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Before the
Tennessee Public Utility Commission

Docket No. 24 - **00066**

September 11, 2024

Chattanooga Gas Company Petition for Approval of Negotiated
Franchise Agreement with the City of Cleveland,
Tennessee Pursuant to Tennessee
Code Annotated§ 65-4-107

Testimony Of
Ashley K. Vette
On Behalf Of
Chattanooga Gas Company

I. WITNESS IDENTIFICATION

Q. Please state your name, position, and business address.

A. My name is Ashley K. Vette, and I am the Manager of Rates and Tariff Administration for Southern Company Gas. Southern Company Gas is the parent holding company of four natural gas distribution companies including Chattanooga Gas Company (“Company” or “CGC”) as well as companies in Georgia, Illinois, and Virginia. In my role I have rates and tariff responsibilities for Chattanooga Gas Company. My business address is Ten Peachtree Place NE, Atlanta, Georgia 30309.

Q. For whom are you testifying?

A. I am testifying on behalf of Chattanooga Gas Company.

II. BACKGROUND AND EXPERIENCE

Q. Please summarize your education background and experience.

A. I received a Bachelor of Science in Business Administration degree with a focus in Accountancy and a Master of Accountancy degree from Auburn University. I am a Certified Public Accountant in the state of Georgia. I have 12 years of experience at Southern Company Gas (formerly AGL Resources, Inc.) Prior to becoming Manager of Rates and Tariff Administration in 2021, my roles at Southern Company Gas included Senior Rates Analyst from 2019 to 2021 and Internal Auditor from 2012 to 2019. Prior to joining Southern Company Gas, I was an external financial statement auditor for small to mid-sized utility companies in the southeast.

Q. Have you previously testified before the Tennessee Public Service Commission or any other state regulatory commissions?

1 A. Yes. I testified before the Tennessee Public Utility Commission in Docket 24-00024, 23-
2 00029 and Docket 21-00094. I have also provided testimony for the State Corporation
3 Commission of Virginia.

4 **III. PURPOSE OF TESTIMONY**

5 **Q. What is the purpose of your testimony in this proceeding?**

6 A. The purpose of my testimony is to present information to the Commission relating to the
7 franchise arrangement entered into between CGC and the City of Cleveland, Tennessee
8 (“Cleveland” or the “City”), as authorized by Cleveland City Ordinance 2024-33.

9 **Q. Could you please explain the circumstances that caused a need for a franchise**
10 **agreement between CGC and Cleveland?**

11 A. Yes. Under Section 65-26-101 of the Tennessee Code Annotated, CGC is required to have
12 the consent of the City of Cleveland, in the form of a municipal ordinance, to enter onto
13 the streets and alleys of Cleveland for the purpose of placing, maintaining, or expanding
14 its natural gas distribution and transmission facilities. CGC is currently providing natural
15 gas service to the City pursuant to a twenty (20) year franchise agreement between the
16 Company and Cleveland that was approved by the City and accepted by CGC on April 2,
17 2004 (“Current Franchise”). By its terms, the Current Franchise expired April 2, 2024.
18 Under 65-4-107(b) Tennessee Code Annotated, the Current Franchise remains in effect by
19 operation of law until approval of a subsequent franchise by this Commission. As such,
20 under Tennessee law, approval of a new franchise agreement is necessary.

21
22 **Q. When and how did the city of Cleveland begin pursuing a new franchise arrangement**
23 **with CGC?**

1 A. CGC began negotiations with the city of Cleveland for renewal of its franchise authority
2 in May 2024 in the ordinary course of the Company's business.

3 **Q. What was the result of those negotiations?**

4 A. The negotiations were successful and resulted in a franchise agreement acceptable to both
5 the Company and the City. The franchise agreement was incorporated into Cleveland City
6 Ordinance 2024-33 and presented to the Cleveland City Council for second reading on July
7 22, 2024.

8 **Q. Was the ordinance approved by the City?**

9 A. Yes. Cleveland City Ordinance 2024-33, a copy of which is attached as Exhibit A to the
10 Petition filed in this docket, and incorporated herein by reference, was subsequently
11 approved by the City's Council on July 22, 2024, and signed by the Mayor of the City.
12 Cleveland City Ordinance 2024-33 ("2024 Franchise Agreement") renews Chattanooga
13 Gas's franchise arrangement with the City for a period of twenty (20) years.

14 **Q. What are the primary provisions of the new franchise ordinance?**

15 A. The 2024 Franchise Agreement grants CGC the right to provide service to customers within
16 the municipal limits of the City and access to the streets and public rights-of-way within
17 the City of Cleveland. In exchange for these rights and accesses, CGC will pay a quarterly
18 franchise fee of five percent (5.00%) of the gross revenues it collects from customers who
19 are located and provided service within the Cleveland city limits. This is the same
20 percentage that is currently collected.

21
22 **Q. Is CGC satisfied with the negotiated resolution of these issues?**

1 A. Yes. Both parties were ultimately able to agree. That result is reflected in Cleveland City
2 Ordinance 2024-33, which was approved by the Cleveland City Council on second reading
3 on July 22, 2024, signed by the Mayor, and subsequently accepted by CGC as reflected in
4 Exhibit B to the Petition filed in this docket.

5 **Q. In your opinion, are the franchise terms set forth in Cleveland City Ordinance 2024-**
6 **33 necessary and proper for the public convenience and in the public interest?**

7 A. Yes.

8 **Q. Do you know of any facts that would indicate that the new franchise arrangement**
9 **reflected in Cleveland City Ordinance 2024-33 is not in the public interest?**

10 A. No.

11 **Q. What are you asking the Commission to do in this proceeding?**

12 A. Based on the facts discussed above, we are asking the Commission to approve the 2024
13 Franchise Agreement between CGC and the City as reflected in Cleveland City Ordinance
14 2024-33 to be effective immediately upon approval of the Commission.

15 **Q. Does this conclude your testimony?**

16 A. Yes.

17