

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

June 2, 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 THIRD SET OF DISCOVERY REQUESTS**

Chattanooga Gas Company ("CGC" or "Company") files these Responses and Objections to the Third Set of Discovery Requests of the Consumer Advocate Division of the Office of the Attorney General ("Consumer Advocate") emailed on May 26, 2023, with responses provided to the Consumer Advocate on June 2, 2023.

This set of discovery by agreement of the parties is identified as the Third Set of Discovery Requests, which is the second formal set of discovery requests authorized by the procedural schedule for the docket; there was an informal set of discovery served on May 10 that was identified as the second set of written discovery for convenience. CGC has no objection to this discovery based on the requests exceeding the 40-question limit in the Rules of Civil Procedure and no objection to this being the third total set of discovery in this matter.

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.

INFORMAL 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-3

CA 3-01

QUESTION:

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:

Please see CA 3-01 Attachment A.

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-3

CA 3-02

QUESTION:

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

RESPONSE:

Please see CA 3-02 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-3

CA 3-03

QUESTION:

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:

- a. Completed Construction not Classified FERC Account 106 contain capital projects that are used and useful and in-service but that remain open to receive additional charges for a period of time referred to as the late wait period. The projects are moved from CWIP FERC account 107 to Completed Construction not Classified FERC Account 106 to reflect that the projects are ready for their intended use but remain able to receive charges. An example of the types of charges that can be incurred include late invoices for direct material and labor, paving costs and/or other surface restoration type costs. Once the late wait period ends, projects are then unitized and moved from Completed Construction not Classified FERC Account 106 to Plant-in-Service Account 101.
- b. In-service projects in account 106 are depreciated based on the project unit estimate. Once the late wait period ends, the project is unitized based on the final as-built that contains the FERC accounts to which the project costs are finally attached and an asset is created with a unique asset identification number (generally, further charges cannot be incurred or attached to this asset). Any difference in depreciation expense between the unit estimated and as-built is trued-up within the project subledger system Powerplan in the month in which the projects is unitized and moves from account 106 to 101.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-04

QUESTION:

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:

The cloud computing amortization expense from the test period is included in the operating and maintenance expenses on Schedule 5. However, these costs were excluded from the depreciation and amortization normalization adjustment on Schedule 14. Because the amount that would be normalized is minimal, the Company did not find it prudent to include in the adjustment. Doing so would result in an increase to the rate adjustment.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-05

QUESTION:

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:

The \$25.90 in Cells N13 and O13, and the \$47.70 in Cells N78 and O78 are correct. The redacted \$25.80 and the \$47.40 on Exhibit AV-3 are incorrect. Pages 2 and 4 of Exhibit AV-3 have been corrected to reflect the correct current rates that would be replaced by new rates approved in this docket. Please see CA 3-05 Attachment A. These corrections do not have any impact on the new rates proposed.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

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CA 3-06

QUESTION:

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:

The billing rate of \$30.50 was entered by mistake. The correct rate is \$35.80. The correct rate will be entered on Schedule 15.1 in revised CGC Weems Exhibit TW-1.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-07

QUESTION:

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:

On Schedule 15.1 the C-1 Summer Customer charge of \$41.10 was incorrectly continued through November and December. The rate in Cells O80 and P80 should be \$47.70. Revising the rate to \$47.70 results in an \$88,416 increase in revenues under current rates. The Cells have been corrected in revised CGC Weems Exhibit TW-1.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

Chattanooga Gas Company
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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-08

QUESTION:

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:

The numbers on Schedule 15.1, Cells E116 to N116 that total \$224, are check figures that were inadvertently left on the Schedule that should have been deleted and not included. Only the amount in Cell E116 was included in the total. Schedule 15.1 will be corrected in revised CGC Weems Exhibit TW-1.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

Chattanooga Gas Company
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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-09

QUESTION:

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:

In Schedule 15.1, Cells I101 to L101 should be \$35.80 instead of \$30.50. The revision results in \$467 change in margin. Schedule 15.1 will be corrected in revised CGC Weems Exhibit TW-1.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-10

QUESTION:

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:

The C-1A/C summer rates were used to compute the revenue in Cells O113 and P113 in error. The formula for Cells O113 and P113 and the rates in Cells O105 and P105 will be corrected in the revised CGC Weems Exhibit TW-1.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-11

QUESTION:

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:

When the Special Contract approved in Docket 21-00094 became effective on March 13, 2022, the Customer subject to the Special Contract, who had previously been served under Rate Schedules F-1/T-2/T-1 began receiving service under the new Special Contract. As a result, the Customer's volumes for January-March 12 were moved from F-1/T-2/T-1 to the Special Contract to reflect the current revenue stream. See the confidential supporting workpapers provided in the originally filed Schedules 35.14 35.15, along with the confidential information provided in CA 3-11 Attachment A CONFIDENTIAL.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-12

QUESTION:

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:

"Schedule 15.1", Cells E305 to Q305 show the unadjusted F-1/T-2/T-1 volumes in therms that should have been converted to Dkts. When converted, the total unadjusted volume is 2,172,094. When the Special Contract Customer's volumes provided under Rate Schedules F-1/T-2/T-1 for January 1-March 12, 2022, are moved to the Special Contract, the adjusted volume of Schedule 15.1, row 307, equals 2,003,749 the same as on Row 350. The necessary corrections will be provided in revised CGC Weems Exhibit TW-1.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-13

QUESTION:

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:

The volumes on Schedule 15.1, Cells E384 to Q384 are the volumes used to determine the revenue to be booked for the month and includes an estimate of the of the volumes to be billed. Each month the estimate from the previous month is reversed and replaced with the actual volume billed. A new estimate for the volumes to be billed is then prepared. The volumes on Schedule 15.1, Cells E409 to Q409 are after the actual volumes billed retrieved from the billing system. The difference in the total volumes is the result of the miss in the estimated volumes in Cells E384 to Q384. The volumes in Cells E409 to Q409 are the actual volumes billed. No updated schedules are necessary.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-14

QUESTION:

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:

Schedule 15.1, Cells L136 to M136 and Cells I 143 to M143 should be \$0.13292/Therm. Exhibit AV-3, page 5 the current (redacted rate) for Rate Schedule C-2 fourth rate block should be \$0.13292 instead of \$0.13290. These cells on Schedule 15.1 will be corrected in revised CGC Weems Exhibit TW-1. Please see CA 3-05 A Attachment for a revised Exhibit AV-3.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-15

QUESTION:

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:

Schedule 16.3, Cell C12 should link to Schedule 15.1, Cells U26 +U29 +U68. When corrected the value in Cell C12 increases from \$6,980,503 to \$6,980,542. The links for Schedule 16.3, Cell C12 will be corrected in revised CGC Weems Exhibit TW-1.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-16

QUESTION:

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:

The source of the billing determinants on Schedule 16.4 are the Volume/Revenue Reports prepared monthly by Gas Accounting using the Company's billing system data. See the previously provided Response to CA 1-01, CA 1-01 Attachment B.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-17

QUESTION:

Corrected/Updated Information. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 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:

The billing demand units for the Special Contract Customer is from Confidential Schedule 35.14. Prior to the effective date of the contract approved in Docket 21-00094, the customer was served under Rate Schedule F-1/T-2/T-2 with 10 Dkts of Firms Gas Supply backup. Effective March 13, 2022, the Customer began service under the Special Contract. In January and February the customer was billed for 10 Dkts billing demand units under Rate Schedule F-1/T-2, and 3.2 Dkts for the first 12 days of March. See confidential workpaper Schedule 35.14 CONFIDENTIAL.

Witness: Ashley Vette
Manager, Rates and Tariff Administration
Southern Company Gas

Chattanooga Gas Company
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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-18

QUESTION:

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:

Please see attachment CA 3-18 Attachment A. The following information is included in the attachment.

- a. Schedule 22 – provided for informational purposes.
- b. Schedule 22 by FERC – provided a summary of the capital expenditure by FERC Account
- c. Plant Additions by Project – Show total additions by project for the historic base period that ties to Schedule 14.1
 - a. During the preparation of this data request the Company determined that there was error in Column CN of Schedule 14.1. The Company has since corrected this error and the correct balance will be reflected in the revised version of CGC Weems Exhibit TW-1. There is no impact to the overall balance.

Please note, (1) additions are not tracked in the capital summary and projects may not be completed in the year in which capital expenditures are made; (2) additions include both current period capital expenditures and prior period capital expenditures for longer lived projects; (3) CWIP is not actually mapped to a FERC account; using an activity ID, the Company can determine where activity would generally be mapped to.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-19

QUESTION:

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:

- a. Prior to Enterprise Foundations (EF), allocated charges to other entities were not available. During the transition to EF, legacy allocated charges were not converted in this format. Thus, the Company is unable to provide this data for January – July.
- b. Intercompany bills from AGL Services Company "ASC" by month are provided in Schedule 23 – CGC Monthly Invoice 2022. Southern Company Gas does not issue bills or invoices to affiliates. Any operating expenses for Southern Company Gas "GAS" or other affiliates allocated to CGC are included in the ASC invoices. CGC received intercompany transactions from GAS for the issuance of debt and equity to align the capital structure with CGC's authorized capital structure and the related interest on notes payable. For rate making purposes, CGC's interest costs are based on the capital structure and debt costs established in the Company's 2018 rate case order.
- c. Please see CA 3-02 Attachment A.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

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CA 3-20

QUESTION:

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:

Please see CA 3-20 Attachment A, Copy of Schedule 35.16b Dues Workpaper.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

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CA 3-21

QUESTION:

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:

Upon review the Company realized that this workpaper was inadvertently omitted from Schedule 35.16b. The Company has updated Schedule 35.16b to include the detailed support. Please see CA 3-20 Attachment A for copy of Schedule 35.16b. The footnotes in CGC Weems Exhibit TW-1 will also be updated. This update does not impact any other schedules.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-22

QUESTION:

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:

Upon review of CA 1-25 the Company determined that there was an error on Schedule 24.2 of CGC Weems Exhibit TW-1. The Company made the correction in the updated version of the model submitted with CA 1-1, identified in that filing as CGC Weems Exhibit TW (Revised 5/19/2023).

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

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CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-23

QUESTION:

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:

Unfortunately, the Pension and OPRB expenses will not directly link to the Income Statement. Though some of the account numbers may be specific to Pension or OPRB, there are accounts that may include both pension and OPRB costs, or even allocated costs. The different costs are specified by resource type. Additionally, although Schedule 25.5 is an extract of the Oracle Analytics Cloud ERP platform, the Company has provided, in the attached CA 3-24 Attachment A CONFIDENTIAL, the accounting details for these accounts.

Additionally, for the adjustment on Schedule 25, the Company only included OPRB costs recorded to the OPRB expense resource type and to OPRB 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 will be provided in revised CGC Weems Exhibit TW-1.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

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-3

CA 3-24

QUESTION:

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:

Unfortunately, the Pension and OPRB expenses will not directly link to the Income Statement. Though some of the account numbers may be specific to Pension or OPRB, there are accounts that may include both pension and OPRB costs, or even allocated costs. The different costs are specified by resource type. Additionally, although Schedule 25.5 is an extract of the Oracle Analytics Cloud ERP platform, the Company has provided, in the attached CA 3-24 Attachment A CONFIDENTIAL, the accounting details for these accounts.

Additionally, please reference the Company's response to CA 1-31.

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-3

CA 3-25

QUESTION:

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:

- a. The Data Legacy tab of Schedule 35.10, Civic Participation WP is a Hyperion Report. The data is extracted using Hyperion.
- b. Row 20 contains a formula to total line 18 and 19. The formula on row 21 has been updated to total row 17 and 20. The update does not impact any other schedule. Please see CA 3-25 Attachment A for an updated copy of Schedule 35.10.

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-3

CA 3-26

QUESTION:

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:

The source of this data is Hyperion. The data was extracted using Hyperion. Columns A and B were inserted for additional detail.

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-3

CA 3-27

QUESTION:

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:

Please see line 14 of Schedule 35.10. The amount was erroneously placed in the January column of Schedule 26.1 and should be in July. The correction has been made in the updated model of CGC Weems Exhibit TW-1. There is no impact of this change. The source of this data is Hyperion. The data was extracted using Hyperion.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

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-3

CA 3-28

QUESTION:

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:

The amount in cell Q33 was entered in error. This amount has been removed in the updated model, CGC Weems Exhibit TW-1. There is no impact as a result of this change.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

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-3

CA 3-30

QUESTION:

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:

- a. ASC1201 - EDGE Group;
- b. ASC1271 - SCM Supplier Inclusion and Sustainability;
- c. ASC1353 - President-Virginia Natural Gas;
- d. ASC1054 - VNGC Propane Plant Operations;
- e. ASC1320 - Cherokee LNG;
- f. ASC1397 - Facilities Management-Nicor;
- g. ASC1413 - Office Diversity & Inclusion;
- h. ASC1469 - Gas Supply - Nicor;
- i. ASC6051 - Energy Assistance; and
- j. ASC8717 - Renewco-Meadow Branch, LLC.

RESPONSE:

CGC objects to this request as excessive, unduly burdensome, and not likely lead to the discovery of admissible evidence. This request is seeking "a comprehensive explanation supporting the necessity for the following allocated departmental costs," with 10 specific allocated departmental costs enumerated. CGC notes that the new Oracle accounting system utilized by CGC provides a level of detail into specific allocations not previously available. While this level of detail provides greater transparency in understanding specific sources of allocated costs, by itself, the Oracle accounting system does not provide readily available information that would explain or justify why a cost was recorded. Thus, there is simply no way in the time frame required to obtain the requested explanation and rationale for why a cost was originally record. CGC could speculate, but there is no certain way to confirm in an expedited manner the how or why each of these enumerated departmental costs specifically benefits or relates to CGC. But such speculation is irrelevant because these costs are part of a general departmental allocation percentage assigned to CGC. A general allocation is a general allocation because there is no specific cost causation that allows it to be assigned to a specific operating company, but in general there is a benefit to CGC in being allocated a pro rata share of such costs. Thus, it is not possible to provide the requested explanation and rationale supporting each

of these allocated departmental costs. Subject to, and without waiving the foregoing objection, CGC states as follows:

Please note that as the Company is still in the implementation phase of the Oracle accounting system, and there may be errors in coding such as charging of time and transitional changes that may not have yet been identified or corrected. In view of the timeline for this docket, CGC will remove the costs associated with the departments identified in the chart below from its 2022 ARM filing pending additional analysis and review outside this docket; the removal will be identified in the revised CGC Weems Exhibit TW-1. By removing these costs from inclusion in this year's ARM recovery, CGC is not admitting that these costs are inappropriately allocated to CGC; we are only removing them for purposes of the 2022 historic base period recovery. If it is later determined that these 2022 costs are valid and benefit CGC, the Company will not try to recover such 2022 costs in a future proceeding. However, the Company reserves its right to seek to include similarly categorized costs in future ARM Dockets to the extent there may be costs that are appropriate for recovery for the applicable historic base period at issue in that future case.

A total of \$722.82 will be removed from the deficiency as follows:

ASC1353 - President-Virginia Natural Gas	172.59
ASC1054 - VNGC Propane Plant Operations	166.36
ASC1397 - Facilities Management-Nicor	39.75
ASC1469 - Gas Supply - Nicor	0.72
ASC6051 - Energy Assistance	96.97
ASC8717 - Renewco-Meadow Branch, LLC.	246.43
	<hr/>
	722.82

The requested explanation for some of the departments is as follows:

ASC1201 - EDGE Group

The Enterprise Decision Support and Data Governance Group (EDGE) is an organization that supports Chattanooga Gas operations and the entire Southern Company Gas enterprise by supplying data and analytics functions via a team of data professionals and an analytics platform. This team is tasked with delivering insights, metrics and for all aspects of operations using data tools and ensuring good governance.

ASC1271 - SCM Supplier Inclusion and Sustainability

Responsible for supporting the creation and execution of comprehensive strategies and programs to improve company efforts in support of diverse suppliers' impact on the workforce and economy. Responsible for preparation and disclosure of investment grade metrics related to SCG's efforts to improve supplier inclusion and sustainability. Responsible for supply chain programs for supplier sustainability.

ASC1320 - Cherokee LNG

The Cherokee LNG Plant is a natural gas peak shaving facility built for winter load peak shaving. The site was designed and constructed to liquefy natural gas during periods of low demand, store the liquefied gas and then to vaporize it for delivery into the natural gas distribution system to meet peak demands. The site also has an LNG truck loading process. The plant operates 24 hours per day, seven days per week and is staffed with five operators, three technicians, one maintenance specialist, one assistant plant manager, and one plant manager. The assistant plant manager supports both Cherokee LNG **and** Chattanooga LNG. Labor and associated employee-related costs are captured in Department ASC1320

ASC1413 - Office Diversity & Inclusion

DE&I Office is responsible for supporting and ensuring that all strategic goals and metrics are met around the 5 key focus areas of the company-wide DE&I vision-Workplace Culture/Talent Acquisition/Talent Development/Community Engagement/Supplier Inclusion. The DE&I Office develops and implements company-wide DE&I training and development programs. The DE&I Office manages the Employee Resource Group “ERG” program comprised of 20 different ERG Chapters across the company. The DE&I office also partners with several cross-functional areas to ensure compliance with all state and federal regulations including Title VII, EEO, and affirmative action.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Objections by Counsel

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-3

CA 3-31

QUESTION:

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:

Strategic Communications is responsible for the vision, messaging, and strategic execution for all digital communications – company websites, social media, customer emails, and collateral. The department supports a fully integrated, digital-first approach that establishes meaningful communication for Chattanooga Gas Customers. Working with cross-functional teams across the organization, the department offers creative direction, development, and design to ensure all communication initiatives will provide relevant information in a form that is meaningful for Chattanooga Gas' customers. The department coordinates with internal partners on how best to efficiently and effectively reach CGC's customers, providing beneficial information and easy solutions to solve their daily energy needs.

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-3

CA 3-32

QUESTION:

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 "NGC" relate to Nicor Gas. If confirmed, provide the Company's rationale for inclusion of these allocated charges.

RESPONSE:

CGC objects to this request as excessive, unduly burdensome, and not likely lead to the discovery of admissible evidence. This request is seeking confirmation that the Department Codes starting with NGC relate to Nicor Gas. CGC notes that the new Oracle accounting system utilized by CGC provides a level of detail into specific allocations not previously available. While this level of detail provides greater transparency in understanding specific sources of allocated costs, by itself, the Oracle accounting system does not provide readily available information that would explain or justify why a cost was recorded. Thus, there is simply no way in the time frame required to obtain the requested explanation and rationale for why a cost was originally record. CGC could speculate, but there is no certain way to confirm in an expedited manner the how or why each of these enumerated departmental costs specifically benefits or relates to CGC. But such speculation is irrelevant because these costs are part of a general departmental allocation percentage assigned to CGC. A general allocation is a general allocation because there is no specific cost causation that allows it to be assigned to a specific operating company, but in general there is a benefit to CGC in being allocated a pro rata share of such costs. Thus, it is not possible to provide the requested explanation and rationale supporting each of these allocated departmental costs. Subject to, and without waiving the foregoing objection, CGC states as follows:

Please note that as the Company is still in the implementation phase of the Oracle accounting system, and there may be errors in coding such as charging of time and transitional changes that may not have yet been identified or corrected. In view of the timeline for this docket, CGC will remove these costs from its 2022 ARM filing pending additional analysis and review outside this docket; the removal will be identified in the revised CGC Weems Exhibit TW-1. By removing these costs from inclusion in this year's ARM recovery, CGC is not admitting that these costs are inappropriately allocated to CGC; we are only removing them for purposes of the 2022 historic base period recovery. If it is later determined that these 2022 costs are valid and benefit CGC,

the Company will not try to recover such 2022 costs in a future proceeding. However, the Company reserves its right to seek to include similarly categorized costs in future ARM Dockets to the extent there may be costs that are appropriate for recovery for the applicable historic base period at issue in that future case.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Objections by Counsel

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-3

CA 3-33

QUESTION:

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 "VNG" relate to Virginia Natural Gas. If confirmed, provide the Company's rationale for inclusion of these allocated charges.

RESPONSE:

CGC objects to this request as excessive, unduly burdensome, and not likely lead to the discovery of admissible evidence. This request is seeking "a comprehensive explanation supporting the necessity for the following allocated departmental costs," with VNG specific allocated departmental costs specified. CGC notes that the new Oracle accounting system utilized by CGC provides a level of detail into specific allocations not previously available. While this level of detail provides greater transparency in understanding specific sources of allocated costs, by itself, the Oracle accounting system does not provide readily available information that would explain or justify why a cost was recorded. Thus, there is simply no way in the time frame required to obtain a comprehensive explanation as for why a cost was originally record. CGC could speculate, but there is no certain way to confirm in an expedited manner the how or why each of these enumerated departmental costs specifically benefits or relates to CGC. But such speculation is irrelevant because these costs are part of a general departmental allocation percentage assigned to CGC. A general allocation is a general allocation because there is no specific cost causation that allows it to be assigned to a specific operating company, but in general there is a benefit to CGC in being allocated a pro rata share of such costs. Thus, it is not possible to provide the "comprehensive explanation" supporting each of these allocated departmental costs. Subject to, and without waiving the foregoing objection, CGC states as follows:

Please note that as the Company is still in the implementation phase of the Oracle accounting system, and there may be errors in coding such as charging of time and transitional changes that may not have yet been identified or corrected. In view of the timeline for this docket, CGC will remove these costs from its 2022 ARM filing pending additional analysis and review outside this docket; the removal will be identified in the revised CGC Weems Exhibit TW-1. By removing these costs from inclusion in this year's ARM recovery, CGC is not admitting that these costs are inappropriately allocated to CGC; we are only removing them for purposes of the 2022 historic

base period recovery. If it is later determined that these 2022 costs are valid and benefit CGC, the Company will not try to recover such 2022 costs in a future proceeding. However, the Company reserves its right to seek to include similarly categorized costs in future ARM Dockets to the extent there may be costs that are appropriate for recovery for the applicable historic base period at issue in that future case.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Objections by Counsel

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-3

CA 3-34

QUESTION:

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 "AGL" relate to Atlanta Gas and Light. If confirmed, provide the Company's rationale for cost recovery of these allocated charges.

RESPONSE:

CGC objects to this request as excessive, unduly burdensome, and not likely lead to the discovery of admissible evidence. This request is seeking confirmation that the Department Codes starting with AGL relate to Atlanta Gas and Light and the Company's rationale for recovery of these allocated charges. CGC notes that the new Oracle accounting system utilized by CGC provides a level of detail into specific allocations not previously available. While this level of detail provides greater transparency in understanding specific sources of allocated costs, by itself, the Oracle accounting system does not provide readily available information that would explain or justify why a cost was recorded. Thus, there is simply no way in the time frame required to obtain the requested explanation and rationale for why a cost was originally record. CGC could speculate, but there is no certain way to confirm in an expedited manner the how or why each of these enumerated departmental costs specifically benefits or relates to CGC. But such speculation is irrelevant because these costs are part of a general departmental allocation percentage assigned to CGC. A general allocation is a general allocation because there is no specific cost causation that allows it to be assigned to a specific operating company, but in general there is a benefit to CGC in being allocated a pro rata share of such costs. Thus, it is not possible to provide the requested explanation and rationale supporting each of these allocated departmental costs. Subject to, and without waiving the foregoing objection, CGC states as follows:

Please note that as the Company is still in the implementation phase of the Oracle accounting system, and there may be errors in coding such as charging of time and transitional changes that may not have yet been identified or corrected. In view of the timeline for this docket, CGC will remove these costs from its 2022 ARM filing pending additional analysis and review outside this docket; the removal will be identified in the revised CGC Weems Exhibit TW-1. By removing these costs from inclusion in this year's ARM recovery, CGC is not admitting that these costs are inappropriately allocated to CGC; we are only removing them for purposes of the 2022 historic

base period recovery. If it is later determined that these 2022 costs are valid and benefit CGC, the Company will not try to recover such 2022 costs in a future proceeding. However, the Company reserves its right to seek to include similarly categorized costs in future ARM Dockets to the extent there may be costs that are appropriate for recovery for the applicable historic base period at issue in that future case.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Objections by Counsel

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-3

CA 3-35

QUESTION:

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 "ASC1470 - Legal" totaling \$1,061,696.

RESPONSE:

Please see CA 3-35 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-3

CA 3-36

QUESTION:

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:

- a. APC;
- b. COM;
- c. GPC;
- d. MPC;
- e. SNC; and
- f. SPC.

RESPONSE:

CGC objects to this request as excessive, unduly burdensome, and not likely lead to the discovery of admissible evidence. This request is seeking an explanation and rationale for inclusion of six specific allocated departmental costs specified. CGC notes that the new Oracle accounting system utilized by CGC provides a level of detail into specific allocations not previously available. While this level of detail provides greater transparency in understanding specific sources of allocated costs, by itself, the Oracle accounting system does not provide readily available information that would explain or justify why a cost was recorded. Thus, there is simply no way in the time frame required to obtain the requested explanation and rationale for why a cost was originally recorded. CGC could speculate, but there is no certain way to confirm in an expedited manner the how or why each of these enumerated departmental costs specifically benefits or relates to CGC. But such speculation is irrelevant because these costs are part of a general departmental allocation percentage assigned to CGC. A general allocation is a general allocation because there is no specific cost causation that allows it to be assigned to a specific operating company, but in general there is a benefit to CGC in being allocated a pro rata share of such costs. Thus, it is not possible to provide the requested explanation and rationale supporting

each of these allocated departmental costs. Subject to, and without waiving the foregoing objection, CGC states as follows:

Please note that as the Company is still in the implementation phase of the Oracle accounting system, and there may be errors in coding such as charging of time and transitional changes that may not have yet been identified or corrected. In view of the timeline for this docket, CGC will remove these costs from its 2022 ARM filing pending additional analysis and review outside this docket; the removal will be identified in the revised CGC Weems Exhibit TW-1. By removing these costs from inclusion in this year's ARM recovery, CGC is not admitting that these costs are inappropriately allocated to CGC; we are only removing them for purposes of the 2022 historic base period recovery. If it is later determined that these 2022 costs are valid and benefit CGC, the Company will not try to recover such 2022 costs in a future proceeding. However, the Company reserves its right to seek to include similarly categorized costs in future ARM Dockets to the extent there may be costs that are appropriate for recovery for the applicable historic base period at issue in that future case.

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

Objections by Counsel

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-3

CA 3-37

QUESTION:

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:

- a. ASC1271 - SCM Supplier Inclusion and Sustainability;
- b. ASC1281 - Sustainability & Energy Policy;
- c. GPC1280 - Region Ext Affrs-West Columbus;
- d. GPC8004 - Generation Support;
- e. GPC9082 - Diversity and Inclusion;
- f. GPC9805 - Charitable Giving;
- g. SCS0502 - Operational Excellence;
- h. SCS0045 - Projects-Hydro;
- i. SCS0069 - Design Electrical Hydro;
- j. SCS0082 - Design Electrical South Region;
- k. SCS0181 - Red Hills Organization;
- l. SCS0210 - Bulk Power Operations;
- m. SCS0269 - Renewables Operations & Servcs;
- n. SCS0418 - Workplace Support AL;
- o. SCS0431 - IT - Plant Farley Support;
- p. SCS0433 - Workplace Enablement;
- q. SCS0442 - IT - Plant Hatch Support;
- r. SCS0443 - IT - Plant Vogtle Support;
- s. SCS0523 - IT Nuclear Development;
- t. SCS0525 - Aerial Services – Maintenance;
- u. SCS0439 - Nuclear Cyber Security;
- v. SCS0447 - Nuclear Technology Solutions;
- w. SCS0544 - Workplace Support Illinois;
- x. SCS0583 - SCM Supplier Inclusion and Sustainability;
- y. SCS0744 - Office of the Corporate Secret;
- z. SCS0897 - Retirement;
- aa. SCS1013 - FO AL Operations;

- bb. SCS1014 - FO MS Fiber Ops and Projects;
- cc. SCS1015 - FO NW-Projects & Generation;
- dd. SCS1016 - FO SW-Projects;
- ee. SCS1017 - FO AL Long Haul Fiber;
- ff. SCS1018 - FO AL Fiber to Distribution;
- gg. SNC0001 - SNC President & CEO;
- hh. SNC0860 - Vogtle 3&4 EVP;
- ii. SNC1625 - Vogtle 3&4 Plant Support; and
- jj. SCS0745 - Legal – Litigation.

RESPONSE:

CGC objects to this request as excessive, unduly burdensome, and not likely lead to the discovery of admissible evidence. This request is seeking “a comprehensive explanation supporting the necessity for the following allocated departmental costs,” with 36 specific allocated departmental costs enumerated. CGC notes that the new Oracle accounting system utilized by CGC provides a level of detail into specific allocations not previously available. While this level of detail provides greater transparency in understanding specific sources of allocated costs, by itself, the Oracle accounting system does not provide readily available information that would explain or justify why a cost was recorded. Thus, there is simply no way in the time frame required to obtain the requested explanation and rationale for why a cost was originally record. CGC could speculate, but there is no certain way to confirm in an expedited manner the how or why each of these enumerated departmental costs specifically benefits or relates to CGC. But such speculation is irrelevant because these costs are part of a general departmental allocation percentage assigned to CGC. A general allocation is a general allocation because there is no specific cost causation that allows it to be assigned to a specific operating company, but in general there is a benefit to CGC in being allocated a pro rata share of such costs. Thus, it is not possible to provide the requested explanation and rationale supporting each of these allocated departmental costs. Subject to, and without waiving the foregoing objection, CGC states as follows:

Please note that as the Company is still in the implementation phase of the Oracle accounting system, and there may be errors in coding such as charging of time and transitional changes that may not have yet been identified or corrected. In view of the timeline for this docket, CGC will remove these costs from its 2022 ARM filing pending additional analysis and review outside this docket; the removal will be identified in the revised CGC Weems Exhibit TW-1. By removing these costs from inclusion in this year’s ARM recovery, CGC is not admitting that these costs are inappropriately allocated to CGC; we are only removing them for purposes of the 2022 historic base period recovery. If it is later determined that these 2022 costs are valid and benefit CGC, the Company will not try to recover such 2022 costs in a future proceeding. However, the Company reserves it right seek to include similarly categorized costs in future ARM Dockets to

the extent there may be costs that are appropriate for recovery for the applicable historic base period at issue in that future case.

The total amount to be removed from the deficiency is \$2,363.92

GPC1280 - Region Ext Affrs-West Columbus	-
GPC8004 - Generation Support	63.09
GPC9082 - Diversity and Inclusion	9.73
GPC9805 - Charitable Giving	64.53
SCS0045 - Projects-Hydro	8.91
SCS0069 - Design Electrical Hydro	5.94
SCS0082 - Design Electrical South Region	1.85
SCS0181 - Red Hills Organization	3.80
SCS0210 - Bulk Power Operations	612.53
SCS0269 - Renewables Operations & Servcs	26.31
SCS0418 - Workplace Support AL	652.62
SCS0431 - IT - Plant Farley Support	(0.83)
SCS0439 - Nuclear Cyber Security	8.80
SCS0442 - IT - Plant Hatch Support	0.83
SCS0443 - IT - Plant Vogtle Support	(2.97)
SCS0447 - Nuclear Technology Solutions	4.89
SCS0523 - IT Nuclear Development	30.34
SCS0544 - Workplace Support Illinois	221.74
SCS0583 - SCM Supplier Inclusion and Sustainability	54.55
SCS1013 - FO AL Operations	(1.25)
SCS1014 - FO MS Fiber Ops and Projects	15.90
SCS1015 - FO NW-Projects & Generation	400.92
SCS1016 - FO SW-Projects	106.81
SCS1017 - FO AL Long Haul Fiber	39.86
SCS1018 - FO AL Fiber to Distribution	23.40
SNC0001 - SNC President & CEO	0.44
SNC0860 - Vogtle 3&4 EVP	3.33
SNC1625 - Vogtle 3&4 Plant Support	7.85
	2,363.92

The Company will provide an updated CGC Weems Exhibit TW-1 to reflect all changes.

The requested explanation for the requested departments is as follows:

ASC1281 - Sustainability & Energy Policy

The Sustainability and Energy Policy department (1281) designs, manages, and implements sustainability programs, solutions, and initiatives for Southern Company Gas and its subsidiaries, including Chattanooga Gas Company (CGC). This includes energy efficiency, greenhouse gas emissions mitigation, renewable energy deployment, and other initiatives designed to benefit customers and support sustainability in the communities in which we operate. Additionally, 1281 provides policy analysis for CGC, analyzing and developing strategy to adapt the business

to federal, state and local rulemakings and policy that affect customer and business operations. By leveraging the shared services model, dept. 1281 provides these services without the need for dedicated FTE's at CGC, while leveraging synergies and best practices throughout Southern Company Gas to improve efficiencies and other benefits for CGC customers.

SCS0433 - Workplace Enablement

The services being performed are charges for mobile wireless devices that are coming through our budget for CGC (service for phones, iPads, Toughbooks, Mifis, aircards, etc.), as well as PC charges for standard PC refresh/new hires.

SCS0502 - Operational Excellence

Operation Excellence is part of GAS Technology Services, which is the SCS Technology Organization that exclusively services GAS. SCS0502 is the Operations group that manages most of the applications.

SCS0525 - Aerial Services – Maintenance

This cost is associated with Aerial Services of Southern Company and its affiliates. Aerial Services is a private air transportation service owned and operated by and for the Southern Company system companies. Certain designated executives at The Southern Company and its affiliates, including Southern Company Services, Inc. ("SCS") and AGL Services Company ("AGSC"), may request flights through Aerial Services. This request could also include employees traveling to the same location based on seat availability. Similar to a plane-sharing service, individual affiliates using Aerial Services are allocated an amount to cover aircraft availability and maintenance. Aerial Services is a very efficient means for executive and other employee transportation, as it allows authorized individuals to travel on short notice anywhere in the country—regardless of whether that place is served by a commercial airport. Moreover, Aerial Services enables executives and employees to avoid certain travel costs, including lodging and food, because they can return home even if meetings run late. Aerial Services further allows executives and employees traveling with them to meet and work privately with each other in route, which simply would not be possible with commercial air travel.

SCS0583 - SCM Supplier Inclusion and Sustainability

Responsible for supporting the creation and execution of comprehensive strategies and programs to improve company efforts in support of diverse suppliers' impact on the workforce and economy. Responsible for preparation and disclosure of investment grade metrics related to SCG's efforts to improve supplier inclusion and sustainability. Responsible for supply chain programs for supplier sustainability.

SCS0744 - Office of the Corporate Secret

Their allocated cost is primarily tied to the SO stock transfer agent. This vendor keeps up with the stockholders list and duties include the quarterly distribution of the dividend. Labor

expenses associated with managing the vendor are also included. This cost is allocated under the assumption that if each individual entity was publicly traded, they would also incur this cost.

SCS0745 - Legal – Litigation

Actual litigation legal fees may be allocated or directly bill to a single affiliate company depending on the nature of the litigation. As a practical practice, the management of the organization is primarily allocated across the system.

SCS0897 - Retirement

The Retirement department oversees the Pension Plan, Employee Savings Plan (401(k)) , Nonqualified Plans and Financial Wellbeing benefits. This includes all reporting, administration, and vendor management.

Objections by Counsel

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-3

CA 3-38

QUESTION:

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 "SCS0702 - President & CEO". Provide a detailed description of what these charges relate to.

RESPONSE:

The Southern Company President and CEO provides leadership for all aspects of the company's operations and is responsible for the overall strategy, operations management, and execution for all Southern Company entities. Expenses are allocated to every Southern Company operating entity.

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-3

CA 3-39

QUESTION:

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 Nicor Gas to CGC, as shown in Column I for the months August through December 2022.

RESPONSE:

The allocated costs that are displayed in column I of the attachment CA 1-33 Attachment B are primarily remittance processing costs originally occurring at Nicor Gas. These costs are charged to ASC and allocated to affiliates including CGC. Prior to Enterprise Foundation these costs were combined with ASC Allocated costs.

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-3

CA 3-40

QUESTION:

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 "ASC1082 - Energy Connections". Provide a detailed description of what these charges relate to.

RESPONSE:

Energy Connections Center (ECC) is responsible for partnering with builders, developers, contractors, and homeowners to initiate new requests for Natural Gas service for LDC markets Southern Company Gas serves in TN, VA, and GA. Request types include new construction (e.g., banks, restaurants, new subdivisions, individual residential homes, etc.), conversion from another source of energy (such as electric or propane to gas), or residential/commercial added load (existing customer adding a new appliance, generators, pool heaters, tankless water heaters, etc.). The ECC team is responsible for monitoring the requests from end-to-end, providing status updates to customer inquiries, as well as handle escalated customer issues related to a given project.

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-3

CA 3-41

QUESTION:

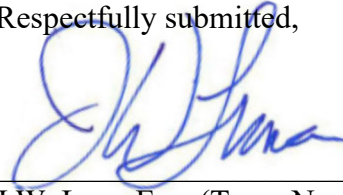
Refer to the Company's response to Consumer Advocate DR No. 1-40 and the accompanying File <CA 1-40 Attachment A.xlsx>. Specifically, refer to Tab "Detail" and the allocated charges coded under department "ASC6042 - Backline". Provide a detailed description of what these charges relate to.

RESPONSE:

The Backline (Billing Operations) department is responsible for ensuring the delivery of accurate and timely bills to all Chattanooga Gas customers. This department is responsible for resolving Billing, Meter Reading, and Field Activity exceptions that are created by our billing system to ensure the quality of the customers' bills. This department is also responsible for researching and correcting complex billing related inquiries.

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 2nd day of June, 2023, upon:

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