

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

August 8, 2025

IN RE:

PETITION OF CHATTANOOGA GAS COMPANY  
FOR EXTENSION OF ITS PIPE REPLACEMENT  
PROGRAM

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DOCKET NO.  
25-00021

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ORDER GRANTING PETITION TO EXTEND PIPELINE REPLACEMENT PROGRAM

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This matter came before Chairman David F. Jones, Vice Chairman John Hie, Commissioner Herbert H. Hilliard,<sup>1</sup> Commissioner Clay R. Good, and Commissioner Kenneth C. Hill of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, during a regularly scheduled Commission Conference held on June 23, 2025. The panel convened to consider the *Chattanooga Gas Company Petition For Extension Of Its Pipe Replacement Program* (“Petition”) filed by Chattanooga Gas Company (“CGC” or the “Company”) wherein the Company requests a three-year extension to its seven-year pipeline replacement program (“PRP”).<sup>2</sup>

**BACKGROUND AND PETITION**

On June 2, 2021, in Docket No. 20-00131, CGC’s PRP was approved through its Annual Rate Review Mechanism (“ARRM”), which was originally put in place to promote safety and reliability by replacing aging and vulnerable parts of its natural gas distribution infrastructure.<sup>3</sup> On March 15, 2025, the Company filed its Petition requesting a three-year extension to the PRP approved in Docket No. 20-00131. In its Petition, the Company stated that the PRP extension can be done

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<sup>1</sup> Commissioner Herbert H. Hilliard was absent from the June 23, 2025, Commission Conference and did not participate in the deliberations or vote in this docket.

<sup>2</sup> *Chattanooga Gas Company Petition For Extension Of Its Pipe Replacement Program* (March 14, 2025).

<sup>3</sup> *Id.* at 3-4.

consistent with operating a safe and reliable system and emphasized that they are not seeking approval for any costs in its Petition.<sup>4</sup> Rather, the Company will seek recovery of its actual costs each year in its annual ARRM filing.<sup>5</sup> In support of its Petition, the Company filed the direct testimony of Ashley K. Vette, Manager of Rates and Tariff Administration for Southern Company Gas, and Paul Leath, Regional Director of Operations for Chattanooga Gas Company.

CGC asserts that the PRP can still be completed within the original seven-year schedule, provided they significantly accelerate construction in 2026, 2027, and 2028.<sup>6</sup> The Company admits that the estimated cost of accelerating construction would keep costs within the original budget of \$118 million.<sup>7</sup> The Company stated, however, that keeping the seven-year timeline would result in significantly higher rate impacts through 2028 than what is projected if its Petition for a three-year extension is granted.<sup>8</sup>

## **PROCEDURAL HISTORY**

The Consumer Advocate Division of the Office of the Attorney General (“Consumer Advocate”) filed informal discovery requests on March 24, 2025, and a petition to intervene on April 10, 2025. Intervention was granted on April 28, 2025, and on May 29, 2025, the Consumer Advocate filed a letter stating that no additional discovery or testimony would be needed, as its concerns had been addressed. Further, the Consumer Advocate stated that the Company’s request would not result in any cost savings to customers because costs would still be recovered at a later date.<sup>9</sup>

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<sup>4</sup> *Id.* at 1.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 5. See also *Direct Testimony of Paul Leath On Behalf Of Chattanooga Gas Company*, p. 7 (March 14, 2025) and *Supplemental Testimony of Paul Leath On Behalf Of Chattanooga Gas Company*, pp. 5-6 (April 19, 2025).

<sup>7</sup> *Id.* See also *Direct Testimony of Ashley K. Vette On Behalf Of Chattanooga Gas Company*, pp. 2-3 (March 14, 2025) and *Supplemental Testimony Of Ashley K. Vette On Behalf Of Chattanooga Gas Company*, pp. 3-4 (April 28, 2025).

<sup>8</sup> *Id.*

<sup>9</sup> *Letter to Chairman David F. Jones Re No Outstanding Issues Shilina B. Brown, Consumer Advocate* (May 29, 2025).

## **THE HEARING**

A public notice was issued by the Commission on June 13, 2025, setting a hearing on June 23, 2025, during the regularly scheduled Commission Conference. Appearances were made by the following:

Consumer Advocate Division – Shilina B. Brown, Esq. Consumer Advocate Division of the Office of the Tennessee Attorney General and Reporter, Post Office Box 20207, Nashville, Tennessee 37219.

Chattanooga Gas Company – Floyd R. Self, Esq., Berger Singerman LLP, 313 North Monroe Street, Suite 301, Tallahassee, Florida 32301; and Paul Leath, Regional Director of Operations for Chattanooga Gas Company, 2207 Olan Mills Drive, Chattanooga, Tennessee 37421.

During the hearing, Mr. Self called CGC witness, Mr. Paul Leath, to provide a summary of his pre-filed testimony and answer any questions that the Commission might have. Members of the public were given an opportunity to offer comments, but none sought recognition to do so.

## **FINDINGS AND CONCLUSIONS**

After reviewing the record in its entirety, the panel found that the CGC's request to extend the PRP for three years was just and reasonable. The panel further affirmed that any costs related to the PRP were not approved in this proceeding. Any related costs would be considered each year in the Company's annual ARRM filing, which will contain all schedules and information necessary to support the costs with the annual ARRM filing. Consequently, the panel voted unanimously to approve the Petition as filed.

### **IT IS THEREFORE ORDERED THAT:**

1. The March 14, 2025, *Chattanooga Gas Company Petition For Extension Of Its Pipe Replacement Program*, filed by Chattanooga Gas Company, is approved.
2. Any person aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within fifteen days from the date of this Order.

3. Any person aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty days from the date of this Order.

**FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:**

**Chairman David F. Jones,**

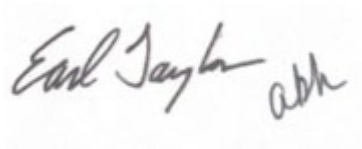
**Vice Chairman John Hie,**

**Commissioner Clay R. Good, and**

**Commissioner Kenneth C. Hill concurred.**

None dissented.

**ATTEST:**

A handwritten signature in dark ink, appearing to read "Earl Taylor" with a stylized flourish or initials "abh" at the end.

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**Earl R. Taylor, Executive Director**