

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

May 27, 2026

IN RE:)	
CHATTANOOGA GAS COMPANY)	Docket No.
PETITION FOR APPROVAL OF ITS)	
2025 ANNUAL RATE REVIEW)	26-00032
FILING PURSUANT TO)	
TENN. CODE ANN. § 65-5-103(d)(6))	

**CHATTANOOGA GAS COMPANY’S SUPPLEMENTAL RESPONSES AND
OBJECTIONS TO CONSUMER ADVOCATE’S FIRST DISCOVERY REQUESTS**

Chattanooga Gas Company (“CGC” or “Company”) files these Supplemental Responses and Objections to the First Discovery Requests of the Consumer Advocate Division of the Office of the Attorney General (“Consumer Advocate”). Pursuant to the Consumer Advocate’s request, we are supplementing the Company’s response by including copies of schedules filed in previous ARM dockets. CGC hereby adopts and incorporates its General Objections previously provided in its Responses and Objections to Consumer Advocate’s First Discovery Requests.

Chattanooga Gas Company
Docket No. 26-00032
Chattanooga Gas Company's 2025 Annual Rate Review

CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-1

CA 1-03

QUESTION:

2023 Deficiency. Refer to the Direct Testimony of Tiffani Weems, Exhibit TW-1, 'Schedule 2A1' tab, Cell R105 regarding the 2023 Deficiency with an average balance of \$2,682,645.

Provide the source and support for the original balance for this term along with the source and support for the monthly amortization.

RESPONSE:

Refer to Schedule 29 of CGC Weems Exhibit TW-3 in Docket 24-00024, where the approved annual reconciliation balance was \$11,624,796. In accordance with the ARM mechanism, rates for the 2023 deficiency went into effect in September of 2024. The balance at the end of December 2024 was \$7,749,864 as reflected in the beginning balance of Exhibit TW-1, 'Schedule 2A1' tab, Cell E105.

SUPPLEMENTAL RESPONSE:

Please see CA 1-03a for a hardcopy of Schedule 29, as filed in CGC Weems Exhibit TW-3 in Docket 24-00024.

Witness: Tiffani Weems
Manager, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Annual Review Mechanism ("ARM")
Carrying Charges and Average Balance ARM Asset/(Liability)
Twelve Months Ending December 31, 2023
Schedule 29

Line No.	Description		Historic Base Period with Rate Making Adjustments
1	Gas Sales & Transportation Revenues	c/	104,439,863
2	AFUDC -Interest	c/	813,860
3	AFUDC-Equity	c/	801,458
4	Other Revenues	c/	1,336,797
5	Total Operating Revenues [L1:L4]		107,391,978
6	Purchased Gas Expense	c/	49,112,084 a/
7	Operating & Maintenance Expense-Labor	c/	4,702,311 a/
8	Operating & Maintenance Expense-Non Labor	c/	16,345,276
9	Total Operating & Maintenance Expense [L6:L8]		70,159,671
10	Depreciation Expense	c/	10,510,711
11	Amortization -Prior Year Earnings Deficiency/(Surplus)	c/	9,826,880
12	Interest on Customer Deposits	c/	93,278
13	Taxes Other than Income	c/	4,135,272
14	State Excise (Income) Tax	c/	336,105 b/
15	Federal Income Tax	c/	574,883 b/
16	Total Operating Expense [L9:L15]		95,636,802
17	Utility Operating Income		11,755,176
18	Interest Expense [L20 X L21]		6,458,415
19	Net Income Equity-Earnings [L17-L18]		5,296,761
20	Rate Base	d/	281,650,390
21	Weighted Cost of Debt -Annual	e/	2.29%
22	Weighted Cost of Equity -Annual	e/	4.82%
23	Required Net Income [L20XL22]		\$ 13,588,336
24	Earning Deficiency (Excess) [L23-L19]		8,291,575
25	Overall ROR Annual	e/	7.12%
26	Annual Carrying Charges [L25 XL24]		590,161
28	1/2 Year		50%
29	Carrying Charge [L26 X L28]		\$ 295,081
30	Historic Period Earning Deficiency (Excess) + Carrying Charges [L24+L29]		\$ 8,586,655
31	Tax Gross Up Factor	f/	1.35382116
32	Annual Reconciliation Balance [L30 X L31]		\$ 11,624,796
33	13Month Average Amortized over 12 Months		\$ 5,812,398

a/ Excludes expenses disallowed for ratemaking
b/ Based on Revenues, ratemaking expense, and synchronized interest
c/ Income Statement Historic Base Period Schedule 5
d/ Rate Base Schedule 2
e/ Capital Structure and Rate of Return Summary Schedule 11
f/ Revenue Conversion and Income Tax Gross-up Factors Schedule 12

Chattanooga Gas Company
Docket No. 26-00032
Chattanooga Gas Company's 2025 Annual Rate Review

CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-1

CA 1-04

QUESTION:

2024 Deficiency. Refer to Direct Testimony of Tiffani Weems, Exhibit TW-1, 'Schedule 2A1' tab, Cell R108 regarding the 2024 Deficiency with an average balance of \$9,407,786.

Provide the source and support for the original balance for this item along with the source and support for the monthly amortization.

RESPONSE:

Please refer to the 2024 ARM Docket 25-00028, Schedule 29 in CGC Weems TW-3 for support of the original balance of \$10,052,155. The balance is amortized over a twelve-month period in accordance with the ARM mechanism.

SUPPLEMENTAL RESPONSE:

Please refer to CA 1-04a for a hardcopy of Schedule 29, CGC Weems TW-3, Docket 25-00028.

Witness: Tiffani Weems
Manager, Regulatory Reporting
Southern Company Gas

Chattanooga Gas Company
Annual Review Mechanism ("ARM")
Carrying Charges and Average Balance ARM Asset/(Liability)
Twelve Months Ending December 31, 2024
Schedule 29

Line No.	Description		Historic Base Period with Rate Making Adjustments	
1	Gas Sales & Transportation Revenues	c/	102,553,321	
2	AFUDC -Interest	c/	756,542	
3	AFUDC-Equity	c/	1,045,506	
4	Other Revenues	c/	1,344,959	
5	Total Operating Revenues [L1:L4]		105,700,327	
6	Purchased Gas Expense	c/	39,409,047	a/
7	Operating & Maintenance Expense-Labor	c/	4,536,598	a/
8	Operating & Maintenance Expense-Non Labor	c/	17,605,746	
9	Total Operating & Maintenance Expense [L6:L8]		61,551,391	
10	Depreciation Expense	c/	11,611,258	
11	Amortization -Prior Year Earnings Deficiency/(Surplus)	c/	12,216,106	
12	Interest on Customer Deposits	c/	112,277	
13	Taxes Other than Income	c/	3,762,912	
14	State Excise (Income) Tax	c/	534,724	b/
15	Federal Income Tax	c/	1,196,019	b/
16	Total Operating Expense [L9:L15]		90,984,686	
17	Utility Operating Income		14,715,642	
18	Interest Expense [L20 X L21]		7,050,802	
19	Net Income Equity-Earnings [L17-L18]		7,664,839	
20	Rate Base	d/	307,484,294	
21	Weighted Cost of Debt -Annual	e/	2.29%	
22	Weighted Cost of Equity -Annual	e/	4.82%	
23	Required Net Income [L20XL22]		\$ 14,834,703	
24	Earning Deficiency (Excess) [L23-L19]		7,169,863	
25	Overall ROR Annual	e/	7.12%	
26	Annual Carrying Charges [L25 XL24]		510,322	
28	1/2 Year		50%	
29	Carrying Charge [L26 X L28]		\$ 255,161	
30	Historic Period Earning Deficiency (Excess) + Carrying Charges [L24+L29]		\$ 7,425,025	
31	Tax Gross Up Factor	f/	1.35382116	
32	Annual Reconciliation Balance [L30 X L31]		\$ 10,052,155	
33	13Month Average Amortized over 12 Months		\$ 5,026,078	

a/ Excludes expenses disallowed for ratemaking
b/ Based on Revenues, ratemaking expense, and synchronized interest
c/ Income Statement Historic Base Period Schedule 5
d/ Rate Base Schedule 2
e/ Capital Structure and Rate of Return Summary Schedule 11
f/ Revenue Conversion and Income Tax Gross-up Factors Schedule 12

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE

IN RE:)
CHATTANOOGA GAS COMPANY'S)
PETITION FOR APPROVAL OF ITS)
2025 ANNUAL RATE REVIEW FILING)
PURSUAN TO TENN. CODE ANN.)
§ 65-5-103(D)(6)

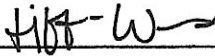
DOCKET NO. 26-00032

VERIFICATION

STATE OF GEORGIA

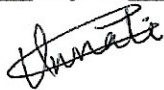
COUNTY OF FULTON

I, TIFFANI WEEMS, being duly sworn, state that I am authorized to respond on behalf of Chattanooga Gas Company in the above-referenced docket, and that the supplemental responses contained herein to the Consumer Advocate's First Discovery Requests are true and correct to the best of my knowledge, information, and belief.



TIFFANI WEEMS

Sworn to and subscribed before me
this 27 day of May, 2026.



Notary Public

My Commission Expires: 1-22-2028



Respectfully submitted,



J.W. Luna Esq. (BPR No. 5780)
John Dollarhide, Esq. (BPR No. 040041)
BUTLER SNOW LLP
1320 Adams Street, Suite 1400
Nashville, TN 37208
Telephone: (615) 651-6700
JW.Luna@butlersnow.com
John.Dollarhide@butlersnow.com
Attorneys for Chattanooga Gas Company

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing has been forwarded via electronic mail to the following on May 27, 2026:

Ryan McGehee, Assistant Attorney General
Shilina Brown, Senior Assistant Attorney General
Office of Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, TN 37202-0207
Ryan.McGehee@ag.tn.gov
Shilina.Brown@ag.tn.gov



John Dollarhide