UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

East Tennessee Natural Gas, LLC	**)**	**Docket No. RP25-844-000**

MOTION TO INTERVENE, PROTEST, AND
REQUEST FOR SUSPENSION AND EVIDENTIARY HEARING PROCEEDINGS
OF AMERICAN FOREST & PAPER ASSOCIATION, INDUSTRIAL ENERGY CONSUMERS OF AMERICA, AND PROCESS GAS CONSUMERS GROUP

On April 29, 2025, East Tennessee Natural Gas, LLC ("East Tennessee") filed revised tariff records to its FERC Gas Tariff to effectuate changes in the rates applicable to East Tennessee's transportation and liquified natural gas storage services and its interruptible service crediting mechanism pursuant to section 4 of the Natural Gas Act ("NGA") and Part 154 of the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission").[1] Pursuant to Rules 211, 212 and 214 of the Commission's Rules of Practice and Procedure,[2] and the Commission's Combined Notice of Filings,[3] the American Forest and Paper Association ("AF&PA"), Industrial Energy Consumers of America ("IECA"), and Process Gas Consumers Group ("PGC") (jointly, "AIP") hereby submit this motion to intervene and protest in the above-captioned proceeding. In support of this motion, AIP states as follows:

---

[1] Transmittal Letter at 1.

[2] 18 C.F.R. §§ 385.211, 385.212, 385.214 (2024).

[3] *See* Combined Notice of Filings (April 29, 2025).

I. COMMUNICATIONS

All correspondence, communications, pleadings, and other documents relating to this proceeding should be served upon the following:

Andrea J. Chambers DLA Piper LLP (US) 500 Eighth St., NW Washington, DC 20004 (202) 799-4440 andrea.chambers@us.dlapiper.com	Carolyn E. Clarkin DLA Piper LLP (US) 500 Eighth St., NW Washington, DC 20004 (202) 799-4538 carolyn.clarkin@us.dlapiper.com

II. BACKGROUND

East Tennessee's current rates were established pursuant to the Stipulation and Agreement approved by the Commission in its order dated September 10, 2021, in Docket No. RP20-980 ("RP20-980 Settlement").[4] East Tennessee states that it now files this rate case to satisfy Section 4.10 of the RP20-980 Settlement, requiring East Tennessee to file a general NGA section 4 rate case with rates to become effective no later than April 1, 2026.[5]

East Tennessee proposes to increase the monthly demand rate for its Rate Schedule FT-A service from $8.350 to $18.6160 (a 122.946% increase).[6] These rates reflect an increase in cost of service to $335,925,258 and rate base to $1,194,631,494. East Tennessee attributes these increases to capital investments that East Tennessee has made in its pipeline system, including the $650 million System Alignment Program Project ("SAP Project"). In 2024, the Commission authorized East Tennessee to construct and operate the SAP Project and granted East Tennessee's request for a predetermination to roll in the costs of the SAP Project.[7] The East Tennessee Group, an ad hoc group of jurisdictional customers of East Tennessee, sought rehearing to which the

---

[4] Transmittal at 2 (citing *E. Tenn. Nat. Gas, LLC*, 176 FERC ¶ 61,158 (2021)).

[5] *Id.*

[6] *See* Marked Tariff.

[7] *E. Tenn. Nat. Gas, LLC*, 186 FERC ¶ 61,210 (2024).

Commission rejected.[8] The East Tennessee Group filed a petition for judicial review with the U.S. Court of Appeals for the District of Columbia where the case remains pending.[9]

East Tennessee's proposed rates also reflect the rolling in of four incremental projects: the Gateway Project, Wacker Project, Kingsport Expansion Project, and Loudon Expansion Project. In addition, East Tennessee's proposed rates reflect a decrease in billing determinants to 18,764,832 Dekatherms.[10] East Tennessee's witness Mr. John Sauls recommended East Tennessee adjust billing determinants to reflect turnbacks, exclude short-term firm determinants, annualize the contracts that began during the base period, and adjust for discount rates that East Tennessee states it made for competitive purposes.[11]

III. MOTION TO INTERVENE

AF&PA serves to advance a sustainable U.S. pulp, paper, packaging, tissue, and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative – Better Practices, Better Planet 2020. The forest products industry accounts for approximately 4% of the total U.S. manufacturing GDP, manufactures over $200 billion in products annually, and employs approximately 900,000 men and women. The industry meets a payroll of approximately $50 billion annually and is among the top ten manufacturing sector employers in forty-five states. AF&PA member companies own and operate facilities that consume

[8] *E. Tenn. Nat. Gas, LLC*, 189 FERC ¶ 61,232 (2024).

[9] Petition for Review, *E. Tenn. Grp. v. FERC*, No. 24-1253 (D.C. Cir. 2024).

[10] Transmittal at Appendix A.

[11] Exhibit No. ET-0017, at 22-28.

natural gas delivered through the numerous interstate natural gas pipelines, including East Tennessee.

IECA is a nonpartisan association of leading manufacturing companies with $1.3 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.9 million employees. One hundred percent of IECA members are manufacturing companies whose competitiveness is largely determined by the cost and reliability of natural gas and electricity. IECA's sole mission is to reduce and avoid energy costs and increase energy reliability through advocacy in Congress and regulatory agencies, such as the Commission. IECA membership represents a diverse set of industries including chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement. IECA members are served through East Tennessee.

PGC is a trade association that represents energy-intensive large industrial and manufacturing natural gas consumers who are typically longstanding, significant employers within their respective communities. PGC members own and operate hundreds of manufacturing plants and facilities in virtually every state in the nation and consume natural gas delivered through interstate natural gas pipeline systems throughout the United States. PGC members hold transportation capacity on numerous interstate pipelines, including East Tennessee.

As customers that receive gas delivered over East Tennessee, AIP members have a direct and substantial interest in this proceeding. AIP's intervention is in the public interest, and the group cannot be adequately represented by any other party in this proceeding. Thus, granting this motion would be in the public interest. AIP requests that this intervention be granted with all rights associated with that status.

IV. PROTEST

East Tennessee has not shown that the proposed rates are just and reasonable. AIP submits that there are numerous material issues of fact arising from East Tennessee's filing that warrant full investigation in an evidentiary hearing, including, but not limited to, the following:

Cost of Service and Rate Base – East Tennessee's proposed increases in cost of service and rate base raise issues of material fact that require examination in an evidentiary hearing. An evidentiary hearing is necessary to investigate whether rolling in the costs of the four incremental projects is appropriate.

Return on Equity ("ROE") – East Tennessee's proposed 14.00% ROE may be unjust and unreasonable as it exceeds the last litigated ROE of 11.25%.[12] In addition, earlier this year, Commission Trial Staff filed testimony recommending a ROE of 10.60%.[13]

Capital Structure – East Tennessee proposes to use a capital structure of 35.82% debt and 64.18% equity, which the pipeline states is its actual capital structure.[14] The Commission applies the following three-prong test to determine if it will use a pipeline's own capital structure for ratemaking purposes: (1) the company must issue its own debt that is not guaranteed by its parent company; (2) the company must have its own credit rating; and (3) the company equity ratio must not be excessive relative to members of the proxy group and to other recent Commission-approved capital structures.

---

[12] *Panhandle E. Pipe Line Co., LP*, Order No. 885, 181 FERC ¶ 61,211, at P 110 (2022), *order on reh'g*, Opinion No. 885-A, 184 FERC ¶ 61,181 (2023) ("*Panhandle*").

[13] Direct Testimony of Michael O'Connor, Vector Pipeline L.P., Docket No. RP24-971-000, Exhibit S-0059, at 42:14 (March 18, 2025). The proxy group members included DT Midstream, Inc. ("DTM"), Enbridge Inc., Energy Transfer LP, Kinder Morgan, Inc. and The Williams Companies, Inc. East Tennessee's proxy group included the same proxy group members, except for DTM.

[14] Transmittal at 5.

East Tennessee has not met the third prong requiring it to demonstrate its 64.18% equity ratio is not excessive relative to members of the proxy group or other recent Commission-approved capital structures. East Tennessee's proposed equity ratio exceeds not only the average equity ratio of its proxy group, at 43.76%, but the highest equity ratio in its proxy group at 51.61%.[15] Moreover, East Tennessee's equity ratio is excessive relative to the Commission's most recently approved equity ratio of 62.94% in *Panhandle*.[16]

Depreciation – East Tennessee's proposed depreciation and negative salvage rates may be unjust and unreasonable. The RP20-980 Settlement approved an onshore transmission depreciation rate of 2.0% and negative salvage rate of 0.27%.[17] East Tennessee proposes to increase its onshore transmission depreciation and negative salvage rates to 2.46% and 0.66% respectively.[18] East Tennessee states its depreciation and negative salvage rates have increased "primarily as a result of East Tennessee's substantial investment in the system since the last rate case,"[19] presumably referencing the SAP Project. However, in its application for the SAP Project, East Tennessee stated it would use its approved onshore depreciation and negative salvage rate.[20] An evidentiary hearing investigating these increases is warranted.

Adjustments to Billing Determinants – East Tennessee's proposed adjustments to billing determinants raise issues of material fact regarding whether East Tennessee has met its burden of showing the discounted contracts were warranted to meet competition.[21] East Tennessee must at a

---

[15] Statement P, Exhibit No. ET-0043.

[16] Opinion No. 885, 181 FERC ¶ 61,211 at PP 91, 97-100.

[17] RP20-980 Settlement.

[18] Transmittal at 5.

[19] *Id.* at 3.

[20] East Tennessee Natural Gas, System Alignment Program Project Application, Docket No. CP23-131-000 (March 31, 2023) (Accession No. 20230331-5593).

[21] *Panhandle*, 184 FERC ¶ 61,181, at P 247 (2023).

minimum "identify all of its long-term discounts and provide some explanation for the basis of its discount in order to meet its initial burden."[22]

V. REQUEST FOR EVIDENTIARY HEARING AND MAXIUM RATE SUSPENSION

AIP requests that the Commission find that the proposed rates and tariff records have not been shown to be just and reasonable and that they may be unjust, unreasonable, and unduly discriminatory or otherwise unlawful. Based on this finding, the Commission should suspend the effectiveness of the proposed rates and tariff records for the full five-month maximum period permitted by the NGA.

VI. CONCLUSION

For these reasons, AIP requests that the Commission suspend the proposed rate and tariff provisions for the maximum suspension period, subject to refund and the outcome of evidentiary proceedings.

[22] *Id.*

Respectfully submitted,

/s/ Andrea J. Chambers

Andrea J. Chambers
Carolyn E. Clarkin
DLA Piper LLP (US)
500 Eighth Street, NW
Washington, DC 20004
(202) 799-4440
andrea.chambers@us.dlapiper.com

Attorneys for AF&PA, PGC, and IECA

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused a copy of the foregoing document to be served upon each person designated on the Service List for this docket compiled by the Secretary in accordance with the Commission's Rules of Practice and Procedure.

Dated at Washington, DC, this 12th day of May 2025.

/s/ Andrea J. Chambers
Andrea J. Chambers