

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

July 20, 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 RESPONSE IN OPPOSITION TO THE
CONSUMER ADVOCATE DIVISION'S MOTION TO STRIKE OR, IN THE
ALTERNATIVE, TO RESET THE PROCEDURAL SCHEDULE OR SEVER THE
COMPANY'S PROPOSED CHANGE IN METHODOLOGY**

Chattanooga Gas Company (“CGC” or the “Company”) respectfully submits this Response in Opposition to the Consumer Advocate Division’s Motion to Strike or, in the Alternative, to Reset the Procedural Schedule or Sever the Company’s Proposed Change in Methodology (“Motion”).¹ The Motion should be denied.

The Motion rests on a mistaken premise. CGC is not seeking to recover lobbying expense and is not asking the Commission to approve a change in the Annual Review Mechanism (“ARM”) methodology. The approved ARM requires CGC to exclude “100% of lobbying expense.”² It does not require CGC to exclude 100% of all costs recorded to the Government Affairs or External Affairs function. CGC is continuing to exclude lobbying expense. The dispute raised by the

¹ Consumer Advocate Division’s Motion to Strike or, in the Alternative, to Reset the Procedural Schedule in this Docket or Sever the Company’s Proposed Change in Methodology (“Motion”) at 1, TPUC Docket No. 26-00032 (July 17, 2026).

² *Order Approving Settlement Agreement* (“CGC Rate Case Order”) at Stipulation and Settlement Agreement, Ex. A, 4 of 41, I.4, TPUC Docket No. 19-00047 (Oct. 7, 2019). The lobbying-related schedules required by the CGC Rate Case Order (24, 24.1, and 24.2) were included in the Company’s ARM model, TW-1, and supplement, TW-3.

Consumer Advocate, and addressed by Mr. Petrea, concerns the factual classification of a mixed-function External Affairs position, *viz.*, whether every dollar of that position should continue to be treated as lobbying, or whether the record should reflect the employee’s actual lobbying and non-lobbying work in granular detail.

The Consumer Advocate may disagree with CGC’s 25% exclusion, and the Commission can properly weigh the evidence at the hearing. But the Consumer Advocate’s disagreement with the weight, sufficiency, or persuasiveness of Mr. Petrea’s factual support is not a basis to strike relevant rebuttal testimony, reset the statutory schedule, sever a single issue from this docket, or prospectively disallow CGC’s future legal and regulatory expense for defending its filed position. Mr. Petrea’s testimony responds directly to Mr. Novak’s testimony, addresses an issue disclosed in CGC’s Petition and expressly challenged by the Consumer Advocate, and provides probative evidence from the one CGC employee whose work is being classified.

For these reasons, the Motion should be denied in all respects. If the Administrative Judge determines that any additional process is warranted, the appropriate remedy would be narrowly tailored cross-examination, not exclusion of relevant testimony and not a reset or severance of the statutory ARM proceeding.

I. Relevant Background

CGC filed its Petition and supporting testimony on April 20, 2026. As part of its filing, CGC included the required ARM schedules and supporting workpapers, including the lobbying-related schedule and workpaper for Department 1637.³ Company Witness Tiffani Weems

³ See Chattanooga Gas Company Petition for Approval of Its 2025 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), TPUC Docket No. 26-00032 (Apr. 20, 2026), Direct Testimony of Tiffani Weems on Behalf of Chattanooga Gas Company at 11:9–12:9, TPUC Docket No. 26-00032 (Apr. 20, 2026) (“Weems Direct”); see also Direct Testimony of William H. Novak at 9:13-17 & n.9, TPUC Docket No. 26-00032 (June 15, 2026) (“Novak Direct”) (identifying Schedule 35.10c - Lobbying Related Expense (1637)).

explained that CGC periodically reviews costs to ensure continued compliance with Commission requirements, including costs recorded to CGC Government Affairs, and CGC's filing reflected a 25% exclusion for the Government Affairs/External Affairs cost category at issue.⁴

The procedural schedule adopted by the Administrative Judge gave the Consumer Advocate two formal rounds of discovery before its direct testimony, allowed additional informal discovery, required the Consumer Advocate to file direct testimony on June 15, 2026, and allowed CGC to file rebuttal testimony on July 14, 2026.⁵ The schedule further provided that rebuttal testimony should be limited to issues raised in Consumer Advocate direct testimony.⁶

The Consumer Advocate then squarely raised this issue in the Direct Testimony of William H. Novak. Mr. Novak stated that CGC adjusted its exclusion of lobbying-related costs included within Government Affairs O&M expense from 100% to 25% based on an internal study because CGC determined that a significant portion of the Government Affairs department's duties include activities other than lobbying.⁷ Mr. Novak calculated the effect of that proposal, stated that he disagreed with it, and recommended that the Commission deny CGC's proposed adjustment.⁸

Mr. Petrea's rebuttal testimony responds to the exact same issue raised by Mr. Novak. Mr. Petrea states that the purpose of his testimony is to respond to Mr. Novak's testimony regarding CGC's proposed treatment of external affairs expense and to explain and support how CGC arrived at the 25% exclusion.⁹ He also explains that he is not offering a legal opinion on

⁴ Rebuttal Testimony of Jeff Petrea at 2:9-12, TPUC Docket No. 26-00032 (July 14, 2026) ("Petrea Rebuttal") (citing Weems Direct at 11:9-12:9); Novak Direct at 9:4-11 & n.8.

⁵ Order Establishing Procedural Schedule, Ex. A, TPUC Docket No. 26-00032 (May 19, 2026).

⁶ *Id.*

⁷ Novak Direct at 9:4-11.

⁸ *Id.* at 9:13-10:18.

⁹ Petrea Rebuttal at 1:10-17 & n.1.

lobbying; rather, he provides factual testimony based on the purpose and objective of his work activities.¹⁰

The later granular review was not a new study of a new issue. It was a validation of the pre-filing review. The pre-filing review evaluated the 2025 Government Affairs/External Affairs costs and Mr. Petrea's actual responsibilities and day-to-day activities at a higher level. After Mr. Novak challenged the 25% exclusion, Mr. Petrea reviewed the same basic universe of information he considered during the Company's pre-Petition review—his 2025 work, calendar, expenses, and job responsibilities—at a more granular level to confirm the conclusion already reflected in CGC's filing.

II. Argument

A. The governing evidentiary standard does not support striking relevant rebuttal testimony.

A motion to strike is not a substitute for cross-examination or a merits determination. In contested cases, the Commission is not bound by the rules of evidence applicable in court, and it may admit and give probative effect to evidence that reasonably prudent persons would accept in the conduct of their affairs.¹¹ The Commission may exclude incompetent, irrelevant, immaterial, or unduly repetitious evidence, but the Motion does not show that Mr. Petrea's testimony fits any of those categories.

The testimony is plainly relevant. The Consumer Advocate challenged the factual basis for CGC's 25% Government Affairs exclusion; Mr. Petrea describes the work he performs, the records he reviewed, how he classified his activities, and why his review supports the 25% exclusion. The testimony is also probative because Mr. Petrea is the employee whose work is being classified.

¹⁰ *Id.* at 1:18-2:5.

¹¹ Tenn. Code Ann. § 65-2-109(1).

The fact that the Consumer Advocate believes the testimony should have included more documentation, or believes the rebuttal should be given little weight, is a hearing issue. It is not an admissibility issue.

The Commission has applied this principle in denying a Consumer Advocate motion to strike rebuttal testimony and an attached report. In *Tennessee Wastewater Systems, Inc.* Docket No. 16-00139, the Consumer Advocate filed testimony of Mr. Novak wherein he was critical of TWSI's billing practices.¹² In response, the company hired an accounting firm to conduct an analysis of its billing and accounting systems, and the report that firm prepared was attached to rebuttal testimony.¹³ The Consumer Advocate moved to strike the testimony and the report, even arguing that the report did not rebut Mr. Novak's testimony.¹⁴ The Hearing Officer was unpersuaded and held that the Commission has broad discretion to admit evidence, found the challenged rebuttal evidence relevant and appropriate for consideration, and addressed the Consumer Advocate's timing concerns by noting that TWSI would make an auditor for the external firm available for cross-examination rather than striking the evidence.¹⁵ The same approach is appropriate here, especially considering that CGC raised this issue in its Petition and supporting testimony, not first in response to the Consumer Advocate's testimony, and considering that Mr. Petrea will be available for cross-examination. In short, if the Consumer Advocate believes Mr. Petrea's rebuttal raises questions, those questions can be addressed through cross-examination and argument on weight.

¹² *Order Denying Consumer Advocate's Motion to Strike*, pp. 1-2, TPUC Docket No. 16-00139 (July 10, 2017).

¹³ *Id.* at 1-2.

¹⁴ *Id.* at 3.

¹⁵ *Id.* at 3-4.

B. The Motion misstates the approved ARM methodology.

The Motion's central premise is that CGC is attempting to change a methodology requiring exclusion of "100% External Affairs" or "100% Government Affairs" expense. That is not what the approved ARM says.

The CGC Rate Case Order approved, adopted, and incorporated the Settlement Agreement and its attachments into the order approving CGC's ARM.¹⁶ The relevant ARM language provides that, in the annual ARM filing, jurisdictional expenses shall be adjusted, among other things, by "[e]xcluding 100% of lobbying expense."¹⁷ It does not say "External Affairs expense." It does not say "Government Affairs expense." It does not say that every cost in Department 1637 is deemed lobbying and must be excluded forever.

The ARM's filing schedules confirm that distinction. Schedule 24 is titled "Lobbying Expense, charitable contribution, social club membership Adjustment" and requires the Company to provide the amount of lobbying expense and other identified categories. Schedule 24.1 is a supporting lobbying worksheet. Schedule 24.2 is a "Lobbying Workpaper - Dept 1637 Operating Expense by Month of the Historic Base Period."¹⁸ A workpaper identifying Department 1637 operating expense is support for evaluating the lobbying adjustment; it is not a substantive rule that every Department 1637 cost is lobbying expense.

This distinction matters because the Consumer Advocate's Motion conflates a prior conservative proxy with the approved methodology itself. CGC is applying the same methodology: excluding lobbying expense from rates. The question is whether all costs associated with a mixed-function External Affairs position should be treated as lobbying expense. Mr. Petrea's testimony

¹⁶ *CGC Rate Case Order* at 10 (Oct. 7, 2019).

¹⁷ *Id.*, Ex. 1, Settlement Agreement, Ex. A at 4 of 41.

¹⁸ *Id.*, Ex. 1, Settlement Agreement, Ex. A at 36 of 41.

addresses that factual classification issue. He explains that his role includes governmental affairs, but it also includes regulatory support, rate proceeding coordination, responses to regulatory data requests, coordination with regulators and the Consumer Advocate, customer and constituent issue resolution, community and economic development support, municipal and stakeholder coordination, and internal operational support.¹⁹

Mr. Petrea also echoes Ms. Weems in that the prior 100% exclusion was a conservative ratemaking treatment and was not an analysis or concession that CGC's External Affairs department performs only lobbying functions.²⁰ He states that CGC continues to exclude all lobbying activities from rates, and that the only change is that CGC is seeking a more accurate identification of what activities are lobbying or lobbying-related and what activities are not.²¹

The Administrative Judge need not decide on this Motion whether 25% is the correct final number. The point is narrower: because the approved methodology is the exclusion of lobbying expense, testimony identifying what portion of a mixed-function position is lobbying is relevant and responsive. It should not be stricken.

C. Mr. Petrea's testimony provides granular rebuttal support for an adjustment disclosed in CGC's filing; it does not introduce a new issue or amend the Petition.

The Consumer Advocate's "new evidence" argument would eviscerate the concept of rebuttal testimony. Rebuttal testimony is, by definition, filed after direct testimony and often provides additional factual support responding to an opposing witness. That does not make it improper. The relevant question is whether the rebuttal testimony injects a new issue, asserts a

¹⁹ Petrea Rebuttal at 4:13-19.

²⁰ *Id.* at 12:1-8.

²¹ *Id.* at 12:9-14.

new revenue-requirement adjustment, or amends the Petition. Mr. Petrea's testimony does none of those things.

CGC's Petition and supporting schedules presented the 25% lobbying exclusion. Company Witness Weems specifically and clearly explained that CGC periodically reviews costs to ensure continued compliance with Commission requirements, including costs recorded to Government Affairs, and CGC's filing reflected the 25% exclusion for the cost category at issue. The Consumer Advocate understood the issue. Mr. Novak testified that CGC adjusted the lobbying-related exclusion from 100% to 25% based on an internal study because CGC determined that a significant portion of the Government Affairs department's duties include activities other than lobbying. He calculated the effect of the adjustment, disagreed with it, and recommended denial.

Mr. Petrea's rebuttal addresses the same subject. His testimony explains that, before filing the Petition, CGC analyzed costs recorded to Government Affairs O&M in 2025 and reviewed his actual day-to-day activities because he is the one employee in the External Affairs department. That initial review indicated that the vast majority of his responsibilities and activities were not related to lobbying and supported CGC's conservative 25% exclusion. In response to Mr. Novak's criticism, Mr. Petrea then conducted a more granular review of his 2025 calendar and expenses to confirm that the 25% exclusion was fair and appropriate.

That is not a new claim. It is the ordinary progression of a litigated issue: CGC filed an adjustment; the Consumer Advocate discovered and challenged it; Mr. Novak testified against it; and CGC filed rebuttal support from the employee whose work is being classified. The rebuttal provides the CAD-requested detail regarding how CGC arrived at the 25% exclusion. It simply provides more detail regarding the same 2025 activities, the same cost category, and the same 25%

exclusion Ms. Weems addressed in her initial testimony. It does not alter CGC's requested revenue requirement or ask the Commission to approve a new adjustment first raised in rebuttal.

D. Mr. Petrea's testimony is proper rebuttal, and the Consumer Advocate cannot show unfair surprise.

Mr. Petrea's testimony complies with the procedural schedule. The schedule allowed CGC to file rebuttal testimony on July 14, 2026, limited to issues raised in the Consumer Advocate's direct testimony.²² Mr. Petrea expressly identifies Mr. Novak's testimony at pages 8 through 10 as the testimony he is rebutting.²³ Those pages are the very pages where Mr. Novak challenges the 25% Government Affairs exclusion, quantifies the effect of the proposal, and recommends denial.²⁴ If the Consumer Advocate genuinely believed the 25% exclusion was procedurally improper in this docket, it could have moved against the Company's direct filing. Instead, the Consumer Advocate litigated the issue on the merits through discovery and Mr. Novak's direct testimony. In fairness, CGC was entitled to respond.

The Consumer Advocate also used discovery to explore the mechanics of the lobbying calculation. In DR 2-19 and DR 2-20, the Consumer Advocate asked questions concerning the lobbying calculation and related schedules, including Schedule 24. CGC responded substantively, in detail, and with reference to Petition exhibits. Those discovery requests confirm that the Consumer Advocate understood the issue before Mr. Novak filed testimony and before CGC filed rebuttal.

The Motion, therefore, cannot credibly characterize Mr. Petrea's testimony as an attempt to inject a new issue. CGC specifically and clearly presented the 25% exclusion in its Petition,

²² Order Establishing Procedural Schedule, Ex. A, TPUC Docket No. 26-00032 (May 19, 2026).

²³ Petrea Rebuttal at 1:10-17 & n.1.

²⁴ Novak Direct at 9:4-10:18.

schedules, and supporting testimony. It was the subject of the Consumer Advocate's discovery requests. It was challenged by Mr. Novak in direct testimony. Only then—*only in response to Mr. Novak's criticism*—did Mr. Petrea provide his rebuttal testimony. That is the normal function of rebuttal testimony. The Consumer Advocate cannot submit DRs and critical testimony on a Petition issue then cry foul when the petitioner presents rebuttal on that same issue addressing that criticism.

Nor is there any rule requiring CGC to respond to Mr. Novak only through Ms. Weems. Once the Consumer Advocate challenged the factual basis for classifying a mixed-function External Affairs position, the most probative rebuttal witness was the employee whose duties were being classified. Mr. Petrea's status as a new rebuttal witness is not a defect. It is the reason his testimony is relevant.

The Consumer Advocate also had notice and process. Mr. Novak testified that he reviewed the Company's original and revised filings, reviewed the Company's workpapers and discovery responses, prepared discovery requests for supplemental supporting information, and had continuing discussions with CGC regarding the filings.²⁵ The procedural schedule also provided two formal Consumer Advocate discovery rounds and expressly stated that nothing restricted additional informal discovery.²⁶ As noted above, the Consumer Advocate took the opportunity to issue DRs on the issue and CGC responded. The Motion itself acknowledges that CGC disclosed that it intended to file rebuttal testimony of this nature.²⁷ There is no due process violation.

²⁵ *Id.* at 8:2-9:2.

²⁶ Order Establishing Procedural Schedule, Ex. A, TPUC Docket No. 26-00032 (May 19, 2026).

²⁷ Motion at 2.

E. The Consumer Advocate's documentation arguments go to weight, not admissibility.

The Motion repeatedly asserts that CGC did not provide sufficient workpapers or underlying documents. That argument, even if accepted for purposes of the Motion, goes to the weight of the evidence. It does not justify striking the testimony.

The procedural schedule required spreadsheets to be filed in Excel format with working formulas intact, and stated that pre-filed testimony should include supporting worksheets in Excel format with working formulas intact.²⁸ It did not require a utility to file an employee's full calendar, all expense detail, privileged or confidential business materials, or every underlying document related to a rebuttal review as a condition of admissibility. It also did not impose the sanction of striking rebuttal testimony if a party later contends that additional detail would have been helpful.

Mr. Petrea explains that his review was a reasonableness check, not a new annual timekeeping system or audit requirement.²⁹ His calendar is not a timekeeping system and does not capture every phone call, email, informal communication, preparation item, or follow-up task.³⁰ He also states that he is not proposing to attach his full calendar or all expense detail to his testimony.³¹ That is a factual issue the Commission can evaluate. It is not a basis for excluding his testimony altogether.

The Motion's requested remedy is also overbroad. Even if the Administrative Judge believed that one sentence or one characterization in Mr. Petrea's testimony should receive little weight, the Motion asks to strike the entire testimony. The testimony includes factual descriptions

²⁸ Order Establishing Procedural Schedule, Ex. A, TPUC Docket No. 26-00032 (May 19, 2026).

²⁹ Petrea Rebuttal at 3:12-19.

³⁰ *Id.* at 6:18-22.

³¹ *Id.* at 14:7-9.

of Mr. Petrea’s job responsibilities, the purpose of his review, how he treated ambiguous entries, how he classified lobbying and non-lobbying activities, and how the 25% exclusion compares to his review. Wholesale exclusion would deprive the Commission of probative evidence on the only issue the Consumer Advocate says remains in dispute.

F. The Motion’s economic-development argument is a merits red herring.

The Motion cites a Tennessee-American Water Company order addressing economic development infrastructure investments and argues that there has been no showing whether Mr. Petrea’s “community and economic development” activities relate to new services or otherwise excluded items.³² That argument does not support striking testimony.

CGC is not seeking recovery under an economic development rider. Mr. Petrea is not testifying that every economic-development-related expense item is automatically recoverable. He is addressing whether activities performed by a mixed-function External Affairs employee should be classified as lobbying or non-lobbying for purposes of lobbying exclusion. His testimony is purpose-based: where an activity supported utility service, customer growth within CGC’s service territory, infrastructure coordination, local stakeholder communication, or customer and community engagement, he did not treat it as lobbying; where an activity involved advocacy to influence governmental policy or discretionary governmental action, he treated it as lobbying or potentially lobbying-related.³³

The Motion therefore conflates two different questions: (1) whether an activity is lobbying; and (2) whether a particular non-lobbying cost might be unrecoverable under some other ratemaking standard. The Motion is about striking testimony relating to lobbying classification.

³² Motion at 2-3.

³³ Petrea Rebuttal at 10:17-11:2.

Even if the Consumer Advocate later argues that a discrete non-lobbying cost should be excluded under some other ratemaking theory, that is a merits issue for the hearing. It is not a reason to exclude testimony explaining how CGC classified lobbying activity.

G. Similar alternative-rate proceedings have treated lobbying allocations as ratemaking and classification issues, not as grounds to strike testimony.

The Consumer Advocate's requested remedy is also inconsistent with how similar issues have been addressed in alternative-rate proceedings. CGC cites these examples for a limited procedural point. CGC is not asking the Administrative Judge to decide the ultimate prudence of the 25% exclusion on this Motion. The point is that disputed lobbying classifications and percentage allocations for mixed governmental-affairs or external-affairs functions have been addressed as ratemaking issues to be tested and weighed, not as grounds to strike responsive testimony.

In Tennessee-American Water Company Docket No. 20-00028, the Consumer Advocate challenged internal labor associated with lobbying functions in an annual capital-rider reconciliation proceeding. The issue was resolved by agreement of the parties, with TAWC agreeing to remove 20% of the salary of an employee performing governmental-affairs functions.³⁴ The Commission accepted that agreement as reasonable and in customers' best interest. That proceeding demonstrates that the Commission and the Consumer Advocate have treated percentage allocations for governmental-affairs/lobbying labor as issues capable of being addressed within an annual alternative-rate filing.

Likewise, in TAWC Docket No. 24-00032, the Consumer Advocate proposed percentage-based exclusions for External Affairs/Public Policy and Manager of External Affairs lobbying

³⁴ *Amended Order Granting Petition as Amended by Agreement of the Parties*, at 10, 12, TPUC Docket No. 20-00028 (Jan. 26, 2021).

costs. The Commission’s final order incorporated a 25% estimated lobbying-expense adjustment related to TAWC’s Manager of External Affairs.³⁵ And in TAWC Docket No. 25-00089, the Consumer Advocate again recommended that, if TAWC’s ARM proposal were approved, annual filing adjustments should include exclusion of 25% of lobbying expenses related to the Manager of External Affairs.³⁶

While these examples do not necessarily require approval of CGC’s 25% exclusion, they demonstrate that a disputed percentage allocation for a mixed external-affairs or governmental-affairs function is a ratemaking/classification issue that both the Commission and the Consumer Advocate regularly address outside of rate cases. They also demonstrate that striking relevant, responsive testimony, resetting the statutory deadline, or severing a single disputed adjustment are wholly unwarranted. These conclusions *do* compel the Administrative Judge to deny the Consumer Advocate’s Motion.

H. Resetting the 120-day deadline or severing the issue is unwarranted.

The Consumer Advocate alternatively asks the Administrative Judge to reset the 120-day deadline from the filing of Mr. Petrea’s rebuttal testimony or sever the issue into a separate docket. Neither remedy is justified.

First, Mr. Petrea’s testimony did not amend the Petition. CGC’s revenue requirement request and its proposed 25% Government Affairs exclusion were already in the filing. Mr. Novak addressed the issue in his direct testimony. Mr. Petrea’s testimony provides rebuttal support for an existing disputed adjustment. Treating every rebuttal response to a disputed adjustment as a new

³⁵*Order Setting Utility Rates* at 27–28 & n.81, TPUC Docket 24-00032 (Apr. 21, 2025).

³⁶ Direct Testimony of Clark D. Kaml at 5:1–6:16, TPUC Docket No. 25-00089 (Feb. 3, 2026) (recommending, if the Commission were inclined to approve TAWC’s proposed ARM, that the proposal be modified to include schedule adjustments, including exclusion of “25% of the lobbying expenses related to the Company’s Manager of External Affairs”).

petition would defeat the purpose of rebuttal testimony and would undermine the expedited ARM process. We need not resort to legislative history to understand this point.

Second, the Consumer Advocate's reliance on Atmos Docket No. 22-00010 is misplaced. In that order, the Hearing Officer reset the statutory deadline because Atmos made significant changes to the petition itself, including reducing its projected revenue deficiency from \$3,662,160 to \$2,269,523 in response to discovery, making multiple revenue-requirement changes, and then changing the revenue deficiency again in rebuttal testimony.³⁷ The Hearing Officer found that those significant changes left insufficient time for Commission Staff to analyze the revised petition by the statutory deadline.³⁸ This case is materially different. CGC has not filed an amended petition, has not changed the 25% exclusion in rebuttal, and has not introduced a new revenue deficiency based on mid-proceeding changes to the 25% exclusion. Very plainly, it has filed rebuttal support for an issue already in dispute.

Third, the statutory modification provision does not support severance or delay. Tenn. Code Ann. § 65-5-103(d)(6)(D)(iii) provides that the Commission or a public utility may propose a modification to an approved annual review plan for Commission consideration, and that the Commission shall determine whether the proposed modification is in the public interest and should be approved within the time frame set forth in subdivision (d)(6)(C).³⁹ Thus, even if the Consumer Advocate's "methodology change" label were accepted for the sake of argument, the statute does not require that the issue be struck, severed, or pushed outside the annual-review timeframe. In any event, CGC's position is that no modification is being proposed: CGC is continuing to exclude

³⁷ *Order Granting Motion to Limit Cross-Examination, Acknowledging Filing as New Petition and Setting New Statutory Deadline* at 2-3, TPUC Docket No. 22-00010, (May 31, 2022).

³⁸ *Id.* at 3.

³⁹ Tenn. Code Ann. § 65-5-103(d)(6)(D)(iii).

lobbying expense and is offering factual support for how that exclusion should be applied to a mixed-function position.

I. The request to exclude future legal and regulatory expense is outside the scope of the Motion and should be denied.

The Consumer Advocate also asks that legal or related expense incurred by CGC after Mr. Novak's direct testimony be excluded from future rate recovery.⁴⁰ That request should be denied.

A motion to strike rebuttal testimony is not a vehicle for prospective ratemaking relief. The requested exclusion is punitive, unsupported by a record, and unrelated to the admissibility of Mr. Petrea's testimony. CGC is entitled to defend its filed position after the Consumer Advocate challenged it. If CGC seeks recovery of any legal or regulatory expense in a future proceeding, the Consumer Advocate may challenge the reasonableness and recoverability of that expense then, on the appropriate record. The request for prospective disallowance should not be granted here.

III. Conclusion

The Motion should be denied. Mr. Petrea's testimony is relevant, responsive, and probative. It responds directly to Mr. Novak's direct testimony, corrects the Motion's mistaken premise that the approved ARM requires a blanket exclusion of all External Affairs or Government Affairs costs, and provides factual support for CGC's continued exclusion of (more than) 100% of lobbying expense under the approved ARM methodology. The testimony fully complied with the procedural schedule. Moreover, the Consumer Advocate's substantive concerns are protected by the ability to cross-examine Mr. Petrea at the hearing.

⁴⁰ Motion at 5-6.

Accordingly, CGC respectfully requests that the Administrative Judge deny the Consumer Advocate's request to strike Mr. Petrea's rebuttal testimony; deny the request to reset the 120-day statutory deadline; deny the request to sever the issue into a separate docket; and deny the request to prospectively disallow future legal or regulatory expense. In the alternative, if the Administrative Judge determines that any additional process is warranted, the remedy should be limited to cross-examination or severance of the issue.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "John Dollarhide", is positioned above a horizontal line.

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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 20th day of July, 2026.



John Dollarhide