

Sunset Public Hearing Questions for
Tennessee Public Utility Commission
Created by Section 65-1-101, *Tennessee Code Annotated*
(Sunset Termination Date on June 2021)

Enabling Statute, Purpose, and Rules and Regulations

1. Please provide a brief introduction to the Public Utility Commission, including information about its purpose, statutory duties, and staff.

The Tennessee Public Utility Commission (TPUC) was created to promote the public interest by balancing the interests of utility consumers and providers while recognizing the changing nature of the market setting where some utility services are purchased and provided. The Commission is charged with broad regulatory oversight and over all public utilities in the state of Tennessee. For purposes of the agency's regulatory jurisdiction, the definition of public utility found in Tenn. Code Ann. § 65-4-101(6)(A) encompasses investor-owned, monopolistic, natural gas, electric, water, and wastewater public utilities that are not exempted as "nonutilities." A cornerstone of its regulatory responsibility is reviewing and establishing the rates and service standards of its jurisdictional utilities.

Since 2012, the Commission has been comprised of five (5) part-time commissioners, each appointed to six-year staggered terms. The Governor, the Speaker of the Senate or Lieutenant Governor, and the Speaker of the House each appoint one (1) commissioner. The other two (2) commissioners are appointed by joint agreement of the Governor, the Speaker of the Senate, and the Speaker of the House. As directed by statute, the Commissioners have elected one of its members to be the chairman for a two-year term. Subsequently, upon the expiration of the chairman's two-year term, the vice chairman ascends to the role of chairman, and the commissioners elect one of its members to be vice chairman of the Commission for the following two-year term.

Day-to-day operations of the Commission are overseen by its executive director. Following the initial three-year appointment by the governor, the executive director is now selected by the five (5) part-time directors for a three-year term. The Commission is comprised of six divisions with a current staff total of forty-seven employees: Utilities, Communications and External Affairs, Consumer Services, Gas Pipeline Safety, Information Technology, and Legal. The staff draws from various professional disciplines and includes accountants, administrators, attorneys,

consumer specialists, economists, engineers, information systems, communications, and office support.

The Commission fulfills its mission and vision in protecting the public interest through three (3) major operational components: 1) regulatory oversight of utility operations and market conditions, 2) consumer assistance, and 3) gas pipeline safety inspections.

The Commission regulates the natural gas, electric, and water service rates of approximately 450,000 residential households, which equates to utility service for approximately 1.1 million Tennessee consumers. In addition, it regulates rates for approximately 60,000 commercial and industrial customers in Tennessee. Lastly, it regulates and maintains oversight over approximately 150 small water and wastewater systems.

Regulatory oversight of utility operations includes the responsibility for establishing rates for investor-owned monopoly public utility providers. Utility rates are set in a variety of ways, including traditional rate cases, alternative ratemaking mechanisms, and through a series of audits. A rate case is a formal trial-like legal proceeding to determine whether the rates charged or proposed by the utility are just and reasonable. The process begins when a utility files an application to change its rates with the Commission. The testimony accompanying the application is comprised of detailed accounting information, financial models, and statistical analyses. Interested parties submit requests to formally intervene in the proceeding to allow them to file opposing testimony or question witnesses in the evidentiary hearing. In accordance with its statutory mandate, the Consumer Advocate Unit within the Financial Division of the Office of the Attorney General often intervenes on behalf of Tennessee utility consumers in rate case proceedings. Other intervening parties include business customer groups and environmental organizations. As required, the Commission holds public hearings and encourages customers and the public to provide input concerning the company's request to consider an increase in rates. The Commission also holds an evidentiary hearing wherein witnesses testify and are cross-examined by the parties as well as answer questions from commissioners and agency staff. Following the evidentiary hearing, the Commission renders a decision on the merits of the company's request for a rate increase at a publicly noticed meeting. Any appeal of the Commission's decisions is made directly to the Tennessee Court of Appeals.

The Commission exercises pipeline safety jurisdiction over natural gas utility providers in Tennessee. It is responsible for overseeing the safety and reliability of natural gas distribution and transmission pipeline facilities to minimize the risk to

public health and safety associated with an accidental release of natural gas. The extent of its safety jurisdiction is not limited to investor-owned utilities, but also includes municipal, utility district, and cooperative natural gas utilities. In addition, the agency works to promote public safety through the administrative and investigative support that it provides the Underground Utility Damage Enforcement Board.

The Commission serves consumers through its management of the Do Not Call/Do Not Fax program and manages consumer-focused programs to assist hearing impaired Tennesseans through its oversight of the Telecommunications Devices Access Program, Tennessee Relay Service and Captioned Relay Service programs. It also serves consumers by offering an efficient forum for the filing, investigation, and hearing of consumer complaints against regulated utilities. In addition, it engages in consumer outreach activities through contractual agreements to educate consumers.

Applications for a state-wide cable franchise are approved by the Commission as set forth in the Competitive Cable and Video Services Act at Tenn. Code Ann. § 65-31-101 *et seq.* Further, the Commission monitors the various utility markets to evaluate current trends and determine the need for future action and serves as a resource to federal, state and local government agencies on various regulatory topics.

Finally, the Commission is financially independent of Tennessee's general fund. Its operational expenses are covered wholly by the regulated utilities and industries over which it has jurisdiction, with a small portion of its revenue coming from the federal government.

2. Has the commission promulgated rules and regulations? If yes, please cite the reference(s).

Since our most recent Sunset review in 2016, the Commission has promulgated new or amended the following rules and regulations:

| <u>G.O.C Rule-Making Hearing</u> | <u>Rule</u> |
|----------------------------------|--|
| June 20, 2018 | Water Regulation (Submetering) 1220-04-13 |
| November 14, 2018 | Wastewater Regulation 1220-04-13 |
| May 22, 2019 | Public Records 1220-01-01 |

July 24, 2019

Do Not Call
1220-04-11

January 27, 2020

Telecom Devices Assistance Program
1220-04-10

Board Organization

3. Please provide a list of the current members of the Public Utility Commission. For each member, please indicate who appointed the member, statutory member representation, the beginning and ending dates of the member's six-year term, and whether the member is serving a consecutive term.

| <u>Commissioner</u> | <u>Appointing Authority</u> | <u>Term</u> |
|-------------------------------|-----------------------------|------------------|
| Kenneth C. Hill (Chairman) | Speaker of the House | 7/1/20-6/30/2026 |
| Herb Hilliard (Vice-Chairman) | Governor | 7/1/17-6/30/2023 |
| David Jones | Joint (Gov, both Speakers) | 7/1/18-6/30/2024 |
| John Hie | Joint (Gov, both Speakers) | 7/1/18-6/30/2024 |
| Vacant | Lt. Gov/Sen. Speaker | 7/1/20-6/30/2026 |

Commissioner Hie is serving his first term, while Commissioners Hill, Hilliard and Jones are serving consecutive terms.

4. Are there any vacancies on the commission? If so, please indicate how long the position has been vacant and explain steps that have been taken to fill any vacancies.

Yes, the Lieutenant Governor's appointee term ended 6/30/20. It is the position of the Commission to strive to refrain from engaging in the appointment process other than to notify appointing authorities of upcoming appointments. TPUC contacted the appointing authorities in early 2020 regarding the status of its commissioners' appointment terms.

5. How many times did the commission meet in the last two fiscal years? How many members were present at each meeting? Please note any meetings where the commission did not have a quorum.

The Commission met ten (10) times in FY 2018 and eleven (11) times in FY 2019. The Commission always has a quorum and usually has all five (5) commissioners present. An itemized list of monthly conferences and participation is provided below.

FY 2018

Conference Meetings

Attendance

| | | |
|------------------|------------------------|-------------------------------|
| January | 1/16/18 | five (5) Commissioners |
| February | 2/26/18 | five (5) Commissioners |
| March | 3/19/18 | five (5) Commissioners |
| April | 4/9/18 | five (5) Commissioners |
| May | 5/14/18 | five (5) Commissioners |
| June | No Meeting | * * * |
| July | 7/23/18 | four (4) Commissioners |
| August | 8/20/20-8/21/18 | five (5) Commissioners |
| September | 9/21/18 | five (5) Commissioners |
| October | 10/15/18 | five (5) Commissioners |
| November | No Meeting | * * * |
| December | 12/17/18 | five (5) Commissioners |

FY 2019

Conference Meetings

Attendance

| | | |
|------------------|-------------------|-------------------------------|
| January | 1/22/19 | five (5) Commissioners |
| February | 2/19/19 | five (5) Commissioners |
| March | 3/11/19 | five (5) Commissioners |
| April | 4/15/19 | five (5) Commissioners |
| May | 5/20/19 | five (5) Commissioners |
| June | No Meeting | * * * |
| July | 7/15/19 | four (4) Commissioners |
| August | 8/12/19 | five (5) Commissioners |
| September | 9/9/19 | five (5) Commissioners |
| October | 10/14/19 | five (5) Commissioners |
| November | 11/4/19 | five (5) Commissioners |
| December | 12/9/19 | five (5) Commissioners |

Financial Information

6. What were the revenues and expenditures for the Public Utility Commission for the last two fiscal years? Does the commission carry a fund balance? If yes, please provide additional relevant information regarding the fund balance.

Revenue

FY18 \$ 7,777,624.77
FY19 \$ 8,254,276.22
FY20 Not closed yet

TPUC Utility Reserve

FY18 \$ 6,154,889.34
FY19 \$ 6,254,547.77
FY20 Not closed yet

TDAP Reserve

\$ 679,733.04
\$ 679,733.04

UUEB Fund

\$ 6,875
\$ 26,875

7. What per diem allowances or travel reimbursements do commission members receive? How much was paid to individual commission members in the last two fiscal years?

| | <u>FY18</u> | <u>FY19</u> |
|-----------------|---------------------|---------------------|
| Hilliard | \$ 11,895.69 | \$ 9,349.72 |
| Hill | \$ 11,956.33 | \$ 14,315.93 |
| Bennett | \$ 10,524.97 | \$ 9,137.64 |
| Hie | \$ 3,625.57 | \$ 1,610.92 |
| Jones | \$ 3,010.48 | \$ 3,510.06 |
| | \$ 41,013.04 | \$ 37,924.27 |

8. Does the commission collect fees? If so, please indicate what types of fees are collected and indicate whether these fees were established through rule or through state law.

Yes, the commission does collect fees. All Commission fees have been established by statute and are as follows:

| | |
|--------------------------------------|---|
| Utility Oversight/Inspection | T.C.A. § 65-4-301 through 308, 65-28-110 |
| Public Utility Filing Fees | T.C.A. § 65-2-103 |
| Do Not Call Program Fees | T.C.A. § 65-4-405 |
| Cable Franchise Fees | T.C.A. § 7-59-305 |
| Current Services Fees | T.C.A. § 65-2-122 |
| Underground Damage Prev. Fund | T.C.A. § 65-31-117 |
| Gas Pipeline Safety Penalties | T.C.A. § 65-28-108 |
| Do Not Call Penalties | T.C.A. § 65-4-405 |

Public Utility Penalties
Unsolicited Facsimiles Penalties

T.C.A. § 65-4-120
T.C.A. § 65-4-504

Sunshine Law, Public Meetings, and Conflict of Interest Policies

9. Is the Public Utility Commission subject to Sunshine law requirements (Section 8-44-101 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? If so, what procedures does the commission have for informing the public of meetings and making minutes available to the public?

Yes, the Commission is subject to the Sunshine law requirements. Every Commission Conference is publicly noticed in accordance with the applicable statutes. In addition, the Commission posts summaries on its website of all actions dating back to 2017. They can be found under the “Conference Agendas” link. These summaries are an excerpt of the court reporter’s transcript, which is intended to serve as the minutes. It includes appearances made during the conferences, actions for consideration, and how the Commission voted on each docket.

10. Does the commission allow for public comment at meetings? Is prior notice required for public comment to be heard? If public comment is not allowed, how does the commission obtain feedback from the public and those they regulate?

Yes, the Commission encourages public involvement and participation during its proceedings. The public is given opportunity to provide comments and input during Commission Conference dockets. Any member of the public that would like to comment on a matter is recognized by the Chair and given an opportunity to speak by sharing comments during the proceedings. The Commission also provides opportunity for public input prior to a Commission Conferences through a variety of methods, including through an online public comment form. The online public comment form is located on the Commission website within the “Public Involvement” section under the “Proceedings” column. The Commission has also posted a *Notice of Public Comment in Commission Proceedings* document that explains the various ways that a member of the public may comment on a proceeding. The Commission is will continue to update this section with resources to assist the public in staying informed of and involved in Commission activities.

11. Does the commission have policies to address potential conflict of interest by commission members, employees, or other state employees who work with the commission?

Yes, the Commission has stringent measures in place to prevent conflicts of interest by its members, employees, and other personnel who work and engage with the agency. The Commission adopted the State of Tennessee's Code of Conduct and each member and employee are required to read and sign an Acknowledgement form, which is provided here as attachment (1). The Commission also has a Policies and Procedures Manual that was recently revised and updated in 2019. All members and employees are required to read and acknowledge the Manual with their signature. A copy of the Commission Manual is provided here in attachment (2). Additional safeguards include requiring that all members and employees sign and submit a form disclosing potential conflicts of interest. A copy of this form is provided in attachment (3). Lastly, in 2019, the Tennessee General Assembly enacted Public Chapter 98, which provides that Commission members and the executive director shall be included in the ethics and lobbying laws applicable to legislators and executive branch officials.

Review Process and Oversight Responsibilities

12. Please provide the number of cases reviewed by the Public Utility Commission in the last two fiscal years.

The Commission acted upon 214 dockets in FY 2017-2018 and 239 dockets in FY 2018-2019.

13. Please describe how the commission regulates competitive local exchange carriers (CLECs). How does the commission evaluate the exchange carrier industry to ensure adequate competition between carriers?

The Market Regulation Act of 2009 created a deregulatory environment for the telecommunications market in Tennessee. Under Market Regulation, providers are deregulated and largely exempt from the Commission's jurisdiction. Commission authority remains only as specifically enumerated in the Act and set forth primarily in Tenn. Code Ann. § 65-5-109(n):

- (1) The commission is exercising its jurisdiction as described in subsection (m);**

- (2) The commission is acting with respect to enforcement or modification of any wholesale self-effectuating enforcement mechanism plan in place as of January 1, 2009; provided, that such actions are consistent with federal telecommunications law;**
- (3) The commission is assessing and collecting inspection fees calculated in accordance with chapter 4, part 3 of this title and election of market regulation shall not alter the character of any intrastate revenue or remove any source of intrastate revenue formerly included within gross receipts and used for purposes of assessment of the fees;**
- (4) The commission is exercising jurisdiction over video service franchises pursuant to the Competitive Cable and Video Services Act, compiled in title 7, chapter 59, part 3;**
- (5) The commission is exercising jurisdiction respecting underground facilities damage prevention;**
- (6) The commission is exercising jurisdiction respecting the Tennessee relay center services or the Tennessee Devices Access Program pursuant to § 65-21-115;**
- (7) The commission is exercising jurisdiction respecting the small and minority-owned business participation plan pursuant to § 65-5-112;**
- (8) The commission is exercising jurisdiction respecting universal service funding pursuant to § 65-5-107;**
- (9) The commission is exercising jurisdiction respecting intrastate switched access service;**
- (10) The commission is exercising jurisdiction respecting extensions of facilities pursuant to § 65-4-114(2), except that no market-regulated carrier shall be subject to the regulatory commission jurisdiction in this subdivision (n)(10) in any wire center or geographic area the carrier designates by filing notice of such designation with the regulatory commission. Such notice shall be effective immediately upon filing and not subject to regulatory commission review;**

- (11) The commission is exercising jurisdiction pursuant to § 65-4-125; provided, however, that the commission shall exercise its jurisdiction under subsections (a) or (b) only in connection with a complaint.

Concerning competition, the Commission is authorized to provide a forum to resolve disputes between carriers. The Commission also retained jurisdiction under federal law related to the wholesale market, including the approval of facility network interconnection agreements between providers. In addition, the Commission regulates competitive local exchange carriers (CLECs) entry into the marketplace.

14. Please describe how the commission regulates incumbent local exchange carriers (CLECs – those phone carriers who were operating before the Telecommunications Act of 1996 took effect). How does the commission evaluate the incumbent carrier industry to ensure adequate competition between carriers?

All incumbent local exchange carriers (ILECs) have elected market-regulated status. As noted above, regulation is limited to the requirements specifically set forth in the Act, which focuses on the functioning of the wholesale market.

Competition in the telecommunications space is not limited to CLECs and ILECs. The market for telecommunications service includes the predominately wireline services provided by CLECs and ILECs, and includes wireless telephony, broadband internet services, voice over internet protocol services and other forms of communications services. Many of the other sources of competition, like mobile wireless services, are not regulated by the TPUC. For example, the FCC reports that at the end of 2018, there were 7.26 million mobile voice subscriptions in Tennessee relative to 2.03 million switched access lines and interconnected VoIP subscriptions.

15. What are the main components of the commission's regulation of telecommunication companies?

(1) Entry into the market, which requires Commission approval of carrier's petition for a certificate of public convenience and necessity (CCN).

(2) The regulation of wholesale activities ensured by Market Regulation.

(3) Certification and maintenance of a list of several Eligible Telecommunications Carriers (ETCs) that operate in Tennessee. These carriers are certified to receive monies from the FCC's Universal Service Fund, which are presently used to build out broadband networks and facilities to the public.

16. How does the commission regulate non-telecommunication utilities?

The Commission provides regulatory oversight for investor-owned, often monopolistic, utilities serving Tennessee consumers. Regulatory oversight activities performed by the TPUC include consideration of utility requests, including:

- a) rate modifications;**
- b) adoption of innovative programs to streamline the rate modification process;**
- c) applications for authority to provide service;**
- d) requests for approval of financing transactions;**
- e) requests for approval of mergers and transfers of authority to provide utility service;**
- f) requests for rule modifications; and,**
- g) utility-to-utility complaints.**

The Commission also implements the Competitive Cable and Video Act. It also monitors utility markets to evaluate current trends and determines the need for future action. All five of the largest utilities under TPUC jurisdiction have established and operate under an alternative regulatory mechanism, as permitted by Tenn. Code Ann. § 65-5-103(d)(1) (2013).

Reports, Major Accomplishments, and Proposed Legislative Changes

17. What reports does the Public Utility Commission prepare concerning its activities, operations, and accomplishments? Who receives copies of these reports? Please provide a link to any such reports issued in the last two fiscal years.

Tenn. Code Ann. § 65-1-111 requires that the Commission provide the General Assembly and the Governor, by the first Monday in February, a report detailing all matters relating to its office for the preceding year. The Commission regularly meets this deadline and distributed its most recent report to the General Assembly and the Governor on February 3, 2020. The report is also posted on the Commission website and is easily accessible by the public. A copy of the last two (2) reports are provided here as attachment (4).

18. What were the commission's major accomplishments during the last two fiscal years?

The Commission is always looking for ways to improve its operations and function more efficiently and effectively. Since its last audit, the Commission has reduced its staffing by six (6) positions. As we commence our preparations for the next budget cycle, the Commission is considering the appropriateness of eliminating certain additional unfilled positions.

In 2013, the Tennessee General Assembly passed legislation that allows regulated utilities to create alternative regulatory mechanisms, such as an annual rate review mechanism, to minimize the cost and time involved in a review of rate changes. Annual rate review has been shown to be effective in reducing highly litigious trial-like rate cases, by replacing those expensive proceedings with a streamlined accounting-based investigation of utility performance. Under this annual rate review mechanism, rates are reviewed annually, and changes are made based on changes in operational expenses, capital expenses, and revenue collections. The Commission has adopted alternative ratemaking mechanisms for Piedmont Natural Gas Company, Atmos Energy Corporation, Chattanooga Gas Company, Tennessee-American Water Company, and Appalachian Power Company d/b/a Kingsport Power Company – the five (5) largest public utilities under the Commission's regulatory jurisdiction. These mechanisms require annual company filings and, while not full-blown rate cases, all company financial data, supporting information, and testimony (which often exceeds thousands of pages) is reviewed and audited, and rates are set accordingly.

Since the Commission's last Sunset review, it has established and successfully implemented an internal audit component to its annual operations. This has resulted in improvement in program efficiencies and effectiveness.

The Gas Pipeline Safety Division visits every gas operator annually to ensure compliance with federal safety regulations. In 2018 and 2019, the Division's nine (9) inspectors logged 1,524 inspection days of public safety audits. Inspection audits include the following: six (6) private gas utilities, seventy (70) municipalities, twenty-four (24) utility districts, two (2) liquefied natural gas plants and storage facilities, seven (7) apartment complexes, eighteen (18) housing authorities, and eighteen (18) jurisdictional intrastate transmission lines.

The Consumer Services Division, along with the Legal Division, provides investigative and administrative support to the Underground Utility Damage Enforcement Board. Since its audit in 2016, the Commission has assisted the Board in successfully implementing its 2015 enabling law, which created the enforcement

program. Implementation has been consistent with the legal aspects of the law and legislative intent to improve public safety through a permissive complaint-filing enforcement process. On average, the Board adjudicates approximately 200 complaints annually. The program is reviewed every year by the U.S. Department of Transportation's Pipeline Hazardous Materials and Safety Administration (PHMSA). For several years now, PHMSA has assessed the program with an "adequate" evaluation, which is the highest level of recognition it bestows. In its assessment, PHMSA has noted that the board needs to have a higher level of maximum civil penalty authority to deter bad actors, but also recognized the recent legislative efforts to achieve this requirement. Please see the response for question 19 for information regarding the legislation.

The Consumer Services Division measures its programs annually. In 2018, it processed 473 consumer complaints filed against utility companies. It distributed 747 TDAP devices to Tennessee residents qualifying for assistive communication devices. The Tennessee Relay Service call center processed approximately 136,350 phone calls and was reviewed that year to ensure its continuing compliance with the Commission's rules and regulations. The Captioned Telephone (CapTel) Service assisted the hard of hearing population by processing 132,052 phone calls. It too, was reviewed that year to ensure compliance with the Commission's rules and regulations. In 2019, the Division processed 752 complaints filed against utility companies. It distributed 744 TDAP devices, processed 136,000 Tennessee Relay Service call center phone calls, and 132,052 CapTel Service phone calls.

From an information technology standpoint, the Commission has provided laptops and VPN connections to all staff in support of AWS. A new complaint/compliance system and back-end databases were developed for the Underground Utility Damage Enforcement Board program. The Commission's docket and case management system is currently being redesigned to be more efficient and to support AWS as we adapt to the pandemic's new normal. Tools such as WebEx, IP softphone for the Commission's Consumer Services Division call queue, and Jabber are being utilized to reach Commission stakeholders and to provide customer-focused services. In-house resources were used in all phases of application system development and implementation.

19. Please describe any items related to the commission that require legislative attention and your proposed legislative changes.

The Commission has two legislative priorities it hopes the General Assembly would address in 2021.

First, the Commission had two commissioners' terms conclude June 30, 2020. Speaker Sexton appointed Dr. Kenneth C. Hill shortly after the 111th General Assembly adjourned *sine die*. His appointment is effective, but subject to confirmation by joint resolution within the first 30 days of the start of the next General Assembly (January 2021). The appointment to be made by Lieutenant Governor McNally is vacant at this time. If an appointment is made between the filing of this report and the start of session, it too, would be subject to confirmation by joint resolution within the first thirty (30) days of the start of the next General Assembly (January 2021).

Second, the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) has jurisdictional oversight over the Tennessee Underground Utility Damage Enforcement Board. PHMSA has issued positive annual reviews but repeatedly cited the Board for its low maximum civil penalties relative to underground utility damages. More specifically, Tennessee's statutory civil penalties are substantially below the federal maximum minimum requirements found in 49 CFR 198.55 (a)(5). The Board has worked with all interested stakeholders to address this issue as well as to propose some additional statutory changes for the purpose of improving public safety and achieving compliance with PHMSA. In 2020, the Board introduced SB2491/HB2158, which represented a consensus proposal. The bill made it to Calendar and Rules Committee in the House and was calendared in Senate State and Local Committee, but for the pandemic, the bill was ultimately deferred. The Board intends to reintroduce the same consensus bill next session.

20. Should the Joint Government Operations Committee recommend an extension of the sunset date for the Public Utility Commission? To what extent and in what ways would the absence of the commission affect the public health, safety, or welfare of the citizens of Tennessee?

Yes. The scope of the Commission's regulatory oversight of investor-owned monopoly providers of natural gas, electric and water is unlike any other function within state government. The Commission consists of a highly trained and professional staff of accountants, attorneys, and economists with a level of specialized expertise spanning several decades. For example, the Commission's Utilities Division staff alone has over two hundred (200) years of combined experience in the utility industry.

The Commission provides vital protections and service to consumers and utility service providers. The predecessors to the Commission include the following: the Tennessee Regulatory Authority (TRA), the Tennessee Public Service Commission,

and the Railroad Commission. Collectively, the agency has been in existence since 1897. All fifty (50) states have an agency like the Commission that oversees investor-owned public utilities. The Commission is an agency with a diverse range of statutory responsibilities and functions. Those responsibilities range from setting rates charged by monopolistic utility providers, to managing a program that provides telecommunications devices to vulnerable populations, to the inspection of natural gas distribution systems to facilitate safe operations.

Below are several examples of functions performed by the Commission that, if not performed, would adversely impact public health, safety and welfare.

First, the gas pipeline inspection safety program provided by the Commission is a vital element of ensuring the safe operation of the state's natural gas distribution and transmission system. The importance of oversight of natural gas infrastructure is clear in light of the catastrophic incident that occurred in San Bruno, California, in 2014, and others like it. The Commission's support of the Underground Utility Damage Enforcement Board ("UUDEB") also plays a vital role in promoting public safety as it relates to the underground utility infrastructure that runs throughout Tennessee. If the Commission did not perform these functions, it would be handled by the federal government.

Second, many Tennessee households and businesses purchase essential public utilities services from investor-owned public utilities. The Commission provides the necessary accountability to ensure that the rates charged by these monopoly providers are just and reasonable. The services provided by these companies, such as the distribution of natural gas, electricity or potable water to homes and businesses, have become a commonplace necessity for most communities to maintain their health, facilitate economic development, well-being and overall quality of life. Regulation that reasonably balances the competing interests of the public utility companies and the residents of the communities they serve does just that. The Commission provides reasonable and necessary regulatory oversight of monopolistic providers through legal proceedings to set the rates and audits utility activities to ensure those providers are meeting the required standards. The Commission has evolved with the times. For instance, with the help of the Tennessee General Assembly, legislation was enacted in 2013 authorizing innovative regulatory programs to lower the cost of regulation, speed the regulatory process and promote the public interest.

Absent appropriate regulatory oversight, a utility company could exploit its monopolistic powers to the detriment of the community through excessive profit-taking, inefficient operations or substandard services. It is therefore the responsibility of the Commission, as set forth in its enabling legislation, to ensure that investor-

owned public utilities operating in Tennessee provide safe and reliable services to customers at reasonable and affordable rates that are designed to return a fair profit to the company and its shareholders. As long as essential public utilities services are provided by private monopolies, the public interest should be protected through regulations that reasonably balance the competing interests of the public utility companies and the residents of the communities they serve.

Third, the Commission performs other statutory duties that promote the public health, safety and welfare. It offers consumer focused operations which provide a forum for utility customers to address issues of concern with their regulated utility providers. The Commission is responsible for monitoring the quality of services provided by the public utilities under its jurisdiction, and it investigates and mediates consumer complaints filed against those utilities.

The Commission manages several programs that facilitate the availability of critical communications services to vulnerable and impaired Tennesseans. The Telecommunications Devices Access Program Tennessee Relay Service, and Captioned Relay Service programs provide needed services to the disabled, hearing impaired and blind communities in Tennessee.

Finally, the Commission is a primary resource for information on the technical, consumer-focused, regulatory, and financial operations of entities that provide natural gas, water, wastewater, broadband, telecommunications and electric services. The Performance Audit of the agency conducted by the Comptroller in 2012 notes, "In addition to its regulatory and consumer service functions, the Tennessee Regulatory Authority researches and monitors issues that may affect Tennesseans such as broadband communications, utility pricing, local wastewater facilities, and natural gas production. Although the authority will not be responsible for these issues, it serves as a resource for information and consultation for other government entities." (p. 21)

21. Please identify the appropriate agency representative or representatives possessing substantial knowledge and understanding of the responses provided to the sunset review questions.

Tim Schwarz (TPUC Communications/External Affairs) prepared the responses herein with the assistance of Earl Taylor (TPUC Executive Director), Kelly Cashman-Grams (TPUC General Counsel), Chris Eaton (TPUC Chief Financial Officer), David Foster (TPUC Utility Division Director), and Jerry Kettles (TPUC Economist).

22. Please identify the appropriate agency representative or representatives who will respond to the questions at the scheduled sunset hearing.

The Commission anticipates that TPUC Chairman, Mr. Kenneth C. Hill, will represent the Commission and Earl Taylor, TPUC Executive Director, Tim Schwarz, Chris Eaton, and Kelly Cashman Grams, will be available to address questions from the Committee.

23. Please provide the office address, telephone number, and email address of the agency representative or representatives who will respond to the questions at the scheduled sunset hearing.

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Attachment 1

Responsive to Question 11

TPUC Code of Conduct



State of Tennessee - Code of Conduct

About the Code of Conduct:

Employees have a responsibility to the citizens of the State of Tennessee to act with integrity and to treat the people we serve, our colleagues, and other parties with dignity and respect. Employees should strive to maintain an ethical and professional environment that will enhance the name, service and general impression of the State in the eyes of the general public. Employees shall also uphold the ethical rules governing their professions as well as comply with departmental and State ethics policies. This Code of Conduct provides general guidelines of employee expectations based on fundamental and ethical principles. No Code of Conduct can provide the absolute last word to address every circumstance. Therefore, employees are expected to use sound judgment in all of their conduct and ask for help when needed.

Each employee has an obligation to perform his or her job in a manner that is consistent with the Code of Conduct. Adherence to the Code of Conduct is mandatory for all employees and officials within the Executive Branch of the State of Tennessee. Failure to comply with this Code of Conduct and any other policies, which may be specific to the employee's organizational unit, may subject the employee to disciplinary action in accordance with the Department of Human Resources Rules and Regulations.

This Code of Conduct provides general guidelines to help employees understand how business is expected to be conducted. All employees are required to read and sign this Code of Conduct before assuming their job responsibilities and review annually. If you have questions about the Code of Conduct, you are encouraged to discuss them with your supervisor, your human resources representative, or the State Department of Human Resources Office of General Counsel.

Standard 1 – Ethical Decision-Making

We shall act with honesty and integrity, and avoid situations that involve conflicts of interests. A conflict of interest is a situation where your personal interests or activities could influence your judgement or decisions, and therefore, your ability to act in the best interests of the State of Tennessee. Employees should strive to provide impartial quality service to those with whom they interact, including customers and fellow employees, and avoid preferential treatment to any individual or organization. Employees shall not be involved in dishonesty,

fraud or misrepresentation. No false statements or entries may be knowingly made in any type of communication, including telephone or electronic communication.

State employees may not use public employment or access to non-public State information for private gain. State employees may not engage in outside employment activities that conflict with their official State duties and responsibilities. Such outside employment shall not adversely affect the employee's performance with the State, create a conflict of interest between such additional employment, or conflict with the regular employment schedule of the employee. In addition, employees must take appropriate action to identify, disclose, and avoid potential conflicts of interest with the performance of their official duties.

Employees shall comply with their agency's code of ethics, if any, as well as Governor Lee's Executive Order No. 2 concerning ethics and disclosures. Any employee having knowledge that a theft, forgery, credit card fraud, or any other act of unlawful or unauthorized taking, or abuse of, public money, property, or services, or other shortages of public funds has occurred shall report the information immediately to his or her supervisor or the agency's auditor.

Standard 2 – Safe and Professional Work Environment

We are committed to maintaining a safe and professional working environment for all employees and ensuring that all employees are treated with fairness, dignity, and respect. Employees shall conduct themselves in a manner that creates and maintains respect for their work sites, fellow employees and customers, their respective agencies or departments and the State of Tennessee. All employees are expected to treat others with respect, courtesy and dignity and conduct themselves in a professional manner. Violence, threats or intimidation against others is prohibited. Employees shall comply with the Department of Human Resources policy on Violence in the Workplace (Policy 12-060) and Abusive Conduct in the Workplace (Policy 17-001), and any applicable agency policies.

Employees shall help maintain a healthy, safe and productive work environment which is free from discrimination and harassment, whether based on race, color, national origin, age (40 and over), sex, pregnancy, religion, creed, disability, veteran's status or any other factors protected under state and/or federal civil rights law. Inappropriate romantic or sexual relationships between supervisors and subordinate staff as well as inappropriate use of supervisory position or influence, are prohibited. This prohibition extends to relationships at any level within the chain of command. Employees shall refer to the Department of Human Resources policy on Workplace Discrimination and Harassment (Policy 12-008) and any applicable agency policies.

The consumption of illegal drugs or narcotics or the abuse of any drug or narcotic is strictly prohibited at all times. Use of alcoholic beverages or being under the influence of alcohol while on duty or immediately prior to reporting for duty is strictly prohibited. Employees shall comply with their agency's drug free workplace and drug testing policies, if any.

Illegal activities on the part of any employee, in addition to being unlawful, reflect on the integrity of the State and betray the trust²and confidence placed in state employees by the

public. It is expected that employees shall comply with all federal and state laws, rules and other regulations. Should an employee be charged with, arrested for, or convicted of any felony or misdemeanor, the employee shall follow his or her agency's policies and procedures regarding reporting, if any.

Standard 3 – Efficient and Effective Government

Each of us is responsible for ensuring our own compliance with applicable laws and regulations. Employees should strive to be efficient in the performance of duties. Employees shall accurately report work time and attendance. Employees shall not habitually arrive late or fail to complete duties in a timely manner, or have lack of consideration for the time of others. Employees shall not refuse to accept reasonable assignments or intentionally fail to follow lawful instructions. Employees shall conserve and protect State property and equipment and not use it for unauthorized purposes. Employees shall comply with the State's Acceptable Use Policy governing use of computers, email and network resources.

Employees will provide customers with accurate, timely, fair and understandable information and provide the highest level of customer service possible. Employees shall not provide inappropriate responses to customer care needs.

While employees are encouraged to participate actively in the public affairs of their communities, clear distinctions must be made between comments, statements or actions made as a private individual and as a representative of the State. Employees shall not speak on behalf of their department or agency without prior authorization to do so. Employees shall not make unauthorized commitments or promises of any kind purporting to bind the department or agency.

Standard 4 – Confidential Information

We have many obligations when handling information in the workplace. Employees shall respect and protect confidential information and abide by all laws governing the possession and use of such information. Confidential information should only be released when it is legally permitted or required. Employees shall not use confidential work information for personal gain.

Reasonable steps to safeguard confidential information include keeping confidential data in a secured location in your office or work area, and not disclosing confidential information with co-workers in public areas such as break rooms or elevators. Each of us must safeguard confidential information at all times and should not release or discuss confidential information with non-employees.

Standard 5 – Records Management Policies

Each of us must ensure that all business records are retained in accordance with agency records management policies. All business records must be retained in accordance with the law and/or document retention policies. This includes paper records, electronic information

such as computer files or electronic mail, or information stored on any other medium. No employee may tamper with business records, or remove or destroy business records in a manner that is contrary to the agency's record management policies. The destruction of records that are part of any ongoing investigation or legal proceeding is expressly prohibited, even if the records disposition authorization would normally have those records destroyed. Questions concerning the retention of a particular type of record or document should be referred to your agency's general counsel.

Reporting Violations of the Code of Conduct

If you believe that a violation of the Code of Conduct has been committed, you must report that information. Employees who make complaints under the Code of Conduct will be protected against retaliation.

Employees may report concerns and allegations of retaliation directly to their supervisor, their agency's human resources director, the appointing authority, or any individual designated by the agency to receive such reports. Under no circumstances is the individual alleging a violation of the Code of Conduct required to file a complaint with the alleged violator.

If an employee feels he or she cannot file a complaint with his or her agency, that person should contact the Department of Human Resources, Office of General Counsel at 615-741-4841.



State of Tennessee - Code of Conduct Employee Acknowledgement

I, _____ (*print name*), have read and understand the principles that comprise the State of Tennessee's Code of Conduct.

I understand that the State of Tennessee's integrity and reputation rests in the hands of employees.

I understand that my communications and dealings with fellow employees, customers, and the general public can directly affect the State of Tennessee's reputation and credibility.

I understand that my activities, both on and off the job, can affect the reputation, interests, and relationships of the State of Tennessee.

I commit to abide by the principles outlined in this Code of Conduct. I understand that failure to abide by these principles may result in disciplinary action, up to and including termination.

Employee's Signature*

Date

*By acknowledging this policy via the Edison system, I agree that my acknowledgement is the equivalent to my handwritten signature.

Attachment 2

Responsive to Question 11

TPUC Policies and Procedures Manual

Tennessee Public Utility Commission



Policies and Procedures Manual

2019

TENNESSEE PUBLIC UTILITY COMMISSION
POLICIES AND PROCEDURES MANUAL

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**TENNESSEE PUBLIC UTILITY COMMISSION
POLICIES AND PROCEDURES MANUAL**

I. EMPLOYMENT

A. Applicant Process

The same as those established by the Tennessee Department of an Resources for executive branch employees. See Tennessee Rule 1120-02 for more information.

B. Outside Employment

Employees may seek secondary employment or begin a business of their own while being employed at the TPUC. However, because of the regulatory nature of the work at the TPUC, there is a possibility of a conflict of interest or the appearance of such a conflict, the following guidelines need to be followed.

You may find secondary employment if it does not conflict with your duties or your regular work hours at the TPUC. If you accept a second job, you must notify your supervisor in writing before you can accept employment. If there is a conflict you have not considered, your supervisor will let you know at this time. If your secondary employment is denied by your supervisor and you feel it is in error, you may then appeal the decision to the Appointing Authority.

As an employee of the TPUC, you cannot work for a utility company it regulates, either directly or indirectly. If it is unclear whether your new employer is regulated by the TPUC or not, contact the TPUC's General Counsel for verification.

TPUC employees whose chief duties are pipeline safety, may not work for other governmental agencies whose mission is also public safety. Employees in these divisions must always be available to respond to emergencies which require a TPUC response.

Your employer or the general public must not confuse your secondary job with your work at the TPUC. As a result, you may not use TPUC credentials, vehicles or any items that might give the appearance that you working under the authority of the State of Tennessee.

II. TRAINING AND CONTINUING EDUCATION

The State of Tennessee and the TPUC place a high value on the educational skills of its employees. The TPUC encourages you to upgrade skill levels through training and educational programs whenever you can.

Rules established by the Tennessee Department of Human Resources for executive branch employees related to training and continuing education are found in Tennessee DOHR Rule 1120-08. Relevant DOHR Policies are listed below.

- 12-050 Mandatory Learning and Development Workshops
- 12-051 Maintaining Learning and Development Records
- 12-054 Outsourcing Learning and Development Workshops
- 12-018 CPS Exams and Eligibility for Automatic Salary Increase
- 12-031 Nationally Recognized Professional Certifications
- 12-046 Professional Privilege Tax Payments for State Employees

A. Tuition Assistance

The State of Tennessee has a tuition program which waives tuition at a State educational institution for one course per semester or quarter, up to three courses per year. Details on how you qualify for this program can be obtained in the Human Resource Office.

B. Reimbursement of Tuition

If you pursue college level courses leading to a degree or extended training, you must meet the following criteria.

1. File a "Statement of Intent" form to the Department of Human Resources for each course or courses taken each semester or quarter prior to taking courses. Courses must be specifically related to your job. The maximum semester hours which can be taken in one year (9).
2. Complete the course or courses with a grade of "C" or better or a pass grade in a pass/fail course.
3. Provide a copy of the official grade form or transcript, the course payment receipt and a completed and signed "Reimbursable Expense Statement" form upon completion of the course.
4. Pursue academic study leading to a degree at any recognized state technical school, junior college, college or university. Study may also be undertaken from recognized state institutions offering correspondence.

This information is sent to the Human Resource Office for review and approval.

C. Family Tuition Discount

Dependent children of full time State employees are eligible for a 25% discount on tuition at any State operated institution of higher education. You may obtain full details on this program in the Human Resource Office.

III. LEAVE AND ATTENDANCE

Unless specified herein, leave, attendance and overtime policies at the TPUC are the same as those established by the Tennessee Department of Human Resources for executive branch employees. See State Department of Human Resources Rule 1120-06. Employees accrue annual and sick leave each month. Leave is added to the previous monthly amount when you have worked over half of one month by one-tenth of an hour. Overtime is not included in the calculation.

A. **Annual Leave**

Your application for annual leave must be made in advance and must be approved by your supervisor before the leave is taken. If you are absent from duty without approved leave you will be placed on Leave Without Pay. Annual leave may not be taken until earned.

Leave earned in excess of the maximum allowable will be transferred to your sick leave account annually on your anniversary date.

B. **Sick Leave**

You accrue sick leave at a rate of one day per month. Sick leave is only granted under circumstances, such as when you are ill, have a doctor's appointment or you must take a close relative to the doctor. See DOHR Rule 1120-6-.12 for a complete list.

C. **Inclement Weather/Uninhabitable Building Policies**

Generally, inclement weather does not warrant the closing of the offices of the TPUC. However, conditions caused by ordinary inclement weather require each employee to make a personal judgment regarding his/her ability to travel safely to and from work. Managers should allow employees to use compensatory or annual leave or leave without pay if the employee feels it is not safe to travel. Employees who make the effort and who report within a reasonable period should not be required to use leave for that absence.

Occasionally, extraordinary emergency conditions caused by extreme inclement weather may warrant the closing of some state offices. When such conditions are thought to exist, the Governor or his designee may seek input from designated management officials in the Departments of Safety and Transportation as well as the TEMA prior to making a decision about closing state offices. Any decision to close state offices due to extreme inclement weather should be countywide and made county-by-county. Communication of any closing decision should be made as quickly as practical by public broadcast media.

Certain employees who are employed by MH/MR facilities, correctional facilities, Department of Transportation, Department of Safety and others which

require the employee to maintain the health and safety of others may be required to report to work during periods of ordinary and extreme inclement weather.

Employees who work and/or reside in a county where state offices are closed due to extreme inclement weather will receive administrative leave with pay for regularly scheduled working hours during the period of closing. Employees who must work when offices in their home or work county are closed are eligible for regular compensatory time for hours actually worked during the period of closing up to their regularly scheduled hours for the workday. Hours worked in excess of regularly scheduled hours are compensated as overtime hours at the end of the work week based on each employee's FLSA status. Such time worked by an executive grade employee should be treated the same as time worked on a holiday.

In all cases, you must notify your supervisor that you are unable to report for work.

D. Location of Leave and Attendance Records

All records pertaining to leave and attendance for TPUC employees are maintained by the Human Resource Office and can be viewed anytime.

IV.

TRAVEL

In-state travel necessary to the normal daily operation of the TPUC is the responsibility of the supervising Division Director and is reviewed and monitored on a monthly basis.

As stated in the Dept. of Finance and Administration Comprehensive Travel Regulations, Department head authorization is required for the use of personally owned vehicles. Unnecessary expenses which result from the use of an automobile for reasons of personal convenience will not be allowed. Reimbursement for the use of personally owned cars is at the standard mileage rate. Only mileage on official state business may be claimed for reimbursement. The Edison system will automatically calculate point to point mileage.

The use of the Enterprise CarShare program through the Dept. of General Services is encouraged for all in-state travel. Employees who utilize the CarShare program must adhere to the program rules (see Interoffice Memorandum, January 16, 2014 or its successor). If the vehicle is returned after the scheduled date and time or the vehicle is not returned with a full tank of fuel, the employee shall be financially responsible for any additional fees assessed to the TPUC. However, if the late return was the result of an Act of God, the TPUC may be responsible for additional fees. Internal action requests "IAR" must be completed and approved by the supervising director two (2) weeks prior to travel. Failure to comply and complete the IAR process timely will result in the employee rescheduling travel or using a personally owned vehicle.

All out of state travel requests are to be approved in advance. The State does not assume liability for any injuries or damages incurred by you if out-of-state travel requests have not been pre-approved. Documentation of that approval is important. Plan your travel to provide time for approval before you leave.

Reimbursement for travel expenses is made in accordance with state travel regulations. Claims for reimbursement must be filed within 30 days after you return to your office or

duty station. Any claims for reimbursement for travel expense not submitted within thirty (30) calendar days after completion of the trip must have a copy of a memorandum from the employee to their respective supervisor explaining why the travel claim was not submitted within the thirty (30) day time frame. In addition, a memorandum from the employee's supervisor to the Division of Accounts explaining the delinquency and their approval of the same will be attached to the claim prior to the submission of the travel claim to the TPUC's Fiscal Division for processing. Continued failure to submit claims in a timely fashion will result in the disallowance of the request.

V. **STATE-OWNED PROPERTY/EQUIPMENT**

The TPUC retains all risk of loss or damage to state-owned equipment while the equipment is in the possession of a TPUC employee, unless damage or loss can be attributed to the employee's negligence. If employee negligence results in damage or loss of state-owned equipment, the employee will be held responsible for repairs or replacement of the property or equipment.

The TPUC is responsible for enforcing the physical security of any state-owned property or equipment under its control, ensuring that the equipment is properly safeguarded and ensuring that any property/equipment is returned or redistributed upon termination of an employee.

VI. **DRESS CODE**

The TPUC dress is business casual except for conference days, hearing days, business meetings, or any day deemed business attire by an employee's supervisor. As public servants of the State of Tennessee, TPUC employees are expected to maintain a professional atmosphere and appearance, which reflect good taste and common sense. TPUC employees should be well groomed and neatly dressed in styles appropriate to their office and/or working conditions.

Division directors are expected to maintain appropriate standards within their Divisions. The Division director and/or Appointing Authority may approve exceptions for medical reasons, inclement weather or other circumstances.

Remember there is a difference between "business casual" and "plain casual". Tank tops, shorts and cutoffs are not acceptable attire anytime at the TPUC.

VII. **OFFICE HOURS**

Normal working hours for all state employees are 8:00 until 4:30 PM. However, arrangements for a flexible work schedule can be arranged with your supervisor and approved by the Appointing Authority on a case by case basis.

VIII. **JOB RELATED ACCIDENTS AND ILLNESS**

The TPUC will make every effort to ensure that each individual is adequately trained and supervised to avoid job related accidents and injuries. In the event an employee is injured, becomes ill, or is killed in the performance of his or her duties, the TPUC will

work with the individual/and or family to ensure that just and adequate compensation is received through the Workers' Compensation Program and/or the State Board of Claims.

1. All accidents which result in injury, illness, or death to an employee should be reported immediately to the Human Resource Office and Appointing Authority.
2. The Human Resource Office, in conjunction with the supervisor will investigate the circumstances surrounding serious accident.
3. The Human Resource Office and your supervisor will assist the employee or his or her family with claims against the state's medical Insurance plan, workers' compensation and/or the State Board of Claims.

A. Workers' Compensation Program

If you are injured in an accident related to your work at the TPUC, you might be eligible for worker's compensation benefits. Benefits may be based on either temporary or permanent disabilities or involve death benefits. A complete explanation of these benefits as well as how to go about obtaining medical treatment and file a claim for the benefits is contained here: <https://treasury.tn.gov/Services/Claims-and-Risk-Management/Workers-Compensation>

IX. LEGISLATIVE ACTIVITY

Tenn. Code Ann. § 65-1-104(c) provides that the Chair shall have the primary responsibility of formulating the broad strategies, goals, objectives, long range plans and policies of the Commission, in conjunction with the Commissioners. The coordination of legislative activity between the TPUC and the General Assembly shall be performed by the Chair. The Director of Communications and External Affairs will assist the Chair as directed relative to government relations at the state and local levels.

Legislative activity shall include budget, legislation, crafting fiscal notes, recommending positions on legislation, communications with legislators and staff, constituent services.

Inquiries by state legislators, local officials and their staff and shall be processed promptly, in a respectful manner. The agency will be responsive to all constituent matters. If staff receives a call or correspondence from an elected official, please notify the Director of Communications and External Affairs. This is simply a means for assisting the agency so that it is fully aware of all legislative issues involving the General Assembly

All testimony shall be coordinated through the Chair's office. Any requests for certain individuals to testify shall be vetted by the Chair first.

X. GOVERNMENT ETHICS AND PROCEDURES

As an employee of the TPUC, you are expected to maintain a high level of ethical integrity and to avoid any action that might compromise, or might appear or be perceived to compromise, the independence, fairness, or neutrality of the agency. This is essential

to maintaining public trust in and ensuring the proper performance of the agency and state government.

TPUC employees must adhere to the ethics laws set forth in the Comprehensive Governmental Ethics Reform Act of 2006 or subsequent Act if modified. While there are certain limited exceptions, these statutes generally prohibit an employee and certain immediate family members from soliciting or accepting, directly or indirectly, any gift from a lobbyist or an employer of a lobbyist. Click on the following link in order to access the Act:

<https://www.tn.gov/content/dam/tn/ethicscommission/documents/local-gov/EthicsReformAct.pdf>

In addition, as adopted by the agency, employees should be familiar with and abide by the terms of Executive Order No. 2, concerning ethics, conflicts of interest, and acceptance of gifts. Among other provisions, Executive Order No. 2 prohibits employees from soliciting or accepting, directly or indirectly, any gift from any person or entity that is seeking to contract or obtain business with the agency or state, conducts operations or activities regulated by the agency, or has interests that may be substantially affected by the performance or nonperformance of the employee's official duties. View Executive Order No. 2 using this link: <https://publications.tnsosfiles.com/pub/execorders/exec-orders-lee2.pdf>

If you have any questions about whether or to what extent these provisions affect you or your family member, contact the TPUC General Counsel.

XI. CODE OF CONDUCT

[Code of Conduct](#)

XII. COMPUTER NETWORK ACCEPTABLE USE POLICY

[State of Tennessee Network Acceptable Use Policy](#)

[Personally-Owned Mobile Devices Acceptable Use Policy](#)

XIII. EQUAL EMPLOYMENT OPPORTUNITY POLICY, AFFIRMATIVE ACTION PROGRAM AND TITLE VI

The TPUC is an equal employment opportunity employer. Applicants will be recruited and hired without discrimination on the basis of race, religion, national origin, sex or age.

Any employee who has a discrimination complaint is encouraged to seek resolution first through consultation with the TPUC's Affirmative Action Coordinator. If the results obtained are not satisfactory; complaints may be filed through normal grievance procedures or directly with the Tennessee Department of Personnel, Equal Employment Opportunity and Affirmative Action Division, 2nd floor, James K. Polk Building, Nashville, (615) 741-1329.

The Equal Employment Opportunity and Affirmative Action Division will investigate complaints. After the completion of the investigation, recommendations to correct violations will be submitted. The TPUC will then recommend specific corrective action be taken.

For additional information see Tennessee Department of Human Resources Rule 1120-07 and Tennessee Department of Human Resource Policy 12-010: Submission of Annual Affirmative Action Plans

TITLE VI, AFFIRMATIVE ACTION REPORTS

In accordance with Title VI of the Civil Rights Act of 1964, it is the policy of the TPUC that no person or persons shall be subjected to discrimination based on their race, color or national origin with regard to the impact, services or benefits, access, participation or treatment in connection with any programs or activities provided by this Agency. As such, the TPUC will complete a Title VI report each year and submit its report as required to the Tennessee Human Rights Commission on a date specified by the Commission.

In addition, in an effort to maintain and achieve workplace diversity, the TPUC will file an Affirmative Action Report to the Tennessee Department of Human Resources. The report will provide the results of the TPUC's Affirmative Action program for the fiscal year, and will describe the Agency's recruiting and retention efforts, activities and accomplishments of the Agency's efforts.

XIV. HARASSMENT POLICY

See DOHR policies below concerning harassment and workplace discrimination.

- 12-008 Workplace Discrimination and Harassment
- 12-009 Investigations of Allegations of Illegal Discrimination & Harassment

XV. CONSUMER COMPLAINTS

It is the policy of the TPUC to investigate complaints as to the service or performance of TPUC regulated companies. If you receive a complaint from the public you should obtain names, addresses and telephone numbers for all individuals filing complaints with the TPUC and report any complaint to the appropriate division for investigation.

XVI. DOCKET ROOM POLICIES AND PROCEDURES

The policies and procedures for the docket room are available on the agency's intranet. [Click here](#)

XVII. SOCIAL MEDIA

The term Web 2.0 refers to the second generation of Web development and design, which aims to facilitate communication, secure information sharing, interoperability and collaboration on the World Wide Web.

Web 2.0 initiatives have led to the development of blogs, social networking sites such as Twitter, YouTube, and Facebook. These tools provide an additional platform for the

TPUC to connect with citizens. Much like email and network usage, it is important for social media usage to follow TPUC and state of Tennessee acceptable use policies. Two social media applications are currently used by the Agency, Facebook and Twitter.

Divisions of the TPUC wishing to use Agency social media platforms should work through the Division of Communications and External Affairs.

General rules governing the use of social media applications are as follows:

- All Agency social media sites must be completely public. Please be aware that any social media messages you post become public record, just like e-mail.
- There will be at least two people with administrator access to Agency social media accounts. One from the External Communications division and the other from the I.T. division. The I.T. division will keep a record of administrators
- The Division of Communications and External Affairs is authorized to respond to press inquiries via social media applications. All TPUC staff shall contact the External Communications division should you receive or encounter a press inquiry via social media.
- Site content shall be maintained by the agency administrators.
- Employee posts to agency social networking sites must reflect the work of the Agency. Employees cannot use Agency social networking sites for personal or political purposes, to conduct or condone private commercial transactions, or to engage in private business activities.
- Agency social media sites should shall not be used for intradepartmental or interagency discussions or deliberations on matters pending before the department agency.
- Only site administrators posting for work purposes should shall be posting to approved social media applications during work hours. All posts shall reflect the work of the agency and add value to the state and its customers.
- TPUC information that is considered confidential shall not be released on any social media account.
- The TPUC may request or require an employee to disclose a username or password to gain access to (1) an electronic communications device supplied by or paid for wholly or in part by the TPUC or (2) a social media account or service provided by the TPUC or used for TPUC business purposes.

Personal Use

State employees are allowed to have personal social media accounts. However, the lines between public and private, personal and professional are blurred in online social networks, and whatever you post on your personal account will likely reflect on the State.

Therefore, be aware of your association with the State and thoughtful about how you present yourself online. A personal social media account, while an appropriate place to share personal opinions, is not a place to present an individual opinion as an official agency view. Be mindful that despite all privacy

controls, whatever you publish can be seen by many different people, including your supervisors, co-workers, and customers.

- Personal social media accounts should not be accessed or updated during the employee's work hours.
- No TPUC employee may conduct Agency business from a personal social media account without prior approval from Agency leadership.
- Personal social media accounts may be subject to monitoring without notice or consent if these sites are accessed on State property.
- TPUC information that is considered confidential shall not be released on any social media account.
- The State's Policy on Discrimination and Harassment applies to statements made on your personal account, if such statements are made about fellow employees.

Violation of any these policies may result in disciplinary action, up to and including termination.

The TPUC social media policy is intended to supplement the state of Tennessee's DOHR social media policy, last updated, February, 2015.

See Department of Personnel Policy 058: Social Media.

XVIII. PREVENTING AND REPORTING FRAUD, WASTE OR ABUSE

Commission management is responsible for establishing and implementing systems and procedures to prevent and detect fraud, waste or abuse. As an employee of the TPUC, you can take a proactive approach to preventing fraud, waste or abuse by adhering to the Commission's policies and procedures and by assisting in the implementation of proper internal controls in your division.

Reporting Fraud, Waste or Abuse

The Commission is committed to the appropriate use of state funds and the responsible stewardship of resources; and state law, TCA § 8-50-116, encourages all state employees to report evidence of fraud, waste or abuse by state agencies, employees or contractors.

Whether you are a part of Commission management, staff or other interested person, you are encouraged to report known or suspected instances of fraud, waste or abuse by agency employees, outside contractors or vendors.

What Should I Report?

Dishonest or wasteful acts, either known or suspected, should be reported, such as:

- Theft or misappropriation of funds, supplies, property or other Commission resources;
- Forgery or unauthorized alteration of documents;
- Unauthorized alteration or manipulation of computer files;

- Improper and wasteful activity;
- Falsification of reports to management or external agencies;
- Pursuit of a benefit or advantage in violation of the Commission's conflict of interest policy;
- Activity or conduct in violation of the Commission's code of conduct;
- Authorization or receipt of compensation for hours not worked;
- Serious abuse of Commission time or resources, such as unauthorized time away from work, falsification of work hours, or use of Commission time or property for personal business;
- Authorizing or receiving payments for goods not received or services not performed.

Think Before You Speak

Before making allegations of fraud, waste or abuse, be sure of any claims. You must be able to provide adequate information to support an investigation; mere speculation will not suffice.

Allegations of fraud, waste or abuse can seriously affect the accused person's life and adversely affect the working environment in the person's division. An employee of the TPUC who knowingly makes a false or bad faith complaint may be subject to disciplinary action.

Reporting Options

Several options are available to Commission employees for others for reporting known or suspected instances of fraud, waste, or abuse. You may report your concerns to the following:

- Your supervisor or division director;
- The Executive Director;
- The Chair of the Commission;
- The Office of the Comptroller of the Treasury at 1-800-232-5454.

The fraud hotline administered by the Comptroller of the Treasury is designed to maintain your confidentiality and anonymity. To the extent allowed by law, reports of fraud, waste or abuse made to Commission personnel will be handled in a confidential manner.

Investigations

If you receive a report of fraud, waste or abuse, do not investigate, but contact the Chair or the Executive Director for further assistance.

An employee of the TPUC shall not destroy, or allow to be destroyed, any document or record of any kind that the employee knows may be relevant to a past, present or future investigation of fraud, waste or abuse.

When the Commission receives a report of fraud, waste or abuse by an agency employee, outside contractor or vendor, the Commission's audit committee or internal auditor, as appropriate, will conduct an investigation of the allegations.

The objectives of an investigation into allegations of fraud, waste or abuse include verifying the relevant facts, maintaining objectivity and confidentiality, determining

responsibility, and recommending corrective measures to help ensure that similar actions do not occur in the future.

Protection Under State Law

The Commission is committed to protecting the reporting individual's anonymity and confidentiality. It is not possible, however, to guarantee absolute anonymity or complete confidentiality in all circumstances. In some instances the Commission may have a separate legal obligation requiring disclosure. Please do not let the possibility of disclosure discourage you from reporting an incident. State law prohibits discrimination or retaliation of any kind against state employees who report, in good faith, alleged wrongdoing.

Reporting Responsibility

The Commission's audit committee is required to report any acts of fraud that are detected to the comptroller of the Treasury. This reporting relationship will help ensure an independent and objective review of reported matters involving any level of management within the Commission.

If you have any fraud awareness concerns, please contact the Executive Director at the Tennessee Public Utility Commission, 502 Deaderick Street, 4th Floor, Nashville, TN 37243, (615) 741-0917.

SHOULD YOU HAVE ANY QUESTIONS REGARDING ANYTHING THAT IS NOT COVERED IN THIS MANUAL, PLEASE REFER TO THE RULES OF THE TENNESSEE DEPARTMENT OF HUMAN RESOURCES.



Receipt Acknowledgement for the TPUC Policy and Procedures Manual

Revised August 2019

I have read and been informed about the content, requirements, and expectations of the policies for employees at the Tennessee Public Utility Commission.

I have received a copy of the policy and procedures manual and agree to abide by all policy guidelines including but not limited to the TPUC Code of Conduct, State of TN Network Acceptable Use Policy and the Personally-Owned Mobile Devices Acceptable Use Policy as a condition of my employment and my continuing employment at the Tennessee Public Utility Commission.

I understand that if I have questions, at any time, regarding the policy and or procedures, I will consult with my immediate supervisor or my Human Resources staff members.

Please read the manual carefully to ensure that you understand the policy before signing this document.

Employee Signature

Attachment 3

Responsive to Question 11

TPUC Conflicts of Interest

**TENNESSEE PUBLIC UTILITY COMMISSION
DISCLOSURE OF CONFLICT OF INTEREST**

(1) Are you employed, either full or part-time, outside the Commission?

Yes _____ No _____

If you answered yes, list all of companies you are employed by, their addresses, and your position with each company.

(2) Is your spouse or are your parents or children employed, either full or part-time by companies regulated by the Commission?

Yes _____ No _____

If you answered yes, list your relationship with those employed by the regulated company, the name and address of the regulated company, and the position your relative holds with that company.

(3) Do you or your spouse or do your parents or children own stock or other securities in companies regulated by the Commission?

Yes _____ No _____

If you answered yes, list your relationship with those owning stock or other securities in regulated companies along with the name of the regulated company.

(4) Are you aware of any other conflict or potential conflict of interest you may have?

Yes _____ No _____

If you answered yes, disclose below the conflict or potential conflict of interest you may have.

Signature

Date

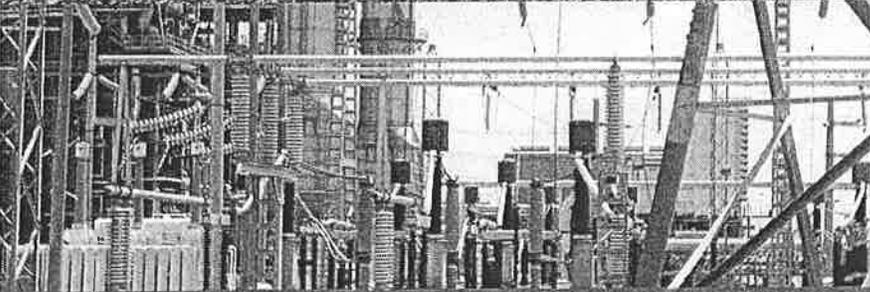
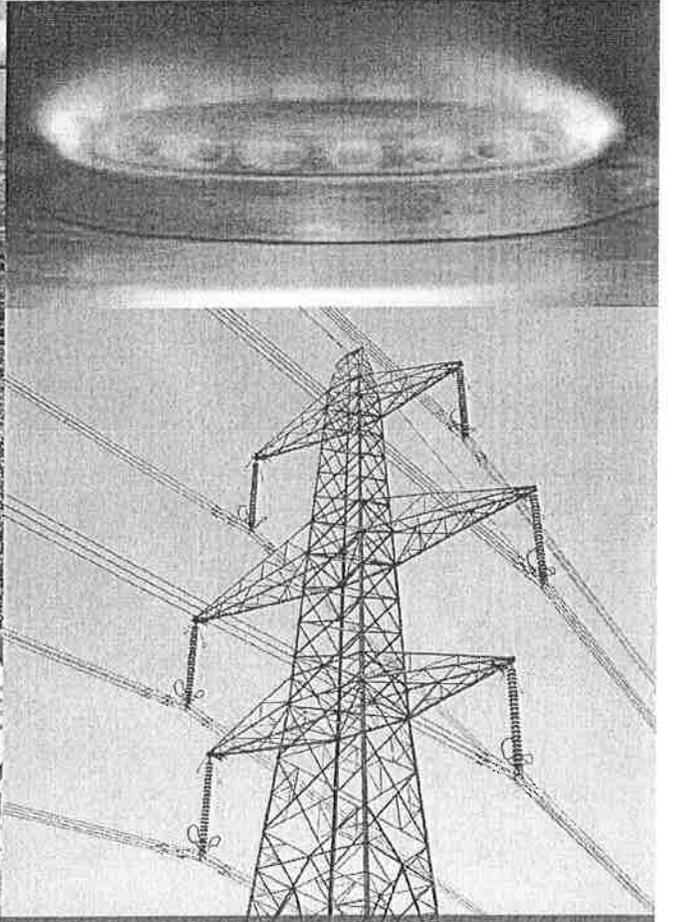
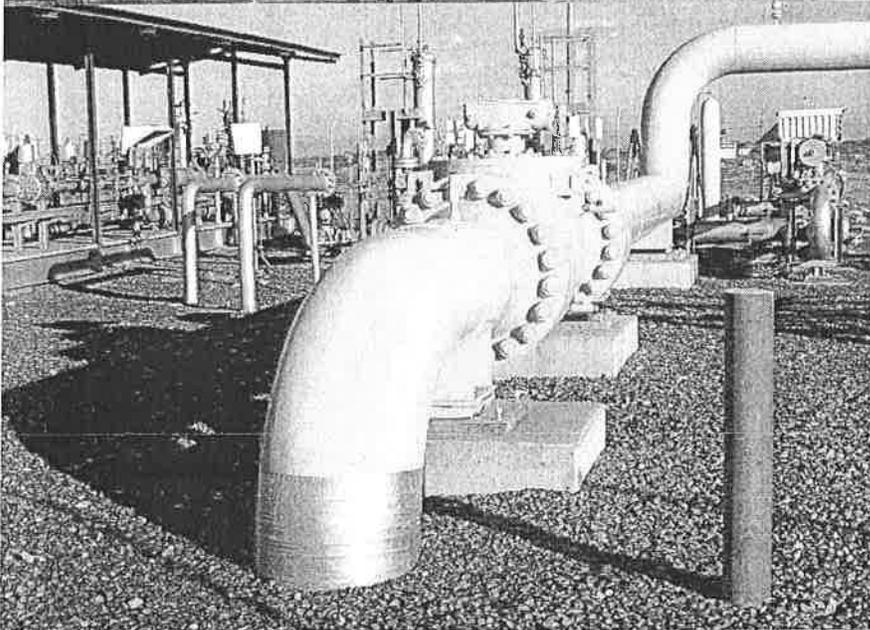
Attachment 4

Responsive to Question 17

TPUC Annual Reports (FY 2017-18 & FY
2018-19)



TENNESSEE PUBLIC UTILITY COMMISSION



2017-2018 ANNUAL REPORT

www.tn.gov/tpuc



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TENNESSEE PUBLIC UTILITY COMMISSION



502 Deadrick Street, 4th Floor
Nashville, Tennessee 37242-0001

February 4, 2019

The Honorable Bill Lee
Governor

The Honorable Randy McNally
Lieutenant Governor

The Honorable Glen Casada
Speaker of the House of Representatives

Members of the General Assembly,

It is with great pleasure that I present to you the 2017-2018 Annual Report of the Tennessee Public Utility Commission. This report has been prepared in accordance with Tennessee Code Annotated § 65-1-111.

The Commission continues to have jurisdiction over Tennessee's investor-owned utility companies including electric, telephone, water and wastewater, natural and methane gas. Further, the Commission serves as the agency that performs the safety inspections of natural gas pipelines that travel across the state and mediates consumer complaints against utility service providers.

Through our numerous consumer outreach efforts, the TPUC continues to provide Tennessee citizens with information that can enhance their daily lives and provide protection and relief from unwanted telephone solicitations and fraudulent activities. Among the Commission's more popular programs are the Tennessee Do Not Call program and the Telecommunications Device Access Program (TDAP). In addition, the TPUC has initiated efforts to promote safety awareness. The state's underground utilities, through the Underground Utility Damage Prevention Act, is an effort designed to prevent harm to people, property, and underground utility facilities. The provisions of the Act are codified in Tenn. Code Ann. § 65-31-101 et al. of which the TPUC's role is to assist the Underground Utility Damage Enforcement Board by providing administrative and investigative support.

We remain focused on the work that we have been entrusted to perform, as well as the role we play in protecting Tennessee consumers and maintaining an environment that is vigorously competitive. To the members of the Tennessee General Assembly, we look forward to working with you in continued service to the citizens of the Volunteer State.

Warmest Regards,

Earl R. Taylor,
Executive Director

Telephone 615.741.2904, Toll-Free 1.800.342.8359, Facsimile 615.741.5015
www.tn.gov/tpuc
www.facebook.com/TennesseePUC

Commission Overview

The Tennessee Public Utility Commission, formerly the Tennessee Regulatory Authority, is the governing body to regulate investor owned public utilities in Tennessee. The Commission's mission is to ensure the safe and reliable provision of public utility services to the citizens of Tennessee.

The agency has five Commissioners, each of whom serve on a part-time basis. Two Commissioners are joint appointees selected by the Governor, Lieutenant Governor, and Speaker of the House (Commissioner David F. Jones and Commissioner John Hie). The other three commissioners are appointees of either the Governor (Commissioner Herbert H. Hilliard), Lieutenant Governor (Commissioner Kenneth C. Hill), and Speaker of the House (Commissioner Robin L. Morrison).

Earl R. Taylor was appointed Executive Director of the Tennessee Public Utility Commission in 2012 by Governor Bill Haslam, Lieutenant Governor Ron Ramsey and House Speaker Beth Harwell and reappointed by the commissioners in 2018 to a three year term.

The Executive Director has the principal responsibility of implementing the broad strategies, goals, objectives, long-range plans and policies of the Commission. Among the executive director's duties, which are not limited to, the following list, are:

- ◊ Serve as chief operating officer of the Commission responsible for the day to day management of the Commission and the supervision and hiring of all staff members within the limits of available funds authorized from time to time by the legislature
- ◊ Administer, monitor and review the operating procedures of each division of the Commission, ensuring that each employee and division of the Commission fully executes in an efficient and economical manner, the separate duties assigned to each
- ◊ Submit rules and policies for approval by the Commission
- ◊ Implement and administer rules and policies for the efficient and economical internal management of the Commission
- ◊ Coordinate the preparation of the report to the General Assembly as required by Tennessee Code Annotated Section 65-1-111
- ◊ Supervise the expenditure of funds and compliance with all applicable provisions of state and federal law in the receipt and disbursement of funds

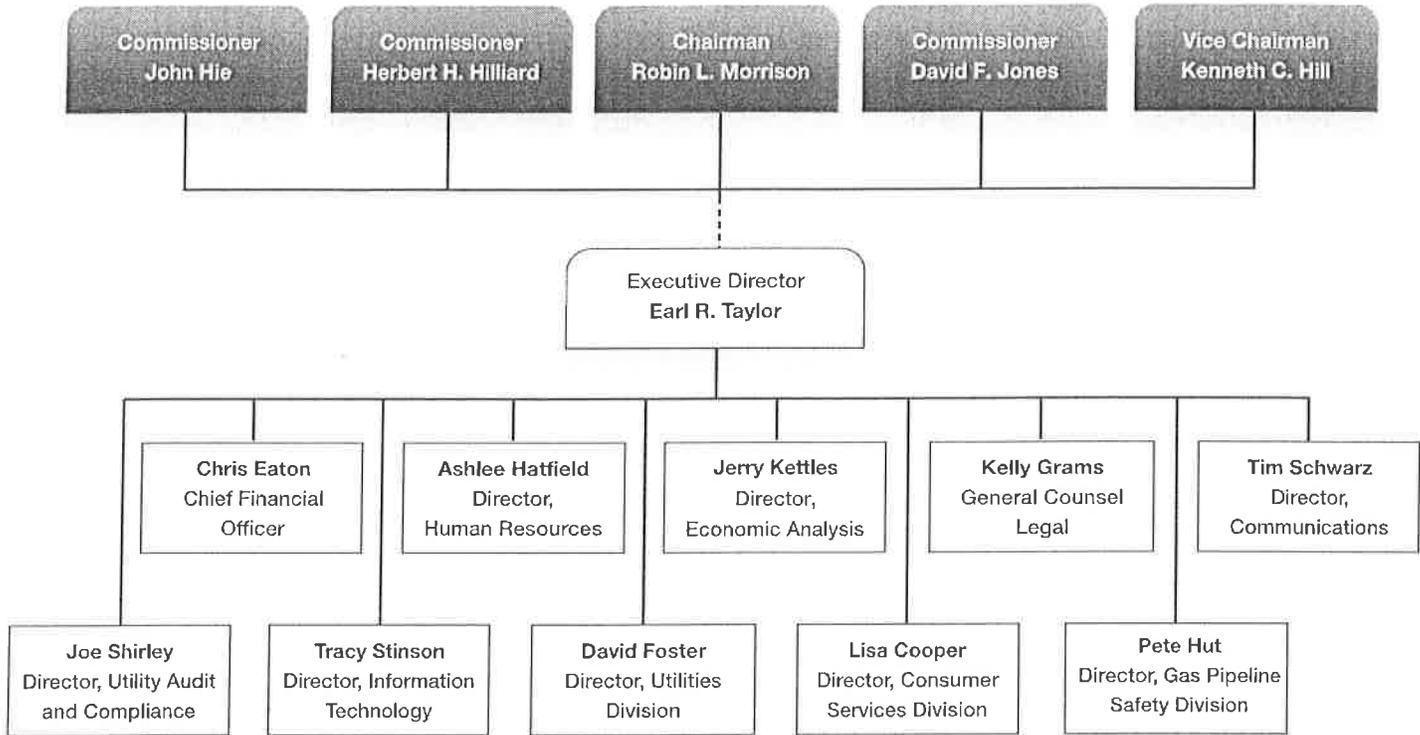
Commission staff includes accountants, administrators, attorneys, consumer specialists, economists, engineers, information technology specialists, a consumer outreach manager, and administrative support.

The Commission has jurisdiction over public utilities including:

- ◊ Electric companies
- ◊ Telephone companies
- ◊ Water and wastewater companies
- ◊ Natural gas companies
- ◊ Methane gas companies

The Commission is financially independent of Tennessee's general fund. The Commission's operational expenses are covered wholly by the industries it regulates, with a small portion coming from the federal government.

Tennessee Public Utility Commission Organization Chart and Staffing Levels



As of June 30, 2018, the TPUC was budgeted for 63 Positions

| TPUC Division | As of 6/30/18 | | |
|-------------------------------------|-----------------|-----------|-----------|
| | Total Positions | Filled | Vacancies |
| Commissioners | 5 | 5 | 0 |
| Executive Director | 1 | 1 | 0 |
| Administrative Staff | 8 | 7 | 1 |
| Communications and External Affairs | 2 | 2 | 0 |
| Consumer Services | 17 | 12 | 5 |
| Gas Pipeline Safety | 9 | 9 | 0 |
| Information Technology | 2 | 1 | 1 |
| Legal | 8 | 7 | 1 |
| Utilities | 11 | 7 | 4 |
| Total Positions | 63 | 51 | 12 |

Commission Leadership



**Earl R. Taylor,
Executive Director**

Earl R. Taylor was appointed to the Tennessee Public Utility Commission as Executive Director in 2012 by Governor Bill Haslam, House Speaker Beth Harwell, and Lt. Governor Ron Ramsey and reappointed by

the Commission in 2018 to another three year term.

Taylor received a Bachelor of Science degree from the University of Tennessee at Knoxville and a Juris Doctor from the University of Memphis School of Law. He began his career as an attorney in his hometown of Johnson City.

Later professional endeavors included the development of WKXT-TV, the CBS Television affiliate in Knoxville, and the subsequent launch of the Warner Brothers affiliate in the same market. Most recently, Taylor has been a franchisee of Panera Bread, developing bakery-cafes in Florida, Texas, and Louisiana.

Actively engaged in his community, he has served as a mentor in the Knoxville Fellows program, as a commissioner for the Metropolitan Knoxville Airport Authority, and on the Knoxville Young Life Committee. As Executive Director of the TPUC, he functions as the Commission's Chief Operating Officer, responsible for the agency's administrative duties and responsibilities. Mr. Taylor is married to Sheryl Dawson Taylor. They have four children and ten grandchildren.



**Robin L. Morrison,
Chair**

Robin L. Morrison was appointed to the TPUC by House Speaker Beth Harwell in 2013 and reappointed in 2015. Ms. Morrison currently serves as a Vice President and financial center manager for one of the South's largest

banks, First Tennessee, and brings to the TPUC broad experience in customer relations, business management, and federal and regulatory compliance.

A graduate of the University of Tennessee at Chattanooga with a bachelor's degree in business administration-finance, Ms. Morrison possess a comprehensive background in banking and finance and has obtained her Series 6/63 financial licenses to sell securities, as well as being licensed to sell life and health insurance.

In addition, Ms. Morrison is a graduate of both the Southeastern School of Banking and Leadership Chattanooga. She is active in leadership roles in her community, having served on the boards of the South Board of Redevelopment Group, Junior League of Chattanooga, and the Chattanooga Chamber of Commerce's Southside Council. She is also a member of the Chattanooga Women's Leadership Institute.

Commission Leadership (cont.)



Dr. Kenneth C. Hill, Vice Chair

Dr. Kenneth C. Hill, a native of Morrison City (North Kingsport), was appointed to the Tennessee Public Utility Commission by Lt. Governor Ron Ramsey in 2009 and reappointed in 2016.

Since his appointment, Dr. Hill has served as Chairman of

the Tennessee Public Utility Commission and is currently active with the National Association of Regulatory Utility Commissioners (NARUC) and the Southeastern Association of Regulatory Utility Commissioners (SEARUC). He is a member of the NARUC Committee on Water, the NARUC Committee on International Relations, and the NARUC Subcommittee on Clean Coal Carbon Sequestration.

He is also a member of the International Confederation of Energy Regulators (ICER), a member of the ICER Working Group for Small Energy Consumers, and a mentor in the ICER Women In Energy Mentoring Program.

Dr. Hill has been a presenter at the NARUC and SEARUC annual meetings. He has also been a presenter and participant at the National Association of Water Companies (NAWC) Water Summit, the NAWC Commissioners' Forum, and the Emerging Issues Policy Forum (EIPF) (Energy) multiple times. Additionally, he has been a panelist at the NAWC Southeastern Chapter Conference, as well as the United States' Department of Energy Industrial Energy Efficiency Conference in Little Rock Ark.

During his tenure with the TPUC, he has also served as a member of the Tennessee State Information Systems Council, member of the Board of the Organization of PJM States, Inc. (OPSI), member of the Eastern Interconnection States Planning Council (EISPC), delegate to the 5th and 6th World Forum on Energy Regulation (WFERV), and a Tennessee Team Member of the National Governors' Association Policy Academy on Enhancing Industry through Energy Efficiency and Combined Heat and Power.

Dr. Hill has been active in communications and broadcasting all of his adult life, having been involved for more than four decades in virtually every aspect of radio. For the past thirty-six years, Dr. Hill has been President and CEO of the nonprofit Appalachian Educational Communication Corporation (AECC) in Bristol Tenn. AECC is the licensee of WHCB 91.5 FM. Dr. Hill has also provided consulting services for the past thirty-six years in the areas of technical

writing and editing, public relations, proposal writing and editing, independent R&D documentation, government relations, corporate and business communication, media acquisition, media appraisal, and media utilization.

He earned his Bachelor of Science degree in Speech (Broadcasting) and History from East Tennessee State University; a Master of Science degree in Speech (Broadcasting) from Indiana State University; a Bachelor of Arts degree in Biblical Studies from Baptist Christian College; a Master of Religious Education from Manahath School of Theology; and a Doctor of Religious Education from Andersonville Baptist seminary. Dr. Hill and his wife, Janet, reside in Blountville. They have one daughter, Lydia, who serves as a nurse, and two sons: Matthew who serves as the 7th District Tennessee State Representative, and Timothy, who serves as the 3rd District Tennessee State Representative.



John Hie, Commissioner

Commissioner Hie was born in a small village outside of Dachau, Germany to parents that fled Hungary in January of 1945, as the Red Army was fighting in and around Budapest. Along with a small caravan of ox carts, his family moved across Hungary and

Austria and settled in Bavaria, Germany. Eventually John and his four siblings, along with their mother and father, left the seaport town of Bremerhaven, Germany on board the General Adolphus Greeley and arrived in the United States at the port of New Orleans in October of 1951. The Hie family came to the U.S. as part of the Displaced Persons Act – an act on the part of the federal government authorizing the admission into the U.S. a limited number of Europeans displaced following World War II. The Hie family's admission into the U.S. was sponsored by a farmer in Maury County, Tennessee; and following their transition to Middle Tennessee, the Hie family immediately began to learn the English language and the culture of the south.

Commissioner Hie attended grammar school in a two room school house and graduated from Columbia Central High School in Columbia, Tennessee. At that time, there were several smoke stack industries in Maury County that provided jobs for summer employment. These jobs and along with some scholarships, paid for Commissioner Hie's college education. Commissioner Hie graduated from the

Commission Leadership (cont.)

University of Tennessee's College of Pharmacy in 1969 and was drafted into the army the following year. His pharmacy training enabled him to work as a pharmacist at Walter Reed Army Medical Center – which he described as an invaluable experience. After an honorable discharge from the army, Commissioner Hie and a business partner opened their own drugstore and ran it for ten years before selling it.

Commissioner Hie transitioned from the world of pharmacy to the world of finance, beginning work for the venerable JC Bradford investment firm in 1984 advising clients about their investments. After the sale of JC Bradford in the year 2000, John went to work for investment firm Stephens, Inc. of Little Rock, Arkansas. John eventually retired from Stephens in 2015 to spend more time with family and friends, although he still works a few hours a week at Carezone Pharmacy in Nashville. John and his wife Trish have one son, one daughter-in-law, one grandson AJ, and one grand-dog named Luna.



**Herbert H. Hilliard,
Commissioner**

Commissioner Hilliard was appointed to the Tennessee Public Utility Commission in 2012 by Governor Bill Haslam and reappointed in 2017.

Commissioner Hilliard served as Executive Vice President and Chief Government Relations

Officer for First Horizon National Corporation. In this role, he was responsible for the corporation's lobbying activities at the federal and state levels. He is forty-three-year veteran of the company, having joined First Horizon in 1969 after earning a BBA in Personnel Administration and Industrial Relations from the University of Memphis. Prior to his current role, he was Executive Vice President and Chief Risk Officer. Commissioner Hilliard retired from First Horizon National Corporation on September 26, 2012.

Commissioner Hilliard is active in the community, currently serving as Chairman of the Board of Directors of The National Civil Rights Museum, and he is a Board Member of BlueCross BlueShield of Tennessee.

He was Chairman of the Memphis Housing Authority Board from 1992-1993, Chairman of the United Way General Fund Drive in 1987, and Chairman of the Annual NAACP Freedom Fund Dinner in 1988. He is a past member of the Memphis Park Commission, the University of Memphis National Alumni Board, the University of Memphis Foundation

Board, and the Boards of Directors for the Chickasaw Council of the Boy Scouts of America and the Memphis Convention and Visitors Bureau. From 2000 to 2005, he was Chairman of the Board of BlueCross BlueShield of Tennessee, and he is currently Chairman of the Finance Committee of BlueCross BlueShield of Tennessee.

Commissioner Hilliard has completed additional studies at the Southwestern Graduate School of Banking at Southern Methodist University, the Tennessee Executive Development Program at the University of Tennessee Knoxville, Cornell University's Executive Development Program, and Crosby Quality College.



**David F. Jones,
Commissioner**

Commissioner Jones was reappointed to the Commission by Governor Bill Haslam, Lt. Governor Randy McNally, and House Speaker Beth Harwell in 2018. He is the Commission's past Chairman and serves on the National Association of Regulatory

Utility Commissioners (NARUC) Gas Committee.

Commissioner Jones is CEO and President of Complete Holdings Group, a complex medical claims (workers' compensation, motor vehicle accidents, and Veterans Administration) revenue cycle solutions company to more than (700) hospitals across 39 states. Commissioner Jones spent 29 years in the energy industry with the nation's largest natural gas interstate transmission company where he worked as an executive in a variety of areas, including Field Operations and Human Resources. He has been at Complete Holdings Group since 2009, and he serves on a number of boards including the Tennessee Center for Performance Excellence. He is a certified facilitator/executive coach to CEOs and owners of private businesses where he helps these entrepreneurs to scale their businesses.

Commissioner Jones obtained a B.S. in Business from the University of Tennessee in Knoxville and an MBA from the University of Houston. He is the author of the book *Surviving and Thriving After Losing Your Job*. He and his wife have been married over 40 years and have two children and six grandchildren.

Our Mission

To ensure the safe and reliable provision of public utility services to the citizens of Tennessee.

The Commission's mission is fulfilled through three major operational components: consumer assistance and regulatory oversight of utility operations, market conditions and public safety of underground utilities.

Consumer Assistance Component

The Commission offers an efficient forum for the filing, investigation, and hearing of consumer complaints against regulated utilities. The Commission also engages in consumer outreach activities in an effort to educate consumers on its services and the regulated utilities.

The Commission manages consumer-friendly programs developed by the General Assembly, such as the Do Not Call Program, the Do Not Fax Program, the Telecommunications Device Access Program (TDAP), and the LifeLine telephone assistance program.

Regulatory Oversight Component

The Commission has regulatory oversight over privately-owned utilities serving Tennessee consumers. The Commission provides an accessible and efficient process that is fair and unbiased. Through this process, the Commission evaluates many items, including requests for rate modifications, applications for authority to provide service, requests for approval of financing transactions, requests for approval of mergers, petitions for transfer of authority to provide service, numbering appeals, requests for numbering allocations, requests for rule modifications, petitions for approval of interconnection agreements and utility-to-utility complaints. The Commission also monitors utility markets to evaluate current trends and determine the need for future action.

Underground Utility Damage Prevention

As delegated by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration, the Commission ensures the safety of natural gas distribution and transmission pipeline facilities in the state.

The Commission seeks to ensure the protection of the state's underground utility infrastructure. As such, the Underground Utility Damage Prevention Act, signed into law in 2015 is designed to prevent harm to people, property, and underground utility facilities. The provisions of the Act are codified in Tenn. Code Ann. § 65-31-101 et al., and the Commission's role is to assist the Underground Utility Damage Enforcement Board by providing administrative and investigative support on matters related to underground utilities.

Utilities Under the Commission's Jurisdiction

The following are the number of utilities under the jurisdiction of the Tennessee Public Utility Commission as of June 30, 2018.

Energy and Water

| | |
|-----------------------|----|
| Electric | 4 |
| Natural Gas Companies | 7 |
| Water & Waste Water | 20 |
| Methane Gas Provider | 2 |

Telecommunications

| | |
|---|-----|
| Competing Telephone Service Providers | 140 |
| Customer Owned-Coin Operated Telephone Providers | 31 |
| Incumbent Telephone Companies | 26 |
| Resellers and Operators Service Providers, Long Distance Facility Providers | 249 |

Gas Pipeline Safety

| | |
|---------------------------------------|----|
| Intrastate Pipeline | 18 |
| Liquefied Natural Gas (LNG) Operators | 2 |
| Master Meters | 25 |
| Municipalities | 70 |
| Utility Districts | 24 |
| Private Utilities | 6 |

| | |
|-------------------------------|------------|
| Total Public Utilities | 624 |
|-------------------------------|------------|

Budget Summary

Appropriations, Fees, and Expenditures

The Tennessee Public Utility Commission (TPUC) budget for fiscal year 2018-18 (FY17-18) was \$9,548,300. Actual expenditures by the agency during the fiscal year totaled \$7,753,500. This represented a total savings of \$1,794,800 (18.8%) from budgeted expenditures.

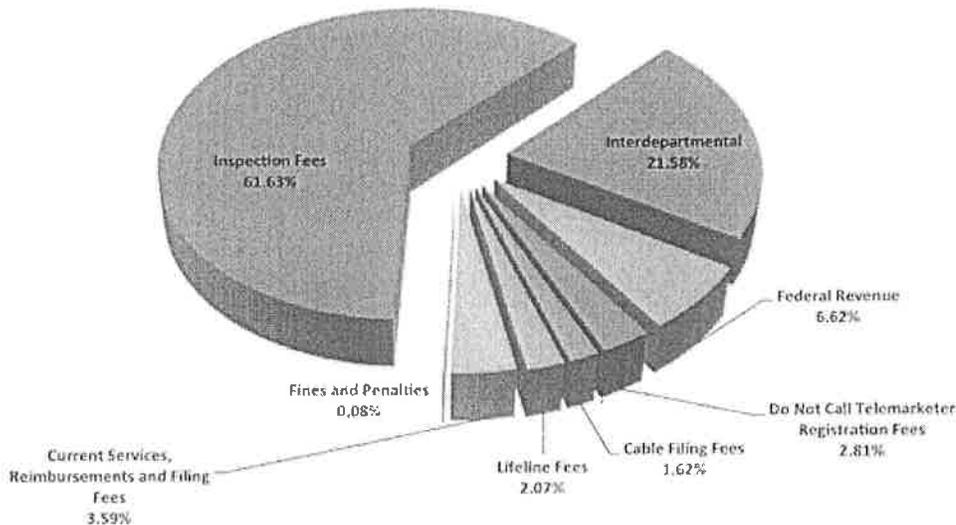
Total revenues collected by the TPUC during FY17-18 were \$8,294,100. The majority of the revenue was derived from utility inspections fees paid by the public regulated by the Commission. Total inspection fee revenue collected during FY17-18 was \$5,309,600. In addition to inspection fee revenue, the TPUC received \$1,678,700 in interdepartmental revenue related to the TDAP/Relay program, \$514,900 in federal revenue, \$218,800 in registration fees from telemarketers for the "Do Not Call" program, \$6,300 in penalties collected by the Underground Utilities Damage Enforcement Board, \$125,800 in annual fees from certain cable companies, \$4,600 in filing fees, and \$435,500 in current services revenue which \$160,700 is attributable to lifeline verification fees, \$47,900 for the sale of surplus vehicles and \$226,300 attributable to reimbursements related to the Underground Utilities Damage Enforcement Board. The balance of current services revenue was collected for miscellaneous items such as payment for copies.

All TPUC revenues, except for revenue received from contributions for TDAP and penalties levied by the Underground Utilities Damage Enforcement Board, are earmarked for the Public Utilities Account and are to be used to defray the cost of operations by the TPUC. Should revenues in future fiscal years not be sufficient to cover the costs of the TPUC for a given fiscal year, the deficit would be funded by the Public Utilities Reserve Account. As of June 30, 2018, the Public Utilities Reserve Account balance was \$6,154,900.

The TDAP Program revenue is specifically earmarked for the purchase of TDAP equipment for the qualifying disabled citizens of Tennessee and the administration of the program. The TDAP Reserve Account had a balance of \$679,700 as of June 30, 2018.

The TPUC also funds the majority of the administrative costs of the Office of State Assessed Properties which is part of the office of the Tennessee Comptroller of the Treasury. For FY17-18, the TPUC's total inspection fee revenue of \$5,309,600 was reduced by \$516,400 for its share of the subsidization of the cost of the Office of State Assessed properties. Due to this reduction, net revenues to the agency for FY17-18 totaled \$7,777,600.

TPUC FY 17 -18 Revenues



The FY17-18 actual inspection fee revenue received by the TPUC was \$5,309,600. However, this amount was reduced by \$516,400 for the amount charged to TPUC for its share of the cost of the Office of State Assessed Properties.

Consumer Services Division

Lisa Cooper, Director
Stacy Balthrop, Deputy Director

Mission

To ensure consumers receive an adequate level of service from regulated companies and to educate consumers regarding changes and new programs in the regulated utility sector. This mission is accomplished through monitoring services utilities provide using quality of service reports and test, initiating investigations, and mediating consumer-utility disputes resulting from consumer complaints.

Duties include:

The Consumer Services Division (“CSD”) is responsible for monitoring the quality of services provided by regulated utilities and enforcing the rules and regulations of the Commission. One aspect of this responsibility is to investigate and mediate consumer complaints filed against regulated utilities pursuant to T.C.A. § 65-4-119, 65-4-401 et seq., and 65-4-501 et seq.

The CSD also performs other functions such as: administering the Do Not Call telemarketing initiative through the registration of telemarketing companies and maintaining the Do Not Call Register; administering the Do Not Fax Program which is designed to prevent unsolicited faxes; and certifying the Lifeline Telephone Assistance Program candidates based on income and qualified public assistance.

The CSD administers the Telecommunication Devices Access Program (“TDAP”), which is designed to improve access to the telephone network by distributing equipment to assist individuals with disabilities. Additionally, the CSD monitors the operation of the Captioned Telephone and Tennessee Relay Center for individuals with a hearing loss or speech disability.

The CSD provides recommendations in enforcement actions involving utilities and telemarketing solicitors not in compliance with state law or the rules and regulations of the Commission.

Major Activities

- Received 473 consumer complaints filed against utility companies
- Distributed 747 TDAP devices to Tennessee residents qualifying for assistive communication devices
- Administered the Lifeline Telecommunications Assistance Program
- The Tennessee Relay Service call center processed approximately 136,350 calls during the fiscal year

2018. Administratively reviewed the reported operational practices of the Tennessee Relay Center to ensure that it is complying with the Commission’s rules and regulations

- Received 223 Underground Utility Damage prevention complaints

The CapTel Service is designed to assist individuals who are late deafened or hard of hearing to make and receive telecommunications calls with a captioning feature offered by this service. The CapTel Service processed approximately 132,052 calls during the fiscal year 2018.

- Administratively reviewed the reported operational practices of the Tennessee CapTel Service to ensure that it is complying with the Commission’s rules and regulations.

At the end of fiscal period 2018, 5,267,053 Tennesseans registered with the “Do Not Call” program and 235 active telemarketers had registered as solicitors. The Commission received 1,032 “Do Not Call” telemarketing complaints by consumers against telemarketing companies during the fiscal year 2018 the Commission also received 4 fax complaints from consumers involving unsolicited facsimiles during the fiscal year 2018.

Communications & External Affairs Division

Tim Schwarz, Director

Mission

The mission of the Communications and External Affairs Division is to advance and support the Tennessee Public Utility Commission’s larger role of promoting the public interest through consumer outreach & education, external & internal communication, legislative and policy initiative and Title VI compliance.

The duties of the Division include responding to media inquiries on matters related to the Commission’s regulatory jurisdiction and providing timely responses to requests for information from media outlets, utility regulatory trade publications and other utility industry organizations. In addition, the Division prepares and provides communications counsel to staff in handling media interviews.

The Division writes and issues press releases on the Commission’s regulatory actions, manages its social media pages, and oversees the agency’s special reports, including its Annual Report to the Tennessee General Assembly, its

continued on next page

Title VI Report to the Tennessee Human Rights Commission and Affirmative Action report to the Tennessee Division of Human Resources. The Division ensures that compliance is maintained for the agency's forms and documents and engages in consumer outreach to inform the general public of the Commission's programs and services. The legislative and policy activities of the Division are predicated on the principle of protecting the agency's interests and priorities at the state legislature. There are a number of ways which include, but are not limited to, assisting the agency in framing policy; drafting legislation and amendments; representing the agency as an advocate, in support of or against legislation. The agency identified and influenced, if necessary, 145 bills during the 110th Tennessee General Assembly.

Economic Analysis

Jerry Kettles, Director

Mission

The primary function of the TPUC's Economist (TE) is to conduct research and formulate recommendations on economic and policy matters pending before the Commission.

The TE is responsible for crafting recommendations concerning cost of capital and the return on equity in rate case proceeding. The TE provides analytic support to other groups within the TPUC on a diverse range of topics including financial derivatives used in the natural gas industry, implementation of orders issued by the Federal Communications Commission and interpretation of statistical analysis. The TE identifies and analyzes market trends that may impact regulation or consumers in natural gas electric, water, wastewater, and telecommunications markets. The TE also has responsibility for analysis of mergers, acquisitions and the issuance of financial instruments by public utilities. The TE often coordinates agency staff and in rule making actions initiated by the agency. The TE also produces several reports for the agency and completes special projects as requested by the Executive Director and Commissioners.

Gas Pipeline Safety Division

Pete Hut, P.E., Director

Travis Aslinger, Deputy Director

Mission

The mission of the TPUC's Gas Pipeline Safety Division (GPSD) is to contribute to the safety and reliability of natural gas distribution and transmission pipeline facilities and to minimize to risk to public health and safety associated with the accidental release of natural gas.

Chapter 601, Title 49 of the United States Code provides the statutory basis for the pipeline safety program. Chapter 601 establishes a framework for promoting pipeline safety through Federal delegation to the States for all or part of the responsibility for intrastate pipeline facilities under annual certification or agreement. Chapter 601 authorizes Federal grants-in-aid of up to 80 percent of a State agency's personnel, equipment, and activity costs for its pipeline safety program.

The State of Tennessee enters into certification agreement each year with the Secretary of the Department of Transportation and accepts the responsibility for regulation of intrastate natural gas pipeline facilities. The program is administered by the DOT Pipeline and Hazardous Materials Safety Administration (PHMSA) and the TPUC is the regulating state agency. The GPSD enforces safety regulations in accordance with the Tennessee Code Annotated ("Tenn. Code Ann.") § 65-2-102, the Tennessee Comprehensive Rules and Regulations ("Tenn. Comp. R. & Regs.") 1220-4-5 and Title 49 of the Code of Federal Regulations ("CFR") Chapter 1, Subchapter D, Parts 191, 192, 193, 195 and 199, as incorporated in the Tennessee rules by reference.

Natural gas is transported statewide through approximately 40,000 miles of distribution and transmission lines that provide service to over 1,356,000 customers. Distribution operators range in size from 8 to 307,000 customers and include 6 private companies, 70 municipalities, 24 utility districts, 2 liquefied natural gas plants and storage facilities, 7 apartment complexes, and 18 housing authorities. There are 18 jurisdictional intrastate transmission lines.

All natural gas operators are required by code to maintain records, compile reports, update operation and maintenance plans, and promptly repair hazardous leaks. The GPSD has 9 inspectors who logged a total of 762 inspection days this past year.

Information Technology Division

Tracy Stinson, Director

Mission

The mission of the Information Technology Division (IT) is to provide, support, and protect hardware and software computer systems used by the staff of the Tennessee Public Utility Commission. The Division strives to meet the professional needs of its own staff members through training, team building, challenging work, recognition and personal and professional growth.

The division consists of an IT Chief and Executive Assistant.

Duties of the Information Technology Division:

- ◊ Develop the Information Systems three year plan
- ◊ Develop and maintain the Commission LAN
- ◊ Procure and maintain Commission desktop computer systems
- ◊ Develop new software systems
- ◊ Monitor software license needs
- ◊ Enforce state network acceptable usage policy
- ◊ Provide information resource training to Commission staff and IT staff
- ◊ Develop and administer Commission databases
- ◊ Oversee computer hardware inventory management
- ◊ Provide technical support and training to Commission staff
- ◊ Provide technical advice to Commission leadership

Legal Division

Kelly Cashman-Grams, General Counsel

Mission

To provide the Commission and Board with sound and timely legal advice, effective counsel in the deliberative process, and zealous representation before state and federal agencies and reviewing courts.

The Legal Division consists of a General Counsel, four attorneys, two legal assistants, and a Docket Room Manager. It is the Division's responsibility to provide in-house counsel to the Commissioners and staff of the Tennessee Public Utility Commission (Commission). Attorneys from the Division also represent the Commission and the Commissioners in their official capacities before the Chancery Courts, Tennessee Court of Appeals, Tennessee Supreme Court and in the Federal Courts. The Legal Division represents the Commission before the Federal Communications Commission and the Federal Energy Regulatory Commission.

In addition, following passage of the Underground Utility Damage Prevention Act in 2015, the Legal Division is responsible for providing administrative support and counsel to the Underground Utility Damage Enforcement Board and Executive Committee (Board) on matters related to Tenn. Code § 65-31-101 et seq. The Division also counsels and represents the staff of the Consumer Services Division in its investigation support functions performed for the Board.

Attorneys in the Division often serve as Hearing Officers in contested case proceedings involving substantive and complex utility and business issues, rendering determinations on the merits, and preparing cases for hearing before the Commission or Board. Attorneys provide legal advice and analysis, represent staff designated as parties in contested case proceedings, act as prosecutors in enforcement actions before the Commission and Board. Division attorneys assist in drafting rules to be promulgated by the Commission and Board and appear before the state legislative committees of the Tennessee General Assembly to advocate for proposed rules, legislation, and to accompany Commission personnel providing testimony. Division personnel prepare orders reflecting the actions of the Commission and Board in specific cases, and provide vital assistance and support to the agency.

During the past fiscal year, 214 dockets required action by the Commission. Attorneys in the Legal Division provided continuing research, advisory memoranda, and counsel to the Commissioners and staff in most of these dockets. The Legal Division prepared 188 orders in active agency dockets including audits, tariff matters, contested cases, debt issuances, mergers, transfers of authority, requests for new and expanded certificates of public convenience and necessity, local franchise and special contract approvals, investigations, and show cause actions. In addition, the Division drafted 53 notices of approval of interconnection agreements.

Finally, the Legal Division opened and pursued 28 contested case or show cause proceedings on behalf of the Board, and Division staff drafted 6 initial orders of determination in these cases.

Utilities Division

David Foster, Director

Mission

To provide the Commissioners of the TPUC with detailed technical and financial analyses to aid the Commissioners in making informed decision on issues related to the establishment of just and reasonable rates for public utilities, audits results, new certificates of service and telecommunications issues related to the continued development of competitive markets.

The division is comprised of 10 full-time and two-part-time employees with diversified experience and background. The Staff's credentials and background consist mainly of Certified Public Accountants along with an engineer. The Staff has over 200 years of combine experience in the utility industry.

The division is responsible for analyzing all utility petitions relating to rate changes for investor owned electric, gas, telecommunications, water and wastewater service utilities operating within the state. Of note, the Commission regulates rates for approximately 380,000 residential, commercial and industrial customers receiving natural gas service in Tennessee (primarily Chattanooga, and the metro Nashville area), 47,000 electric customers in the Kingsport, and 73,000 water customers in Chattanooga, while maintaining regulatory oversight over approximately 150 individual water and wastewater systems.

The financial analysis focuses on establishing a reasonable return the utility can earn on its investment as well establishing a reasonable amount of prudent expenses to be recovered. The division also develops and recommends rate designs for customer classes, e.g., residential, commercial and industrial. Each utility segment also has unique characteristics and distinctive federal and state mandates for review.

The division works closely together with smaller utilities especially water and wastewater, in order to ensure their viability, both financially and from a quality of service standpoint. The larger utilities (e.g., Piedmont Natural Gas, Atmos Energy, Chattanooga Gas, Tennessee American Water and Kingsport Power) are continually monitored from a financial/rate standpoint. The division also conducts a series of annual audits on utilities regarding their financial status and for compliance with TPUC rules and applicable state and federal laws, orders and tariffs.

Appendix A

Significant TPUC Proceedings for the 2017-2018 Fiscal Year Include:

TPUC Dockets

- Application of BellSouth Telecommunications, Inc. d/b/a AT&T Tennessee for a State-Issued Certificate of Franchise Authority, Docket No. 08-00115.
- Petition of Budget Phone, Inc. for Designation as an Eligible Telecommunications Carrier, Docket No. 05-00228.
- Petition of Chattanooga Gas Company for a General Rate Increase, Implementation of the EnergySmart Conservation Programs and Implementation of A Revenue Decoupling Mechanism, Docket No. 09-00183.
- Petition of Piedmont Natural Gas Company, Inc. for Approval of a CNG Infrastructure Rider to Its Approved Rate Schedules and Service Regulations, Docket No. 14-00086.
- Petition of Tennessee-American Water Company for the Reconciliation of the 2016 Capital Riders, Docket No. 16-00022.
- Petition of Atmos Energy Corporation to Revise Performance Based Ratemaking Mechanism Tariff, Docket No. 16-00028.
- Petition of Tennessee Wastewater Systems, Inc. for Approval of Adjustment of Its Rates and New Tariff, Docket No. 16-00139.
- Petition of Tennessee Wastewater Systems, Inc. for Approval of the Capital Improvement Surcharges and Financing Arrangements for the Wastewater Systems Located at Maple Green and Cedar Hill Subdivisions in Robertson County, Tennessee, and at Smoky Village Subdivision in Sevier County, Tennessee, Docket No. 16-00096.
- Petition of Tennessee-American Water Company Regarding The Production Costs and Other Pass-through Rider, Docket No. 16-00148.
- Petition of Atmos Energy Corporation For Approval of Its 2017 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(D)(6), Docket No. 17-00012.
- Complaint of Milcrofton Utility District Against John Powell and/or King's Chapel Capacity, LLC, Docket No. 17-00013.
- Petition of Integra Water Tennessee, LLC. for a CCN and Authority to Charge Rates in Casey Cove Subdivision Located in DeKalb County, Tennessee, Docket No. 17-00014.
- Petition of Atmos Energy Corporation for Approval of Negotiated Franchise Agreement with the City of Murfreesboro, Tennessee, Docket No. 17-00016.
- Petition of Tennessee-American Water Company in Support of the Calculation of the 2017 Capital Recovery Riders Reconciliation, Docket No. 17-00020.
- Petition of Kingsport Power Company D/B/A AEP Appalachian Power for Approval of Its Targeted Reliability Plan, and Its TRP & MS Rider, an Alternative Rate Mechanism, Docket No. 17-00032.
- Audit of Atmos Corporation's Incentive Plan Account for the Period of April 1, 2016 through March 31, 2017, Docket No. 17-00044.
- Petition of Tri-County Fiber Communications, LLC For A CCN to Provide Competing Local Telecommunications Services in Tennessee, Docket. 17-00053.
- Petition of Cartwright Creek, LLC for Approval to Use Escrowed Funds, Docket No. 17-00061.
- Audit of Chattanooga Gas Company's Weather Normalization Adjustment for the Period November 1, 2016 to April 30, 2017, Docket No. 17-00062.
- Audit of Atmos Energy Corporation's Weather Normalization Adjustment for the Period October 1, 2016 to April 30, 2017, Docket No. 17-00063.
- Audit of Piedmont Natural Gas Company's Weather Normalization Adjustment for the Period October 1, 2016 to April 30, 2017, Docket No. 17-00064.
- Application of Monster Broadband, Inc. for a Certificate to Provide Competing Local Telecommunications Services, Docket No. 17-00065.
- 2017 Annual State Certification of Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R. 54.314, Docket No. 17-00068.
- Application of Premier Satellite LLC for a Certificate of Public Convenience and Necessity to Provide Competing Local Telecommunications Services, Docket No. 17-00069.
- Petition for Approval of Cartwright Creek, LLC, to Amend Service Territory to Include the Spanntown Development in Williamson County, Tennessee, Docket No. 17-00076.
- Piedmont Natural Gas Company, Inc. Performance Incentive Plan Report for the Period July 1, 2016 through June 30, 2017, Docket No. 17-00086.
- Petition of Kingsport Power Company d/b/a AEP Appalachian Power Requesting the Tennessee Public Utility Commission Commence a Contested Case to Resolve in Kingsport's Favor a Boundary Dispute, Docket No. 17-00087.
- Chattanooga Gas Company's Annual Incentive Plan Filing for the Twelve Months Ended June 30, 2017, Docket No. 17-00089.
- Atmos Energy Corporation's 2017 ARM Filing, Docket No. 17-00091.
- Request of Chattanooga Gas Company for Approval of Request for Proposal (RFP) for Asset Management and Agency Agreement and Gas Purchase and Sales Agreement, Docket No. 17-00093.
- Petition of Receivership Management, Inc., Solely in Its Capacity as Receiver of the Laurel Hills Water System in Receivership, for a Provisional Certificate of Public Convenience and Necessity, Docket No. 17-00098.
- Petition of Tennessee Water Service, Inc. For Approval of an Interim Emergency Wildfire Restoration Surcharge, Interim Emergency Water Service Availability Surcharge, Interim Emergency Make-Whole Surcharge, and an Interim Emergency Operation Cost Pass-through Mechanism, Docket No. 17-00108.

- Petition of SQF, LLC, for Certificate To Provide Competing Local Telecommunications Services, Docket No. 17-00109.
- Petition of Spirit Broadband, LLC, for State Issued Certificate Of Cable Franchise Authority, Docket No. 17-00110.
- Application of Ardmore Telephone Company Incorporated for a Certificate of Public Convenience and Necessity to Provide Intrastate Telecommunication Services Statewide, Docket No. 12-00112.
- Petition of Superior Water Service, LLC, for a CCN to Provide Water Service to a Portion of King's Chapel Subdivision in Williamson County, Tennessee, Docket No. 17-00120.
- Petition of Tennessee-American Water Company Regarding the 2018 Investment and Related Expenses Under the Qualified Infrastructure Investment Program Rider, the Economic Development Investment Rider, and the Safety and Environmental Compliance Rider, Docket No. 17-00124.
- Petition of United Way of Metropolitan Nashville to Partner with Heart of Florida United Way for the Provision of 2-1-1 Services Across 42 Counties in Middle Tennessee, Docket No. 17-00125.
- Petition of Atmos Energy Corporation for Approval of Negotiated Franchise Agreement with the Town Of Bluff City, Tennessee, Docket No. 17-00130.
- Rulemaking to Revise References in Rules Consistent with Name Change to Tennessee Public Utility Commission, Docket No. 17-00135.
- Rulemaking to Delete Obsolete Rule and Promulgate New Rule Related to Access to Public Records of the TPUC, Docket No. 17-00136.
- Request of Chattanooga Gas Company for Approval of Asset Management and Agency Agreement and Gas Purchase and Sale Agreement, Docket No. 17-00137.
- Show Cause Proceeding Against the City of Clarksville, Tennessee, for Violations of the TPUC Gas Pipeline Safety Rules, applicable State and Federal Law, and for Failure to Comply with Settlement Agreement, Docket No. 17-00139.
- Counce Natural Gas Actual Cost Adjustment for the Period October 1, 2016 through September 30, 2017, Docket No. 17-00141.
- Petition of Tennessee Wastewater Systems, Inc., to Amend Certificate of Convenience and Necessity to Include Sweet Apple Hill, a Development in Williamson County, Tennessee, Docket No. 17-00145.
- Tennessee Public Utility Commission Investigation of Impacts of Federal Tax Reform of Public Utility Revenue Requirements, Docket No. 18-00001.
- Atmos Energy Corporation Petition to Change Certain ARM Dates, Docket No. 18-00003.
- Application of United Telephone Company for Approval to Enter Price Regulation, Docket No. 18-00007.
- Application of Vero Fiber Networks, LLC, to Provide Competing Local Telecommunications Services in Tennessee, Docket No. 18-00008.
- Petition of West Kentucky and Tennessee Telecommunications Cooperative Corporation for a Certificate of Public Convenience and Necessity to Provide Intrastate Telecommunications Service Statewide, Docket No. 18-00013.
- Petition of Chattanooga Gas Company for Approval of an Adjustment in Rates in Tariff; the Termination of the AUA Mechanism and the Related Tariff Changes and Revenue Deficiency Recovery; and an Annual Rate Review Mechanism, Docket No. 18-00017.
- Application of SVE Connect, LLC, for a State-Issued Certificate of Cable Franchise Authority, Docket No. 18-00020.
- Petition of Tennessee-American Water Company in Support of the Calculation of the 2018 Capital Recovery Riders Reconciliations, Docket No. 18-00022.
- Petition of Tennessee Wastewater Systems, Inc., for Approval of Financing Arrangement, Docket No. 18-00029.
- Show Cause Proceeding Against Chattanooga Gas Company for Violations of the TPUC Gas Pipeline Safety Rules, Applicable Federal Safety Regulations and Law, Docket No. 18-00032.
- Response of Atmos Energy Corporation to the Commission's Order Opening an Investigation and Requiring Deferred Accounting Treatment, Docket No. 18-00034.
- Chattanooga Gas Company's Compliance and Filing Report (as Ordered for Investigation by the Commission), Docket No. 18-00035.
- Filing of Kingsport Power Company d/b/a AEP Appalachian Power in Response to Tennessee Public Utility Commission Investigation of Impact of Federal Tax Reform on the Revenue Requirements of KGPCO, Docket No. 18-00038.
- Tennessee-American Water Company's Response to Commission's Investigation of Impacts of Federal Tax Reform on the Public Utility Revenue Requirements, Docket No. 18-00039.
- Compliance Filing of Piedmont Natural Gas Company, Inc. Regarding the Impact of Federal Tax Reform on the Public Utility Revenue Requirements, Docket No. 18-00040.
- Petition of King's Chapel Capacity to Post Alternative Financial Security, Docket No. 18-00050.
- Petition to Tennessee Wastewater Systems, Inc., to Post Alternative Financial Security, Docket No. 18-00053.
- Petition of Cumberland Basin Wastewater Systems to Post Alternative Financial Security, Docket No. 18-00055.
- Atmos Energy Corporation Performance Based Ratemaking Plan Report, Docket No. 18-00065.
- Atmos Energy Corporation's 2018 ARM Filing, Docket No. 18-00067.

Court Proceedings

- Tennessee Regulatory Authority v. Laurel Hills Condominiums Property Owners Association, State of Tennessee Chancery Court for the 13th Judicial District, Cumberland County at Crossville, Tennessee, Case No. 2012-CH-560.
- Laurel Hills Water System, in Receivership, by and through its Court-Appointed Receiver, Receivership Management, Inc., v. Moy Toy, LLC, a Tennessee Limited Liability Company, and Terra Mountain Holdings, LLC, a Georgia Limited Liability Company, State of Tennessee Circuit Court for the 13th Judicial District, Cumberland County at Crossville, Tennessee, Case No. CC1-2016-CV-6201.
- Milcrofton Utility District v. Non-Potable Well Water, Inc.; John Powell; and Tennessee Public Utility Commission, State of Tennessee Chancery Court for the 20th Judicial District, Metropolitan-Nashville Davidson County, Tennessee, Case No. 18-455-IV.
- Milcrofton Utility District v. Non-Potable Well Water, Inc. and John Powell; and Tennessee Public Utility Commission, Tennessee Court of Appeals at Middle Section, Nashville, Tennessee, Case No. M2018-01431-COA-R3-CV.

Underground Utility Damage Enforcement Board

Contested Case and Show Cause Proceedings for the 2017-2018 Fiscal Year Include:

- Contested Case Proceeding Against L&G Construction, Inc. for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U17-0001 (September 20, 2017).
- Contested Case Proceeding Against DR Horton for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U17-0002 (September 20, 2017).
- Contested Case Proceeding Against Cambridge Swinterton Builders for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U17-0003A (September 20, 2017).
- Contested Case Proceeding Against Titan Electric, LLC for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U17-0003B (September 20, 2017).
- Citation Against Brasfield Construction Inc. for Violation Underground Utility Damage Prevention Act, UUDEB Docket No. U17-0004 (December 5, 2017).
- Contested Case Proceeding Against SLS Services, LLC for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U17-0005 (December 5, 2017).
- Contested Case Proceeding Against Pine Enterprises, LLC for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U17-0006 (December 5, 2017).
- Contested Case Proceeding Against Cook Bros. Construction Company, LLC for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U17-0007 (December 5, 2017).
- Show Cause Proceeding Against Maser Plumbing for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U17-0008 (March 23, 2018).
- Show Cause Proceeding Against Leffew Dirt Works and Services for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 17-0009 (March 23, 2018).
- Show Cause Proceeding Against Alpine Plumbing for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 17-0010 (March 23, 2018).
- Contested Case Proceeding Against Holt Plumbing Company, LLC for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U17-0011 (January 30, 2018).
- Contested Case Proceeding Concerning Citation Issued to Dreamhomes, Inc. for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U17-0012 (March 2, 2018).
- Show Cause Proceeding Against PBG of South Carolina, Inc. d/b/a Palm Beach Grading for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0013 (April 5, 2018).
- Show Cause Proceeding Against Flanagan Contracting, LLC for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0014 (April 5, 2018).
- Show Cause Proceeding Against Idell's Landscaping & Excavating for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0015 (April 5, 2018).
- Show Cause Proceeding Against Fenix Construction a/k/a Fenix Underground for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0016 (April 5, 2018).
- Show Cause Proceeding Against Kirby Excavating for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0017 (April 5, 2018).
- Contested Case Proceeding Concerning Citation Issued to Stansell Electric Company, Inc. for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U18-0018 (May 9, 2018).
- Show Cause Proceeding Against Baker's Asphalt & Concrete for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0019 (May 30, 2018).
- Show Cause Proceeding Against Harris Construction for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0020 (May 30, 2018).
- Show Cause Proceeding Against Award Construction for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0021 (June 4, 2018).
- Show Cause Proceeding Against M Squared Custom Homes, LLC for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0022 (June 4, 2018).
- Show Cause Proceeding Against Brad Phillips Landscaping, LLC for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0023 (June 21, 2018).
- Show Cause Proceeding Against Alpha Water Systems for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0024 (June 21, 2018).
- Show Cause Proceeding Against Tomlinson Construction Company for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0025 (June 29, 2018).
- Show Cause Proceeding Against Powell's Sewer & Drain for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0026 (June 29, 2018).
- Show Cause Proceeding Against Jose Hernandez for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. 18-0027 (June 29, 2018).

Appendix B

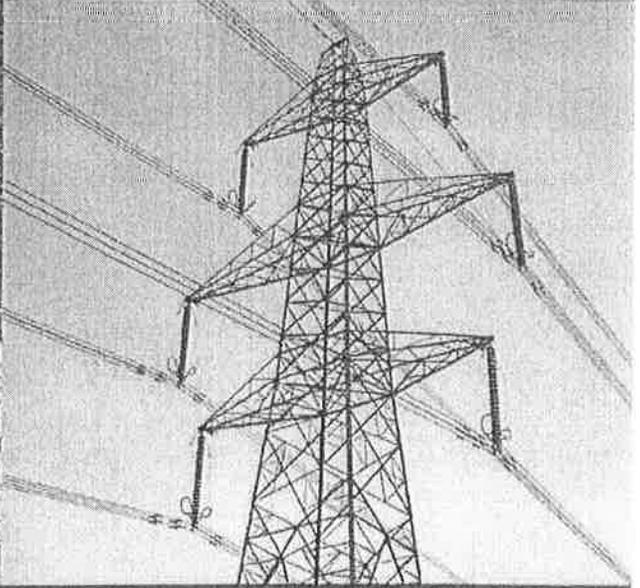
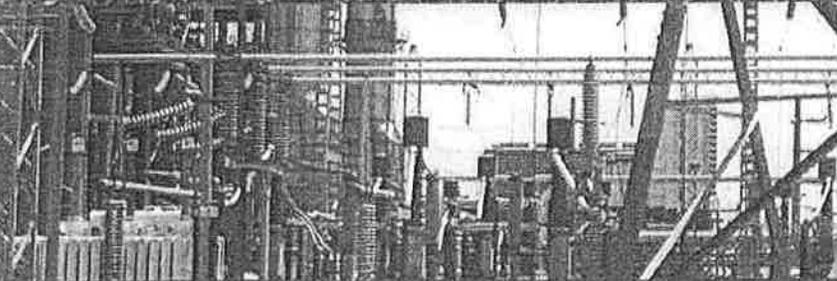
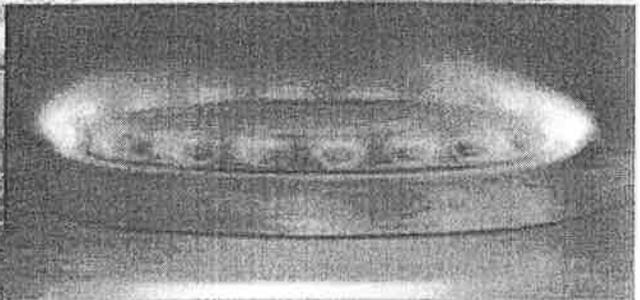
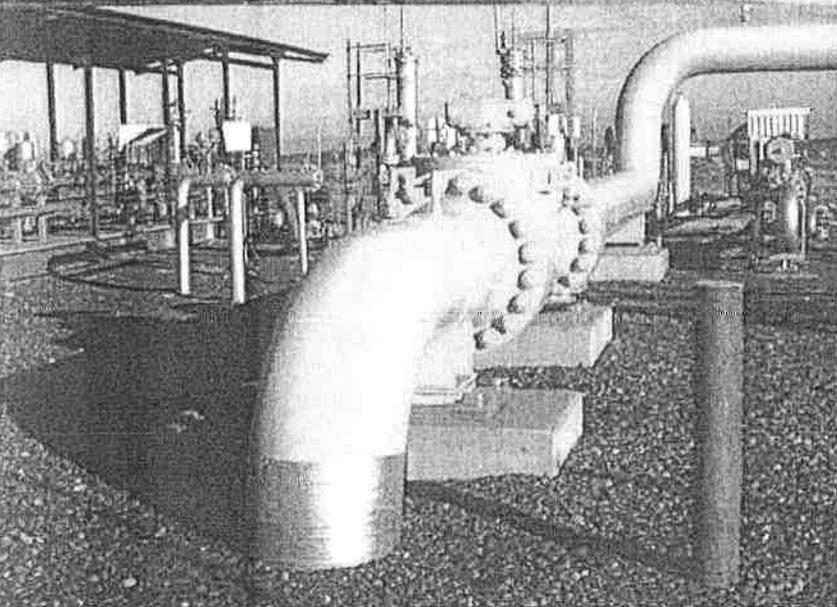
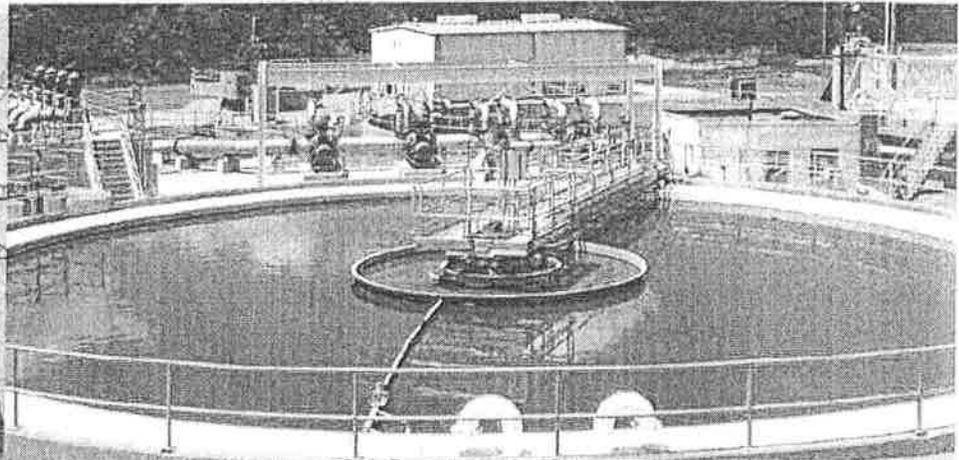
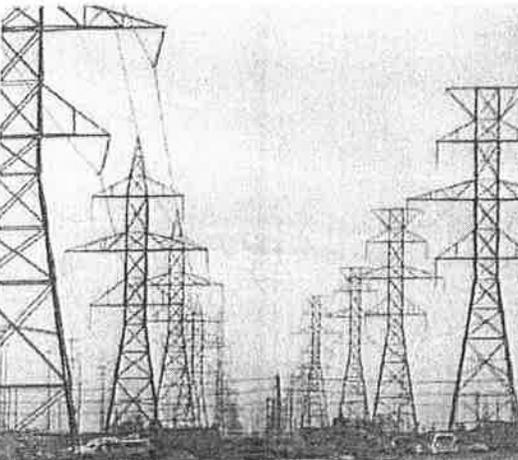
Docket Room and Commission Activity

Formal Case Docket Activity

| Type of Docket | Fiscal 2017-18 (7/1/17 - 6/30/18) |
|---|--------------------------------------|
| Total | 214 |
| Alternative Rate Mechanism & Rate Cases | 22 |
| Cable Franchise | 3 |
| Certificates of Public Convenience & Necessity (CCCN) | 22 |
| Complaints, Investigations, Show Cause | 10 |
| Contracts | 6 |
| Local Franchise Approval | 3 |
| N11/Number Pooling | 5 |
| Name Changes | 8 |
| Notice of Election Market Regulation | 15 |
| Rulemaking | 2 |
| Telecom COCOT/Resellers Authority | 5 |
| Telecom Interconnection/Resale Agreements | 69 |
| Utility Audits | 14 |
| Utility Transfers- Mergers, Financing, Financial Security | 26 |
| Other | 4 |



TENNESSEE PUBLIC UTILITY COMMISSION



2018-2019 ANNUAL REPORT

www.tn.gov/tpuc



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Tennessee Public Utility Commission, Authorization No. 316275, January 2020.

TENNESSEE PUBLIC UTILITY COMMISSION



502 Deadrick Street, 4th Floor
Nashville, Tennessee 37242-0001

February 3, 2020

The Honorable Bill Lee
Governor

The Honorable Randy McNally
Lieutenant Governor

The Honorable Cameron Sexton
Speaker of the House of Representatives

Members of the General Assembly,

It is with great pleasure that I present to you the 2018-2019 Annual Report of the Tennessee Public Utility Commission. This report has been prepared in accordance with Tennessee Code Annotated § 65-1-111.

The Commission continues to have jurisdiction over Tennessee's investor-owned utility companies including electric, telephone, water and wastewater, and natural and methane gas. Further, the Commission serves as the agency that performs the safety inspections of natural gas pipelines that travel across the state and mediates consumer complaints against utility service providers.

Through our numerous consumer outreach efforts, the TPUC continues to provide Tennessee citizens with information that can enhance their daily lives and provide protection and relief from unwanted telephone solicitations and fraudulent activities. Among the Commission's more popular programs are the Tennessee Do Not Call program and the Telecommunications Devices Access Program (TDAP). In addition, the TPUC has initiated efforts to promote safety awareness. The state's underground utilities, through the Underground Utility Damage Prevention Act, is an effort designed to prevent harm to people, property, and underground utility facilities. The provisions of the Act are codified in Tenn. Code Ann. § 65-31-101 et al. of which the TPUC's role is to assist the Underground Utility Damage Enforcement Board by providing administrative and investigative support.

We remain focused on the work that we have been entrusted to perform, as well as the role we play in protecting Tennessee consumers and maintaining an environment that is vigorously competitive. To the members of the Tennessee General Assembly, we look forward to working with you in continued service to the citizens of the Volunteer State.

Warmest Regards,

A handwritten signature in cursive script that reads "Earl Taylor".

Earl R. Taylor,
Executive Director

Telephone 615.741.2904, Toll-Free 1.800.342.8359, Facsimile 615.741.5015
www.tn.gov/tpuc
www.facebook.com/TennesseePUC

Commission Overview

The Tennessee Public Utility Commission, formerly the Tennessee Regulatory Authority, is the governing body to regulate investor owned public utilities in Tennessee. The Commission's mission is to ensure the safe and reliable provision of public utility services to the citizens of Tennessee.

The agency has five Commissioners, each of whom serve on a part-time basis. Two Commissioners are joint appointees selected by the Governor, Lieutenant Governor, and Speaker of the House (Commissioner David F. Jones and Commissioner John Hie). The other three commissioners are appointees of either the Governor (Commissioner Herbert H. Hilliard), Lieutenant Governor (Commissioner Kenneth C. Hill), and Speaker of the House (Commissioner Robin L. Morrison).

Earl R. Taylor was appointed Executive Director of the Tennessee Public Utility Commission in 2012 by Governor Bill Haslam, Lieutenant Governor Ron Ramsey and House Speaker Beth Harwell and reappointed by the commissioners in 2018 to a three year term.

The Executive Director has the principal responsibility of implementing the broad strategies, goals, objectives, long-range plans, and policies of the Commission. Among the Executive Director's duties, which are not limited to, the following list, are to:

- ◊ Serve as chief operating officer of the Commission responsible for the day-to-day management of the Commission and the supervision and hiring of all staff members within the limits of available funds authorized from time to time by the legislature
- ◊ Administer, monitor and review the operating procedures of each division of the Commission ensuring that each employee and division of the Commission fully executes in an efficient and economical manner, the separate duties assigned to each
- ◊ Submit rules and policies for approval by the Commission
- ◊ Implement and administer rules and policies for the efficient and economical internal management of the Commission
- ◊ Coordinate the preparation of the report to the General Assembly as required by Tennessee Code Annotated Section 65-1-111
- ◊ Supervise the expenditure of funds and compliance with all applicable provisions of state and federal law in the receipt and disbursement of funds

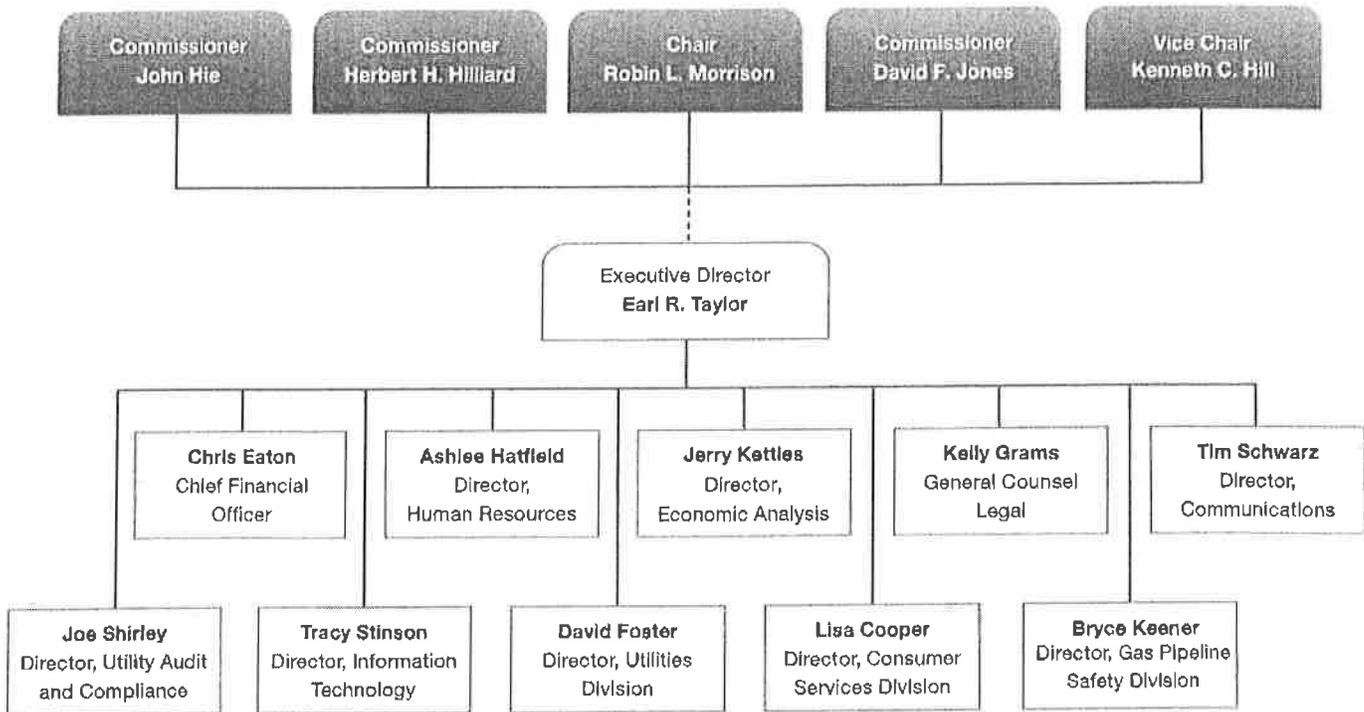
Commission staff includes accountants, administrators, attorneys, consumer specialists, economists, engineers, information technology specialists, a consumer outreach manager, and administrative support.

The Commission has jurisdiction over public utilities including:

- ◊ Electric companies
- ◊ Telephone companies
- ◊ Water and wastewater companies
- ◊ Natural gas companies
- ◊ Methane gas companies

The Commission is financially independent of Tennessee's general fund. The Commission's operational expenses are covered wholly by the industries it regulates, with a small portion coming from the federal government.

Tennessee Public Utility Commission Organization Chart and Staffing Levels



As of June 30, 2019, the TPUC was budgeted for 63 Positions

As of 6/30/19

| TPUC Division | Total Positions | Filled | Vacancies |
|-------------------------------------|-----------------|-----------|-----------|
| Commissioners | 5 | 5 | 0 |
| Executive Director | 1 | 1 | 0 |
| Administrative Staff | 7 | 7 | 0 |
| Communications and External Affairs | 1 | 1 | 0 |
| Consumer Services | 13 | 10 | 3 |
| Gas Pipeline Safety | 9 | 9 | 0 |
| Information Technology | 2 | 1 | 1 |
| Legal | 8 | 6 | 2 |
| Utilities | 15 | 8 | 7 |
| Underground Damage Prevention | 2 | 2 | 0 |
| Total Positions | 63 | 50 | 13 |

Commission Leadership



Earl R. Taylor,
Executive Director

Earl R. Taylor was appointed to the Tennessee Public Utility Commission as Executive Director in 2012 by Governor Bill Haslam, House Speaker Beth Harwell, and Lt. Governor Ron Ramsey and reappointed by the

Commission in 2018 to another three year term.

Taylor received a Bachelor of Science degree from the University of Tennessee at Knoxville and a Juris Doctor from the University of Memphis School of Law. He began his career as an attorney in his hometown of Johnson City.

Later professional endeavors included the development of WKXN-TV, the CBS Television affiliate in Knoxville, and the subsequent launch of the Warner Brothers affiliate in the same market. Most recently, Taylor has been a franchisee of Panera Bread, developing bakery-cafes in Florida, Texas, and Louisiana.

Actively engaged in his community, he has served as a mentor in the Knoxville Fellows program, as a commissioner for the Metropolitan Knoxville Airport Authority, and on the Knoxville Young Life Committee. As Executive Director of the TPUC, he functions as the Commission's Chief Operating Officer, responsible for the agency's administrative duties and responsibilities. Mr. Taylor is married to Sheryl Dawson Taylor. They have four children and ten grandchildren.



Robin L. Morrison,
Chair

Robin L. Morrison was appointed to the TPUC by House Speaker Beth Harwell in 2013 and reappointed in 2015. Ms. Morrison currently serves as a Vice President and financial center manager for one of the South's largest

banks, First Tennessee, and brings to the TPUC broad experience in customer relations, business management, and federal and regulatory compliance.

A graduate of the University of Tennessee at Chattanooga with a bachelor's degree in business administration-finance, Ms. Morrison possess a comprehensive background in banking and finance and has obtained her Series 6/63 financial licenses to sell securities, as well as being licensed to sell life and health insurance.

In addition, Ms. Morrison is a graduate of both the Southeastern School of Banking and Leadership Chattanooga. She is active in leadership roles in her community, having served on the boards of the South Board of Redevelopment Group, Junior League of Chattanooga, and the Chattanooga Chamber of Commerce's Southside Council. She is also a member of the Chattanooga Women's Leadership Institute.

Commission Leadership (cont.)



**Dr. Kenneth C. Hill,
Vice Chair**

Dr. Kenneth C. Hill, a native of Morrison City (North Kingsport), was appointed to TPUC by Lt. Governor Ron Ramsey in 2009 and reappointed in 2016.

Since his appointment, Dr. Hill has served as Chairman of TPUC and is currently active with the National Association of Regulatory Utility Commissioners (NARUC) and the Southeastern Association of Regulatory Utility Commissioners (SEARUC). He presently serves as SEARUC's second Vice President. He is a member of the NARUC Committee on Water, the NARUC Committee on International Relations, and the NARUC Subcommittee on Clean Coal Carbon Sequestration.

Dr. Hill was formally a member of the International Confederation of Energy Regulators (ICER), and the ICER Working Group for Small Energy Consumers, as well as a former mentor in the ICER Women In Energy Mentoring Program.

Dr. Hill has been a presenter at the NARUC and SEARUC annual meetings. He has also been a presenter and participant at the National Association of Water Companies (NAWC) Water Summit, the NAWC Commissioners' Forum, and the Emerging Issues Policy Forum (EIPF) (Energy) multiple times. Additionally, he has been a panelist at the NAWC Southeastern Chapter Conference, as well as the United States' Department of Energy Industrial Energy Efficiency Conference in Little Rock, Ark.

During his tenure with TPUC, he has also served as a member of the Tennessee State Information Systems Council; member of the Board of the Organization of PJM States, Inc. (OPSI); member of the Eastern Interconnection States Planning Council (EISPC); delegate to the 5th and 6th World Forum on Energy Regulation (WFER); and a Tennessee Team Member of the National Governors' Association Policy Academy on Enhancing Industry through Energy Efficiency and Combined Heat and Power.

Dr. Hill has been active in communications and broadcasting all of his adult life, having been involved for more than four decades in virtually every aspect of radio. For the past thirty-eight years, Dr. Hill has been President and CEO of the nonprofit Appalachian Educational Communication Corporation (AECC) in Bristol, Tennessee. AECC is the

licensee of WHCB 91.5 FM. Dr. Hill has also provided consulting services for the past thirty-six years in the areas of technical writing and editing, public relations, proposal writing and editing, independent R&D documentation, government relations, corporate and business communication, media acquisition, media appraisal, and media utilization.

He earned his Bachelor of Science degree in Speech (Broadcasting) and History from East Tennessee State University; a Master of Science degree in Speech (Broadcasting) from Indiana State University; a Bachelor of Arts degree in Biblical Studies from Baptist Christian College; a Master of Religious Education from Manahath School of Theology; and a Doctor of Religious Education from Andersonville Baptist Seminary. Dr. Hill and his wife, Janet, reside in Blountville. They have one daughter, Lydia, who serves as a nurse, and two sons: Matthew, who serves as the 7th District Tennessee State Representative, and Timothy, who serves as the 3rd District Tennessee State Representative.



**John Hie,
Commissioner**

Commissioner Hie was born in a small village outside of Dachau, Germany to parents that fled Hungary in January of 1945, as the Red Army was fighting in and around Budapest. Along with a small caravan of ox carts, his family moved across Hungary

and Austria and settled in Bavaria, Germany. Eventually John and his four siblings, along with their mother and father, left the seaport town of Bremerhaven, Germany on board the General Adolphus Greeley and arrived in the United States at the port of New Orleans in October of 1951. The Hie family came to the U.S. as part of the Displaced Persons Act, an act on the part of the federal government authorizing the admission into the U.S. a limited number of Europeans displaced following World War II. The Hie family's admission into the U.S. was sponsored by a farmer in Maury County, Tennessee; and following their transition to Middle Tennessee, the Hie family immediately began to learn the English language and the culture of the south.

Commissioner Hie attended grammar school in a two room school house and graduated from Columbia Central High School in Columbia, Tennessee. At that time, there were several smokestack industries in Maury County that provided jobs for summer employment. These jobs, along with some scholarships, paid for Commissioner Hie's college education.

Commission Leadership (cont.)

Commissioner Hie graduated from the University of Tennessee's College of Pharmacy in 1969 and was drafted into the army the following year. His pharmacy training enabled him to work as a pharmacist at Walter Reed Army Medical Center, which he described as an invaluable experience. After an honorable discharge from the army, Commissioner Hie and a business partner opened their own drugstore and ran it for ten years before selling it.

Commissioner Hie transitioned from the world of pharmacy to the world of finance, beginning work for the venerable J.C. Bradford investment firm in 1984 advising clients about their investments. After the sale of J.C. Bradford in the year 2000, John went to work for investment firm Stephens, Inc. of Little Rock, Arkansas. John eventually retired from Stephens in 2015 to spend more time with family and friends, although he still works a few hours a week at Carezone Pharmacy in Nashville. John and his wife Trish have one son, one daughter-in-law, one grandson AJ, and one grand-dog named Luna.



Herbert H. Hilliard,
Commissioner

Commissioner Hilliard was appointed to the Tennessee Public Utility Commission in 2012 by Governor Bill Haslam and reappointed in 2017.

Commissioner Hilliard served as Executive Vice President and Chief Government Relations Officer for First Horizon National Corporation. In this role, he was responsible for the corporation's lobbying activities at the federal and state levels. He is a forty-three-year veteran of the company, having joined First Horizon in 1969 after earning a BBA in Personnel Administration and Industrial Relations from the University of Memphis. Prior to his current role, he was Executive Vice President and Chief Risk Officer. Commissioner Hilliard retired from First Horizon National Corporation on September 26, 2012.

Commissioner Hilliard is active in the community, currently serving as Chairman of the Board of Directors of The National Civil Rights Museum and he is a Board Member of BlueCross BlueShield of Tennessee.

He was Chairman of the Memphis Housing Authority Board from 1992-1993, Chairman of the United Way General Fund Drive in 1987, and Chairman of the Annual NAACP Freedom Fund Dinner in 1988. He is a past member of the Memphis Park

Commission, the University of Memphis National Alumni Board, the University of Memphis Foundation Board, and the Boards of Directors for the Chickasaw Council of the Boy Scouts of America and the Memphis Convention and Visitors Bureau. From 2000 to 2005, he was Chairman of the Board of BlueCross BlueShield of Tennessee, and he is currently Chairman of the Finance Committee of BlueCross BlueShield of Tennessee.

Commissioner Hilliard has completed additional studies at the Southwestern Graduate School of Banking at Southern Methodist University, the Tennessee Executive Development Program at the University of Tennessee Knoxville, Cornell University's Executive Development Program, and Crosby Quality College.



David F. Jones,
Commissioner

Commissioner Jones was reappointed to the Commission by Governor Bill Haslam, Lt. Governor Randy McNally, and House Speaker Beth Harwell in 2018. He is the Commission's past Chairman and serves on the National Association

of Regulatory Utility Commissioners (NARUC) Gas Committee.

Commissioner Jones is CEO and President of Complete Holdings Group, a complex medical claims (workers' compensation, motor vehicle accidents, and Veterans Administration) revenue cycle solutions company to more than (700) hospitals across 39 states. Commissioner Jones spent 29 years in the energy industry with the nation's largest natural gas interstate transmission company where he worked as an executive in a variety of areas, including Field Operations and Human Resources. He has been at Complete Holdings Group since 2009, and he serves on a number of boards including the Tennessee Center for Performance Excellence. He is a certified facilitator/executive coach to CEOs and owners of private businesses where he helps these entrepreneurs to scale their businesses.

Commissioner Jones obtained a B.S. in Business from the University of Tennessee in Knoxville and an MBA from the University of Houston. He is the author of the book "Surviving and Thriving After Losing Your Job." He and his wife have been married over 40 years and have two children and six grandchildren.

Our Mission

To ensure the safe and reliable provision of public utility services to the citizens of Tennessee.

The Commission's mission is fulfilled through three major operational components: consumer assistance and regulatory oversight of utility operations, market conditions, and public safety of underground utilities.

Consumer Assistance Component

The Commission offers an efficient forum for the filing, investigation, and hearing of consumer complaints against regulated utilities. The Commission also engages in consumer outreach activities in an effort to educate consumers on its services and the regulated utilities.

The Commission manages consumer-friendly programs such as the Do Not Call Program, the Do Not Fax Program, the Telecommunications Devices Access Program (TDAP), the National Deaf & Blind Equipment Distribution Program (iCanConnect), and the LifeLine telephone assistance program. The FCC assumed jurisdiction over the Lifeline program near the end of the fiscal year and eliminated all states' responsibilities associated with it.

Regulatory Oversight Component

The Commission has regulatory oversight over privately-owned utilities serving Tennessee consumers. The Commission provides an accessible and efficient process that is fair and unbiased. Through this process, the Commission evaluates many items including requests for rate modifications, applications for authority to provide service, requests for approval of financing transactions, requests for approval of mergers, petitions for transfer of authority to provide service, numbering appeals, requests for numbering allocations, requests for rule modifications, petitions for approval of interconnection agreements and utility-to-utility complaints. The Commission also monitors utility markets to evaluate current trends and determine the need for future action.

Underground Utility Damage Prevention

As delegated by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration, the Commission ensures the safety of natural gas distribution and transmission pipeline facilities in the state.

The Commission seeks to ensure the protection of the state's underground utility infrastructure. As such, the Underground Utility Damage Prevention Act, signed into law in 2015, is designed to prevent harm to people, property, and underground utility facilities. The provisions of the Act are codified in Tenn. Code Ann. § 65-31-101 et al., and the Commission's role is to assist the Underground Utility Damage Enforcement Board by providing administrative and investigative support on matters related to underground utilities.

Utilities Under the Commission's Jurisdiction

The following are the number of utilities under the jurisdiction of the Tennessee Public Utility Commission as of June 30, 2018.

Energy and Water

| | |
|--------------------------------|----|
| Electric | 4 |
| Natural Gas Pipeline Companies | 7 |
| Water & Wastewater | 19 |
| Methane Gas Provider | 1 |

Telecommunications

| | |
|---|-----|
| Competing Telephone Service Providers | 144 |
| Customer Owned-Coin Operated Telephone Providers | 31 |
| Incumbent Telephone Companies | 26 |
| Resellers and Operators Service Providers, Long Distance Facility Providers | 197 |

Gas Pipeline Safety

| | |
|---------------------------------------|----|
| Intrastate Pipeline | 16 |
| Liquefied Natural Gas (LNG) Operators | 2 |
| Master Meters | 26 |
| Municipalities | 69 |
| Utility Districts | 23 |
| Private Utilities | 6 |

| | |
|-------------------------------|------------|
| Total Public Utilities | 571 |
|-------------------------------|------------|

Budget Summary

Appropriations, Fees, and Expenditures

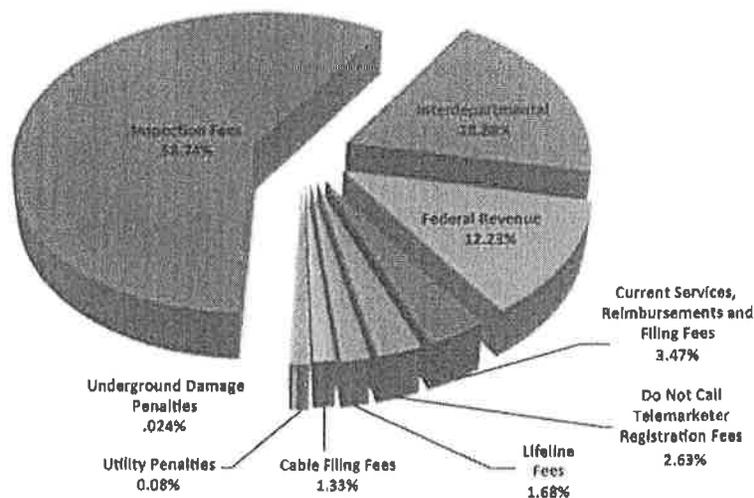
The Tennessee Public Utility Commission (TPUC) budget for fiscal year 2018-19 (FY 18-19) was \$10,193,600. Actual expenditures by the agency during the fiscal year totaled \$8,134,600. This represented a total savings of \$2,059,000 (20.2%) from budgeted expenditures.

Total revenues collected by the TPUC during FY 18-19 were \$8,747,800. The majority of the revenue was derived from utility inspection fees paid by the public utilities regulated by the Commission. Total inspection fee revenue collected during FY 18-19 was \$5,341,400. In addition to inspection fee revenue, the TPUC received \$1,558,200 in interdepartmental revenue related to the TDAP/Relay program; \$1,009,700 in federal revenue; \$217,900 in registration fees from telemarketers for the "Do Not Call" program; \$20,000 in penalties collected by the Underground Utilities Damage Enforcement Board; \$110,000 in annual fees from cable companies; \$3,000 in filing fees; \$65,900 in fines paid by utilities; \$421,700 in current services revenue of which \$138,600 is attributable to lifeline verification fees; and \$283,100 attributable to reimbursements related to the Underground Utilities Damage Enforcement Board.

All TPUC revenues, except for revenue received from contributions for TDAP and penalties levied by the Underground Utilities Damage Enforcement Board are earmarked for the Public Utilities Account and are to be used to defray the cost of operations by the TPUC. Should revenues in future fiscal years not be sufficient to cover the costs of the TPUC for a given fiscal year, the deficit would be funded by the Public Utilities Reserve Account. As of June 30, 2019, the Public Utilities Reserve Account balance was \$6,254,500. The TDAP Program revenue is specifically earmarked for the purchase of TDAP equipment for the qualifying disabled citizens of Tennessee and the administration of the program. The TDAP Reserve Account had a balance of \$679,700 as of June 30, 2019. The Underground Utilities Damage Fund had a balance of \$26,900.

The TPUC also funds the majority of the administrative costs of the Office of State Assessed Properties which is part of the office of the Tennessee Comptroller of the Treasury. For FY 18-19, the TPUC's total inspection fee revenue of \$5,341,400 was reduced by \$493,500 for its share of the subsidization of the cost of the Office of State Assessed Properties. Due to this reduction, net utility inspection fee revenues were \$4,847,900 and net revenues to the agency for FY 18-19 totaled \$8,254,300.

TPUC FY 18-19 Revenues



The FY18-19 actual inspection fee revenue received by the TPUC was \$5,341,400. However, this amount was reduced by \$493,500 for the amount charged to TPUC for its share of the cost of the Office of State Assessed Properties.

Consumer Services Division

Lisa Cooper, Director
Stacy Balthrop, Deputy Director

Mission

To ensure consumers receive an adequate level of service from regulated companies and to educate consumers regarding changes and new programs in the regulated utility sector. This mission is accomplished through monitoring services utilities provide using quality of service reports and test, initiating investigations, and mediating consumer-utility disputes resulting from consumer complaints.

Duties include:

The Consumer Services Division ("CSD") is responsible for monitoring the quality of services provided by regulated utilities and enforcing the rules and regulations of the Commission. One aspect of this responsibility is to investigate and mediate consumer complaints filed against regulated utilities pursuant to T.C.A. § 65-4-119, 65-4-401 et seq., and 65-4-501 et seq.

The CSD also performs other functions such as: administering the Do Not Call telemarketing initiative through the registration of telemarketing companies and maintaining the Do Not Call Register; administering the Do Not Fax Program which is designed to prevent unsolicited faxes; and certifying the Lifeline Telephone Assistance Program candidates based on income and qualified public assistance.

The CSD administers the Telecommunications Devices Access Program ("TDAP"), which is designed to improve access to the telephone network by distributing equipment to assist individuals with disabilities. Additionally, the CSD monitors the operation of the Captioned Telephone and Tennessee Relay Center for individuals with a hearing loss or speech disability.

The CSD provides recommendations in enforcement actions involving utilities and telemarketing solicitors not in compliance with state law or the rules and regulations of the Commission.

Major Activities

- Received 752 consumer complaints filed against utility companies
- Distributed 744 TDAP devices to Tennessee residents qualifying for assistive communication devices
- The Tennessee Relay Service call center processed approximately 136,350 calls during the fiscal year
- Administratively reviewed the reported operational practices of the Tennessee Relay Center to ensure that it is

- complying with the Commission's rules and regulations
- Received 187 Underground Utility Damage prevention complaints

The CapTel Service is designed to assist individuals who are late deafened or hard of hearing to make and receive telecommunications calls with a captioning feature offered by this service. The CapTel Service processed approximately 132,052 calls during the fiscal year.

- Administratively reviewed the reported operational practices of the Tennessee CapTel Service to ensure that it is complying with the Commission's rules and regulations.

At the end of the fiscal period, 5,376,518 Tennesseans registered with the "Do Not Call" program and 230 active telemarketers had registered as solicitors.

The Commission received 750 "Do Not Call" telemarketing complaints by consumers against telemarketing companies. During the fiscal year 2018 the Commission also received six fax complaints from consumers involving unsolicited facsimiles during the fiscal year.

Communications & External Affairs Division

Tim Schwarz, Director

Mission

The mission of the Communications and External Affairs Division is to advance and support the Tennessee Public Utility Commission's larger role of promoting the public interest through consumer outreach & education, external & internal communication, legislative and policy initiative and Title VI compliance.

The duties of the Division include responding to media inquiries on matters related to the Commission's regulatory jurisdiction and providing timely responses to requests for information from media outlets, utility regulatory trade publications and other utility industry organizations. In addition, the Division prepares and provides communications counsel to staff in handling media interviews.

The Division writes and issues press releases on the Commission's regulatory actions, manages its social media

continued on next page

pages, and oversees the agency's special reports, including its Annual Report to the Tennessee General Assembly, its Title VI Report to the Tennessee Human Rights Commission and Affirmative Action report to the Tennessee Division of Human Resources. The Division ensures that compliance is maintained for the agency's forms and documents and engages in consumer outreach to inform the general public of the Commission's programs and services. The legislative and policy activities of the Division are predicated on the principle of protecting the agency's interests and priorities at the state legislature. There are a number of ways which include, but are not limited to, assisting the agency in framing policy; drafting legislation and amendments; and representing the agency as an advocate, in support of or against legislation. The agency identified and influenced 145 bills during the 110th Tennessee General Assembly and is on the same pace after the first year of the 111th Tennessee General Assembly.

Economic Analysis

Jerry Kettles, Director

Mission

The primary function of the TPUC's Economist (TE) is to conduct research and formulate recommendations on economic and policy matters pending before the Commission.

The TE is responsible for crafting recommendations concerning cost of capital and the return on equity in rate case proceedings. The TE provides analytic support to other groups within the TPUC on a diverse range of topics including financial derivatives used in the natural gas industry, implementation of orders issued by the Federal Communications Commission and interpretation of statistical analysis. The TE identifies and analyzes market trends that may impact regulation or consumers in natural gas, electric, water, wastewater, and telecommunications markets. The TE also has responsibility for analysis of mergers, acquisitions and the issuance of financial instruments by public utilities. The TE often coordinates agency staff and rule making actions initiated by the agency. The TE also produces several reports for the agency and completes special projects as requested by the Executive Director and Commissioners.

Gas Pipeline Safety Division

Bryce Keener, Director

Travis Aslinger, Deputy Director

Mission

The mission of the TPUC's Gas Pipeline Safety Division (GPSD) is to contribute to the safety and reliability of natural gas distribution and transmission pipeline facilities and to minimize the risk to public health and safety associated with the accidental release of natural gas.

Chapter 601, Title 49 of the United States Code provides the statutory basis for the pipeline safety program. Chapter 601 establishes a framework for promoting pipeline safety through Federal delegation to the States for all or part of the responsibility for intrastate pipeline facilities under annual certification or agreement. Chapter 601 authorizes Federal grants-in-aid of up to 80 percent of a State agency's personnel, equipment, and activity costs for its pipeline safety program.

The State of Tennessee enters into certification agreement each year with the Secretary of the Department of Transportation and accepts the responsibility for regulation of intrastate natural gas pipeline facilities. The program is administered by the DOT Pipeline and Hazardous Materials Safety Administration (PHMSA) and the TPUC is the regulating state agency. The GPSD enforces safety regulations in accordance with the Tennessee Code Annotated ("Tenn. Code Ann.") § 65-2-102, the Tennessee Comprehensive Rules and Regulations ("Tenn. Comp. R. & Regs.") 1220-04-05 and Title 49 of the Code of Federal Regulations ("CFR") Chapter 1, Subchapter D, Parts 191, 192, 193, 195 and 199 as incorporated in the Tennessee rules by reference.

Natural gas is transported statewide through approximately 40,000 miles of distribution and transmission lines that provide service to over 1,356,000 customers. Distribution operators range in size from 8 to 307,000 customers and include 6 private companies, 70 municipalities, 24 utility districts, 2 liquefied natural gas plants and storage facilities, 7 apartment complexes, and 18 housing authorities. There are 18 jurisdictional intrastate transmission lines.

All natural gas operators are required by code to maintain records, compile reports, update operation and maintenance plans, and promptly repair hazardous leaks. The GPSD has 9 inspectors who logged a total of 762 inspection days this past year.

Information Technology Division

Tracy Stinson, Director

Mission

The mission of the Information Technology Division (IT) is to provide, support, and protect hardware and software computer systems used by the staff of the Tennessee Public Utility Commission. The Division strives to meet the professional needs of its own staff members through training, team building, challenging work, recognition and personal and professional growth.

The division consists of an IT Chief and Executive Assistant.

Duties of the Information Technology Division:

- ◊ Develop the Information Systems three year plan
- ◊ Develop and maintain the Commission LAN
- ◊ Procure and maintain Commission desktop computer systems
- ◊ Develop new software systems
- ◊ Monitor software license needs
- ◊ Enforce state network acceptable usage policy
- ◊ Provide information resource training to Commission staff and IT staff
- ◊ Develop and administer Commission databases
- ◊ Oversee computer hardware inventory management
- ◊ Provide technical support and training to Commission staff
- ◊ Provide technical advice to Commission leadership

Legal Division

Kelly Cashman-Grams, General Counsel

Mission

To provide the Tennessee Public Utility Commission, its staff, and the administratively attached Underground Utility Damage Enforcement Board and Executive Committee with sound and timely legal advice, effective counsel in the deliberative process, and zealous representation before state and federal agencies and reviewing courts.

The division's key responsibilities include:

Legal Advice & Counsel

- Provide legal advice, analysis, and recommendations to the Commission, its Executive Director, and staff on legal and regulatory matters related to the its jurisdiction and authority to ensure legal policy and procedural sufficiency and verify consistency with Commission and Board precedents;
- Provide administrative support and counsel to the Board on matters related to Tenn. Code Ann. § 65-31-101 et seq.;
- Review proposed and newly enacted legislation for potential legal and policy effect on the Commission and Board;

Representation

- Represent the Commission and its Commissioners in their official capacities, in litigation before the courts, including in all appellate review of Commission orders;
- Represent the Commission in enforcement actions brought against regulated entities for violations of Commission statutes and rules;
- Represent staff designated as parties in contested case proceedings and the Commission's Consumer Services Division staff in its investigative support functions performed for the Board;
- Advocate for Commission and Board proposed rules and legislation;
- Appear with Commission and Board personnel that have been requested to provide testimony in legislative hearings before the Tennessee General Assembly;

Case Administration

- Serve as Hearing Officers in contested case proceedings involving substantive and complex utility and business issues, render determinations on the merits as directed, and prepare cases for hearing before the Commission and Board;

- Collaborate with Commission staff and the Board in the development of rulemakings and drafting rules to be promulgated by the Commission and Board;
- Prepare all notices and orders memorializing the actions of the Commission and Board within all statutory and other required deadlines.

Throughout the 2018–19 fiscal year, the Commission opened 116 new dockets, and a total of 239 dockets required action. The division provided advice and counsel to, representation of, and case administrative actions for the Commissioners and staff in most of these dockets. The division prepared 187 orders in active Commission dockets include: audits, contested cases including rate related cases, debt issuances, mergers, requests for new and expanded certificates of public convenience and necessity, local franchise and special contract approvals, investigations, and show cause actions. In addition, the Division drafted 53 notices of approval of interconnection agreements.

Finally, on behalf of the Board, division personnel opened 20 new and resolved 22 contested cases in matters where a violator disputed the citation issued and opened 4 new and resolved 5 show cause proceedings for failure to comply with an issued citation. Division personnel drafted 20 preliminary or procedural orders and 9 initial orders of determination in these cases.

Utilities Division

David Foster, Director

Mission

To provide the Commissioners of the TPUC with detailed technical and financial analyses to aid the Commissioners in making informed decision on issues related to the establishment of just and reasonable rates for public utilities, audits results, new certificates of service and telecommunications issues related to the continued development of competitive markets.

The division is comprised of nine full-time and two part-time employees with diversified experience and background. The Staff's credentials and background consist mainly of Certified Public Accountants along with an engineer. The Staff has over 200 years of combine experience in the utility industry.

The division is responsible for analyzing all utility petitions relating to rate changes for investor owned electric, gas, telecommunications, water and wastewater service utilities operating within the state. Of note, the Commission regulates rates for approximately 380,000 residential, commercial and industrial customers receiving natural gas service in Tennessee (primarily Chattanooga and the metro Nashville area); 47,000 electric customers in the Kingsport; and 73,000 water customers in Chattanooga, while maintaining regulatory oversight over approximately 150 individual water and wastewater systems.

The financial analysis focuses on establishing a reasonable return the utility can earn on its investment as well as establishing a reasonable amount of prudent expenses to be recovered. The division also develops and recommends rate designs for customer classes, e.g., residential, commercial and industrial. Each utility segment also has unique characteristics and distinctive federal and state mandates for review.

The division works closely together with smaller utilities especially water and wastewater in order to ensure their viability both financially and from a quality of service standpoint. The larger utilities (e.g., Piedmont Natural Gas, Atmos Energy, Chattanooga Gas, Tennessee-American Water and Kingsport Power) are continually monitored from a financial/rate standpoint. The division also conducts a series of annual audits on utilities regarding their financial status and for compliance with TPUC rules and applicable state and federal laws, orders and tariffs.

Appendix A

Significant TPUC Proceedings for the 2018-2019 Fiscal Year Include:

TPUC Dockets

- *Tennessee Wastewater Systems, Inc. Staff Compliance Review for the Period January 1, 2016 through June 30, 2017*, Docket No. 18-00071.
- *2018 Annual State Certification of Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R. 54.314*, Docket No. 18-00072.
- *Tennessee Wastewater Revised Tariff Pages with an Effective Date of August 3, 2018 Regarding the Company's Policy on Contributions in Aid of Construction*, Docket No. 18-00073.
- *Application of Holston Connect, LLC for a State-Issued Certificate of Franchise Authority*, Docket No. 18-00075.
- *Audit of Chattanooga Gas Company's Weather Normalization Adjustment for the Period November 1, 2017 to April 30, 2018*, Docket No. 18-00076.
- *Audit of Atmos Energy Corporation's Weather Normalization Adjustment for the Period October 1, 2017 to April 30, 2018*, Docket No. 18-00077.
- *Audit of Piedmont Natural Gas Company's Weather Normalization Adjustment for the Period October 1, 2017 to April 30, 2018*, Docket No. 18-00078.
- *Application of Gibson Connect, LLC for a State-Issued Certificate of Franchise Authority*, Docket No. 18-00083.
- *Application of Communications Venture Corporation D/B/A INdigital for a CCN to Provide Telecommunications Services in Tennessee*, Docket No. 18-00084.
- *Petition of Teleport Communications of America, LLC-TN for Expedited Review of Central Office Code Denial*, Docket No. 18-00085.
- *Rulemaking to Amend and Delete Obsolete and Outdated Portions of the Telephone Solicitation Regulations, Tenn. R&R 1220-04-01 A/K/A the Do Not Call Rules*, Docket No. 18-00087.
- *Petition of Atmos Energy Corporation for Approval of Extension of Franchise Agreement with the City of Franklin, Tennessee*, Docket No. 18-00088.
- *Petition of Atmos Energy Corporation for Approval of Franchise Agreement with the County of Williamson, Tennessee*, Docket No. 18-00089.
- *Atmos Energy Corporation Tennessee and Union City, Tennessee 2017-2018 ACA Filing*, Docket No. 18-00090.
- *Piedmont Natural Gas Company, Inc. Performance Incentive Plan Report for the Period July 1, 2017-June 30, 2018*, Docket No. 18-00092.
- *Piedmont Natural Gas Company, Inc. Actual Cost Adjustment Account Filing for the Period July 1, 2017-June 30, 2018*, Docket No. 18-00093.
- *Piedmont Natural Gas Company, Inc. Performance Incentive Plan Report for the Period July 1, 2017-June 30, 2018*, Docket No. 18-00094.
- *Proposed Transaction Between United Communications Holdings, LLC and MTE Holdings LLC*, Docket No. 18-00095.
- *Petition of Tennessee Broadband, TV and Telephone Cooperative, Inc. for Establishment of Territorial Boundaries*, Docket No. 18-00096.
- *Atmos Energy Corporation--2018 Arm Reconciliation Filing*, Docket No. 18-00097.
- *Petition of Old Hickory Water, LLC to Post Alternative Financial Security*, Docket No. 18-00098.
- *Joint Petition of Tennessee-American Water Company, and Thunder Air, Inc. D/B/A Jasper Highlands Development, Inc. for Approval of a Purchase Agreement and for the Issuance of a Certificate of Convenience and Necessity*, Docket No. 18-00099.
- *Chattanooga Gas Company's Actual Cost Adjustment Filing for the Period of July 1, 2017 Through June 30, 2018*, Docket No. 18-00102.
- *Chattanooga Gas Company Annual Incentive Plan Filing for the Twelve Months Ended June 30, 2018*, Docket No. 18-00103.
- *BCM One, Inc.'s Notification of Proposed Transfer of Control of the Company to BCM Group Holdings, Inc.*, Docket No. 18-00106.
- *Petition of Tennessee Wastewater Systems, Inc. to Amend Its Certificate of Convenience and Necessity to Include Warrioto Hills Subdivision in Montgomery County, Tennessee*, Docket No. 18-00107.
- *Docket to Investigate and Consider Modifications to Atmos Energy Corporation's Annual Rate Review Mechanism Under Tenn. Code Ann. § 65-5-103(6)*, Docket No. 18-00112.
- *Petition of Atmos Energy Corporation for Approval of Negotiated Franchise Agreement with the City of Morristown, Tennessee*, Docket No. 18-00114.
- *Petition of Uniti Fiber LLC for a CCN to Provide Competing Local Exchange and Interexchange Service*, Docket No. 18-00116.
- *Notice of Proposed Pro Forma Consolidation of Crown Castle NG Central LLC and Access Fiber Group, Inc. into Crown Castle Fiber LLC, Including the Associated Assumption of Crown Castle NG Central LLC's Certificate of Public Convenience and Necessity by Crown Castle Fiber LLC*, Docket No. 18-00118.
- *Application of Meriwether Lewis Connect, LLC for a State-Issued Certificate of Franchise Authority*, Docket No. 18-00119.

- *Petition of Tennessee-American Water Company Regarding the 2019 Investment and Related Expenses Under the Qualified Infrastructure Investment Program Rider, the Economic Development Investment Rider and the Safety and Environmental Compliance Rider, Docket No. 18-00120.*
- *ESG Pipeline (JC), LLC ("ESG-JC") Petition to Abandon Service and Surrender Certificate of Convenience and Necessity, Docket No. 18-00121.*
- *Petition of Aqua Green Utility Inc. to Amend Its Certificate of Public Convenience and Necessity for the Service Part of Maury County, Tennessee known as Flat Creek Subdivision at the Corner of Hwy 431 and Will Brown and the Corner of 431 and to be Robertson Road, Docket No. 18-00122.*
- *Petition of Time Clock Solutions, LLC for a CCN to Provide Resold Competing Local Exchange and Interexchange Telecommunications Services in Tennessee, Docket No. 18-00123.*
- *Petition of Light Source Communications, LLC for a CCN to Provide Competing Local Telecommunications Services, Docket No. 18-00124.*
- *Petition of Kingsport Power Company D/B/A AEP Appalachian Power for Annual Recovery Under the Targeted Reliability Plan and Major Storm Rider, Alternative Rate Mechanisms Approved in Docket No. 17-00032, Docket No. 18-00125.*
- *Petition of Piedmont Natural Gas Company for Approval of an Integrity Management Rider to Its Approved Rate Schedules and Service Regulations, Docket No. 18-00126.*
- *Counce Natural Gas Company, Inc. ACA for Filing Period October 1, 2017 through September 30, 2018, Docket No. 18-00129.*
- *Application of FiberLight, LLC for a CCN to Provide Completing Local Telecommunications Services in Tennessee, Docket No. 18-00130.*
- *Petition of Kentucky Utilities Company for an Order Authorizing Kentucky Utilities Company to Abandon Its Service Area in Tennessee and to Withdraw Its Tariff for Electric Service and an Order Declaring That Kentucky Utilities Is No Longer a Public Utility Under Tennessee Law and No Longer Subject to Tennessee Public Utility Commission Regulation, Docket No. 19-00001.*
- *Petition of Ben Lomand Communications, LLC to Be Designated an Eligible Telecommunications Carrier, Docket No. 19-00002.*
- *Petition of Birch Telecom of the South, LLC D/B/A Birch Communications of the South to Change Its Name to Lingo Telecom of the South, LLC, Docket No. 19-00003.*
- *Atmos Energy's Petition for Approval of Franchise Agreement with City of Woodland Mills, Tennessee, Docket No. 19-00004.*
- *Petition of MCImetro Access Transmission Services Corp. for Expedited Review of Growth Code Denial by the Number Pooling Administrator-Knoxville Rate Center, Docket No. 19-00005.*
- *Petition of Teleport Communications of America, LLC-TN for Expedited Review of Central Office Code Denial, Docket No. 19-00006.*
- *Docket to Examine Proposals Made by the Consumer Advocate to Modify Piedmont Natural Gas Company's Integrity Management Rider Tariff and Other Potential Issues Related to the IMR Tariff, Docket No. 19-00007.*
- *Petition of Sloan Farm Company, LLC for a Determination as to Whether Certificate of Convenience and Necessity Is Not Required for the Rural Retreat Project, Williamson County, Tennessee, Docket No. 19-00008.*
- *Petition of Tennessee-American Water Company Regarding the Production Costs and Other Pass-Throughs Rider, Docket No. 19-00010.*
- *In re: Rulemaking Proceeding to Delete and Amend Certain Sections of Rule 1220-04-10 Related to Collections and Distribution of Assistive Telecommunications Equipment, Docket No. 19-00013.*
- *Application of Johnson City Energy Authority, D/B/A BrightRidge for a State-Issued Certificate of Franchise Authority, Docket No. 19-00014.*
- *Notice of King's Chapel Capacity to Change Its Name to Superior Wastewater Systems, Docket No. 19-00015.*
- *Petition of Atmos Energy Corporation for Approval of Its 2019 Annual Rate Review Pursuant to Tenn. Code Ann. § 65-5-103(D)(6), Docket No. 19-00018.*
- *Application of Norvell Technologies, LLC. to Provide COCOT Services in Tennessee, Docket No. 19-00021.*
- *Petition of Teleport Communications of America, LLC-TN for Expedited Review of Central Office Code Denial, Docket No. 19-00022.*
- *Application of ExteNet Asset Entity, LLC, for a Certificate of Public Convenience and Necessity to Provide Competing Local Exchange and Interexchange Telecommunications Services in Tennessee, Docket No. 19-00023.*
- *Application of Kingsport Power Company D/B/A AEP Appalachian Power for Approval of Financing Agreement, Docket No. 19-00025.*
- *Application of City Communications, Inc. for a Certificate of Public Convenience and Necessity to Provide Competing Local Telecommunication Services, Docket No. 19-00026.*
- *Petition of Birch Communications, LLC to Change Its Name to Fusion Cloud Services, LLC., Docket No. 19-00027.*
- *Petition of Tennessee Water Service, Inc. for Adjustment of Rates and Charges, Approval of a Qualified Infrastructure Investment Program, and Modification to Certain Terms and Conditions for the Provision of Water Service, Docket No. 19-00028.*

- *Petition of Tennessee Wastewater Systems Inc. to Amend Its Certificate of Convenience and Necessity to Expand Its Service Area to Include Ozburn Farms Subdivision in Williamson County, Docket No. 19-00029.*
- *Petition of Tennessee Wastewater Systems Inc. to Amend Its Certificate of Convenience and Necessity to Expand Its Service Area to Include Chelsea's Way Subdivision in Robertson County, Docket No. 19-00030.*
- *Petition of Tennessee-American Water in Support of the Calculation of the 2019 Capital Recovery Riders Reconciliation, Docket No. 19-00031.*
- *Name Change of Network Billing Systems, L.L.C. to Fusion LLC D/B/A Fusion Connect LLC., Docket No. 19-00032.*
- *Actual Cost Adjustment Filing for the Navitas TN NG, LLC Jellico and Byrdstown Systems for the Twelve Months Ended December 31, 2018, Docket No. 19-00033.*
- *Petition of Cartwright Creek, LLC to Increase Tap Fees to Address Environmental Issues Raised by the Tennessee Department of Environment and Conservation, Docket No. 19-00034.*
- *Joint Application of Cartwright Creek, LLC and Limestone Water Utility Operating Company, LLC for Authority to Sell or Transfer Title to the Assets, Property, and Real Estate of a Public Utility and for a Certificate of Public Convenience and Necessity, Docket No. 19-00035.*
- *Petition for Expedited Review of Growth Code Denial by the Number Pooling Administrator-Nashville Rate Center, Docket No. 19-00036.*
- *Petition of Tennessee-American Water Company for Approval of and Authority to Borrow up to \$50,000,000 to Finance Additions and Improvements to Facilities and Acquisitions and to Repay Short-Term Indebtedness Pursuant to T.C.A. § 65-4-109, Docket No. 19-00041.*
- *Petition of Cartwright Creek, LLC to Amend Service Territory to Include the Wilson Parcel and Garrett Parcel for the Troubadour Development in Williamson County, Docket No. 19-00042.*
- *Petition of King's Chapel Capacity, LLC to Amend Service Territory to Include the Hill Parcel and Roberts Parcel for the Kings Chapel Development in Williamson County, Docket No. 19-00043.*
- *Application of CTI Fiber Services, LLC for a Certificate to Provide Competing Facilities-Based and Resold Local Exchange and Interexchange Services in Tennessee, Docket No. 19-00044.*
- *Application of Teliix, Inc. for a Certificate to Provide Competing Local Exchange and Long-Distance Telecommunications Services on a Facilities and Resold Basis, Docket No. 19-00045.*
- *Petition of Tennessee Wastewater Systems, Inc. for Approval of Financing Arrangement, Docket No. 19-00046.*
- *Petition of Chattanooga Gas Company to opt into an Annual Review of Rates Mechanism Pursuant to Tenn. Code Ann. § 65-5-103 (D) (6), Docket No. 19-00047.*
- *Petition of Aqua Green Utility Inc. to Amend Its Certificate of Public Convenience and Necessity for the Service Part of Greene County, Tennessee Known as Love's Travel Store at the Corner of Interstate 81 and Lonesome Trail Road, Docket No. 19-00048.*
- *Petition of Cartwright Creek, LLC Requesting Approval of Proposed Capital Improvements, Docket No. 19-00049.*
- *Petition for Approval of Contract Regarding Gas Commodity Requirements and Management of Transportation/Storage, Docket No. 19-00050.*
- *Audit of Atmos Energy Corporation's Incentive Plan Account for the Period of April 1, 2018 Through March 31, 2019, Docket No. 19-00053.*
- *Application of Point Broadband Fiber Holding, LLC for a Certificate to Provide Competing Local and Intrastate Telecommunications Services in the State of Tennessee, Docket No. 19-00054.*

Court Cases

- *In Re: Tennessee Regulatory Authority v. Laurel Hills Condominiums Property Owners Association, State of Tennessee Chancery Court for the 13th Judicial District, Cumberland County at Crossville, Tennessee, Case No. 2012-CH-560.*
- *In Re: Laurel Hills Water System, in Receivership, by and through its Court-Appointed Receiver, Receivership Management, Inc., v. Moy Toy, LLC, a Tennessee Limited Liability Company, and Terra Mountain Holdings, LLC, a Georgia Limited Liability Company, State of Tennessee Circuit Court for the 13th Judicial District, Cumberland County at Crossville, Tennessee, Case No. CC1-2016-CV-6201.*
- *In Re: Milcrofton Utility District v. Non-Potable Well Water, Inc. and John Powell; and Tennessee Public Utility Commission, Tennessee Court of Appeals at Middle Section, Nashville, Tennessee, Case No. M2018-01431-COA-R3-CV.*
- *In Re: Donna Jetter v. Piedmont Natural Gas Company, Inc. et al, Tennessee Court of Appeals at Middle Section, Nashville, Tennessee, Case No. M2019-00206-COA-R3-CV (participating as amicus curiae)*

Underground Utility Damage Enforcement Board

Contested Case and Show Cause Proceedings for the 2018-2019 Fiscal Year Include:

- *In re: Contested Case Proceeding Against Cook Bros. Construction Company, LLC for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U17-0007 (September 19, 2017).
- *In re: Contested Case Proceeding Against Holt Plumbing Company, LLC for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U17-0011 (December 20, 2017).
- *In re: Contested Case Proceeding Against Dwayne Jones Construction for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0033 (August 24, 2018).
- *In re: Citation Issued to Clean Earth Collections, LLC for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0034 (June 8, 2018).
- *In re: Contested Citation Proceeding Concerning Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq. by Potter South East, LLC,* UUDEB Docket No. U19-0001 (December 3, 2018).
- *In re: Citation Against Memphis Light, Gas & Water for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U19-0059 (May 2, 2019).
- *In re: Show Cause Proceeding Against Master Plumbing for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U17-0008 (June 21, 2017).
- *In re: Show Cause Proceeding Against Fenix Construction a/k/a Fenix Underground for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0016 (April 5, 2018).
- *In re: Show Cause Proceeding Against Kirby Excavating for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0017 (April 5, 2018).
- *In re: Show Cause Proceeding Against Baker's Asphalt and Concrete for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0019 (May 30, 2018).
- *In re: Show Cause Proceeding Against Harris Construction for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0020 (May 30, 2018).
- *In re: Show Cause Proceeding Against Award Construction, LLC for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0021 (June 4, 2018).
- *In re: Show Cause Proceeding Against M Squared Custom Homes, LLC for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0022 (June 4, 2018).
- *In re: Show Cause Proceeding Against Brad Phillips Landscaping, LLC for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0023 (June 21, 2018).
- *In re: Show Cause Proceeding Against Alpha Water Systems for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0024 (June 21, 2018).
- *In re: Show Cause Proceeding Against Tomlinson Construction Company for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0025 (June 29, 2018).
- *In re: Show Cause Proceeding Against Powell's Sewer & Drain for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0026 (June 29, 2018).
- *In re: Show Cause Proceeding Against Jose Hernandez for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0027 (June 29, 2018).
- *In re: Show Cause Proceeding Against AM Plumbing for Alleged Violation(s) of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0028 (August 14, 2018).
- *In re: Show Cause Proceeding Against Memphis Light, Gas & Water for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0029 (August 14, 2018).
- *In re: Show Cause Proceeding Against Atchley's Lawn Service for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0030 (August 14, 2018).
- *In re: Show Cause Proceeding Against Smith & Sons Landscaping for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0031 (August 14, 2018).
- *In re: Show Cause Proceeding Against C.S. Frye, LLC for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0032 (August 14, 2018).
- *In re: Show Cause Proceeding Against Smithbilt Homes for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0035 (October 12, 2018).
- *In re: Show Cause Proceeding Against Eddie Dearing for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0036 (October 12, 2018).
- *In re: Show Cause Proceeding Against Union Express Construction for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0037 (October 12, 2018).
- *In re: Show Cause Proceeding Against GGP78 Masonry, LLC for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0038 (October 12, 2018).
- *In re: Show Cause Proceeding Against AXS Points of Tennessee, LLC for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0039 (October 12, 2018).
- *In re: Show Cause Proceeding Against L&R Plumbing, Inc. for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0040 (October 12, 2018).
- *In re: Citation Issued to Stacy Crain for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq.,* UUDEB Docket No. U18-0041 (January 30, 2019).

- *In re: Show Cause Proceeding Against MC Communication, LLC for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U19-0042 (April 5, 2019).*
- *In re: Show Cause Proceeding Against Tiger Landscape, LLC for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U19-0043 (April 5, 2019)*
- *In re: Show Cause Proceeding Against William M. Britton for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U19-0044 (April 5, 2019).*
- *In re: Show Cause Proceeding Against Lanny Anderson for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U19-0045 (April 5, 2019).*
- *In re: Show Cause Proceeding Against Save-A-Tree for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U19-0046 (April 5, 2019).*
- *In re: Show Cause Proceeding Against Alpha Water Systems for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U19-0047 (April 5, 2019).*
- *In re: Show Cause Proceeding Against Rose Creek Landscaping, LLC for Alleged Violations of Tenn. Code Ann. § 65-31-101 et seq., UUDEB Docket No. U19-0048 (April 5, 2019).*

Appendix B

Docket Room and Commission Activity

Formal Case Docket Activity

| Type of Docket | Fiscal 2018-19 |
|---|--------------------|
| | (7/1/18 - 6/30/19) |
| Total | 116 |
| Alternative Rate Mechanism & Rate Cases | 12 |
| Cable Franchise | 3 |
| Certificates of Public Convenience & Necessity (CCCN) | 17 |
| Complaints, Investigations, Show Cause | 1 |
| Contracts | 0 |
| Local Franchise Approval | 4 |
| N11/Number Pooling | 5 |
| Name Changes | 4 |
| Notice of Election Market Regulation | 7 |
| Rulemaking | 2 |
| Telecom COCOT/Resellers Authority | 1 |
| Telecom Interconnection/Resale Agreements | 29 |
| Utility Audits | 13 |
| Utility Transfers- Mergers, Financing, Financial Security | 8 |
| Other | 10 |