

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

IN RE:)	
)	
CHATTANOOGA GAS COMPANY'S)	
PETITION FOR APPROVAL OF ITS)	DOCKET NO. 24-00024
2023 ANNUAL RATE REVIEW)	
FILING PURSUANT TO)	
TENN. CODE ANN. § 65-5-103(d)(6))	
)	

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

This First 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. 1220-01-02-.11. The Consumer Advocate Division of the Tennessee 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 Victoria B. Glover on or before Wednesday, May 17, 2024, at 2:00 p.m. CST.

PRELIMINARY MATTERS AND DEFINITIONS

1. **Continuing Request.** These discovery requests are to be considered continuing in nature and are to be supplemented from time to time as information is received by the Company and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.

2. **Clear References.** To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.

3. **Format of Responses.** Provide all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to audit and analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.

4. **Objections.** If any objections to this discovery are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document, and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

5. **Singular/Plural.** The singular shall include the plural, and vice-versa, where appropriate.

6. **Definitions.** As used in this Request:

(a) “You,” “Your,” “Company,” or “CGC” shall mean Chattanooga Gas Company and all employees, agents, attorneys, representatives, or any other person acting or purporting to act on its behalf.

(b) “Affiliate” shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater clarification, “control” is the ownership of 20% or more of the shares of stock entitled to vote for the election of directors in the case of a corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term “Affiliate” shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an “Affiliate”.

(c) “Communication” shall mean any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings, and personal conversations, or otherwise.

(d) “Document” shall have the broadest possible meaning under applicable law. “Document” shall mean any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made?

- (e) “Person” shall mean any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.
- (f) “Identify” with respect to:
 - i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person’s relationship, whether business, commercial, professional, or personal with you;
 - ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and current or last known business address of such person or entity (if no business address is available provide any address known to you);
 - iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and
 - iv. Any oral communication means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.
- (g) “And” and “or” shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.
- (h) “Including” shall be construed to mean including but not limited to.

FIRST SET OF DISCOVERY REQUESTS

1-1. Identification. Identify the monthly number of estimated bills issued during the test period.

REPSONSE:

1-2. Identification. Identify any internal metrics the Company has in place to evaluate its success in minimizing estimated bills.

RESPONSE:

1-3. Identification. Identify the ratio of estimated bills to total bills issued for the test period.

RESPONSE:

1-4. Identification. Provide a copy of any research or studies the Company has done to identify the reasons for using estimated bills.

RESPONSE:

1-5. Explanation. Provide a narrative description of the process used to true-up customer bills following the issuance of an estimated bill.

RESPONSE:

1-6. Explanation. Does the Company include any information on a customer bill identifying that the usage was estimated?

RESPONSE:

1-7. Identification. Identify the number of corrected bills issued by month, by customer class, during the test period.

RESPONSE:

1-8. Explanation. Refer to <2024-04-16 Schedule 35.23 Relocation Expenses_12942935_1> related to relocation expenses. Provide a comprehensive explanation of the nature of the costs incurred in December 2023.

RESPONSE:

1-9. Explanation and Identification. Provide a general overview of the Company's plans to amend tax returns associated with the April 2023 IRS Revenue Procedure known as the

Natural Gas Safe Harbor Provisions, including the timing of when such amended returns may be submitted. Identify the Company's position regarding how such modifications may impact the Company's ARM filing.

RESPONSE:

1-10. Explanation and/or Identification. Confirm that any existing customer who cancels service in the spring and requests to initiate service in the fall will not be billed for a Customer Charge in the interim months. If confirmed, provide an explanation of whether the Company has considered requesting this tariff provision. If not confirmed, please reference the tariff provision that permits this billing treatment.

RESPONSE:

1-11. Explanation. Refer to <2024-04-03 Schedule 35.7 ADIT Workpaper (2023)_12916817_1> and confirm that no federal NOL asset is incorporated into the proposed Rate Base in this filing.

RESPONSE:

1-12. Source & Support. Refer to the tab "Schedule 2A1" within <2024-04-18z CGC Weems Exhibit TW-1_12947907_1>. Provide support for the hard-coded numbers in cells S:104 (\$1,042,647) and S:107 (\$707,037).

RESPONSE:

1-13. Explanation. Regarding the modification to the Tennessee franchise tax, approved by Tennessee legislators, in HB 1893 and SB 2103, provide the following:

- a. Has CGC requested a refund from the Tennessee Department of Revenue? If so, provide the documentation submitted to the agency; and
- b. Provide a discussion of whether CGC believes any refunds for prior periods should be made and how any refunds for prior periods should be treated for the purposes of calculating its annual ARM mechanism.

RESPONSE:

- 1-14.** Source & Support. Provide a copy of the Company’s state excise tax returns submitted to the Tennessee Department of Revenue for the past two years.

RESPONSE:

- 1-15.** Explanation. Refer to tab “Schedule 2A1” of <2024-04-18z CGC Weems Exhibit TW-1_12947907_1>. Describe the nature of account 2820700, “Regulatory Liability Reclass”.

RESPONSE:

- 1-16.** Explanation. Refer to <2024-04-03 Schedule 35.7 ADIT Workpaper (2023)_12916817_1> and provide definitions for each of the book/tax timing differences listed below.

OTHER ACTUALIZING
OTHER ACTUALIZING - STATE
133201T STATE AMENDED & RAR ADJ - TEMP TN

RESPONSE:

- 1-17.** Source & Support. Refer to the EDIT Summary tab within Schedule 35.5b and to the Excess Deferred Tax balance listed within the Schedule 2A tab within Exhibit TW-1. Please reconcile the excess deferred tax balances listed with Schedule 35.5b with the appropriate corresponding balance(s) referenced on Schedule 2A.

RESPONSE:

1-18. Identify and Source & Support. Identify and provide a copy of all workpapers used to prepare the Company's ARM filing that have not been previously supplied. Specifically, provide either a statement that all workpapers and schedules used by the Company to prepare the ARM filing have already been supplied or provide a copy of all schedules and workpapers used by the Company to prepare the ARM that have not been previously supplied.

RESPONSE:

1-19. Confidential DR.

RESPONSE:

1-20. Source & Support and Explanation. Refer to <2024-04-17 Schedule 21.1 - CGC and AGSC Trial Balance_12945291_1>, CGC Trial Balance. Specifically, refer to the allocated charges to Account 920-A&G Salaries from Department "ASC1470:Govt Affairs AGLC-CGC". Provide the following:

- a. An organizational chart for this department;
- b. The job descriptions for each manager level employee and above within this department;
- c. The dollar amounts associated with each job title charged to account 920; and
- d. For each employee whose time is split between 426.x and 920 or any other above the line account, provide a comprehensive explanation and all available support underlying how the split between the below the line and above the line accounts were determined.

RESPONSE:

- 1-21. Identification.** Is there a Chattanooga Gas Company political action committee, or any similar organization with the objective to engage policymakers on items of interest? If so, please identify the job titles of the members and associated labor distribution for 2023.

RESPONSE:

- 1-22. Source & Support, Identification, and Explanation.** Refer to <2024-04-17 Schedule 21.1 - CGC and AGSC Trial Balance_12945291_1>, CGC Trial Balance. Specifically, refer to the allocated charges from Departments starting with the prefix “AGL”. Provide answers to the following:
- a. Confirmation that these costs originated from Atalanta Gas and Light;
 - b. Narrative Explanation of how these costs relate to the provision of service by CGC; and
 - c. A statement detailing how the company assigns costs between these Southern Company affiliates along with any formal cost sharing documentation between these affiliates.
 - i. If not contained in the CAM, provide a copy of any applicable contract that is relied upon to assign these affiliate costs.
 - ii. Identify the specific provisions of the CAM or the applicable provision of the document provided in subpart (c)(i) that confers the authority and support for the methodology used to assign these costs to CGC.

RESPONSE:

- 1-23. Source & Support, Identification, and Explanation.** Refer to <2024-04-17 Schedule 21.1 - CGC and AGSC Trial Balance_12945291_1>, CGC Trial Balance. Specifically, refer to the allocated charges from Departments starting with the prefix ‘GPC’. Provide answers to the following:

- a. Confirmation that these costs originated from Georgia Power Company;
- b. A narrative explanation of how these costs relate to the provision of service by CGC; and
- c. A statement detailing how the company assigns costs between these Southern Company affiliates along with any formal cost sharing documentation between these affiliates.
 - i. If not contained in the CAM, provide a copy of any applicable contract that is relied upon to assign these affiliate costs.
 - ii. Identify the specific provisions of the CAM or the applicable provision of the document provided in subpart (c)(i) that confers the authority and the support for the methodology used to assign these costs to CGC.

RESPONSE:

1-24. Source & Support, Identification, and Explanation. Refer to <2024-04-17 Schedule 21.1 - CGC and AGSC Trial Balance_12945291_1>, CGC Trial Balance. Specifically, refer to the allocated charges from Departments starting with the suffix “NGC”. Provide answers to the following:

- a. Confirm these costs originated from Nicor Gas Company;
- b. How do these costs relate to the provision of service by CGC; and
- c. A statement detailing how the company assigns costs between these Southern Company affiliates along with any formal cost sharing documentation between these affiliates.
 - i. If not contained in the CAM, provide a copy of any applicable contract that is relied upon to assign these affiliate costs.
 - ii. Identify the specific provisions of the CAM or the applicable provision of the document provided in subpart (c)(i) that confers the authority and support for the methodology used to assign these costs to CGC.

RESPONSE:

1-25. Identification and Source & Support. Refer to <2024-04-17 Schedule 21.1 - CGC and AGSC Trial Balance_12945291_1>, CGC Trial Balance. Specifically, refer to the

allocated charges from the following Department to account 923, “SCS0433:Workplace Enablement” and provide the following:

- a. The contract with the external vendor that supports these charges;
- b. If no contract exists, provide a comprehensive explanation of the nature of these charges; and
- c. Identification of the goals and objectives of this department.

RESPONSE:

1-26. Identification and Source. Refer to <2024-04-17 Schedule 21.1 - CGC and AGSC Trial Balance_12945291_1>, CGC Trial Balance. Specifically, refer to the allocated charges from the following Departments, “ASC1459: EVP Chief Ext Pub Affrs Offer” and “ASC1461: External Affairs & Public Policy.” Provide the job description(s) and salaries of the employee(s) whose time is being recorded in account 920 from each of these departments.

RESPONSE:

RESPECTFULLY SUBMITTED,

VICTORIA B. GLOVER (BPR No. 037954)
Assistant Attorney General
KAREN H. STACHOWSKI (BPR No. 019607)
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207

Nashville, Tennessee 37202-0207
Phone: (615) 360-4219
Fax: (615) 741-8151
Email: Victoria.Glover@ag.tn.gov
Email: Karen.Stachowski@ag.tn.gov

TPUC Docket No. 24-00024
CA's 1st DR to CGC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail,
with a courtesy copy by electronic mail upon:

J.W. Luna, Esq.
Butler Snow LLP
The Pinnacle at Symphony Place
150 3rd Ave S, Ste. 1600
Nashville, TN 37201
Email: jw.luna@butlersnow.com

Elizabeth Wade, Esq.
Chief Regulatory Counsel
Ten Peachtree Place, NW
Atlanta, GA 30309
Phone: (404) 584-3160
Email: ewade@southernco.com

Floyd R. Self, Esq.
Berger Singerman, LLP
313 North Monroe Street, Suite 301
Tallahassee, FL 32301
Phone: (850) 521-6727
Email: fself@bergersingerman.com

Jason Willard
Director, External Affairs
Chattanooga Gas Company
2207 Olan Mills Drive
Chattanooga, TN 37421
Email: jrwillar@southernco.com

This the 3rd day of May, 2024.

VICTORIA B. GLOVER
Assistant Attorney General