

**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 FOURTH SET OF DISCOVERY REQUESTS
TO CHATTANOOGA GAS COMPANY**

This Fourth 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 at a date and time to be determined by the parties.

PRELIMINARY MATTERS AND DEFINITIONS

This Fourth 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.

FOURTH SET OF DISCOVERY REQUESTS

- 4-1. Identify/Source & Support.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.02b Incentive Compensation, LTI (WP) (CONFIDENTIAL).xlsx> regarding Incentive Compensation and provide the following information:
- a. Refer to the “Data (Legacy) ASC, CGC - LTI” tab in this spreadsheet. Provide the source and support for the information on this tab that appears as hard-coded data.
 - b. Refer to the “Summary (OACS) ASC, SCS - LTI” tab in this spreadsheet. We are unable to confirm that the amounts included on this summary tie to the Company’s ledger. Provide a means to reconcile this data to the Company’s ledger.

RESPONSE:

- 4-2. Source & Support.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.02e ASC Payroll Taxes (WP) (CONFIDENTIAL).xlsx> regarding Incentive Compensation and provide the following information:
- a. Refer to the “Data (Legacy)” tab in this spreadsheet. Provide the source and support for the information on this tab that appears as hard-coded data.

RESPONSE:

- 4-3. Source & Support.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.02d Direct Payroll (WP) (CONFIDENTIAL).xlsx> regarding Incentive Compensation and provide the following information:
- a. Refer to the “Data (Legacy)” tab in this spreadsheet. Provide the source and support for the information on this tab that appears as hard-coded data.
 - b. Refer to the “Summary- CGC” tab in this spreadsheet. We are unable to confirm that the amounts included on this summary tie to the Company’s ledger. Provide a means to reconcile this data to the Company’s ledger.
 - c. Refer to the “Summary - ASC” tab in this spreadsheet. We are unable to confirm that the amounts included on this summary tie to the Company’s ledger. Provide a means to reconcile this data to the Company’s ledger.

RESPONSE:

4-4. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.02e ASC Payroll Taxes (WP) (CONFIDENTIAL).xlsx> regarding Incentive Compensation and provide the following information:

- a. Refer to the “Data (Legacy)” tab in this spreadsheet. Provide the source and support for the information on this tab that appears as hard-coded data.
- b. Refer to the “ASC” tab in this spreadsheet. We are unable to confirm that the amounts included on this summary tie to the Company’s ledger. Provide a means to reconcile this data to the Company’s ledger.
- c. Refer to the “SCS” tab in this spreadsheet. We are unable to confirm that the amounts included on this summary tie to the Company’s ledger. Provide a means to reconcile this data to the Company’s ledger.
- d. Refer to the “ASC” and the “SCS” tabs in this spreadsheet. Explain why the Pivot Table on the “ASC” tab only includes 408 accounts (Taxes Other Than Income or “TOIT”) while the Pivot Table on the “SCS” tab includes all accounts.

RESPONSE:

4-5. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.02c SCS Fixed Compensation ASC Payroll(WP) (CONFIDENTIAL).xlsx> regarding SCS Fixed Compensation and provide the following information:

- a. Refer to the “Data (Legacy)” tab in this spreadsheet. Provide the source and support for the information on this tab that appears as hard-coded data.
- b. Refer to the “Summary Data (OACS)” tab in this spreadsheet. We are unable to confirm that the amounts included on this summary tie to the Company’s ledger. Provide a means to reconcile this data to the Company’s ledger.

RESPONSE:

4-6. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to the “Schedule 27” tab, cells E37 to P37

regarding Lobby Incentive Compensation Eliminated. Provide the source and support for these amounts which appear as unreferenced hard-coded numbers.

RESPONSE:

- 4-7. Incomplete Data. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 31 - FERC Form II (2022).pdf> regarding the FERC Income Statement for 2022. Specifically refer to Page 114. This schedule appears to be incomplete. Provide an updated FERC Income Statement that reflects the Company's income for 2022.

RESPONSE:

- 4-8. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 31 - FERC Form II (2022).pdf>. Specifically refer to Page 110 and 113 regarding the balance of Plant in Service, CWIP, Accumulated Depreciation and ADIT as shown in the Table below. Reconcile these amounts with the end-of-year balances for these accounts from File <CGC Weems Exhibit TW-1.xlsx>, tab "Schedule 2A1" also shown below.

Item	Ledger Amount	FERC Amount
Plant in Service	\$410,844,683	\$415,647,474
Construction Work in Progress	36,494,155	32,751,638
Accumulated Depreciation	153,100,918	155,355,290
Accumulated Deferred Income Taxes	49,531,169	32,149,942

RESPONSE:

- 4-9. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 31 - FERC Form II (2022).pdf>. Specifically refer to Page 115 regarding the balance of Net Operating Income as shown in the Table below. Reconcile this amount with the 2022

balance for this account from File <CGC Weems Exhibit TW-1.xlsx>, tab “Schedule 5” also shown below.

Item	Ledger Amount	FERC Amount
Net Operating Income	\$5,391,757	\$11,955,380

RESPONSE:

4-10. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 32 - ASC Cost Allocation Manual (CONFIDENTIAL).pdf> regarding the Company’s Cost Allocation Manual (“CAM”). Highlight and describe the reason for any changes to the CAM from the version presented in the previous ARM filing for TPUC Docket No. 22-00032.

RESPONSE:

4-11. Reconciliation. Refer to the Direct Testimony of Tiffani Weems. Specifically refer to the various intercompany agreements provided in Files <Schedule 35.01a ASC-CGC Services Agreement (CONFIDENTIAL).pdf>, <Schedule 35.01b ASC-SCS Services Agreement (CONFIDENTIAL).pdf>, <Schedule 35.01c Money Pool Agreement (CONFIDENTIAL).pdf>, and <Schedule 35.01d Southern Company Income Tax Allocation Agreement (CONFIDENTIAL).pdf>. Highlight and describe the reason for any changes to these intercompany agreements from the version presented in the previous ARM filing for TPUC Docket No. 22-00032.

RESPONSE:

4-12. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.05 EDIT Bal Act Workpapers (2022).xlsx>. Specifically refer to the “EDIT Summary” tab,

cell K15, which shows Excess Deferred Tax Liability Amortization of \$-476,577. Reconcile this amount with File <CGC Weems Exhibit TW-1.xlsx>, tab “Schedule 9”, cell K46 of which shows \$-474,592.

RESPONSE:

- 4-13. Reconciliation.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.07 ADIT Workpapers.xlsx>. Specifically refer to the “Schedule 35.7 (Summary)” tab, cells A117 to AM121 regarding the accumulated deferred income tax ratemaking adjustments for 2022 and showing an end-of-period balance of \$-1,255,684. Reconcile these monthly balances with the amounts included in File <CGC Weems Exhibit TW-1.xlsx>, tab “Schedule 2A1”, cells E80 to Q80. Specifically, we note a \$200,457 difference in the monthly balances for January 2022 through October 2022.

RESPONSE:

- 4-14. Source & Support.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.08 Other Revenue Query (WP).xlsx>. Specifically refer to the “Schedule 35.8” tab, cells I33 to M33 regarding monthly damage billing revenues for August 2022 through December 2022. Provide the source and support for these amounts which appear as hard-coded values.

RESPONSE:

- 4-15. Reconciliation.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.08 Other Revenue Query (WP).xlsx> regarding monthly damage billing revenues for May 2022 through September 2022. Reconcile the amounts for damage billing on this schedule with these same months from File <CGC Weems Exhibit TW-1.xlsx>, tab “Schedule 18”.

RESPONSE:

4-16. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.11 Annual Pipeline Replacement Program Budget.xlsx> regarding the Pipeline Replacement Program Annual Budget for 2023. Confirm the amounts for the projected installs and retirement footages. Specifically, these amounts appear to be copied over from Schedule 35.11 in TPUC Docket No. 22-00032.

RESPONSE:

4-17. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.13 - ASC Other Revenue Query (WP).xlsx> regarding the calculations for the removal of non-allocable net AGL-SC Plant and CWIP. Specifically refer to “Tab 2”, cells A1097 to M1146 regarding the excluded amounts relating to the operating lease. Explain why these excluded operating leases are not aggregated in the totals in cells K1998 to M1998.

RESPONSE:

4-18. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.16a Lobbying WP.xlsx>. Specifically refer to the “Summary” tab regarding the pivot table lobbying expense from August 2022 to December 2022. In this pivot table, the Company has reported the “Burdened Cost” instead of the “Net Burdened Cost”. Explain the Company’s rationale for using “Burdened Cost” since it does not appear to distinguish between debit and credit entries in the total monthly balance.

RESPONSE:

4-19. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 23.2 - ASC Monthly Invoice 2022 (CONFIDENTIAL).xlsx> regarding the monthly AGL-SC

affiliate invoices. Specifically refer to the tabs in this spreadsheet for August 2022 to December of 2022. Provide the data source that produces the pivot tables included on these tabs.

RESPONSE:

4-20. Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 23.3 - CGC Monthly Invoice 2022.xlsx> regarding the CGC monthly invoices from AGL-SC. Specifically refer to the tabs in this spreadsheet for August 2022 to December of 2022. Provide the data source that produces the pivot tables included on these tabs.

RESPONSE:

4-21. Explanation. Refer to the Company's response to Consumer Advocate DR No. 1-9 regarding LNG Inventory. The Company's response indicates that the inventory amount includes an "LNG Presentation Reclass Balance" of \$980,962 related to a non-plant item included in Chattanooga Gas's Acquisition Adjustment. Describe the Acquisition Adjustment more fully, including how it was calculated and the accounting support authorizing it to be recorded in the Company's books.

RESPONSE:

4-22. Explanation. Refer generally to the approval of a Special Contract in TPUC Docket No. 21-00094. In the Company's previous ARM filing from TPUC Docket No. 22-00032, the Commission approved a rate increase for this Special Contract customer. However, the Company has not made a tariff filing (public or otherwise) to reflect this increase in the Special Contract rate. As a result, there appears to be no official documentation of the current rate charged for this Special Contract customer. Provide the Company's position

on how the rates for this Special Contract customer will be documented in this ARM docket and future dockets.

RESPONSE:

- 4-23.** Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to the “Schedule 14.1” tab, cells AP55 to BA55 regarding the “Utility Plant in Service - Adj” class for the “Gross Plant Balance” with a 13-month average balance of \$97,484. Provide the source and support for these amounts which appear as unreferenced hard-coded numbers.

RESPONSE:

- 4-24.** Source & Support. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to the “Schedule 14.2” tab, cells AP55 to BA56 regarding the “Retirement WIP” and “Utility Plant in Service - Adj” classes for the “Accumulated Reserve” with 13-month average balances of \$616,086 and \$1,539. Provide the source and support for these amounts which appear as unreferenced hard-coded numbers.

RESPONSE:

- 4-25.** Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to the “Schedule 2A1” tab, cell N14 which shows Chattanooga Gas Company total plant in service for September 2022 of \$394,968,424. Next refer to the “Schedule 14.1” tab, cell AX57 which shows Chattanooga Gas Company total plant in service for September 2022 of \$393,816,224. Reconcile these two amounts and provide updated schedules where necessary.

RESPONSE:

4-26. Reconciliation. Refer to File <CA 1-22 Attachment A.pdf> provided by the Company in response to Consumer Advocate DR No. 1-22. Specifically refer to page 1 regarding the DOT Report showing total service lines of 82,719. Next refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>, tab “Schedule 14.3”, cell H8 showing total service lines of 82,288. Reconcile these two amounts and provide updated schedules where necessary.

RESPONSE:

4-27. Reconciliation. Refer to the File <CA 1-24 Attachment A.xlsx> provided by the Company in response to Consumer Advocate DR No. 1-24. Specifically refer to the “Margin Review” tab, cell F13 that provides the billed therms value of 3,647,263 for January 2023. It appears that the Company has used an incorrect formula in this cell and that the correct value should be 5,547,073 from the “Therms” tab of this same spreadsheet. Reconcile these two amounts and provide updated schedules where necessary.

RESPONSE:

4-28. Reconciliation. Refer to the File <CA 1-24 Attachment A.xlsx> provided by the Company in response to Consumer Advocate DR No. 1-24. Specifically refer to the “Margin Review” tab, cells F100 to Q100 that provide the T-1 total revenue of \$1,536,718 for 2022. It appears that the Company has used an incorrect formula in these cells that add the “Capacity Therms” to the revenue amounts. Review these calculations and provide updated schedules where necessary.

RESPONSE:

4-29. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to the “Schedule 15” tab, cells O76 to O77 which show Rate Schedule C-1 bills and usage of 6,639 and 752,740 respectively. Next refer to the File <CA 1-24 Attachment A.xlsx> provided by the Company in response to Consumer Advocate DR No. 1-24. Specifically refer to the “Margin Review” tab, cells Q46 to Q47 which show C-1 bills and usage of 6,826 and 1,009,902 respectively. Reconcile these amounts and provide updated schedules where necessary.

RESPONSE:

4-30. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to the “Schedule 15” tab, cells D98 to O98 which show Rate Schedule C-1 A/C bills for each month of 2022. Next refer to the File <CA 1-24 Attachment A.xlsx> provided by the Company in response to Consumer Advocate DR No. 1-24. Specifically refer to the “Margin Review” tab, cells F58 to Q58 which show C-1 A/C bills for each month of 2022. Reconcile these amounts and provide updated schedules where necessary.

RESPONSE:

4-31. Reconciliation. Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to the “Schedule 15” tab, cells D126 to O126 which show Rate Schedule C-2 volumes (billed and unbilled) for 2022 of 36,859,210. Next refer to the File <CA 1-24 Attachment A.xlsx> provided by the Company in response to Consumer Advocate DR No. 1-24. Specifically refer to the “Margin Review” tab, cells

F69 to R708 which show total C-2 volumes (billed and unbilled) for 2022 of 27,764,412.

Reconcile these amounts and provide updated schedules where necessary.

RESPONSE:


- 4-32. Reconciliation.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to the “Schedule 15” tab, cells D170 to P170 which show Rate Schedule T-3 Demand Determinants for 2022 of 46,812 Dkt. Next refer to the File <CA 1-24 Attachment A.xlsx> provided by the Company in response to Consumer Advocate DR No. 1-24. Specifically refer to the “Margin Review” tab, cells F84 to R84 which show total T-3 Demand Determinants for 2022 of 442,251 therms. Reconcile these amounts and provide updated schedules where necessary.

RESPONSE:

- 4-33. Source & Support.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to the “Schedule 28” tab, cell E13 regarding the 2022 Group Insurance - Medical expense of \$490,691 for both 2022 and 2021. Provide the source and support for these unreferenced hard-coded amounts.

RESPONSE:

RESPECTFULLY SUBMITTED,



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TPUC Docket No. 23-00029

CA's Fourth Set of Discovery Requests

CERTIFICATE OF SERVICE

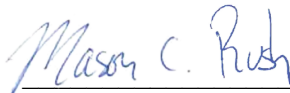
I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail,
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This the 7th day of June 2023.



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