

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

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

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

This Third Set of Discovery Requests is hereby served upon Chattanooga Gas Company, Inc. ("CGC" or the "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 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, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Mason C. Rush on or before Friday, June 2, 2023, at 2:00 p.m. CST.

PRELIMINARY MATTERS AND DEFINITIONS

This Third Set of Discovery Requests incorporates by reference the same Preliminary Matters and Definitions as set forth in the Consumer Advocate's First Discovery Request to Chattanooga Gas Company sent to the Company on May 5, 2023, are to be considered continuing in nature, and are to be supplemented from time to time as information is received by the Company which would make a prior response inaccurate, incomplete, or incorrect. By agreement

of the parties and to avoid confusion, this Third Set of Discovery Requests is the second formal set of discovery requests issued by the Consumer Advocate and the third set of written discovery requests to date, as reflected in the numeration below. A set of Additional Informal Discovery Requests, constituting the second set of written discovery requests, was served on the Company on May 10, 2023.

THIRD SET OF DISCOVERY REQUESTS

3-1. Identify/Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically, refer to Tab “Schedule 7B”. We are unable to replicate the base period costs by account and resource type as the Company has done on this schedule. Provide a schedule that provides the base amount for each resource type and for each account for 2022. In addition, explain any discrepancies in this analysis with the Hyperion O&M Expense data by resource type provided by the Company as an informal response on April 28, 2023 as File <FYE 2022 O&M by ResType.xlsx>.

RESPONSE:

3-2. Identify. Provide legacy ledgers (with original 6-digit accounts) for CGC, AGL-SC and SCG from January 2022 through July 2022.

RESPONSE:

3-3. Methodology Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 14”, Cell F63. The Company uses the December 31, 2022 Plant Balance of \$403,169,129 to calculate annual depreciation expense of \$10,188,212. Next, refer to Tab “Schedule 2A1”, Cells Q13 and Q15 for the “Plant in Service Account” and “Completed Construction not Classified”

balances at December 2022 that also total to \$403,169,129. From these two schedules, it appears that the Company is depreciating unclassified plant of \$5,267,835 at December 31, 2022 on "Schedule 14". Provide the following relating to the Company's depreciation calculation on "Schedule 14":

- a. Provide the Company's rationale for depreciating unclassified plant; and
- b. Provide the methodology used by the Company to segregate unclassified plant to different plant accounts.

RESPONSE:

- 3-4. Methodology Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 14", Cell K70 regarding the 2022 depreciation expense of \$9,811,067. The Company appears to have omitted Accounts 40400010 and 40430010 related to the amortization of cloud computing from the depreciation expense balance. Provide the Company's rationale for excluding cloud computing amortization expense from the test period depreciation expense balance.

RESPONSE:

- 3-5. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 15", Cells N13 and O13 that show the customer charge rate for R-1 customers for November and December to be \$25.90. Next, refer to Tab "Schedule 15", Cells N78 and O78 that show the customer charge rate for C-1 customers for November and December to be \$47.70. Finally, refer to the Direct Testimony of Ashley K. Vette. Specifically, refer to the redline tariff marked as Exhibit AV-3, pages 2 and 4, that show these redacted rates to be \$25.80 and \$47.40. Reconcile this discrepancy and provide updated schedules where necessary.

RESPONSE:

- 3-6. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 15.1”, Cells I79 to L79 that show a customer charge rate billed of \$30.50 for C-1 customers. Reconcile this rate with the \$35.80 rate shown on the Company’s tariff filing of August 18, 2022, in TPUC Docket No. 22-00032 and provide updated schedules where necessary.

RESPONSE:

- 3-7. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 15.1”, Cells O80 to P80 that show a customer charge rate 9-1-2022 of \$41.10 for C-1 customers. Reconcile this rate with the \$47.70 rate shown on the Company’s tariff filing of August 18, 2022, in TPUC Docket No. 22-00032 and provide updated schedules where necessary.

RESPONSE:

- 3-8. Methodology Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 15.1”, Cells E116 to N116 that show unlabeled revenues totaling to \$224 in the “Commercial Industrial C-1 AC” revenue calculation. Explain the purpose of these adjustments which are included in the total amounts and provide updated schedules where necessary.

RESPONSE:

- 3-9. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 15.1”, Cells I101 to L101 that show a customer charge rate billed of \$30.50 for C-1 A/C customers. Reconcile this rate

with the \$35.80 rate shown on the Company's tariff filing of August 18, 2022, in TPUC Docket No. 22-00032 and provide updated schedules where necessary.

RESPONSE:

3-10. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 15.1", Cells O113 to P113 that show the volumetric rate increase to C-1 A/C customers for November and December. It appears that the Company has used the Summer A/C rates instead of the Winter volumetric rates for this calculation. Reconcile this calculation and provide updated schedules where necessary.

RESPONSE:

3-11. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 15.1", Cells E294 to G294, E298 to G298, E302 to G302, and E306 to G306 that appear to show a negative customer transfer from the F-1/T-2/T-1 Rate Schedule. Provide the source and support for these adjustments along with a narrative explanation of the transfer and the rate schedule where these adjustments were transferred.

RESPONSE:

3-12. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 15.1", Cells E307 to Q307 that appear to show the adjusted volumes for the F-1/T-2/T-1 Rate Schedule of 21,559,888 (Therms). Next, refer to Tab "Schedule 15.1", Cells E350 to Q350 that appear to show the total volumes by block for the F-1/T-2/T-1 Rate Schedule of 2,003,749 (Dkt). Reconcile

the differences between these two amounts and provide updated schedules where necessary.

RESPONSE:

3-13. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 15.1”, Cells E384 to Q384 that appear to show the total volumes for the T-1 Rate Schedule of 16,669,960 (Therms). Next, refer to Tab “Schedule 15.1”, Cells E409 to Q409 that appear to show the total volumes by block for the T-1 Rate Schedule of 1,715,406 (Dkt). Reconcile the differences between these two amounts and provide updated schedules where necessary.

RESPONSE:

3-14. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 15.1”, Cells L136 to M136 that show a 4th block summer volumetric charge rate after 9-1-2022 of \$0.13290 for C-2 customers. Refer also to the Direct Testimony of Ashley K. Vette. Specifically, refer to the redline tariff marked as Exhibit AV-3, page 5, that also shows this redacted rate to be \$0.13290. Reconcile this rate with the \$0.13292 rate shown on the Company’s tariff filing of August 18, 2022, in TPUC Docket No. 22-00032 and provide updated schedules where necessary.

RESPONSE:

3-15. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 16.3”, Cell C12 showing \$6,980,503 for the residential base period volumetric revenue. One component for the

formula of this Cell refers to "Schedule 15" instead of "Schedule 15.1" that has a zero value. Reconcile this formula and provide updated schedules where necessary.

RESPONSE:

- 3-16. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 16.4". Provide the source and support for the billing determinants on this schedule that are included here as hard-coded numbers.

RESPONSE:

- 3-17. Corrected/Updated Information. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 16.4A", Cells G74 to O74 regarding billing demand units for a Special Contract customer. The formulas for these billing demand units have become corrupt. Provide an update with the appropriate referenced formulas.

RESPONSE:

- 3-18. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 22" regarding "Capital Expenditures by Category" and provide the following information:
- a. Provide the source and support for the information included on this schedule that appears as hard-coded data;
 - b. Identify the specific plant accounts associated with the categories listed here; and
 - c. Reconcile the total plant additions included on this schedule with the plant additions included on Tab "Schedule 14.1".

RESPONSE:

3-19. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.18

- Invoice Reconciliation (WP).xlsx> regarding allocated costs to CGC and provide the following information:

- a. Refer specifically to the Tab “Schedule 35.18b” regarding total AGL-SC costs allocated to each affiliate for August through December 2022. Provide this same data by account for January through July 2022;
- b. Provide a copy of the intercompany bills from AGL-SC and SNG for each month of 2022; and
- c. Refer specifically to the Tab “Data (legacy)” regarding AGL-SC Allocated costs to CGC in total for January through July 2022. Provide the individual costs allocated to CGC by account for January through July 2022.

RESPONSE:

3-20. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems

Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 24.1”. Provide the source and support for the hard-coded data included in Rows 15-17 and 36-43 that are generally referenced by an incomplete footnote.

RESPONSE:

3-21. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems

Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 24.1”. Provide the source and support for the hard-coded data included in Rows 46-48 that, in footnote c, reference “Schedule 35.16b Lobbying Workpaper”. Specifically reconcile the data included here on this schedule with the data provided on “Schedule 35.16b” (File <Schedule 35.16b Dues Workpaper.xlsx>).

RESPONSE:

3-22. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 24.2” regarding the “Lobbying Portion of Organization Dues”. Reconcile the 4th Quarter amount of \$3,180 in Cell E13 for the 4th Quarter of 2022 with the \$2,862 amount included in Cell AM1 in the Company’s response to Consumer Advocate DR No. 1-25.

RESPONSE:

3-23. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 25.4” regarding Other Post-Retirement Benefits, Rows 10-12 and 16-21. Reconcile the amounts for August through December on this schedule with the balances on Tab “Schedule 19” and Tab “Schedule 20” for these same accounts.

RESPONSE:

3-24. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 25.5” regarding Pension Benefits, Rows 11-14 and 18-21. Reconcile the amounts for August through December on this schedule with the balances on Tab “Schedule 19” and Tab “Schedule 20” for these same accounts.

RESPONSE:

3-25. Identify and Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.10 Civic Participation WP.xlsx>. Specifically, refer to the “Data (legacy)” Tab. Provide the following information:

- a. Provide the source and support for the hard-coded data included on Rows 13 to 30; and

- b. Identify the Account Name and Number for the data included in Row 20 of this Schedule.

RESPONSE:

- 3-26. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.10 Civic Participation WP.xlsx>. Specifically, refer to the “Data (OACS)” Tab. Provide the source and support for the hard-coded data included on Rows 14-25.

RESPONSE:

- 3-27. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 26.1”, Cell E14 relating to “Demonstrating and Selling Expense” of \$1,510 for January 2022. We are unable to trace this amount to “Schedule 35.10” as referenced. Provide the source and support for this item.

RESPONSE:

- 3-28. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab “Schedule 26.1”, Cell Q33 for \$3,835 that contains no account-identifying information. We are unable to trace this amount to “Schedule 35.10” as referenced. Provide the source and support for this item.

RESPONSE:

- 3-29. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.02a Incentive Compensation - PPP (WP) (CONFIDENTIAL).xlsx> regarding Incentive Compensation and provide the following information:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RESPONSE:

3-30. Refer to the Company's response to Consumer Advocate DR No. 1-34 and the accompanying File <CA 1-34 Attachment A CONFIDENTIAL.xlsx>. Specifically, refer to Tab "Details". Provide a comprehensive explanation supporting the necessity for the following allocated departmental costs in the provision of retail natural gas service in Chattanooga:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RESPONSE:

3-31. Refer to the Company's response to Consumer Advocate DR No. 1-34 and the accompanying File <CA 1-34 Attachment A CONFIDENTIAL.xlsx>. Specifically, refer to Tab "Details" and the charges coded under department "ASC1671 - Strategic Communications". Provide a detailed description of what these charges relate to and, if possible, provide copies of any communications sent.

RESPONSE:

3-32. Refer to the Company's response to Consumer Advocate DR No. 1-34 and the accompanying File <CA 1-34 Attachment A CONFIDENTIAL.xlsx>. Specifically, refer to Tab "Details". Confirm that the Departmental Codes starting with "[REDACTED]" relate to [REDACTED]. If confirmed, provide the Company's rationale for inclusion of these allocated charges.

RESPONSE:

3-33. Refer to the Company's response to Consumer Advocate DR No. 1-34 and the accompanying File <CA 1-34 Attachment A CONFIDENTIAL.xlsx>. Specifically, refer to Tab "Details". Confirm that the Departmental Codes starting with "[REDACTED]" relate to [REDACTED]. If confirmed, provide the Company's rationale for inclusion of these allocated charges.

RESPONSE:

3-34. Refer to the Company's response to Consumer Advocate DR No. 1-34 and the accompanying File <CA 1-34 Attachment A CONFIDENTIAL.xlsx>. Specifically, refer to Tab "Details". Confirm that the Departmental Codes starting with "[REDACTED]" relate to

[REDACTED]. If confirmed, provide the Company's rationale for cost recovery of these allocated charges.

RESPONSE:

3-35. Refer to the Company's response to Consumer Advocate DR No. 1-41 and the accompanying File <CA 1-41 Attachment A CONFIDENTIAL.xlsx>. Specifically, refer to Tab "Detail". Provide a list detailing the firm(s) and general overview of the service(s) provided for costs recorded under [REDACTED].

RESPONSE:

3-36. Refer to the Company's response to Consumer Advocate DR No. 1-34 and the accompanying File <CA 1-34 Attachment A CONFIDENTIAL.xlsx>. Refer also to the Company's response to Consumer Advocate DR No. 1-41 and the accompanying File <CA 1-41 Attachment A CONFIDENTIAL.xlsx>. Specifically, refer to column H in the "Detail[s]" Tab in each file. Provide what the following departmental codes relate to, and provide the Company's rationale for cost recovery of these allocated charges:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

RESPONSE:

3-37. Refer to the Company's response to Consumer Advocate DR No. 1-41 and the accompanying File <CA 1-41 Attachment A CONFIDENTIAL.xlsx>. Specifically, refer to Tab "Detail" and provide a comprehensive explanation supporting the necessity for the

following allocated departmental costs in the provision of retail natural gas service in
Chattanooga:



[REDACTED]

RESPONSE:

3-38. Refer to the Company's response to Consumer Advocate DR No. 1-41 and the accompanying File <CA 1-41 Attachment A CONFIDENTIAL.xlsx>. Specifically, refer to Tab "Detail" and the allocated charges coded under department [REDACTED]. Provide a detailed description of what these charges relate to.

RESPONSE:

3-39. Refer to the Company's response to Consumer Advocate DR No. 1-33 and the accompanying File <CA 1-33 Attachment B.xlsx>. Provide the Company's rationale for allocating charges from [REDACTED] to CGC, as shown in Column I for the months August through December 2022.

RESPONSE:

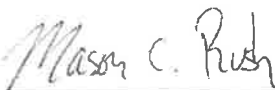
3-40. Refer to the Company's response to Consumer Advocate DR No. 1-40 and the accompanying File <CA 1-40 Attachment A.xlsx>. Specifically, refer to Tab "Detail" and the allocated charges coded under department [REDACTED]. Provide a detailed description of what these charges relate to.

RESPONSE:

3-41. Refer to the Company's response to Consumer Advocate DR No. 1-40 and the accompanying File <CA 1-40 Attachment A.xlsx>. Specifically, refer to Tab "Detail" and the allocated charges coded under department [REDACTED]. Provide a detailed description of what these charges relate to.

RESPONSE:

RESPECTFULLY SUBMITTED,



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TPUC Docket No. 23-00029

Consumer Advocate's Third Set of Discovery Requests to Chattanooga Gas Company

CERTIFICATE OF SERVICE

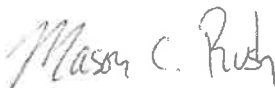
I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail,
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This the 26th day of May 2023.



MASON C. RUSH
Assistant Attorney General