

IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE

IN RE:

CHATTANOOGA GAS COMPANY  
PETITION FOR APPROVAL OF ITS 2024  
ANNUAL RATE REVIEW FILING  
PURSUANT TO TENN. CODE  
ANN. § 65-5-103(d)(6)

DOCKET NO. 25-00028

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PETITION TO INTERVENE

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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 2024 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.<sup>1</sup>

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).<sup>2</sup> The Consumer Advocate and the Chattanooga Regional Manufacturers Association were separate intervenors in the 2019 docket. Also, 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.<sup>3</sup>

4. Since the approval of CGC’s ARM, the Commission has approved cost recovery in five ARM dockets. In the settlement of CGC’s second ARM docket, TPUC Docket No. 21-00048, the Commission approved a proposed annual rate cap of \$6.8 million for four years with any under-funding forwarded to the subsequent ARM filing.<sup>4</sup> Below is a table of the five ARM dockets, the recovery requests, the revised recovery requests, and the recovery amounts approved by the Commission:

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<sup>1</sup> Chattanooga Gas Company Petition for Approval of Its 2024 Annual Rate Review Filing, p.2, ¶ 3, TPUC Docket No. 25-00028 (Apr. 21, 2025).

<sup>2</sup> 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).

<sup>3</sup> Order Approving Settlement Agreement, TPUC Docket No. 19-00047 (Oct. 7, 2019).

<sup>4</sup> Order Approving Settlement Agreement on Chattanooga Gas Company’s 2020 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), p. 14, TPUC Docket No. 21-00048 (Nov. 1, 2021).

TPUC Docket No.	Historic Base Period	CGC Request	Revised Request	TPUC Approved	\$6.8m Cap Triggered
20-00049	2019	\$7,963,550 <sup>5</sup>	\$4,758,576 <sup>6</sup>	\$4,758,576 <sup>7</sup>	No Cap
21-00048	2020	\$11,783,474 <sup>8</sup>	\$11,545,439 <sup>9</sup>	\$11,545,439 <sup>10</sup>	Yes
22-00032	2021	\$8,021,257 <sup>11</sup>	\$7,911,764 <sup>12</sup>	\$7,911,764 <sup>13</sup>	Yes
23-00029	2022	\$11,917,087 <sup>14</sup>	\$11,936,563 <sup>15</sup>	\$11,936,563 <sup>16</sup>	Yes
24-00024	2023	\$8,422,852 <sup>17</sup>	\$8,777,776 <sup>18</sup>	\$8,777,776 <sup>19</sup>	Yes

5. For its current ARM Petition, CGC calculates its total ARM deficiency, with carrying costs, for the 2024 Historic Base Period to be \$10,123,374.<sup>20</sup> The rate reset rate of return of 8.7% is higher than the authorized rate of return, 7.12%, which is due to the ARM

<sup>5</sup> *Direct Testimony of Gary Tucker on Behalf of Chattanooga Gas Company* at 10:15, TPUC Docket No. 20-00049 (May 29, 2020).

<sup>6</sup> *Rebuttal Testimony of Gary Tucker on Behalf of Chattanooga Gas Company* at 1:17-22, TPUC Docket No. 20-00049 (Aug. 25, 2020).

<sup>7</sup> *Order Approving 2019 ARM Filing*, p. 3, TPUC Docket No. 20-00049 (Oct. 27, 2010).

<sup>8</sup> *Chattanooga Gas Company Petition for Approval of Its 2020 Annual Rate Review Filing*, p. 5, ¶ 10, TPUC Docket No. 21-00048 (Apr. 20, 2021). The \$11.8 million included “a \$7.7 million 2020 deficiency and a \$3.9 rate reset including associated carrying charges on the deficiency.”

<sup>9</sup> *Supplemental Testimony of Gary Tucker on Behalf of Chattanooga Gas Company* at 3:1-5, TPUC Docket No. 21-00048 (July 14, 2021).

<sup>10</sup> *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).

<sup>11</sup> *Chattanooga Gas Company Petition for Approval of Its 2021 Annual Rate Review Filing*, p. 5, ¶ 10, TPUC Docket No. 22-00032 (Apr. 20, 2022).

<sup>12</sup> *Supplemental Testimony of Tiffani Weems on behalf of Chattanooga Gas Company* at 2:14-16, TPUC Docket No. 22-00032 (July 14, 2022).

<sup>13</sup> *Order Approving Chattanooga Gas Company's Revised 2021 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)*, p. 17, TPUC Docket No. 22-00032 (Oct. 28, 2022). The Commission notes 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.” *Id.* at 7.

<sup>14</sup> *Chattanooga Gas Company Petition for Approval of Its 2021 Annual Rate Review Filing*, pp. 5-6, ¶ 11, TPUC Docket No. 23-00029 (Apr. 20, 2023).

<sup>15</sup> *Supplemental Testimony of Tiffani Weems on behalf of Chattanooga Gas Company* at 2:11-14, TPUC Docket No. 23-00029 (July 17, 2023).

<sup>16</sup> *Order Approving Settlement Agreement Revising Chattanooga Gas Company's 2022 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)*, p. 11, TPUC Docket No. 23-00029 (Oct. 26, 2023).

<sup>17</sup> *Direct Testimony of Tiffani Weems on behalf of Chattanooga Gas Company* at 12:15-21, TPUC Docket No. 24-00024 (Apr. 19, 2024) and *Chattanooga Gas Company Petition for Approval of Its 2023 Annual Rate Review Filing*, p. 6, ¶ 14, TPUC Docket No. 24-00024 (Apr. 19, 2024).

<sup>18</sup> *Supplemental Testimony of Tiffani Weems on behalf of Chattanooga Gas Company* at 2:12-15, TPUC Docket No. 24-00024 (July 15, 2024).

<sup>19</sup> *Order Approving Settlement Agreement on Chattanooga Gas Company's 2023 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)*, p. 10, TPUC Docket No. 24-00024 (Jan. 16, 2025).

<sup>20</sup> *Direct Testimony of Tiffani Weems on behalf of Chattanooga Gas Company* at 10:1-2, TPUC Docket No. 25-00028 (Apr. 21, 2025).

normalization adjustment.<sup>21</sup> The difference between the actual rate of return for the reset and the authorized rate of return results in a revenue sufficiency of \$6,425,143. To reach its total rate adjustment, CGC calculates the total ARM deficiency of (\$10,123,374), plus the rate reset sufficiency of \$6,425,143), and then adds the balance not recovered in the 2023 ARM in excess of the \$6.8m cap.<sup>22</sup> As a result, the total rate adjustment for this Petition is \$3,976,804.<sup>23</sup>

6. 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.

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

8. 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*.

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<sup>21</sup> *Id.* at 9:20-11 and 10:3-4.

<sup>22</sup> *Id.* at 10:6-9.

<sup>23</sup> *Id.* and *Petition* at p. 6, ¶13.

RESPECTFULLY SUBMITTED,

  
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**TPUC Docket No. 25-00028**

*Consumer Advocate's Petition to Intervene*

**CERTIFICATE OF SERVICE**

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

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This the 7 day of May 2025.

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