

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

May 19, 2023

IN RE:)	
)	
CHATTANOOGA GAS COMPANY'S PETITION FOR APPROVAL OF ITS 2022 ANNUAL RATE REVIEW FILING PURSUANT TO TENN. CODE ANN. § 65-5-103(d)(6))))))))	DOCKET NO. 23-00029

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

Chattanooga Gas Company ("CGC" or "Company") files these Responses and Objections to the First Set of Discovery Requests of the Consumer Advocate Division of the Office of the Attorney General ("Consumer Advocate") filed May 5, 2023.

To assist the Hearing Officer in evaluating this matter, CGC is setting forth its objections and Responses in two parts. Part I sets forth general objections applicable to CGC's discovery Responses. Part II sets forth objections to specific discovery requests propounded by the Consumer Advocate.

I. GENERAL OBJECTIONS

CGC objects generally to any definitions or instructions to the extent that they are inconsistent with and request information that is beyond the scope of the Tennessee Rules of Civil Procedure. CGC's Responses will comply with the requirements of the Tennessee Rules of Civil Procedure.

Any requests for production of documents are interpreted to describe each item or category of items requested with reasonable particularity as required by Tenn. R. Civ. P. 34.02, and the terms used in the requests are not interpreted “broadly.” CGC will produce items and/or data in its possession, custody or control as required by Tennessee Rules of Civil Procedure.

CGC further objects to these discovery requests to the extent they seek information that is beyond the scope of legitimate discovery in this case or that is subject to any privilege, including the attorney-client privilege and/or attorney work product doctrine. However, without waiving any of these General Objections, the Company will respond to the Consumer Advocate’s discovery requests by providing responsive, non-privileged information.

These General Objections are continuing and are incorporated by reference in CGC’s Responses to all discovery requests to the extent applicable. The statement of the following additional objections to specific discovery requests shall not constitute a waiver of these General Objections.

Further, CGC is proceeding in the traditional course of providing information that it deems to be confidential pursuant to the terms of the TPUC’s Protective Order issued on April 24, 2023, by marking the information as confidential. CGC is acting in good faith reliance on the Consumer Advocate’s compliance with the Protective Order.

FIRST SET OF DISCOVERY REQUESTS

See the following pages for each specific discovery response.

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-01

QUESTION:

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. Specifically provide either a statement that all workpapers and schedules used by the Company to prepare the ARM filing have already been supplied OR provide a copy of all schedules and workpapers used by the Company to prepare the ARM that have not been previously supplied.

RESPONSE:

With the exception of the workpapers listed below, and additional workpapers provided through discovery, the Company is not aware of any workpapers used that have not been provided.

- a. CA 1-1 Attachment A, Workpapers supporting Schedule 15
- b. CA 1-1 Attachment B, Workpapers supporting Schedule 16.4
- c. CGC Weems Exhibit TW-1 (Revised 5/19/2023)

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-02

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 2A1", Cell N12, which has a value of \$1,187,268 for Account 10100005 "Plant in Service Topside - Chattanooga Gas Company" for September 2022. We are unable to trace this value to the Company's trial balance in File <Schedule 21 - General Ledger (FYE 22).xlsx>, Tab "Balance Sheet - 2022" regarding Chattanooga Gas Company. Reconcile this amount with the Company's ledger.

RESPONSE:

The trial balance is extracted from Oracle Analytics Cloud (OACS), while the data in "Schedule 2A1" is extracted from Oracle Financials and Consolidated Cloud (Oracle FCC). The two systems do not interface. OACS only contains unconsolidated data. Oracle FCC contains consolidated data, presentation entries, topside entries, and eliminations. See CA 1-2 Attachment A for a copy of the full consolidated balance sheet.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-03

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 2A1", Cells E16 and Q16, which have values of \$197,435,584 and \$236,102,990 for Account 10100025 "Plant in Service-Unreg - AGL Services Company" for December 2021 and December 2022. We are unable to trace this value to the Company's trial balance in File <Schedule 21 - General Ledger (FYE 22).xlsx>, Tab "Balance Sheet - 2022" regarding AGL Services Company. Reconcile this amount with the Company's ledger.

RESPONSE:

The trial balance is extracted from Oracle Analytics Cloud (OACS), while the data in "Schedule 2A1" is extracted from Oracle Financials and Consolidated Cloud (Oracle FCC). The two systems do not interface. OACS only contains unconsolidated data. Oracle FCC contains consolidated data, presentation entries, topside entries, and eliminations. See CA 1-2 Attachment A for a copy of the consolidated balance sheet.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-04

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx >. Specifically refer to Tab "Schedule 2A1", Cell Q18, which has a value of \$49,256,718 for Account 10100070 "Plant in Service - Cloud Software-Noncurrent - AGL Services Company" for December 2022. We are unable to trace this value to the Company's trial balance in File <Schedule 21 - General Ledger (FYE 22).xlsx>, Tab "Balance Sheet - 2022" regarding AGL Services Company. Reconcile this amount with the Company's ledger.

RESPONSE:

The trial balance is extracted from Oracle Analytics Cloud (OACS), while the data in "Schedule 2A1" is extracted from Oracle Financials and Consolidated Cloud (Oracle FCC). The two systems do not interface. OACS only contains unconsolidated data. Oracle FCC contains consolidated data, presentation entries, topside entries, and eliminations. *See* CA 1-2 Attachment A for a copy of the consolidated balance sheet.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-05

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx >. Specifically refer to Tab "Schedule 2A1", Cell N25, which has a value of \$-1,152,200 for Account 10700015 "Construction Work in Progress-Topside – Chattanooga Gas Company" for September 2022. We are unable to trace this value to the Company's trial balance in File <Schedule 21 - General Ledger (FYE 22).xlsx >, Tab "Balance Sheet - 2022" regarding Chattanooga Gas Company. Reconcile this amount with the Company's ledger.

RESPONSE:

The trial balance is extracted from Oracle Analytics Cloud (OACS), while the data in "Schedule 2A1" is extracted from Oracle Financials and Consolidated Cloud (Oracle FCC). The two systems do not interface. OACS only contains unconsolidated data. Oracle FCC contains consolidated data, presentation entries, topside entries, and eliminations. See CA 1-2 Attachment A for a copy of the consolidated balance sheet.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-06

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx >. Specifically refer to Tab "Schedule 2A1", Cell N28, which has a value of \$9,108,638 for Account 10700015 "Construction Work in Progress-Topside - AGL Services Company" for September 2022. We are unable to trace this value to the Company's trial balance in File <Schedule 21 - General Ledger (FYE 22).xlsx >, Tab "Balance Sheet - 2022" regarding AGL Services Company. Reconcile this amount with the Company's ledger.

RESPONSE:

The trial balance is extracted from Oracle Analytics Cloud (OACS), while the data in "Schedule 2A1" is extracted from Oracle Financials and Consolidated Cloud (Oracle FCC). The two systems do not interface. OACS only contains unconsolidated data. Oracle FCC contains consolidated data, presentation entries, topside entries, and eliminations. See CA 1-2 Attachment A for a copy of the consolidated balance sheet.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-07

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx >. Specifically refer to Tab "Schedule 2A1", Cell Q29, which has a value of \$152,851,556 for Account 10700015 "Construction Work in Progress-Unreg – AGL Services Company" for December 2022. We are unable to trace this value to the Company's trial balance in File <Schedule 21 – General Ledger (FYE 22).xlsx >, Tab "Balance Sheet – 2022" regarding AGL Services Company. Reconcile this amount with the Company's ledger.

RESPONSE:

The trial balance is extracted from Oracle Analytics Cloud (OACS), while the data in "Schedule 2A1" is extracted from Oracle Financials and Consolidated Cloud (Oracle FCC). The two systems do not interface. OACS only contains unconsolidated data. Oracle FCC contains consolidated data, presentation entries, topside entries, and eliminations. See CA 1-2 Attachment A for a copy of the consolidated balance sheet.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-08

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx >. Specifically refer to Tab "Schedule 2A1", Cell Q31, which has a value of \$167,253 for Account 10700030 "Construction Work in Progress-Unreg -AGL Services Company" for December 2022. We are unable to trace this value to the Company's trial balance on in File <Schedule 21 - General Ledger (FYE 22).xlsx >, Tab "Balance Sheet - 2022" regarding AGL Services Company. Reconcile this amount with the Company's ledger.

RESPONSE:

The trial balance is extracted from Oracle Analytics Cloud (OACS), while the data in "Schedule 2A1" is extracted from Oracle Financials and Consolidated Cloud (Oracle FCC). The two systems do not interface. OACS only contains unconsolidated data. Oracle FCC contains consolidated data, presentation entries, topside entries, and eliminations. See CA 1-2 Attachment A for a copy of the consolidated balance sheet.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
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Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-09

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 2A1", Row 40, which has a 13-month average value of \$4,546,515 for Account 16420000 "Inventory-Liquefied Natural Gas Stored - Chattanooga Gas Company". We are unable to trace the monthly values for this account to the Company's trial balance in File <Schedule 21 - General Ledger (FYE 22).xlsx>, Tab "Balance Sheet - 2022" regarding Chattanooga Gas Company. Reconcile this amount with the Company's ledger.

RESPONSE:

The trial balance is extracted from Oracle Analytics Cloud (OACS), while the data in "Schedule 2A1" is extracted from Oracle Financials and Consolidated Cloud (Oracle FCC). The two systems do not interface. OACS only contains unconsolidated data. Oracle FCC contains consolidated data, presentation entries, topside entries, and eliminations.

Account 16420000 "Inventory-Liquefied Natural Gas Stored - Chattanooga Gas Company" includes an LNG Presentation reclass balance of \$980,962. This amount should not be included in the Rate Base calculation as it is a non-plant item included in Chattanooga Gas's Acquisition Adjustment. See CA 1-2 Attachment A for a copy of the consolidated balance sheet.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
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Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-10

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 2A1", Cell E46, which has a value of \$-44,997 for Account 24200000 "Misc Cur and Accrued Liabilities (MC&AL) - Chattanooga Gas Company" for December 2021. We are unable to trace this value to the Company's trial balance in File <Schedule 21 - General Ledger (FYE 22).xlsx>, Tab "Balance Sheet - 2022" regarding Chattanooga Gas Company. Reconcile this amount with the Company's ledger.

RESPONSE:

The trial balance is extracted from Oracle Analytics Cloud (OACS), while the data in "Schedule 2A1" is extracted from Oracle Financials and Consolidated Cloud (Oracle FCC). The two systems do not interface. OACS only contains unconsolidated data. Oracle FCC contains consolidated data, presentation entries, topside entries, and eliminations.

See CA 1-2 Attachment A for a copy for the consolidated balance sheet.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-11

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 2A1", Cell E49, which has a value of \$0 for Account 23200085 "AP-Unclaimed Check - Chattanooga Gas Company" for December 2021. We are unable to trace this value to the Company's trial balance in File <Schedule 21 - General Ledger (FYE 22).xlsx>, Tab "Balance Sheet - 2022" regarding Chattanooga Gas Company. Reconcile this amount with the Company's ledger.

RESPONSE:

The trial balance is extracted from Oracle Analytics Cloud (OACS), while the data in "Schedule 2A1" is extracted from Oracle Financials and Consolidated Cloud (Oracle FCC). The two systems do not interface. OACS only contains unconsolidated data. Oracle FCC contains consolidated data, presentation entries, topside entries, and eliminations.

See CA 1-2 Attachment A for a copy of the consolidated balance sheet.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-12

QUESTION:

Corrected/Updated Information. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 2A1", Cells N60 to Q60, for Account 11100010 "Accum Amortization - Cloud Software - AGL Services Company" for September 2022 through December 2022. These amounts are not recognized in the subtotal on Row 62. Provide an updated calculation that properly reflects the inclusion of this account.

RESPONSE:

Schedule 2A1 has been updated to reflect this change. This change results in a \$1,401 decrease in the deficiency.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-13

QUESTION:

Corrected/Updated Information. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 2A1", Row 82, for "Total Accumulated Deferred Income Tax-ADIT" with a 13-month Average balance of \$-46,688,173 in Cell R82. It appears that the formulas for the monthly amounts in Row 82 differ from the formula for the 13-month Average in Cell R82. Provide an updated calculation that properly computes this amount for all periods.

RESPONSE:

Schedule 2A1 has been updated to reflect this change. There is no change in the deficiency.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-14

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 2A1", Cell E94, which has a value of \$0 for Account 24100105 "Tax Clct Pay-Sales Tax - Chattanooga Gas Company" for December 2021. We are unable to trace this value to the Company's trial balance in File <Schedule 21 - General Ledger (FYE 22).xlsx>, Tab "Balance Sheet - 2022" regarding Chattanooga Gas Company. Reconcile this amount with the Company's ledger.

RESPONSE:

The trial balance is extracted from Oracle Analytics Cloud (OACS), while the data in "Schedule 2A1" is extracted from Oracle Financials and Consolidated Cloud (Oracle FCC). The two systems do not interface. OACS only contains unconsolidated data. Oracle FCC contains consolidated data, presentation entries, topside entries, and eliminations.

See CA 1-2 Attachment A for a copy of the consolidated balance sheet.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-15

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 2A1", Row 114, for the "2021 Deficiency" unamortized balance with a 13-month average balance of \$7,940,566 in Cell R114. Provide the source and support for the monthly unamortized balances presented here.

RESPONSE:

Please refer to docket No. 21-00048, rebuttal testimony of Gary Tucker, CGC Tucker Exhibit GT-4 (ARM Model), Schedule 29.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-16

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 2A1", Row 114, for the "2021 Deficiency" unamortized balance with a 13-month average balance of \$7,940,566 in Cell R114. Provide the source and support for the monthly unamortized balances presented here.

RESPONSE:

Please refer to docket No. 22-00032, rebuttal testimony of Tiffani Weems, CGC Weems Exhibit GT-4 (ARM Model), Schedule 29.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-17

QUESTION:

Corrected/Updated Information. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 19.1" that provides a 2022 monthly for CGC in Hyperion Format. Provide an update to this schedule that includes account numbers.

RESPONSE:

See CA 1-17 Attachment A CGC Income Statement by ResType.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-18

QUESTION:

Corrected/Updated Information. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 20.1" that provides a 2022 monthly Income Statement for AGL Services Company in Hyperion Format. Provide an update to this schedule that includes account numbers.

RESPONSE:

See CA 1-18 Attachment A, ASC Income Statement by ResType which provides a Hyperion run Income Statement that include the resource type as well as the account numbers and descriptions.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-19

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 18", Row 19, which has a value of \$461,688 for "Damage Billing" for the twelve months ending in December 2022. We are unable to trace this value to the Company's trial balance in File <Schedule 21 - General Ledger (FYE 22).xlsx>, Tab "Income Statement - 2022" regarding Chattanooga Gas Company. Reconcile this amount with the Company's ledger.

RESPONSE:

Please refer to CA 1-19 Attachment B, Schedule 35.8 Other Revenue Workpaper and supporting workpaper CA 1-19 Attachment A. Workpaper CA 1-19 Attachment A provides support for the damage billing amounts August through December. The Company did not correctly record damage billing revenues for September through December 2022. As such, the Company included a proforma entry to reflect the recognition of the billed damage billing as shown in CA 1-19 Attachment B. Please note that in the preparation of this response, it was determined that damage billing for August through September should have been \$272,597 rather than \$273,174, a reduction in damage billing revenues of \$577.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
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CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-20

QUESTION:

Corrected/Updated Information. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 17.1", Cell P22, which has a value of \$1,336,932 for "Other Revenue" which comes from Schedule 18. It appears that the Company has used "Total AFUDC" instead of Other Revenue from Tab "Schedule 18". If this is correct, provide an updated schedule.

RESPONSE:

The revision of Schedule 17.1 Cell P22 to correctly reflect "Other Revenue" of \$1,341,130 has no impact on any other schedules in File <CGC Weems Exhibit TW-1.xlsx>. A revised Schedule 17.1 is provided in the updated ARM Model.

Chattanooga Gas Company
Docket No. 23-00029
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CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-21

QUESTION:

Corrected/Updated Information. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tabs "Schedule 14.1" and "Schedule 14.2" regarding Plant and Accumulated Depreciation. Provide updated schedules that provide this same information without "grouping" the data for selected accounts.

RESPONSE:

Please attachment CA 1-21 Attachment.

Witness: Tiffani Weems
 Supervisor, Regulatory Reporting
 Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-22

QUESTION:

Corrected/Updated Information. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 14.3" regarding Active Service Lines. Provide a copy of the referenced "DOT Report" showing 82,288 service lines as shown in Cell H8 as an unreferenced hard-coded number.

RESPONSE:

See CA 1-22 Attachment A, Chattanooga Gas Company Annual Report to the Department of Transportation Pipeline and Hazardous Materials Safety Administration for Calendar Year 2022 Gas Distribution System

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-23

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 14.3" regarding Active Service Lines. Provide the source and support for the 4,298 service lines with inactive meters as shown in Cell H19 as an unreferenced hard-coded number.

RESPONSE:

See CA 1-23 Attachment A and CA 1-23 Attachment B.

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-24

QUESTION:

Corrected/Updated Information. Refer to the Company's response to Consumer Advocate DR No. 1-8 in TPUC Docket No. 22-00032 regarding the source and support for all billing determinants and revenues by month for all customer classes. Provide this same information for each month of 2022.

RESPONSE:

The source of the billing determinants is the Company's billing and accounting records. See CA 1-24 Attachment A.

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-25

QUESTION:

Corrected/Updated Information. Refer to the Company's response to Consumer Advocate DR No. 1-22 in TPUC Docket No. 22-00032 regarding the support for the Company's lobbying portion of Organization Dues. Provide this same information for 2022.

RESPONSE:

See CA 1-25 Attachment A (Confidential) and CA 1-25 Attachment B (Public) for copies of the 2022 AGA Invoices, and CA 1-25 Attachment C for Account Details.

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-26

QUESTION:

Source & Support. Refer to the Company's response to Consumer Advocate DR No. 2-5 in TPUC Docket No. 22-00032 regarding the support for segregating customer deposits between under\over six months and the prime interest rate. Provide this same information for 2022.

RESPONSE:

See CA 1-26 Attachment A and CA 1-27 Attachment B.

Witness: Tiffani Weems
 Supervisor, Regulatory Reporting
 Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-27

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.07 ADIT Workpapers.xlsx>. Specifically refer to Tab "Schedule 35.07" regarding ADIT Workpapers. Provide a copy of this spreadsheet with all formulas intact for subtotals and totals for all spreadsheet tabs, including links between the federal and state tabs to Tab "Schedule 35.7 (Summary)".

RESPONSE:

See CA-27 Attachment A.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-28

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Inputs", regarding miscellaneous adjustments. Specifically refer to Cell D83 for \$55,000 related to "Outside Services- Marketing". Provide the source and support for this amount which appears as a hard-coded value.

RESPONSE:

In the 2021 ARM Docket 22-00032 the Company made an adjustment to remove a \$55,000 outside services marketing accrual. These costs were never incurred. The accrual was subsequently reversed in January 2022. The impact of the adjustments net to zero. See CA 1-28 Attachment A for account details.

Docket	Company Books	Adjustment
22-00032	55,000	-55,000
23-00029	-55,000	55,000

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Docket No. 23-00029
Chattanooga Gas Company's 2022 Annual Rate Review

CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-29

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 9", Cell I26, which has a value of \$61,537 for "Permanent Differences" in the Income Tax calculation. Provide the source and support for this amount which appears as a hard-coded value.

RESPONSE:

See CA 1-29 Attachment A, Report 51004, line 23, for total permanent differences.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
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CONSUMER ADVOCATE'S Discovery Requests Set: CA-1

CA 1-30

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx> and File <FYE 2022 O&M by ResType.xlsx> as provided informally to the Consumer Advocate by the Company and attached to this request. Specifically, refer to Tab "Schedule 27" within File <CGC Weems Exhibit TW-1.xlsx> and provide answers to the following:

- a. Reconcile to the amounts shown in File <CGC Weems Exhibit TW-1.xlsx>, Tab "Schedule 27", line 1, and <FYE 2022 O&M by ResType.xlsx>, summarized in the table below; and

		A/ Amount per TW-1	B/ Amount per FYE 2022 O&M by ResType.xlsx	Difference
Sch 27	Performance Pay Program (PPP) - AIP Bonus	475,774	620,222	(144,448)
	A/ CGC Weems Exhibit TW-1.xlsx, sch. 27 line 1.			
	B/ FYE 2022 O&M by ResType.xlsx, payroll accounts (LPC, LPX, & LPN Resource Types)			

- b. Provide source and support for the denominator factor of 163% found in line 4.

RESPONSE:

- a. Column B includes both PPP incurred at CGC and direct assigned PPP. Amounts in column B were determined based on resource types specific to PPP. Allocated PPP cost cannot be identified as they do not retain the cost specific resource types after the allocation process has run but show a resource type ALO. However, the PPP resource type can be identified prior to allocation. Therefore, for the adjustment to remove PPP, the Company determined total ASC and SCS PPP related charges ignoring cost assignment methodology and removed the portion charged to CGC using an allocation factor. This approach allows for removal of both allocated and direct assigned PPP charges and is consistent with the adjustment to removed service company PPP charges to CGC prior to the implementation of EF.

- b. See page 18 of CA 1-30 Attachment - Schedule 27 - Comp Plan Docs. (2of2)
CONFIDENTIAL.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

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CA 1-31

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically, refer to Tab "Schedule 7" and Tab "Schedule 25". Per Schedule 7, total book Pension expense was \$224,205; however, Schedule 25 shows total book Pension expense was \$225,643. Reconcile this difference.

RESPONSE:

Schedule 7 reflects total pension expense by Resource Type. Please see CA 1-31 Attachment A CONFIDENTIAL for support for the pension amounts shown in Schedules 7 and 25.

For the adjustment on Schedule 25, the Company only included pension costs recorded to the pension expense resource type and to pension expense FERC account 926. Pension expense recorded to account 923 is related to direct assigned pension costs from SCS. Upon further review it was determined that amounts recorded to account 923 should be included in the Schedule 25 adjustment. The revised Schedule 25 is provided in the CGC TW Exhibit 1 (updated)

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

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CA 1-32

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.03 Other Post Retirement Benefits (OP).xlsx>, Cell G18. Provide a narrative description for the entries in June 2022 titled "Veba Reimbursement" for both Chattanooga Gas Company and AGL Services Company.

RESPONSE:

Voluntary Employees' Beneficiary Association Plan (VEBA) is a tax-free health reimbursement account which can continue year over year (unlike a Flexible Spending Account that terminates each year). A VEBA can be used by the retiree and eligible dependents to reimburse for qualified health expenses after retirement. These would be classified as an Other Post-Retirement Benefit. The plan is a tax-exempt trust set up by employers or a group of employees and are typically funded by the employer. Because VEBA trust funding is recovered by customers, the Company found it prudent to include any annual credits or reimbursements in the OPEB/OPRB adjustment. Including the credit in the Pension and Other Post-Employment Benefits Adjustment reduced the deficiency by approximately \$250,000.

Witness: Tiffani Weems
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Southern Company Gas

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CA 1-33

QUESTION:

Source & Support/Reconcile. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx> and File <FYE 2022 O&M by ResType.xlsx> as attached to this request. Specifically, refer to line 1 of Tab "Schedule 23.1" within the File <CGC Weems Exhibit TW-1.xlsx> and reconcile the amount shown in File <FYE 2022 O&M by ResType.xlsx>, summarized in the table below:

		A/ Amount per TW-1	B/ Amount per FYE 2022 O&M by ResType.xlsx	Difference		
Sch. 23.1	Allocated Costs	9,085,071	8,253,369	831,702		
	A/ B/	CGC Weems Exhibit TW-1.xlsx, sch. 23.1, line 1 FYE 2022 O&M by ResType.xlsx (ALO,CES,& CPT Resource Types)				

RESPONSE:

Column B, reflected above is the allocation cost by resource type related to O&M costs. These costs do not include direct assigned costs. Column A, reflected above, is the total CGC allocated costs. CA 1-33 Attachment A reconciles the total allocated costs on Schedule 23.1 to the income statement.

Additionally, the invoices provided in Schedule 23 breaks out allocated and direct assigned costs. See 1-33 Attachment B.

Witness: Tiffani Weems
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CA 1-34

QUESTION:

Source & Support. Refer to File <FYE 2022 O&M by ResType.xlsx>. Specifically, refer to Account 9210000 "Office Supplies and Expenses Account". Provide the general ledger detail comprising the \$406,808 coded under resource type "EAL- Miscellaneous Expenses".

RESPONSE:

See CA 1-34 Attachment A CONFIDENTIAL.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
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CA 1-35

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically, refer to Tab "Schedule 35.9". Provide the Company's rationale for the inclusion of Account 42630000 "Penalties" within the recoverable cost of service.

RESPONSE:

For ratemaking purposes fines and penalties activity has historically been removed as they were recorded to miscellaneous operating expenses. However, since the Company's transition to EF, these costs are now recorded to other income. The Company has determined this adjustment is no longer necessary and made the correction on Schedule 35.9.

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CA 1-36

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically, refer to Tab "Schedule 7B". Provide the general ledger detail comprising the \$60,719 in Account 925 "Injuries and Damages".

RESPONSE:

See CA 1-36 Attachment A.

Witness: Tiffani Weems
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CA 1-37

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically, refer to Tab "Schedule 27". Provide source and support for line 13 "Lobby Incentive Compensation Eliminated".

RESPONSE:

Please see the first tab of Schedule 35.16a, line 17.

Witness: Tiffani Weems
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Southern Company Gas

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CA 1-38

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically, refer to Tab "Schedule 7B". Provide the general ledger detail comprising the \$255,372 in Account 92400005 "Prop Ins-Oth" and provide a narrative response detailing the year over year cost increase of approximately \$100,000 for this account.

RESPONSE:

See CA 1-38 Attachment A.

Insurance premiums are not based on a specific financial indicator but are affected by overall economic pressures including such things as claims activity, litigation trends, utility industry trends as well as individual policy holder performance. Overall, the insurance market has experienced rating increases over the last couple of years that have resulted in Southern Company Gas having double digit percentage insurance premium increases.

Witness: Tiffani Weems
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CA 1-39

QUESTION:

Source & Support/Reconcile. Refer to File <FYE 2022 O&M by ResType.xlsx>. Specifically, refer to Account 927 "Franchise Requirements". Provide the general ledger detail comprising the year ending \$4,026,965 coded under Resource Type "EAL- Miscellaneous Expenses".

RESPONSE:

See CA 1-39 Attachment A.

Witness: Tiffani Weems
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Southern Company Gas

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CA 1-40

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically, refer to Tab "Schedule 7A.8". Provide the general ledger detail comprising the \$82,317 in allocated costs for Account 91000000 "CS&I Misc Cust Svc and Info Exp".

RESPONSE:

Please see attachment CA 1-40 Attachment A.

Witness: Tiffani Weems
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CA 1-41

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems exhibit TW-1.xlsx>. Specifically, refer to Tab "Schedule 7A.8". Provide the general ledger detail comprising the \$2,881,449 in allocated costs for Account 92300000 "Outside Services Employed".

RESPONSE:

See CA 1-41 Attachment A.

Witness: Tiffani Weems
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CA 1-42

QUESTION:

Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically, refer to Tab "Schedule 7A.8". Provide to the following regarding Account 40430010 "Amortization of Limited-Term Gas Property-Cloud Computing":

- a. An amortization schedule supporting this charge; and
- b. A narrative description of the charge and what it what it relates to.

RESPONSE:

There is no amortization schedule. These costs are recorded from the PowerPlan system related to Enterprise Foundations ("EF") Cloud assets. PowerPlan is amortizing through June 2029 based on approximately \$53M of assets. This is posted from PowerPlan to AGL Services Company ("ASC") and then the service provider allocations will then be allocated downstream to the various companies based on the Target Cost Center ("TCC") field type, "CTSIT". CA 1-42 Attachment A provides the journal detail for both ASC and CGC for 2022.

Witness: Tiffani Weems
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CA 1-43

QUESTION:

Source & Support. Refer to File <FYE 2022 O&M by ResType.xlsx> and File <Schedule 21 - General Ledger (FYE 22)>. Provide the AGSC Income Statement in the same format as produced in File <FYE 2022 O&M by ResType.xlsx>.

RESPONSE:

See CA 1-18 Attachment A, ASC Income Statement by ResType which provides an Hyperion run Income Statement that includes the resource type as well as the account numbers and descriptions.

Witness: Tiffani Weems
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CA 1-44

QUESTION:

Identify/Source & Support. State whether the Company has incurred any Environmental, Social, and Governance costs, and provide a breakdown of such costs. If any Environmental, Social, and Governance costs have been allocated to Tennessee, provide a breakdown of such costs.

RESPONSE:

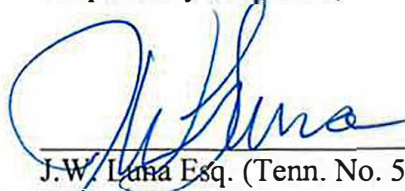
CGC objects to this request as vague, overly broad, and unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. The phrase “environmental, social and governance” is used in many different contexts and subject to different interpretations as to what “costs” may be within the scope of “environmental, social and governance costs.” Subject to and without waiving the foregoing objections, CGC states as follows:

The Company does not specifically track, identify or otherwise breakdown costs as “Environmental, Social, and Governance costs,” so there are no such costs to report in this manner. CGC notes that there may be some costs that are recorded or otherwise identified in the Company’s books and records as “environmental” costs, and these costs might include a number of different activities such as environmental compliance (e.g., legal or expert/consultant fees associated with certain regulatory filings), construction costs (e.g., site cleanup/restoration or replacement sod or plant costs), ongoing safety (e.g., leak detection and repairs), gas acquisition costs (e.g., efforts to acquire and make available renewable natural gas), and even certain public information efforts (e.g., 811-Call Before You Dig or the Company’s Natural Gas University). Notwithstanding the foregoing, CGC further notes that as a general matter, Southern Company Gas has undertaken certain environmental sustainability efforts that are reported at the following website: <https://southerncompanygas.com/sustainability/>

Objections, by Counsel.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Respectfully submitted,



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Attorneys for Chattanooga Gas Company

CERTIFICATION OF SERVICE

I HERBY CERTIFY that a true and correct copy of the foregoing was served Via Electronic Mail, on 19th day of May, 2023, upon:

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