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Electronically Filed in TPUC Docket Room on June 16, 2023 at 3:03 p.m.

Chairman Herb Hilliard
ATTN: Ectory Lawless, Docket Clerk
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Re: Chattanooga Gas Company's Petition for Approval of Its 2022 Annual Rate
Review Filing Pursuant to T.C.A. § 65-5-103(d)(6)
Docket No. 23-00029

Dear Chairman Hilliard:

Please find enclosed Chattanooga Gas Company's Response to the Consumer Advocate's Third Discovery Requests CA 3-42, CA 3-43, and CA 3-44. These responses have been provided to the Consumer Advocate and are being filed subject to the previously filed General Objections in this matter.

Chattanooga Gas Company has responded to all discovery and now with this filing has filed all responses in the Docket, including an updated TW-1 which has been updated as of 6/15/2023 to reflect all edits from the Third and Fourth Discovery Sets.

If you have any questions, please do not hesitate to contact me.

Yours truly,

Butler Snow LLP



J.W. Luna

JWL/cb
Enclosures

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

CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-42

QUESTION:

Identify/Source & Support. Provide the job description of the Southern Company CEO and any other executives, directors or managers whose job responsibilities include promoting Environmental, Social and Governance issues, including Diversity, Equity and Inclusion activities. For each identified job, provide the base compensation for the position and the portion of employee costs allocated or direct charged to CGC.

RESPONSE:

CGC objects to this request as vague, overly broad, and unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. The phrase "Environmental, Social and Governance issues, including Diversity, Equity and Inclusion activities" is used in many different contexts and subject to different interpretations, and how the Southern Company CEO and other executives, directors or managers "promote" those activities, based upon their specific job responsibilities would be too voluminous to be captured, even if it could. See also the CGC Response to the Consumer Advocate's First Discovery, Request CA 1-44. It is also unclear whether the requested information is only for executives, directors or managers of just Southern Company or whether this includes Southern Company and each and every one of its subsidiary companies. Further, with respect to the request to provide the base compensation for each position and the portion of employee costs allocated or directly charged, this too is too voluminous to respond to, excepting that any employee costs directly charged to CGC have already been provided to the Consumer Advocate in its other filings in this case. Subject to and without waiving the foregoing objections, CGC states as follows:

As the Consumer Advocate knows, given its inclusion of the April 14, 2023 Shareholder Sustainability Update from Southern Company with this supplemental discovery request, governance, environmental, and social objectives are part of a larger focus on sustainability that includes executive compensation and transparency, that includes direction from the Board of Directors of Southern Company through the executive officers and for each and every employee of all of the Southern Company's subsidiaries. Through this larger focus on sustainability, every Southern Company employee and, specifically, every CGC employee's goals include some element of safety and wellbeing; diversity, equity, and inclusion; employee value; customer value; growth and profitability; and external effectiveness. These goal categories are representative of our culture and in support of the customers and communities Chattanooga Gas has the privilege to serve.

Given the fact that all of Southern Company's 31,000 employees, including its executives, directors, and managers include sustainability goals in their job descriptions, it is simply not reasonably possible to provide the job descriptions or the base compensation of all "executives, directors, or managers whose job responsibilities include promoting Environmental, Social and Governance issues, including Diversity, Equity and Inclusion activities," for Southern Company. However, since this Request specifically asked for the job description of the Southern Company CEO, please see CA 3-42 Attachment A, for the requested job description. The total compensation allocated to CGC specific to the Southern Company CEO in 2022 was \$89,058.

As for the portion of employee costs allocated or directly charged to CGC, again, given the number people, it is simply too burdensome and not practically possible to provide this information for all of the potential individuals that might be responsive to this request. With respect to the specific request for information on the Southern Company CEO, there are no directly assigned cost. As for allocated costs, CGC notes that in general, for all non-directly assignable costs, approximately 17.66% of Southern Company costs are allocated to Southern Company Gas (GAS), and that, generally, for all non-directly assignable costs, approximately 1.88% of GAS costs are assigned to CGC.

Objections, by Counsel.

Witness: Tiffani Weems
 Supervisor, Regulatory Reporting
 Southern Company Gas

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

CONSUMER ADVOCATE'S Discovery Requests Set: CA-3

CA 3-43

QUESTION:

Identify/ Source & Support. On April 14, 2023, the Southern Company published a "Shareholder Sustainability Update". The bottom of pdf page 20/31 of the report indicates that the Southern Company has invested \$76 million to advance racial equity and social justice issues. Regarding this \$76 million, provide the following information:

- a. Identify the portion of the \$76 million eventually capitalized versus the portion expensed.
- b. Identify the portion of the capitalized "investment" allocated or direct assigned to CGC in 2022.
- c. Identify the portion of expensed "investment" allocated or direct assigned to CGC in 2022 and identify the account(s) charged.

RESPONSE:

CGC objects to this request as vague, overly broad, and unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. The phrase "Environmental, Social and Governance issues, including Diversity, Equity and Inclusion activities" is used in many different contexts and subject to different interpretations, and how the Southern Company CEO and other executives, directors or managers "promote" those activities, based upon their specific job responsibilities would be too voluminous to be captured, even if it could. See also the CGC Response to the Consumer Advocate's First Discovery, Request 1-44. It is also unclear whether the requested information is only for executives, directors or managers of just Southern Company or whether this includes Southern Company and each and every one of its subsidiary companies. Further, with respect to the request to provide the base compensation for each position and the portion of employee costs allocated or directly charged, this too is too voluminous to respond to, excepting that any employee costs directly charged to CGC have already been provided to the Consumer Advocate in its other filings in this case. Subject to and without waiving the foregoing objections, CGC states as follows:

In 2022, CGC donated \$500,000 to the Salvation Army, which was recorded as a donation and therefore not included in CGC's costs of service for recovery in the 2022 ARM. Additionally, CGC was allocated \$143 from AGSC for charitable giving, which was included in the Company's cost of service for recovery in the 2022 ARM. The Company will remove this cost and file an updated ARM model, Exhibit TW-1.

Objections, by Counsel.

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 3-44

QUESTION:

Identify/ Source & Support. Refer again to the "Shareholder Sustainability Update" published on April 14, 2023. On pdf page 20/31 of the report, the Southern Company states: "We and our foundations have pledged \$225 million through 2025 to advance equity and social justice in our communities." Identify these costs incurred in 2022 and explain how such costs are recorded on the books of the Southern Company. To the extent any such costs were allocated to CGC, quantify such costs and indicate how such costs are reflected on the books of CGC.

RESPONSE:

CGC objects to this request as vague, overly broad, and unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving the foregoing objections, CGC states as follows:

Contributions from the Foundations of Southern Company are paid through the foundation entities separate from the operating companies of Southern Company. Therefore, contributions from the Foundations are not recorded on the books and records of Southern Company operating companies, including CGC, AGL Services Company, and Southern Company Services.

Southern Company and its foundations donate to priority areas for the communities we serve, with specific focus on arts and education, economic development, energy assistance, environment, health and wellbeing, community support and social justice. Donations are managed based on the size and scope of business in each service area matched with the needs of the community.

Objections, by Counsel.

Witness: Tiffani Weems
Supervisor, Regulatory Reporting
Southern Company Gas

Southern Company Job Description Form

JOB CODE: NA

COMPANY: Southern
Company

Job Title: President & CEO

JOB SUMMARY:

The Office of the President & CEO must be focused on the Company's core commitment to provide clean, safe, reliable and affordable energy to the customers and communities we serve. The role must lead the Company in achieving the goal of delivering long-term value to stockholders with appropriate risk-adjusted TSR. The President & CEO is committed to prioritizing customers and communities, as well as focusing on the well-being of our employees.

The role reports directly to Southern Company's Board of Directors

MAJOR JOB RESPONSIBILITIES:

- Primary responsibility of leading the day-to-day operations of the business of the Company and its subsidiaries in accordance with the strategic plan and operating and capital budgets determined by the Board
- Lead the senior team in developing the business plans to deliver on the Company's strategy and holding the organization accountable for delivering on those strategic goals
- Set, refine and achieve the value proposition of top quartile returns for stockholders, as well as the other performance targets associated with employee incentive plans
- Provide strategic leadership to the organization in furthering its objectives around fostering broader diversity within its leadership and workforce, while also serving as a role model for inclusive leadership
- Effectively manage relationships with key external stakeholders including regulators, legislators, stockholders, and the analyst community, and build strong rapport and credibility with these stakeholders
- Continue to build and develop a strong leadership team, underpinned by a best-in-class human capital strategy that includes proactive succession planning efforts
- Ensure that the Company is positioned as an employer of choice within its region, renowned for its collaborative, innovative, and customer-centric culture, and viewed as a role model for diversity and inclusion
- Partner with the Nominating, Governance and Corporate Responsibility Committee, the Chairman and the Lead Director in the recruitment and retention of Directors and management
- Drive a program of continued investment in the Company's system to ensure it can offer promised stockholder returns with superior reliability and cleaner energy to its customers and communities
- Lead policy and legislative change to support migration from fossil fuels to additional renewable assets within the Company's generation mix
- Position the Company to be successful in the face of the evolving energy industry by innovating to offer new products and services valued by its customers, and positioning the Company as the vital link in the changing energy landscape in the service territory
- In alignment with the mandate to innovate, ensure that Southern is viewed as a good steward of the environment

**Southern Company
Job Description Form**

JOB REQUIREMENTS: (Education, Experience, Knowledge, Skills)

- Bachelor's degree required. Advanced degree highly desirable.
- 15 or more years of experience managing multiple, medium-to-large sized and cross-functional teams within the utilities industry preferred
- Demonstrated ability to influence senior-level management and key stakeholders.
- Knowledge of business theory, business processes, management budgeting and business office operations, and a thorough knowledge of applicable regulations and compliance requirements.

Skills:

- Demonstrated ability to lead, motivate and develop employees. A comprehensive understanding of human relations, with an ability to apply sound performance management techniques and Southern Style in business decisions.
- Ability to lead and manage through change as a recognized change agent.
- Deep industry knowledge to anticipate future needs and directional shifts in both technology and energy industries with an ability to evolve the technology function to meet evolving business requirements.
- Excellent oral and written communication skills, including the ability to communicate very complex technical topics to various audiences.
- Proven negotiation skills.
- Ability to lead through influence.
- Excellent project management skills, with the ability to create business cases and effectively plan, prioritize and execute projects using well-honed written, oral and interpersonal communication skills.
- Superior business judgment.
- Ability to apply techniques to ensure appropriate governance and prioritization.
- Proven ability to build strong relationships within the Board, company and industry, as well as with vendors/suppliers.
- Team player with a collaborative approach to drive solutions for the good of Southern Company.

Approved: _____
EVP, CHRO

Date

Human Resources: HR has reviewed this document for both reasonableness and conformance to process.

Human Resources Consultant

Date

HR USE ONLY
FLSA Status: