

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

IN RE:)	
)	
CHATTANOOGA GAS COMPANY'S)	
PETITION FOR APPROVAL OF ITS)	DOCKET NO. 22-00032
2021 ANNUAL RATE REVIEW)	
FILING PURSUANT TO)	
TENN. CODE ANN. § 65-5-103(d)(6))	

**CONSUMER ADVOCATE'S FIRST SET OF DISCOVERY REQUESTS
TO CHATTANOOGA GAS COMPANY**

This First Set of Discovery Requests is hereby served upon Chattanooga Gas Company ("CGC" or "Company"), pursuant to Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. The Consumer Advocate Unit in the Financial Division of the Office of the Attorney General ("Consumer Advocate") requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Financial Division, Consumer Advocate Unit, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Karen H. Stachowski on or before Tuesday, May 20, 2022, at 2:00 p.m. CST.

PRELIMINARY MATTERS AND DEFINITIONS

1. **Continuing Request.** These discovery requests are to be considered continuing in nature and are to be supplemented from time to time as information is received by the Company and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.

2. **Clear References.** To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.

3. **Format of Responses.** Provide all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to audit and analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.

4. **Objections.** If any objections to this discovery are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document, and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

5. **Singular/Plural.** The singular shall include the plural, and vice-versa, where appropriate.

6. **Definitions.** As used in this Request:

(a) “You,” “Your,” “Company,” “Chattanooga Gas,” or “CGC” shall mean Chattanooga Gas Company and all employees, agents, attorneys, representatives, or any other person acting or purporting to act on its behalf.

(b) “Affiliate” shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater clarification, “control” is the ownership of 20% or more of the shares of stock entitled to vote for the election of directors in the case of a corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term “Affiliate” shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an “Affiliate”.

(c) “Communication” shall mean any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings, and personal conversations, or otherwise.

(d) “Document” shall have the broadest possible meaning under applicable law. “Document” shall mean any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made?

(e) “Person” shall mean any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.

(f) “Identify” with respect to:

- i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person's relationship, whether business, commercial, professional, or personal with you;
- ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and current or last known business address of such person or entity (if no business address is available provide any address known to you);
- iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and
- iv. Any oral communication, means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.

(g) "And" and "or" shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.

(h) "Including" shall be construed to mean including but not limited to.

FIRST DISCOVERY REQUESTS

1-1. Identify/Source & Support. Identify and provide a copy of all workpapers used to prepare the Company's ARM filing that have not been previously supplied.

RESPONSE:

1-2. Provide the following information related to the Company's remote work policies for CGC, Southern Company Gas, and AGL Services Company:

- a. Identify/Source & Support. Identify and provide a copy of the Company's current policy regarding remote work for its employees;
- b. Identify/Source & Support. For each month of 2021, identify the number of employees working from home, working from an SNG affiliated office, and working in a hybrid model; and

- c. Identify/Source & Support. For each month of 2021, identify the costs by company and subaccount that were paid by the Company related to remote work for its employees.

RESPONSE:

- 1-3.** Rationale/Explanation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 6”, Cell P27. Specifically Row 16, Column P for Other Revenues amounting to \$1,063,398. It appears that this formula improperly excludes an annualization adjustment in Column K of \$39,941. Please explain and provide an updated schedule if this formula is incorrect:

RESPONSE:

- 1-4.** Corrected/Updated Information. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)> Tabs “Schedules 14.1” and “14.2”. Provide updated schedules that provide this same information without “grouping” the data for selected accounts:

RESPONSE:

- 1-5.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedules 14.3”. Provide the following information:
- a. Source & Support/Hard-coded data. Provide a copy of the referenced DOT Report showing 81,571 service lines for CGC as shown in Cell H8 as an unreferenced hard-coded number; and
 - b. Source & Support/Hard-coded data. Provide the source and support for the 2,240 service lines with inactive meters as shown in Cell H19 as an unreferenced hard-coded number.

RESPONSE:

1-6. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 15.1”, Cells J194 to J197 which contain the T-3 volumes by rate block for July 2021 that total to 278,059 Dth. Next, refer to Cell J172 of this same spreadsheet which shows 313,607 Dth for this same month. Reconcile the source and support for the discrepancy between these two amounts.

RESPONSE:

1-7. Source & Support/Hard-coded data. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 15.1”. Provide the source and support for all billing determinants (bills, volumes by billing step, capacity and demand) for all months of 2021 and for all rate schedules that appear here as unreferenced hard-coded numbers. By way of example, see Row 12 of this schedule which contains the bills recorded by month for the Residential rate schedule.

RESPONSE:

1-8. Source & Support/Hard-coded data. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 15.1”. Provide the source and support for all recorded revenues (Customer Charge Revenue, Capacity Revenue, Demand Revenue, Volumetric Revenue) for all months of 2021 and for all rate schedules that appear here as unreferenced hard-coded numbers. By way of example, see Row 24 of this schedule which contains the Volumetric Revenues recorded by month for the Residential rate schedule.

RESPONSE:

1-9. Source & Support/Hard-coded data. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 15.1”. Provide the source and support for all recorded WNA revenues for all months of 2021 and for all rate schedules that appear here as unreferenced hard-coded numbers. By way of example, see Row 29 of this schedule which contains the WNA Revenues recorded by month for the Residential rate schedule.

RESPONSE:

1-10. Source & Support/Hard-coded data. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 15.1”. Provide the source and support for all billing rates for all months of 2021 and for all rate schedules that appear here as unreferenced hard-coded numbers. By way of example, see Row 14 of this schedule which contains the customer charge recorded by month for the Residential rate schedule.

RESPONSE:

1-11. Source & Support/Hard-coded data. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 15”, Rows 396 to 414, which contain the margin calculation for Special Contract customers. Provide the billing determinants as well as the source and support for the billing rates used to calculate the revenue that appear here as unreferenced hard-coded numbers.

RESPONSE:

1-12. Source & Support/Hard-coded data. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 15”, Rows

466 to 478, which contain the allocation factors used to assign Rate C-2 total volumes to rate blocks. Provide the source and support for the volumetric billing determinants that appear here as unreferenced hard-coded numbers.

RESPONSE:

1-13. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tabs “Schedule 16.4” and “16.4A”. Provide the following information:

- a. Source & Support/Hard-coded data. Provide the source and support for the billing determinants that appear here as unreferenced hard-coded numbers; and
- b. Reconciliation. Explain the difference between these two schedules.

RESPONSE:

1-14. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 17”, Cells B105 to E116, which show the billing determinants for Rate Schedule F-1/T-2+T-1. The billing determinants presented here do not appear to match up with the billing determinants shown on Schedule 15.1 for this same rate schedule. Reconcile the differences between these two schedules.

RESPONSE:

1-15. Source & Support/Hard-coded data. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 17”, Columns P and S, which contain the Company’s proposed billing rates for all rate schedules. Provide the source and support for these proposed billing rates that appear here as unreferenced hard-coded numbers.

RESPONSE:

- 1-16.** Source & Support/Hard-coded data. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 17.1”, Cell O20 , which shows the normalized special contract revenue. Provide the source and support for this amount that appears here as an unreferenced hard-coded number.

RESPONSE:

- 1-17.** Source & Support/Hard-coded data. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 17.1”, Cell O22, which shows the normalized other revenue of \$1,063,398. Provide the source and support for this amount that appears here as an unreferenced hard-coded number.

RESPONSE:

- 1-18.** Source & Support/Hard-coded data. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 17.1”, Cell N27, which shows the rate increase cap for special contract customers. Provide the source and support for this amount that appears here as an unreferenced hard-coded number.

RESPONSE:

- 1-19.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 22”, which shows the Company’s capital expenditures for 2021 by category and provide the following information:
- a. Identify/Source & Support. Identify the specific plant accounts associated with each category listed on this schedule; and
 - b. Reconciliation. Reconcile the monthly amounts included on Schedule 22 with the plant additions included on Schedule 14.1.

RESPONSE:

- 1-20.** Source & Support/Hard-coded data. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 24.2”, which is related to the monthly costs for 2021 in Department 1637 – Governmental Affairs. We need to validate and authenticate this data for inclusion in the ARM filing. Therefore, provide the source and support for the data included on this schedule that appears here as an unreferenced hard-coded data. If the Company is unable to adequately respond to this request, then we would ask to schedule a meeting to determine how this item can be resolved.

RESPONSE:

- 1-21.** Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 24.2”, Account 670150 – A&G Salaries Capitalized. It appears that the total for this account disagrees with the account detail for February, August, and September. Please reconcile the amounts for this account.

RESPONSE:

- 1-22.** Refer to the Direct Testimony of Tiffani Weems, File of <CGC Weems Exhibit TW-1 (ARM Model and Schedules)>, Tab “Schedule 24.3” related to the Lobbying Portion of Organization Dues and provide the following information:
- a. Source & Support/Hard-coded data. Provide the source and support for the amounts that included in Column E of this schedule which appear as unreferenced hard-coded data; and

- b. Source & Support/Hard-coded data. Provide the source and support for the Lobbying Percentages included in Column H of this spreadsheet which appear as unreferenced hard-coded data.

RESPONSE:

1-23. Refer to the costs recorded to FERC account 920 for the periods 2020 and 2021. For each employee whose costs are charged in total, or in part, to FERC account 920 for these two periods provide the following:

- a. Identify/Source & Support. Salary for 2020 and 2021 by employee;
- b. Identify/Source & Support. Incentive compensation for 2020 and 2021 by type, by employee; and
- c. Identify/Source & Support. For any employee whose compensation is not charged exclusively to account 920, provide the applicable account distribution for that employees' compensation for 2020 and 2021.

RESPONSE:

1-24. Refer to the costs recorded to FERC account 924 for the periods 2020 and 2021. Provide the following:

- a. Identify/Source & Support. What entity provides the Company with General Business Insurance;
- b. Rationale/Explanation. How the Company's premiums are determined; and
- c. Rationale/Explanation. A narrative discussion on the driver(s) for the large increase in this expense.

RESPONSE:

1-25. Refer to the costs recorded to FERC account 926 for the periods 2020 and 2021. Specifically, refer to Company account "670525- Miscellaneous Benefits". Provide the following:

- a. Define/Identify. A narrative description of the benefits charged to this account;

- b. Define/Identify. A narrative description of the driver(s) of the increase recorded in this account; and
- c. Define/Identify. Identify the monthly charges by benefit type for each twelve-month period.

RESPONSE:

- 1-26.** Identify/Source & Support. Refer to the costs recorded to FERC account 928; specifically, Company account “669002- Rate Evaluation Costs – Amort”. Provide a breakdown of the amortizations currently being charged to this account, identifying each amortization recognized within this account and the matter it arose out of.

RESPONSE:

- 1-27.** Identify/Source & Support. Refer to the costs Record to FERC account 926; Company account “670570-Employee Relocation”. These costs have increased approximately \$43,000 in 2021. Provide the name and position of the employee on whose behalf the Company incurred these costs. Further, identify the origination and destination of the employee move.

RESPONSE:

- 1-28.** Refer to the Company’s Schedule 35.6 “Outside Services YE Accruals Workpaper” as filed with the Company’s Petition. Specifically, refer to the “ICF Campaign Support (marketing)” accrual shown on this workpaper. Provide answers to the following:
- a. Define/Identify. A narrative description of the “ICF Campaign Support”; and
 - b. Define/Identify. Examples of the work product of this service.

RESPONSE:

1-29. Rationale/Explanation. Refer to the Company’s Schedule 20 “AGL Services Company – Income Statement” as filed with the Company’s Petition. Specifically, refer to Company account “670594-Other/Sale Bonuses”. Provide the Company’s criteria for an employee to earn this type of variable compensation and how this cost was essential in the provision of natural gas service to the Company’s Tennessee customers.

RESPONSE:

1-30. Rationale/Explanation. Refer to the Company’s Schedule 20 “AGL Services Company – Income Statement” as filed with the Company’s Petition. Specifically, refer to Company account “600117 Pay-Pivotal Virginia Propane”. Provide a narrative response detailing what these charges relate to and how they relate to the provision of natural gas services in the Company’s Tennessee service territory.

RESPONSE:

1-31. Refer to the Company’s Schedule 20 “AGL Services Company – Income Statement” as filed with the Company’s Petition. Specifically, refer to Company account “670885 Restructuring-Severance”. Provide the following:

- a. Clarification. State whether these costs are included in the Company’s proposal;
- b. Identify/Source & Support. If included provide the amount allocated to CGC; and
- c. Rationale/Explanation. If included provide what these costs relate to and the Company’s rationale for cost recovery.

RESPONSE:

1-32. Provide a typical residential customer bill for March of 2021 and March of 2022. Include in your response, a breakdown of charges (including the customer charge, base commodity charge, PGA, and ACA components of the bill) along with typical usage.

RESPONSE:

RESPECTFULLY SUBMITTED,



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail,
with a courtesy copy by electronic mail upon:

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This the 6th day of May, 2022.



KAREN H. STACHOWSKI
Senior Assistant Attorney General