

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

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

PETITION TO INTERVENE

The Consumer Advocate Division of the Office of the Attorney General (“Consumer Advocate”), by and through Jonathan Skrmetti, Attorney General and Reporter for the State of Tennessee, pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (“TPUC” or the “Commission”) to grant the Consumer Advocate’s intervention into this proceeding because consumers’ interests, rights, duties, or privileges may be determined or affected by the *Chattanooga Gas Company Petition for Approval of Its 2023 Annual Rate Review Filing* (“Petition”) filed by Chattanooga Gas Company (“CGC” or the “Company”). The Consumer Advocate would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating and intervening as a party in proceedings before the Commission in accordance with the Uniform Administrative Procedures Act and Commission rules.

2. CGC is a public utility regulated by the Commission and provides natural gas service to residential, commercial, and industrial customers in Tennessee. CGC’s principal

office and place of business is located at 2207 Olan Mills Drive, Chattanooga, Tennessee 37421.¹

3. In 2019, CGC filed a petition seeking to opt into the annual review mechanism (“ARM”) procedure established under Tenn. Code Ann. § 65-5-103(d)(6).² In the 2019 petition, CGC requested TPUC approval of an ARM based on the Company’s meeting two statutory preconditions: (1) the Company’s engagement in a general rate case within the last five years; and (2) the Company’s filing for an ARM based on the methodologies it alleged were adopted in its most recent rate case.³

4. The Consumer Advocate, and Chattanooga Regional Manufacturers Association were separate intervenors in the 2019 docket. Certain members of the Commission staff participated as Party Staff pursuant to Tenn. Rules and Regs. 1220-1-2-.21. The Parties negotiated a *Stipulation and Settlement Agreement*, which the Commission approved.⁴

5. The Company filed its first annual ARM filing in 2020.⁵ The Company sought a rate increase of \$7,963,550.⁶ However, after discovery, the Company revised its request to \$4,758,576.⁷ The revised request was approved by the Commission.⁸

6. In 2021, the Company filed its second annual ARM filing.⁹ In its petition, the

¹ Chattanooga Gas Company Petition for Approval of Its 2023 Annual Rate Review Filing, at ¶ 3, TPUC Docket No. 24-00024 (Apr. 19, 2024) (hereinafter “Petition”).

² Chattanooga Gas Company Petition to Opt Into an Annual Review of Rates Mechanism Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), TPUC Docket No. 19-00047 (Apr. 15, 2019).

³ *Id.*

⁴ Order Approving Settlement Agreement, TPUC Docket No. 19-00047 (Oct. 7, 2019).

⁵ Chattanooga Gas Company Petition for Approval of Its 2019 Annual Rate Review Filing, TPUC Docket No. 20-00049 (May 29, 2020).

⁶ Direct Testimony of Gary Tucker on Behalf of Chattanooga Gas Company, at 10:15, TPUC Docket No. 20-00049 (May 29, 2020).

⁷ Rebuttal Testimony of Gary Tucker on Behalf of Chattanooga Gas Company, at 1:17-22, TPUC Docket No. 20-00049 (Aug. 25, 2020).

⁸ Order Approving 2018 ARM Filing, at 3, TPUC Docket No. 20-00049 (Oct. 27, 2010).

⁹ Chattanooga Gas Company Petition for Approval of Its 2020 Annual Rate Review Filing, TPUC Docket No. 21-00048 (Apr. 20, 2021).

Company calculated its revenue deficiency for the 2020 Historic Base Period amounting to \$11.8 million.¹⁰ In the ordered settlement agreement, CGC agreed to a \$6.8 million cap limit on rate increases (with any under-funding forwarded to the subsequent ARM filing) through the Company's 2024 ARM filing.¹¹

7. In 2022, CGC filed its third annual ARM filing.¹² In its petition, the Company calculated its revenue deficiency for the 2021 Historic Base Period amounting to \$8,021,257¹³ and proposed a rate increase of \$6.8 million, again with any unrecovered revenue above that cap to be carried forward for inclusion in the subsequent ARM docket filing.¹⁴ On October 28, 2022, the Commission approved a revised revenue deficiency of \$7,911,764 subject to the annual rate cap of \$6.8 million.¹⁵

8. CGC's most recent ARM recovery was processed in Docket No. 23-00029. In its October 6, 2023, order approving the Settlement Agreement to revise Chattanooga Gas Company's 2022 Annual Rate Review Filing, the Commission approved CGC's 2022 recovery, following a hearing on August 14, 2023. This order approved a revenue deficiency of \$11,936,563, subject to an annual rate cap of \$6.8 million due to the voluntary rate cap, with the balance of revenues carried forward to the 2024 CGC ARM Docket; and directed the parties to collaborate and evaluate the exhibits, schedules, workpapers, and other documentation to be

¹⁰ *Id.* at ¶ 10. The \$11.8 million included "a \$7.7 million 2020 deficiency and a \$3.9 rate reset including associated carrying charges on the deficiency."

¹¹ *Order Approving Settlement Agreement on Chattanooga Gas Company's 2020 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)*, TPUC Docket No. 21-00048 (Nov. 1, 2021).

¹² *Chattanooga Gas Company Petition for Approval of Its 2021 Annual Rate Review Filing*, TPUC Docket No. 22-00032 (Apr. 20, 2022).

¹³ *Id.* at ¶ 10.

¹⁴ *Id.* at ¶ 13.

¹⁵ *Order Approving Chattanooga Gas Company's Revised 2021 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)*, at 17, TPUC Docket No. 22-00032 (Oct. 28, 2022). The Commission notes on page 7 that "[d]uring the discovery process with the Consumer Advocate and CRMA, the Company revised the revenue deficiency from \$8,021,257 to \$7,911,764."

provided by CGC in support of its annual filing.

9. The present Docket was initiated upon the Company's fifth annual ARM filing on April 19, 2024.¹⁶ In its current *Petition*, the Company calculated its revenue deficiency for the 2023 Historic Base Period amounting to \$11,484,646 with the addition of carrying cost¹⁷ and seeks a total rate adjustment of \$8,422,852 subject to the \$6.8 million cap, any unrecovered revenue being carried over for inclusion in the Company's next ARM filing.¹⁸

10. In the instant matter, the Consumer Advocate seeks to represent the interests of consumers served by CGC. The interests of consumers, including without limitation the proposed increase in rates to be paid by CGC's consumers, may be affected by determinations and orders made by the Commission with respect to: (1) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103(d)(6) and other relevant statutory and regulatory provisions; and (2) the review and analysis of the supporting schedules and other documentation, financial spreadsheets, and materials provided by CGC.

11. Only by participating in this proceeding can the Consumer Advocate carry out its statutory duty to represent the interests of consumers.

12. CGC has no objection to the intervention of the Consumer Advocate in this docket.

WHEREFORE, the Consumer Advocate respectfully requests that the Commission grant this *Petition to Intervene*.

¹⁶ See generally *Petition*.

¹⁷ *Direct Testimony of Tiffani Weems on behalf of Chattanooga Gas Company (2 Exhibits)*, at 12:11, TPUC Docket No. 24-00024 (April 19, 2024); *Petition*, at ¶12.

¹⁸ *Id.* at 12:15-21; *Petition*, at ¶14.

RESPECTFULLY SUBMITTED,



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TPUC Docket No. 24-00024

Consumer Advocate's Petition to Intervene

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S.

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This the 6th day of May 2024.



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