Did you file direct testimony in this proceeding?**

7     A.     Yes.

8     **Q.       What is the purpose of your rebuttal testimony?**

9           The purpose of my rebuttal testimony is to present information for the Company in  
10          response to the direct testimony of witness Mr. Alex Bradley filed on behalf of the  
11          Consumer Advocate Unit in the Financial Division of the Tennessee Attorney  
12          General’s Office (“Consumer Advocate”). More specifically, I will respond to Mr.  
13          Bradley’s recommendations that the Commission require CGC “to communicate,  
14          through a bill insert and a media release, the estimated increase in the average  
15          residential bill for the period December 2022 through February 2023 compared  
16          with the same period from the previous year.” Consumer Advocate Direct  
17          Testimony, Alex Bradley, p. 8, l. 16-21. I will also present information for the  
18          Company in response to the direct testimony of witness James L. Crist filed on  
19          behalf of the Chattanooga Regional Manufacturers Association (“CRMA”)  
20          regarding system enhancement project benefits to interruptible customers,  
21          including at the Company’s LNG facility.

22     **Q.       Are any other Company witnesses submitting rebuttal testimony regarding**  
23     **use of the Company’s LNG facility?**

1 A. Yes. Mr. Gregory Becker and Mr. Christopher Bellinger are filing joint rebuttal  
2 testimony regarding the incremental gas issue raised by CRMA, including the use  
3 of the LNG facility. Mr. Archie Hickerson is also filing rebuttal testimony to the  
4 Consumer Advocate and CRMA regarding the appropriate rate design for new rates  
5 as well as rebuttal to the CRMA on the incremental gas issue. In addition, Ms.  
6 Tiffani Weems provides supplemental testimony regarding the undisputed  
7 prescribed revenue recovery or total rate adjustment and an updated ARM Model  
8 reflecting the adjustments that have been made to reduce the total revenue recovery.

9 **Q. Are you sponsoring any exhibits with your rebuttal testimony?**

10 A. No.

11 **II. CUSTOMER NOTIFICATION**

12 **Q. Do you have a general response to Mr. Bradley's recommendations regarding**  
13 **customer notification?**

14 A. Yes. The Company agrees with Mr. Bradley that customer notification is  
15 important, and we are happy to provide some additional or improved customer  
16 communications regarding this proceeding and its rate changes. However, given  
17 the nature of our customer base and billing process, we have worked with the  
18 Consumer Advocate and have come to agreement on some modifications to Mr.  
19 Bradley's recommendations that will still help to meaningfully inform our  
20 customers of the Commission's decision in this Docket.

21 **Q. What does the Company propose in terms of customer notification?**

22 A. The Company proposes multiple avenues of customer notification, summarized as  
23 follows:

- 1 • CGC will develop a website devoted to information regarding this Docket,  
2 including information as to the estimated increase in the average residential bill  
3 for the period December 2022 through February 2023 compared with the same  
4 period from the previous year.
- 5 • CGC will include a message on bills – including both paper bills and electronic  
6 bills (“eBills”), as appropriate – with information regarding this Docket,  
7 including a link to this new website we have developed.
- 8 • CGC will include in its press release regarding this Docket information  
9 reflecting the estimated increase in the average residential bill for the period  
10 December 2022 through February 2023 compared with the same period from  
11 the previous year.
- 12 • CGC will include in its two newspaper advertisements regarding this Docket  
13 information reflecting the estimated increase in the average residential bill for  
14 the period December 2022 through February 2023 compared with the same  
15 period from the previous year.
- 16 • CGC will include in its newsletter emailed to all customers information as to  
17 the estimated increase in the average residential bill for the period December  
18 2022 through February 2023 compared with the same period from the previous  
19 year.

20 **Q. What aspects of the Company’s billing process make the Company’s proposal**  
21 **better suited to inform customers?**

22 A. Most notably, nearly 50% of CGC’s customers receive electronic bills. Therefore,  
23 in our experience, a bill insert is not an effective way of communicating

1 information. In addition, a bill insert costs approximately \$7,000. We believe  
2 CGC's proposal is better suited at ensuring that customers see the information in a  
3 way that is meaningful to them at a lower cost. Finally, by pursuing multiple avenues  
4 of customer notification, the Company's proposal will help ensure that more  
5 customers have access to and an opportunity to review the relevant information  
6 about this process and the resulting rate increase.

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

8 **Q. The CRMA is seeking access to what it calls excess or incremental gas. While**  
9 **Mr. Becker and Mr. Bellinger in their joint rebuttal testimony, as well as Mr.**  
10 **Hickerson in his rebuttal, provide specific and detailed responses to the**  
11 **CRMA request and why the CRMA request should be denied, do you have any**  
12 **additional relevant information on this issue?**

13 **A** Yes, I do. The overall issue in the CRMA request is these customers want to lessen  
14 the impact of interruptions in service. We certainly respect and appreciate that our  
15 interruptible customers do not want their service interrupted even though they have  
16 voluntarily taken interruptible service. We do not want to interrupt their service,  
17 but sometimes there are conditions beyond our control that result in interruptions.  
18 Once interrupted, these customers want a simple and easy way to obtain alternative  
19 service.

20 While some conditions are truly beyond our control, there are some things  
21 that we can do, and that we have been doing, that help to minimize potential  
22 interruptions within our system. As I and our other witnesses have said, the CGC

1 system is constructed and maintained to meet the projected needs of our firm  
2 customers. The system, as a whole, is able to provide interruptible service primarily  
3 because it is constructed and maintained, in its totality, to meet the projected needs  
4 of firm customers. No subset of the system can stand on its own to serve a specific  
5 customer or subset of customers. Interruptible customers are afforded a level of  
6 service so long as it does not impede the Company's ability to meet our obligations  
7 to our firm customers. That said, CGC's pressure improvement and other system  
8 enhancement projects over the last several years have resulted in very meaningful  
9 upgrades in the system's ability to support our firm load obligations, which today  
10 provide better opportunities for our interruptible customers. Thus, all customers  
11 benefit from our efforts to improve our ability to deliver gas to firm customers.

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

13 A. Even though our pressure improvements are designed for the benefit of our firm  
14 customers, our interruptible customers have benefitted from the multiple system  
15 improvements that have been completed over time, especially those in the last five  
16 years. The 2021 curtailment plan removed 18 interruptible customers in  
17 comparison to the 2020 plan, and today there are only 12 customers on the 2021-  
18 22 curtailment plan. For 2022, Curtailment Group 1 has a revised trigger of  
19 38HDD (27 degrees), compared to 22HDD (43 degrees). In addition, we had two  
20 CGC system curtailment orders during the 2021-2022 winter. One was canceled  
21 due to warmer than expected temperatures; the other lasted only one day, a Saturday  
22 in March. Thus, even though our pressure improvements are designed for the

1 benefit of our firm customers, our interruptible customers have benefitted from  
2 these improvements as well.

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

9 A. Yes. CGC offers Interruptible Transportation Service with Firm Backup under  
10 Rate Schedule T-2. Interruptible customers served under Rate Schedule T-1 can  
11 elect to receive full backup service under Rate Schedule T-2 or elect only partial  
12 backup. A new requirement that CGC make incremental service available to these  
13 customers, such as what the CRMA is proposing, is not needed.

14 **Q. The CRMA testimony requests that the LNG facility should be made available**  
15 **to those wanting gas when they need it now that CGC has obtained the 50,000**  
16 **Dth/day in incremental transportation capacity. How do you respond to that**  
17 **characterization?**

18 A. The joint testimony of Mr. Becker and Mr. Bellinger thoroughly discusses this  
19 transportation capacity and its relationship to the LNG facility and why the LNG  
20 plant should not be used in the manner being requested by the CRMA. However, I  
21 would like add a different perspective on how that LNG facility needs to be  
22 available to serve our firm customers. A few years ago, the East Tennessee pipeline  
23 had some scheduled maintenance serving Cleveland. In order to make up for that

1           situation, we had to roll a tanker truck to the LNG plant, vaporize the gas, and then  
2           use the tanker to inject gas into the system to support our firm customers in  
3           Cleveland. This is certainly not an everyday occurrence. However, this is not a  
4           unique example of what is necessary sometimes in order to fulfill our commitment  
5           to serving firm customers and the value that the LNG plant brings to serving those  
6           customers when needed.

7   **Q.    Does this conclude your rebuttal testimony?**

8   **A.    Yes.**