

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

**June 2, 2026**

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

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

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Chattanooga Gas Company (“CGC” or “Company”) files these Responses and Objections to the Second Discovery Requests of the Consumer Advocate Division of the Office of the Attorney General (“Consumer Advocate”) filed May 26, 2026.

To assist the Administrative Judge in evaluating this matter, CGC is setting forth its objections and responses in two parts. Part I sets forth general objections applicable to CGC’s Discovery Responses. Part II sets forth any specific objections and responses to the Consumer Advocate’s discovery requests.

**I. GENERAL OBJECTIONS**

1. CGC objects to the Consumer Advocate’s definitions, instructions, and discovery requests to the extent they purport to impose obligations beyond, or inconsistent with, the Tennessee Rules of Civil Procedure, the Tennessee Public Utility Commission’s rules, applicable orders in this docket, or other governing law. CGC will respond to the discovery requests in accordance with applicable law and any applicable orders entered in this proceeding.

2. CGC objects to each request to the extent it seeks information or documents that are not relevant to the subject matter of this proceeding, are not proportional to the needs of this proceeding, or are otherwise outside the permissible scope of discovery. Subject to and without waiving this objection, CGC will provide responsive, non-privileged information reasonably within its possession, custody, or control that it identifies after a reasonable inquiry.

3. CGC objects to each request to the extent it is vague, ambiguous, overly broad, unduly burdensome, duplicative, or not stated with reasonable particularity. For purposes of responding, CGC will interpret each request reasonably and in a manner consistent with the Tennessee Rules of Civil Procedure.

4. CGC objects to each request to the extent it seeks documents, data, or information protected from disclosure by the attorney-client privilege, the attorney work-product doctrine, the common-interest doctrine, or any other applicable privilege, protection, immunity, or confidentiality obligation. Any inadvertent disclosure of privileged or protected material shall not constitute a waiver of any applicable privilege or protection.

5. CGC objects to each request to the extent it seeks confidential, proprietary, commercially sensitive, security-sensitive, or otherwise protected information. To the extent CGC produces such information, CGC will do so subject to a Protective Order entered in this docket and will designate such information as confidential, as appropriate.

6. CGC objects to any request that seeks information or documents not in CGC's possession, custody, or control, or that would require CGC to create documents, analyses, compilations, or data not already existing in the ordinary course of business. CGC will produce responsive documents and information reasonably within its possession, custody, or control to the extent required by applicable law.

7. CGC objects to any request that calls for legal conclusions, expert opinions not yet required to be disclosed, or information protected by applicable procedural rules or orders governing the presentation of testimony, expert analysis, or legal argument in this proceeding.

8. These General Objections apply to each of CGC's responses and are incorporated by reference into each response as though fully set forth therein. The assertion of a specific objection to any request is not intended to limit or waive any General Objection, and the absence of a specific objection shall not be construed as a waiver of any applicable General Objection.

9. By responding to any discovery request, CGC does not concede the relevance, materiality, admissibility, or discoverability of the information provided. CGC expressly reserves the right to object to the use or admissibility of any information or documents produced in response to the Consumer Advocate's 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-2**

CA 2-01

QUESTION:

**Depreciation.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 14.3", Cell H8 regarding Active Service Lines of 84,521. Provide the source and support for the referenced DOT Report showing 84,521 service lines that appears as an unreferenced hard-coded number.

RESPONSE:

The source for the active service lines is Chattanooga Gas's Gas Distribution System "DOT" report for calendar year 2025. A screenshot of the relevant page of the report is included in supporting Schedule 35.19 within tab "DOT Report."

*Witness:* Ashley Vette  
Manager – Rates and Tariff Administration  
Southern Company Gas

**Chattanooga Gas Company**  
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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-02

QUESTION:

**Depreciation.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 14.3", Cell H19 regarding Inactive Service Lines of 4,783. Provide the source and support for the 4,783 inactive service lines that appears as an unreferenced hard-coded number.

RESPONSE:

Support for the inactive service line count of 4,783 can be found in supporting Schedule 35.19, tab "Schedule 14.3."

*Witness:* Ashley Vette  
Manager – Rates and Tariff Administration  
Southern Company Gas

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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-03

**QUESTION:**

**Revenues.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 15.1", Cells F429 to O429 regarding the Non-Gas Revenue book amounts for February 2025 through December 2025. It appears that the formulas in these cells fail to capture the Special Contract revenues. Specifically, we note that the formula for January 2025 appears to be correct. We also note that the values presented here do not match the values on Schedule 15. If the Company determines that this formula is in error, then provide an updated calculation. If the Company determines that this formula is correct, then provide an explanation for the disparity.

**RESPONSE:**

The disparity in referenced formulas was made in error. Corrected formulas in Schedule 15.1 will be provided in an updated ARM model.

*Witness:* Ashley Vette  
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Southern Company Gas

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CA 2-04

**QUESTION:**

**Revenues.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 15", Cells B55 to P55 which show 1 customer per month for the Residential Gas Lighting Rate Schedule. Reconcile this data with Schedule 35.20, Tab "Margin Review", Rows B37 to R37 which shows 10 customers per month for the Residential Lighting Rate Schedule.

**RESPONSE:**

Nine of the ten customers under the Residential Gas Lighting Rate Schedule in Schedule 35.20 are company gas lights which is why only one customer is listed in Schedule 15 of the ARM model.

*Witness:* Ashley Vette  
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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-05

**QUESTION:**

**Revenues.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 15", Cells B99 to P99 which show 323 total bills for the C1-A/C Rate Schedule. Reconcile this data with Schedule 35.20, Tab "Margin Review", Cells B48 and B60 which indicates that this customer data has already been included in the regular C1 Rate Schedule.

**RESPONSE:**

The reference noted in Schedule 35.20 which indicates that C1-A/C data is already included in C-1 data is from a prior filing and is outdated. Reference removed in Attachment 2-06 which is an updated Schedule 35.20.

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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-06

QUESTION:

**Revenues.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 15", Cells B126 to P126 which shows 407,375 Dth Demand Determinants for the C2 Rate Schedule. Reconcile this data with Schedule 35.20, Tab "Margin Review", Cells B73 to R74 which shows total billed and accrued Demand Determinants of 407,528 Dth. It appears that the Company has only considered billed demand determinants on Schedule 15 for the C-2 Rate Schedule but then considers both billed and unbilled volumes determinants. Explain and reconcile this inconsistency.

RESPONSE:

The unbilled demand determinants were not considered for Rate Schedule C-2 in error on Schedule 35.20. Please see attachment, CA 2-06a for an updated version of Schedule 35.20 and corrections to Schedule 15 will be made in an updated ARM model.

*Witness:* Ashley Vette  
Manager – Rates and Tariff Administration  
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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-07

QUESTION:

**Revenues.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 6", Cell K21 regarding the Special Contract annualization adjustment of \$5,402 which appears as a hard-coded amount. Next refer to Schedule 15.1, Cell Q423 which shows the support for the Special Contract annualization adjustment to be \$5,812. Provide a reconciliation of these two amounts. If the Company determines that either of these schedules are in error, then provide an updated calculation. If the Company determines that these schedules are correct, then provide an explanation for the disparity.

RESPONSE:

Please refer to the response provided in DR 1-06. The corrected value of \$5,812 will be incorporated into Schedule 6 in an updated ARM model.

*Witness:* Ashley Vette  
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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-08

QUESTION:

**Revenues.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 15", Cell P185 which contain the total 2025 Rate Block 1 Volumes to T-3 customers of 1,365,596 therms. Next refer to Schedule 15.1, Cell Q194 which contain the total 2025 Rate Block 1 Volumes to T-3 customers of 1,393,450 therms. Provide a reconciliation of the difference between these two amounts which should be equal. If the Company determines that either of these schedules are in error, then provide an updated calculation. If the Company determines that these schedules are correct, then provide an explanation for the disparity.

RESPONSE:

The disparity in totals for Block 1 volumes for Rate Schedule T-3 between Schedules 15 and 15.1 is caused by a cell reference error in Schedule 15.1. Corrections will be made to Schedules 15.1 and 6 in an updated ARM model, and Schedule 35.18 in the Attached DR 2-23a.

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CA 2-09

QUESTION:

**Revenues.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 15", Cell L341 which shows 15 bills for September 2025 for the T-3 rate schedule. Next, refer to Schedule 15.1, Cell M369 which shows 17 bills for September 2025 for the T-3 rate schedule. Provide a reconciliation of the difference between these two amounts which should be equal. If the Company determines that either of these schedules are in error, then provide an updated calculation. If the Company determines that these schedules are correct, then provide an explanation for the disparity.

RESPONSE:

The September 2025 customer count for Rate Schedule T-1 within Schedule 15.1 should tie to the relative customer count in Schedule 15 and varies due to a cell reference error. Corrected values in Schedule 15.1 will be provided in an updated ARM model.

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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-10

QUESTION:

**AFUDC.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Inputs", Cells A62 to B93 regarding the Removal of Non-Allocable Plant and the AFUDC Capitalized Interest Adjustment and provide the following information.

- a. Provide the source and support for the Non-Allocated Plant Adjustment of \$-746,515 in Cell B69.
- b. Provide the source and support for Allocated CWIP Adjustment of \$-160,303 in Cell B73.
- c. Provide a narrative description of the need for Capitalized Interest Adjustment in the ARM of \$-95,442 in Cell B93 along with an explanation of why this adjustment wasn't included in previous filings.

RESPONSE:

For parts a and b, please see supplemental workpaper, Schedule 35.13 non-allocable plant.

Part c:

The Company implemented this adjustment beginning in the 2023 ARM docket (Docket No. 24-00024). In that proceeding, the Company determined that a regulatory adjustment should be made to allocate a portion of the capitalized interest recorded at AGL Services Company ("ASC") associated with CWIP. ASC interest costs, including capitalized interest, are not allocated from ASC to affiliates. However, because the Company makes a regulatory adjustment to allocate a portion of ASC CWIP to CGC's rate base, a corresponding adjustment is also necessary to include the associated capitalized interest costs as a reduction to CGC's cost of service.

In the 2023 ARM proceeding, the Company applied this adjustment to prior periods, including 2020 through 2023. The adjustment is continued in the current filing to maintain consistent treatment between CWIP included in rate base and the associated capitalized interest.

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CA 2-11

QUESTION:

**Association Memberships** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 24", Cell J15 regarding costs for Association Memberships for May 2025 for \$657. The formula for this cell appears to be in error because it does not refer to Operating Leases of \$435 on Schedule 24.1, Cell I25. Reconcile this discrepancy. If the Company determines that this formula is in error, then provide an updated calculation. If the Company determines that this formula is correct, then provide an explanation for the disparity.

RESPONSE:

The Company has determined that the referenced formula does not currently include Operating Leases of \$435 from Schedule 24.1, Cell I25, as intended. The formula will be corrected to appropriately incorporate this amount.

This correction does not impact the revenue requirement, as the associated cost is already reflected in the overall cost of service. While the presentation on Schedule 24 will be updated to ensure consistency and accuracy, the correction does not affect the total adjustment or the total recoverable cost.

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CA 2-12

QUESTION:

**Association Memberships.** Refer to the Company's response to CA1-25 in Docket 23-00029 regarding the source and support for the lobbying portion of Organization Dues. Provide this same information for each month of 2025.

RESPONSE:

Please see attachment CA 2-12a [CONFIDENTIAL] and CA 2-12b for the Confidential and Public copies of the 2025 AGA Invoices, and Schedule 35.10a contains the account details.

*Witness:* Tiffani Weems  
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CA 2-13

QUESTION:

**Cost Allocation Manual.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 32 - ASC Cost Allocation Manual (CONFIDENTIAL).pdf> regarding the Company's Cost Allocation Manual ("CAM"). Highlight and describe the reason for any changes to the CAM from the version presented in the previous ARM filing for TPUC Docket No. 25-00028.

RESPONSE:

The CAM is reviewed and updated annually to ensure the document accurately reflects the methods, systems, and policies in effect as of the end of the historical base period, which in this case is December 31, 2025.

For the 2025 update, the following changes were identified:

- **Update to billing system processes (CGC and VNG):** The CAM was revised to reflect the transition of large commercial and industrial customer billing from GOS/ICM to EGMS beginning in June 2025, including updates to how usage, billing, and month-end accruals are calculated and interfaced with CC&B and the general ledger.
- **System upgrade (PowerTax to Tax Fixed Assets):** The CAM was updated to reflect the transition from the legacy PowerTax system to the current Tax Fixed Assets application used for tax depreciation, deferred tax calculations, and related reporting.
- **Update to SouthStar customer counts:** The CAM was updated to reflect current SouthStar customer counts presented in the Gas Marketing Services section, ensuring alignment with the 2025 reporting period.
- **Annual refresh of supporting schedules and data inputs:** Supporting schedules were updated to reflect the most recent twelve-month period and current reporting structure

As part of the review of this data request the CAM has been updated to remove duplicative language and reflect and updated versions of the CAM (both public and confidential) are being provided as attachments to this response.

No changes were made to cost allocation methodologies, allocation drivers, or the overall cost allocation policy. All updates were made to ensure the CAM remains an accurate and complete reflection of current practices.

*Witness:* Tiffani Weems  
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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-14

QUESTION:

**Other Revenue.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 6", Cell N27 regarding the Other Normalization Adjustment of \$-14,556 for Other Revenue. In past ARM calculations, this adjustment referenced the 4-year average of Other Revenue on Schedule 28 which would be \$9,101. However, in this current filing, the Company has modified this formula to now reference the net amount of Other Revenue adjustments. Provide a reconciliation of the difference between these two methodologies. If the Company determines that this schedule is in error, then provide an updated calculation. If the Company determines that this schedule is correct, then provide an explanation for this methodology change.

RESPONSE:

The formula included in cell N27 on Schedule 6 has been used in ARM calculations since the 2023 ARM. The intent of the current methodology is to produce a total net adjustment in cell P27 on Schedule 6 to the 4-year average of Other Revenues as shown in Schedule 28, which result in a net adjustment from the Adjusted Historic Base Period of \$9,101.

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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-15

QUESTION:

**Income Taxes.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Inputs", Cells A99 to D108 regarding Federal Research & Development Tax Credits that total to \$42,998. Provide the source and support for these amounts that are unreferenced, hard-coded numbers.

RESPONSE:

Please find attached CA 2-15a - Schedule 35.05c - R&D Tax Credit (Workpaper)

*Witness:* Tiffani Weems  
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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-16

QUESTION:

**Income Taxes.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.05b - EDIT Bal Act (WP)(2025).xlsx>. Specifically, refer to Cells C41 to C42 of this spreadsheet which provide the state deferred tax liability amortization of \$-18,081 and the federal deferred tax liability amortization \$-35,585. Both amounts appear as hard-coded values. Provide the calculations used to compute these amounts.

RESPONSE:

The referenced amounts represent the amortization of remediation adjustments initially recorded in 2005 to true up property-related ADIT balances to the correct amounts, which are being amortized through a tax regulatory liability over the 30-year period from 2005-2034.

Please see CA 2-16a Pre-Tax Reform Regulatory Tax Liability Amortization, which reflects the tax regulatory liability balance and amortization schedule through 2034.

*Witness:* Tiffani Weems  
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Southern Company Gas

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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-17

QUESTION:

**ADIT.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.07 ADIT Workpaper.xlsx>. Specifically refer to Tab "Schedule 35.07 – Summary", Cells A132 to AY132 which contain the 2025 monthly "Pro Forma Adjustment (NOL)" amounts. Provide the source and support for the monthly amounts which appear as unreferenced, hard-coded values.

RESPONSE:

In the 2024 ARM, Docket 25-00028 , the Consumer Advocate Division requested a pro forma adjustment to reflect the impact of current income tax expense on ratemaking adjustments on the State NOL carryforward DTA. The Company agreed, and the adjustment was incorporated. The adjustment is intended to align the change in the NOL from year to year to the regulatory current income tax expense included for ratemaking purposes.

The monthly pro forma adjustment amounts are derived from the Company's analysis of the current income tax effect on ratemaking adjustments back to 2018 (the initial year State NOL carryforward was generated) and their cumulative impact on the State NOL carryforward.

For this proceeding, the Company has provided:

- **CA 2-17a** – 2024 NOL Ratemaking Adjustments Workpaper, which reflects the development of the initial adjustment, and
- **CA 2-17b** – 2025 NOL Ratemaking Adjustments Summary, which supports the monthly amounts included in the pro forma adjustment.

Together, these schedules support the development and all calculation of the monthly amounts reflected in Cells A132–AY132.

*Witness:* Tiffani Weems  
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CA 2-18

QUESTION:

**Other Taxes.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.09 Renewco Branch Inspection Fees.xlsx>, Tab "Schedule 35.09". Provide a narrative description of the Renewco Branch Inspection Fees, along with an explanation of the reason for this adjustment

RESPONSE:

The Renewco Branch Inspection Fees relate to an external pipeline entity and are not associated with Chattanooga Gas Company (CGC).

During preparation of the ARM schedules, a nominal amount (approximately \$100) was removed from CGC's cost of service based on an initial assumption regarding how the cost had been recorded. Upon further review, this amount was determined not to be applicable to CGC and was therefore excluded.

*Witness:* Tiffani Weems  
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CA 2-19

QUESTION:

**Lobbying**. Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.10b Lobbying WP-Dues.xlsx>, Tab "SYST Extract" and provide the following information.

- a. Confirm that the data set that provides this pivot table is contained on Schedule 19.3. If this data set is not contained on Schedule 19.3, then either provide the data set, or identify the location of this data set.
- b. Identify the specific query criteria that produces the pivot table contained on this schedule, which currently lists "Multiple Items" as the criteria.

RESPONSE:

- a. Yes. The dataset underlying the pivot table is reflected in Schedule 19.3.
- b. The pivot table is generated by applying criteria consistent with the information required for Schedule 19.3. These criteria include:
  - Resource type (limited to dues-related activity)
  - Department, with exclusion of ASC 1637 (Government Affairs), which is reviewed separately in its entirety through the development of Schedule 24 and related support.

*Witness:* Tiffani Weems  
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**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-20

**QUESTION:**

**Lobbying.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.10c Lobbying Related Expenses (1637).xlsx>, Tab "Govt Affairs.SYS" and provide the following information.

- a. Confirm that the data set that provides this pivot table is contained on Schedule 19.3. If this data set is not contained on Schedule 19.3, then either provide the data set, or identify the location of this data set.
- b. Identify the specific query criteria that produces the pivot table contained on this schedule, which includes "Project Name & Number" as a criteria field.

**RESPONSE:**

- a. Yes, the dataset underlying the pivot table is reflected in Schedule 19.3; however, it is not directly reproducible from that schedule. Schedule 19.3 presents summarized information and does not include all attributes required to independently recreate the pivot table.

The dataset supporting the pivot table on Schedule 35.10c is sourced from the Company's enterprise financial reporting system, SOAR (Southern Company Analysis & Reporting), which is derived from transactional-level data within the general ledger and related systems. SOAR consolidates financial and operational data and enables detailed filtering, including project-level attributes necessary for development of the pivot table.

- b. The pivot table is generated within SOAR using query criteria aligned with the attributes reflected in Schedule 35.10c. Specifically, the query incorporates the following key filters:
  - Company
  - Account
  - Time period (test year)
  - Project name and number

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CA 2-21

QUESTION:

**Non-Allocable Plant.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.13 - ASC Non-Allocable Plant (2025).xlsx>, Tab "Tab3 (CWIP)". Specifically refer to Cell E161 of this spreadsheet which calculates the "Assigned Total Projects" and has a value of \$19,903,185. Provide a narrative description on how the Company distinguishes between "assigned" vs. "non-assigned" projects for this calculation.

RESPONSE:

The Company distinguishes "Assigned" projects as those with a Receiving Company designation that includes one or more operating utilities (AGL, CGC, NGC, VNG) rather than being designated solely to "ASC." The Assigned projects are being constructed for the direct benefit and use by the operating utilities. Upon completion (or as costs are incurred) the assigned projects are transferred to each utility based on their respective End Use Customer allocation factors, with CGC receiving its proportional share of the CWIP balance. Projects designated as ASC are being constructed for the benefit and use of Southern Company Gas (all entities including CGC) and remain on the books and records of ASC. CGC is allocated a portion of ASC CWIP as shown on Tab3 (CWIP), cell M160.

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CA 2-22

QUESTION:

**Revenues.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 15.1", Cells P464 to P468 regarding the C2 volumes for December 2025 that total to 385,940 Dekatherms. The references in these cells appear to be in error and do not tie to the volumes on Schedule 15. Provide a reconciliation of the C2 volumes on Schedule 15.1 with the C2 volumes on Schedule 15. If the Company determines that this formula is in error, then provide an updated calculation. If the Company determines that this formula is correct, then provide an explanation for the disparity.

RESPONSE:

Per review of file CGC Weems Exhibit TW-1.xlsx, the Company does not note a disparity between the values in Cells P464-P468 in Schedule 15.1 and Cells O439-O443 in Schedule 15.

*Witness:* Ashley Vette  
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**Chattanooga Gas Company's 2025 Annual Rate Review**

**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-23

QUESTION:

**Revenues.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.18 Revenue - Other Normalization Revenue.xlsx>. Specifically refer to Cells A18 to D23 regarding the Customer Charge Revenue Adjustment for the C-1 customer class totaling \$45,639. In the Company's adjustment, it appears that C-1 A/C customers were included in the bill counts but excluded in the recorded revenue of \$4,606,643 in Cell D22. Provide a reconciliation of these calculations. If the Company determines that this formula is in error, then provide an updated calculation. If the Company determines that this formula is correct, then provide an explanation for the disparity.

RESPONSE:

Rate Schedule C-1 A/C revenue was excluded from supporting Schedule 35.18 in error. See attachment CA 2-23a for an updated version of Schedule 35.18. The updated normalization adjustment for Rate Schedule C-1 applied to Schedule 6 will be included in an updated ARM model.

*Witness:* Ashley Vette  
Manager – Rates and Tariff Administration  
Southern Company Gas

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

**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-24

QUESTION:

**Revenues.** Refer to the Direct Testimony of Tiffani Weems, File <CGC Weems Exhibit TW-1.xlsx>. Specifically refer to Tab "Schedule 6, Cell N13 regarding the elimination of Gas Light revenue of \$428 as an Other Normalization Adjustment. Explain the Company's rationale for eliminating this revenue item.

RESPONSE:

The Company's rationale for eliminating the \$428 normalization adjustment for Gas Light revenue is because it is included with the adjustment for Schedule 1. While reviewing Schedule 35.18 which supports the calculation of these adjustments it appears that the Gas Light customer count was included in the Schedule 1 normalization determination but not the revenue. Schedule 35.18 has been corrected in attachment DR 2-23 to include the Gas Light Revenue and the correction to Schedule 6 will be provided in an updated ARM model.

*Witness:* Ashley Vette  
Manager – Rates and Tariff Administration  
Southern Company Gas

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

**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-25

QUESTION:

**Revenues.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.19 Inactive Service Lines.xlsx>, Tab "Pivot" regarding the Company's calculation of inactive service lines. Identify where in the ARM calculation that this data is used or required.

RESPONSE:

Schedule 35.19 supports Schedule 14.3 of file CGC Weems TW-1.xlsx.

*Witness:* Ashley Vette  
Manager – Rates and Tariff Administration  
Southern Company Gas

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

**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-26

QUESTION:

**Allocations.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.24 Composite Rate Adjustment [CONFIDENTIAL].xlsx. Identify where in the ARM calculation that this data is used or required.

RESPONSE:

The Composite Rate Calculation determines the quarterly composite allocation factors for all entities during the reporting period. These composite rates are used within the ARM to allocate administrative and general costs where no single allocation factor provides a clear cost-benefit relationship. The supporting methodology is further described in Schedule 32 – ASC Cost Allocation Manual.

The Composite Rate Adjustment reflected on Schedule 7.1 and supplemental Schedule 35.24 represents a one-time ratemaking adjustment associated with corrections to the composite rate calculations for the historical period (August 2022 through December 2024).

As part of this update, it was determined that the composite rates applied during those periods resulted in an over stated allocated costs from ASC. Accordingly, the deficiency for 2025 was reduced to reflect this prior-period impact.

For ratemaking purposes, this adjustment addresses the historical impact without affecting ongoing rates. Rates were normalized to the appropriate prospective level so that 2025 revenue requirement reflects the correct go-forward amount, without carrying forward the effects of the prior-period activity.

As a result, rates are established at their appropriate level on a going-forward basis, and do not incorporate the prior-period over-collection adjustment reflected in the \$374K.

*Witness:* Tiffani Weems  
Manager, Regulatory Reporting  
Southern Company Gas

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

**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-27

QUESTION:

**Rate Base.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.25 Tenant Improvement Allowance.xlsx> and provide the following information.

- a. Provide a narrative description of the leased property, including which property this replaces, and which employees will be housed at this property.
- b. The monthly ROU liability on Schedule 35.25 matches the variable monthly ROU liability on Schedule 2a1. However, the ROU asset on Schedule 2a1 only uses the ROU asset value at 4-30-25 for all months. Explain this variance.
- c. Provide the support for monthly "Basic Rent-Cash" amounts shown in Column C of Schedule 35.25.
- d. Provide the support for the monthly "Parking-Cash Rent" amounts shown in Column E of Schedule 35.25.
- e. Provide the support for the "Lessor Paid Incentives" amount shown in Cell N14 of Schedule 35.25.
- f. Provide the support for the lease term of 154 months shown in Cell J13 of Schedule 35.25.

RESPONSE:

**This response is confidential and will be filed under seal pursuant to the Protective Order in this matter.**

*Witness:* Tiffani Weems  
Manager, Regulatory Reporting  
Southern Company Gas

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

**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-28

**QUESTION:**

**Other Taxes.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.26 - TOIT Workpaper.xlsx> and provide the following information.

- a. Identify previous Commission approval for this type adjustment. If this is a new proposed adjustment, then provide a narrative of the need for this adjustment.
- b. Provide the source and support for the 2024 Gross Receipts Tax amount of \$1,186,672 in Cell D16 which appears as an unreferenced hard-coded number.
- c. Provide the source and support for the 2025 Gross Receipts Tax amount of \$907,620 in Cell D15 which appears as an unreferenced hard-coded number.
- d. Provide a narrative explanation of the nature for "Account 40810045 - TOIT Other Taxes" on Row 13 of the "IS Statement" tab of this spreadsheet that includes the \$701,876 August adjustment in Cell I13.
- e. Provide the source and support for the \$701,876 August "True-up" Adjustment in Cell I13 of the "IS Statement" tab of this spreadsheet.
- f. Provide the source and support for the \$1,391,063 August "True-up" Adjustment in Cell I12 of the "IS Statement" tab of this spreadsheet.
- g. Provide the source and support for the "Previously Accrued" amount of \$46,172 in Cell E35 of the "Schedule 35.26" tab of this spreadsheet which appears as an unreferenced hard-coded amount.
- h. Provide the source and support for the "Adjustment to Establish Prepaid Gross Receipts Tax" of \$-453,801 in Cell E24 of the "Schedule 35.26" tab on this spreadsheet which appears as an unreferenced hard-coded amount.

**RESPONSE:**

- a. The Order approving the ARM, Docket 19-00047, states that "Any material one-time, non-recurring items impacting income or costs, or normalizing Historic Base Period results that are not expected to be recurring at Historic Base Period levels, may be identified and documented by the Company or any other party, and any party may propose to adjust any such items out of the rate reset calculation."<sup>1</sup>
- b. Please see attachment CA 2-28a 2024 GL8 CGC TN Gross Receipts Tax Return and Support

<sup>1</sup>Order Approving the ARM, Docket No. 19-00047, at 7-8

- c. Please see attachment CA 2-28b 2025 GL8 CGC TN Gross Receipts Tax Return and Support
- d. The Nature of the expenses for account 40810045 - TOIT-Util Op-Other are related to Tennessee Inspection Fee expense.
- e. Please see attachment CA 2-28c. The \$701,876 August true-up adjustment reflects an under-accrual of the Tennessee Inspection Fee. As of July 2025, liability account CGC-24100600 had a debit balance of approximately \$2,092,939, consisting of \$701,876 related to the Tennessee Inspection Fee and \$1,391,063 related to Tennessee Gross Receipts Tax. The Tennessee Inspection Fee is charged by the Tennessee Public Utility Commission on each public utility's gross receipts in excess of \$5,000 and is calculated on intrastate gas revenues at a rate of 0.425%. Historically, the Company estimated this accrual using a five-year average of prior liabilities, which had been a reasonable methodology given the consistent fluctuations in Chattanooga Gas Company's historical growth. However, taxable gross receipts increased significantly during the last two reporting periods, and continued use of the five-year average resulted in the expense being understated for several years as of July 2025. To correct this and true-up the liability account, the Company recorded a one-time August 2025 entry crediting CGC-24100600 for \$2,092,939.46, debiting CGC-40810045 for \$701,876, and debiting CGC-40810200 for \$1,391,063.
- f. Please see attachment CA 2-28c. The \$1,391,063 August true-up adjustment reflects an under-accrual of the Tennessee Gross Receipts Tax. As of July 2025, liability account CGC-24100600 had a debit balance of approximately \$2,092,939, consisting of \$701,876 related to the Tennessee Inspection Fee and \$1,391,063 related to Tennessee Gross Receipts Tax. The Tennessee Gross Receipts Tax is administered by the Tennessee Department of Revenue and is imposed on receipts from the conduct of intrastate business within the state by utilities, including gas utilities. It is calculated on gross receipts from gas distribution in Tennessee during the report period, with an allowable credit for franchise and excise taxes paid and an adjustment for bad debt on gas sales. The applicable tax rate is 1.50%. Historically, the Company estimated this accrual using a five-year average of prior liabilities, which had been a reasonable methodology given the fluctuations in Chattanooga Gas Company's historical growth. However, taxable gross receipts increased significantly during the last two reporting periods, and continued use of the five-year average resulted in the expense being understated for several years as of July 2025. To correct this and true-up the liability account, the Company recorded a one-time August 2025 entry crediting CGC-24100600 for \$2,092,939.46, debiting CGC-40810045 for \$701,876, and debiting CGC-40810200 for \$1,391,063.
- g. The "Previously Accrued" amount of \$46,172 represents the cumulative January through July 2025 accruals recorded on the IS Statement tab. These accruals were initially based on budgeted amounts. Upon further review, the Company determined that the accrual level required adjustment to reflect updated expected tax amounts, which contributed to the August 2025 true-up entry.

- h. Prior to 2025, the Company accrued Gross Tax Receipts based on the reporting period. Upon review, the methodology was aligned to reflect the applicable tax period, consistent with Tennessee tax provisions under which the tax relates to the privilege period beginning July 1. As a result, a prepayment of approximately \$453,801 was recorded in 2025, which is one-half of the total Gross Receipts tax of \$907,620 for the 2025-2026 tax period.

*Witness:* Tiffani Weems  
Manager, Regulatory Reporting  
Southern Company Gas

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

**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-29

QUESTION:

**Financial Statements.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 21 - General Ledger - 2025 Consolidated BS.xlsx>. This schedule appears to be missing the balance sheet data for Chattanooga Gas Company for January 2025. Provide an updated schedule that includes the missing information.

RESPONSE:

Please see the attached revised Schedule 21 – General Ledger – 2025 Consolidated BS.

*Witness:* Tiffani Weems  
Manager, Regulatory Reporting  
Southern Company Gas

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

**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-30

QUESTION:

**Other Post-Retirement Benefits.** Refer to the Direct Testimony of Tiffani Weems, File <Schedule 35.03b - Other Post Retirement Benefits PayGo (WP)(2025).xlsx.>. The purpose of this schedule is to support the 2025 OPEB payments included on Schedule 25.2. However, we are unable to trace these payments to the data provided with Schedule 35.03b. Provide an updated Schedule 35.03b that supports the OPEB payments included on Schedule 25.2.

RESPONSE:

Schedule 35.03b, as provided, contains the data supporting the 2025 OPEB payments reflected on Schedule 25.2. The supporting detail is included within the workbook; however, certain elements of the data may require expanding the worksheet view or unhiding certain tabs to access the full data set.

*Witness:* Tiffani Weems  
Manager, Regulatory Reporting  
Southern Company Gas

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

**CONSUMER ADVOCATE'S Formal Discovery Requests Set: CA-2**

CA 2-31

QUESTION:

**Special Contract.**

[REDACTED]

RESPONSE:

**This response is confidential and will be filed under seal pursuant to the Protective Order in this matter.**

*Witness:* Ashley Vette  
Manager – Rates and Tariff Administration  
Southern Company Gas

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

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VERIFICATION

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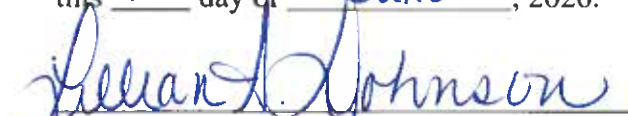
STATE OF GEORGIA

COUNTY OF FULTON

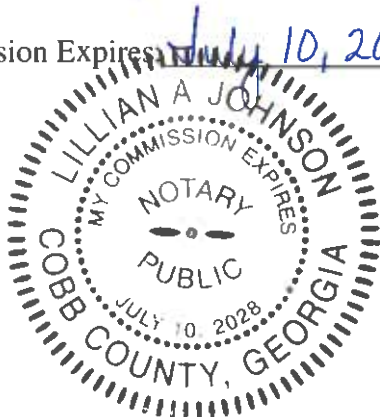
I, TIFFANI WEEMS, being duly sworn, state that I am authorized to respond on behalf of Chattanooga Gas Company in the above-referenced docket, and that the responses contained herein to the Consumer Advocate's Second Discovery Requests are true and correct to the best of my knowledge, information, and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

  
TIFFANI WEEMS

Sworn to and subscribed before me  
this 1<sup>st</sup> day of June, 2026.

  
Notary Public

My Commission Expires July 10, 2028



Respectfully submitted,



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**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 June 2, 2026:

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John Dollarhide