

STATE OF TENNESSEE

Office of the Attorney General



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May 5, 2023

Chairman Herbert H. Hilliard
c/o Ms. Tory Lawless, Docket Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37242-0001

Electronically Filed in TPUC Docket
Room on May 5, 2023 at 11:54 a.m.

Re: Tennessee Public Utility Commission, Docket No. 23-00024, *Petition of Chattanooga Gas Company for Approval of Tariff Change to Performance Based Ratemaking Mechanism RFP Procedures and Removal of Requirement for RFP Approval*

Dear Chairman Hilliard:

On April 4, 2023, Chattanooga Gas Company ("CGC") filed its *Petition of Chattanooga Gas Company for Approval of Tariff Change to Performance Based Ratemaking Mechanism RFP Procedures and Removal of Requirement for RFP Approval* ("Petition") and testimony in support of this *Petition*. In this filing, CGC is seeking a tariff change to its "Performance Based Ratemaking Tariff" (Third Revised Sheet Nos. 56B and 56C), which requires Requests for Proposal ("RFP") procedures for the selection of an asset manager or gas provider.¹ CGC also seeks removal of the corresponding requirement that CGC "submit future asset management Request for Proposals for approval prior to placing them out for bid."² These procedures are in place to ensure that affiliates are not given preferential treatment over non-affiliates.³ On July 1, 2021, Southern Company, CGC's parent corporation, closed on the sale of its only affiliated natural gas marketing entity, Sequent Energy.⁴ CGC now asserts that the only responses to RFPs for asset management services now come from unaffiliated third parties, thereby making the

¹ *Petition of Chattanooga Gas Co. for Approval of Tariff Change to Performance Based Ratemaking Mechanism RFP Procedures and Removal of Requirement for RFP Approval*, at 2–3, TPUC Docket No. 23-00024 (April 4, 2023).

² *Id.* at 3.

³ *See Order Adopting Tariff Revisions, TRA Docket Nos. 04-00402, 04-00403 (Dec. 5, 2006).*

⁴ *Petition of Chattanooga Gas Co. for Approval of Tariff Change to Performance Based Ratemaking Mechanism RFP Procedures and Removal of Requirement for RFP Approval*, at 3, TPUC Docket No. 23-00024 (April 4, 2023).

original reasoning for the RFP procedures in the Performance Based Ratemaking Tariff unnecessary.⁵

The Consumer Advocate Division of the Tennessee Attorney General's Office ("Consumer Advocate") has reviewed the *Petition* and the accompanying comments filed within this Docket. After informal discussions with CGC, the Consumer Advocate respectfully expresses its intent not to intervene at this time in this proceeding. The Consumer Advocate's opinion or expression of intent may not be used for any purpose other than the expression of intent not to intervene stated herein.

The Consumer Advocate requests that this letter be filed in this Docket.

Respectfully,

A handwritten signature in black ink, appearing to read "Victoria B. Glover".

Victoria B. Glover
Assistant Attorney General

cc: Floyd R. Self, Esq.
J.W. Luna, Esq.
Kasey Chow, Esq.
Jason Willard
Monica Smith-Ashford, Esq.

⁵ *Id.* at 5.