



July 10, 2026

Chairman David Jones
Tennessee Public Utilities Commission
502 Deaderick Street 4th Floor
Nashville TN 37243

Electronically Filed in TPUC Docket
Room on July 13, 2026 at 1:08 p.m.

Reference: Docket Comments- 26-00032- Chattanooga Gas Company's Petition for Approval of Rate Review

The Chattanooga-Cleveland Energy Users Group (CCEUG) is a newly established association of energy users served by Chattanooga Gas Company in Hamilton and Bradley County.

The CCEUG would like to make the following comments on the above referenced docket regarding Chattanooga Gas Company's petition to adjust natural gas rates.

The CCEUG does not necessarily oppose Chattanooga's Gas Company's petition to the Tennessee Public Utilities Commission provided that Chattanooga Gas Company addresses the following concerns and issues by our association members and prioritizes future capital expenditures to remedy them.

1st Provide for Pool Balancing and Daily Trading for TPS Providers

The CCEUG requests that Chattanooga Gas Company amend the existing tariff and enhance existing EGMS system to provide Third Party suppliers the ability to adjust nominations on a daily basis (daily trading) to mitigate imbalance penalties that CCEUG members are incurring.

The other two regulated LDC's in Tennessee, Nashville Gas and Atmos Energy provide balancing on a pool level as well as Chattanooga Gas Company's affiliate Atlanta Gas Light.

This suggestion has been made by association members to Chattanooga Gas Company and it is our understanding that it is under review.

2nd Curtailments on the South Cleveland System

CCEUG Association members Newlyweds Foods and Polartec Inc. are adversely affected by frequent natural gas curtailments on the Cleveland South System. Both of these customers are existing customers on the system and have contributed to base rates for over 30 years.

The CCEUG supports the capital expenditures that Chattanooga Gas Company has made to improve natural gas supply and delivery to the Cleveland system, however, Chattanooga Gas Company has prioritized serving new developments and growth ahead of making the necessary capital improvements to upgrade existing infrastructure to eliminate the gas curtailments that adversely impact these customers. Chattanooga Gas Company has requested that these customers pay for these upgrades.

The CCEUG requests assistance with the Tennessee Public Utilities Commission to address this matter to ensure that future capital improvements are prioritized to improve deliverability for existing customers and minimize future curtailments versus subsidizing the service to new customers such as the Spring Branch Industrial Park.

3rd Incremental-LNG Gas

Chattanooga Gas Company has expended millions on LNG plant upgrades over the last several years. These rate base expenditures have resulted in higher rates for all CCEUG customers. These rate base expenditures were allocated across the board and resulted in higher rates for all rate classes including Chattanooga Gas Company's T-1 Interruptible Transportation customers.

This issue was addressed in past TPUC docket 18-00017 in which Chattanooga was selling LNG to an unregulated affiliate while denying Incremental gas from LNG to Chattanooga customers on the T-1 Interruptible Transportation rate. Chattanooga Gas Company made commitments to offer incremental gas in the future. Chattanooga Gas Company has not offered Incremental gas to any customers since 2021. (Since then, Chattanooga Gas added 50,000 Dts of additional East Tenn capacity which opened up additional LNG capacity available on peak days).

The CCEUG is supportive of Chattanooga Gas Company's recovery of all related capital expenditures related to maintaining their LNG Peaking plant. However, this support is conditional on Chattanooga Gas Company offering incremental gas supply when excess capacity is available and prioritizes Chattanooga Gas Company's rate base customers over selling LNG through displacement to other markets.

The CCEUG would be supportive of a rate proposal similar to Atlanta Gas Light's LDTS rate schedule that would allow Chattanooga Gas Company to earn revenues on incremental sales to T-1 customers. Such revenues should provide Chattanooga Gas Company the incentive to provide incremental gas and earn revenues in addition to their authorized rate of return.

If you should have any questions, members of the CCEUG association would be glad to discuss these concerns with you or the TPUC staff.

Sincerely,

Tony Heider
Energy Committee
Chattanooga-Cleveland Energy Users Group

X *Tony Heider*

Tony Heider
Reliability Engineer

Cc: Chance Donahue, John Edwards, Dan Merriman, RC Campbell

Member	Contact
Kordsa Inc.	T H r
Koch Foods Inc.	J E
Chattem Chemicals	Ed R / J M
McKee Foods Inc.	C V
Mueller Inc	A S
NA Industries	M G
Erlanger Health Systems	T S
Newlyweds Foods	D M
Polartec Industries	D S
Ergon Terminaling Inc	D C
Hiwassee Paving LLC	T B
Talley Construction/CRH	R C
Lamberti Synthesis USA	A P
Bright Star Energy Inc.	A B
Archer Daniel Midland	RC C
Hudson Materials	G G
Ascent Chemicals	D I
Triumph Sheets	S M
Sonoco	

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<u>1715 West 38th Street</u>	<u>Chattanooga TN 37409</u>	
<u>10606 Apison Pike</u>	<u>Collegedale TN 37315-0750</u>	
<u>1401 Mueller Ave</u>	<u>Chattanooga TN 37406-1397</u>	
<u>2651 Riverport Road</u>	<u>Chattanooga TN 37406</u>	
<u>975 E. Third Street</u>	<u>Chattanooga TN 37403</u>	
<u>187 Industrial Lane</u>	<u>Cleveland TN 37311</u>	X
<u>310 Industrial Drive SW</u>	<u>Cleveland, TN 37311</u>	
<u>617 Terminal Rd</u>	<u>Chattanooga TN 37405</u>	
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<u>701 MANUFACTURERS RD</u>	<u>Chattanooga TN 37405</u>	