

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION

Nashville, Tennessee

January 24, 1996

**IN RE: PETITION TO REVISE CHATTANOOGA GAS COMPANY'S
 RULES AND REGULATIONS.**

Docket No. 95-03343

INITIAL ORDER

This matter is before the Tennessee Public Service Commission upon the petition of Chattanooga Gas Company to revise its Rules and Regulations pertaining to its gas service in Hamilton and Bradley County, Tennessee, and in particular with respect to the section of its rules entitled, "Bills, Payments, Non-Payments". In addition, the Company has requested a Revenue Adjustment Mechanism be implemented to protect it from loss of revenues occurring as a result of the foregoing change of the Company's bill payment rules. The Revenue Adjustment Mechanism will be considered at a later time.

This matter was heard January 3, 1996, in Nashville, Tennessee, before Ralph B. Christian, II, Administrative Judge, at which time the following appearances were entered:

APPEARANCES:

WILLIAM L. TAYLOR, JR. Attorney at Law, 8th Floor, Blue Cross Building, Chattanooga, Tennessee 37402, appearing on behalf of Petitioner, Chattanooga Gas Company.

HENRY WALKER, Attorney at Law, 414 Union Street, Suite 1600, Nashville, Tennessee 37219, appearing on behalf of Associated Valley Industry Group and Chattanooga Manufacturers Association.

VINCENT WILLIAMS, Consumer Advocate, 1504 Parkway Towers, 450 James Robertson Parkway, Nashville, Tennessee 37243-0500, appearing on behalf of the Consumer Advocate Division, Office of the Attorney General.

H. ED PHILLIPS, Associate General Counsel, Tennessee Public Service Commission, 460 James Robertson Parkway, Nashville, Tennessee 37243-0505, appearing on behalf of the Commission Staff.

At the conclusion of the hearing, the parties agreed and the Administrative Judge concurred, that implementation of the change in the Company's rules pertaining to the extension of the due date for payment of customer bills should, without objection, be implemented by the Company for billings rendered on or after March 1, 1996.

The Administrative Judge reserved a decision on the implementation of the Revenue Adjustment Mechanism and all matters pertaining thereto pending the submission of briefs by the parties. Initial briefs were due January 19, 1996. Reply briefs and proposed Initial Orders are due February 3, 1996.

WHEREFORE, having reviewed the testimony, filings, and with the parties' agreement, the Administrative Judge finds that implementation of the extension of the due date for payment of customer bills as proposed by Chattanooga Gas Company in First Revised Sheet No. 6, attached, is in the public interest. Implementation of the due date extension for bill payment should occur on or after March 1, 1996. All matters pertaining to the use of a Revenue Adjustment Mechanism are reserved until briefs have been filed and a second order in this docket has been issued.

T.C.A. §4-5-315 provides that all parties shall have an opportunity to appeal initial orders to the Commission. The Tennessee Public Service Commission, however, reviews all initial orders, thereby assuring review. Because of the agreement of the parties, the filing of exceptions has been waived, however, the Commission will review


the matter in a regularly scheduled commission conference. Affected parties may then seek reconsideration of the Commission's Final Order or may appeal the Final Order to the Court of Appeals, Middle Division, within sixty days of the Final Order. The parties have waived appeal if the Initial Order is adopted without modification.

This Initial Order is prepared in conformity with the Tennessee Uniform Administrative Procedures Act, and T.C.A. §4-5-101, *et seq.* Procedures whereby parties seek review, stay, or reconsideration are found in T.C.A. §§4-5-315 through 318. Judicial review of Commission orders is described in T.C.A. §4-5-322.

IT IS THEREFORE ORDERED:

1. That the change in the Rules and Regulations proposed by Chattanooga Gas Company pertaining to the extension of the due date for payment of customer bills as set forth in First Revised Sheet No. 6, is approved for implementation for billings rendered on or after March 1, 1996.

2. That all matters pertaining to the use of a Revenue Adjustment Mechanism as proposed by Chattanooga Gas Company are reserved.



RALPH B. CHRISTIAN, II
ADMINISTRATIVE JUDGE

CUSTOMER SECURITY DEPOSITS (Continued)

Interest shall accrue at the rate of 6% Per Annum. No interest shall accrue on deposits after service has been discontinued.

BILLS, PAYMENTS, NON-PAYMENTS

Payment of bills for service rendered must be received by the due date as stated on the customer's bill which shall be approximately twenty-one (21) days from the date billed for cycle billed customers and sixteen (16) days from the date billed for end-of-month Multi-Family Housing Service and Large Volume Commercial and Industrial customers. The current month's bill for gas service shall be subject to a 5% late payment charge if payment is not received timely.

If the customer shall fail to pay bill after it has become delinquent, the Company may, seven (7) days after notice to the customer, discontinue service and apply any deposit made by the customer in liquidation of such bill. Whenever the Company has issued a service suspension notice to a customer for non-payment of a gas bill, the Company may make a charge of \$20.00 where payment is made to the collector to avoid turn-off, and where payment is made after service has been suspended, the Company will make a charge of \$30.00 for the re-connection of service, and will require a deposit.

Gas Service may be terminated:

- (1) By the Consumer:
Unless otherwise provided, gas service may be terminated at any time by giving notice to Company; provided, however, anything contained in the provisions of the Company's TPSC Gas Tariff No. 1, and/or any Agreement for Sale of Gas or Special Contract to the contrary notwithstanding, a non-residential consumer shall have the right and privilege which he may exercise any time by giving written notice to Company to terminate gas service if such customer shall have discontinued his operations and dismantled his plant, and such cancellation shall relieve customer from the obligation to pay such minimum charge, if any, which might have become payable had such gas service not been terminated.
- (2) By the Company:
Service may be refused or discontinued for any of the reasons listed below. Unless otherwise stated, the Company shall comply with the notice requirements before service is discontinued. However, no service shall be discontinued on the day or a date preceding a day or days on which the services of the Company are not available to the general public for the purpose of reconnecting the discontinued service, except as provided in (a), (b), (c) and (d) below:
 - (a) Without notice in the event of a condition determined by the Company to be hazardous.
 - (b) Without notice in the event of customer use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others.

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DOCKET NO. 95-03343

ORDER

This matter is before the Tennessee Public Service Commission upon its own motion.

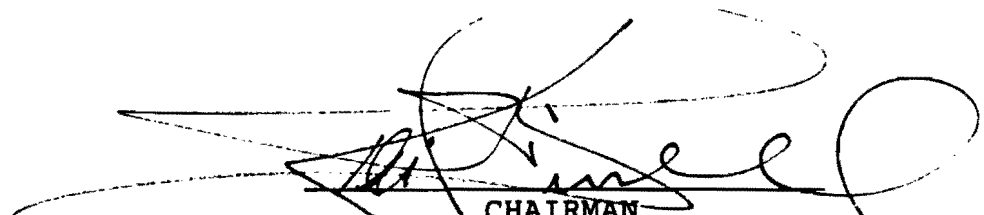
Having reviewed the Initial Order in the above captioned matter on January 24, 1996, the Commission, pursuant to T.C.A. Section 4-5-315(b), hereby notifies all parties that it will review all issues raised in the record of this proceeding before the Administrative Judge.

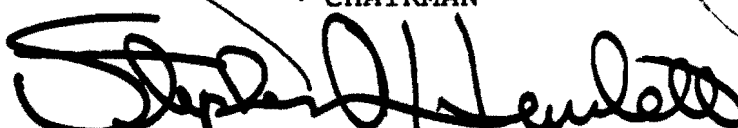
Any party may note an exception to the Initial Order by filing a brief with the Commission within zero days of the date of this order. Reply briefs may also be filed within zero days after filing exceptions. Any party may request oral argument on the issues raised in the briefs.

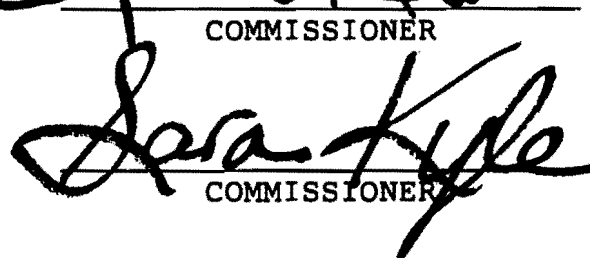
Requests for extensions of time within which to file briefs must be made in writing to the Executive Director of this Commission and accompanied by a proposed order to be signed by the Chairman of this Commission. The request must indicate that

copies of the request and proposed order have been served on all parties.

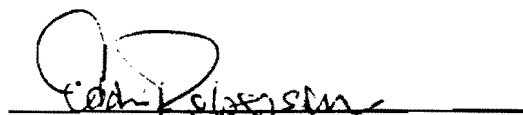
The Commission decision to review the Initial Order does not affect any party's right to petition the Administrative Judge to reconsider the Initial Order pursuant to T.C.A. 4-5-317. Should such a petition be filed, the time limits set forth in this Order for the submission for exceptions and replies will be suspended and will begin to run ab initio, from the date of the final order disposition of the petition to reconsider.


CHAIRMAN


COMMISSIONER


COMMISSIONER

ATTEST:


EXECUTIVE DIRECTOR