Application of Nashville Gas Company, a Division of Piedmont Natural Gas
For Approval of Negotiated Gas Redelivery Agreement with Visteon Corporation
TRA Docket No. 01-00530
Response to Data Request 1

1. You refer to Visteon as a wholly owned subsidiary of Ford Motor Company. Visteon is listed on the NYSE as an independent company having been spun-off by Ford Motor Company last year. Please confirm that this contract is with Visteon, a separate company, not Ford Motor Company. Also you list several of Ford Motor Company contact people in the petition. Please explain exactly what the relationship is between Ford Motor Company and Visteon.

RESPONSE

Ford spun off Visteon as a separate company in 2000. Visteon presently has a contract with Ford to provide energy services for all Visteon facilities.

Response provided by Jim Mulholland of Ford Motor Company

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2. To support the assertions that the Visteon (Ford) plant made when the original contract was approved, provide the number of employees at the plant by year for 1993-2000. In addition, provide information that will support the reduced rates for the plant, such as employee retention, production levels, or other indicators to show the reduced rates have been in the public interest. Also, provide the percentage of total production cost that gas cost represents for the same time periods.

RESPONSE

Employment levels by year:

Year	1994	1995	1996	1997	1998	1999	2000
Employment	1408	1420	1406	1388	1404	1413	1391

Production Volumes (Millions of Sq Ft of Float)

Year	1994	1995	1996	1997	1998	1999	2000
Millions of Sq Ft	302	229	278	247	298	336	304

Natural Gas percentage of total production costs

Year	1994	1995	1996	1997	1998	1999	2000
Percent	3%	2%	3%	4%	3%	3%	5%

Response by Jim Mulholland of Ford Motor Company

3. Provide annual gas volumes, by month, used by Ford Motor Company at this plant during 1993-2000.

RESPONSE

See attached schedule.

In response to question No. 3

Ford Motor Company
Monthy Consumption
(dekatherms)

	1993	1994	1995	1996	1997	1998	1999	2000
JAN	191,398	269,411	262,418	260,863	258,425	250,813	262,214	275,397
FEB	238,046	228,561	241,560	231,006	222,636	225,680	229,872	254,142
MAR	248,230	246,928	247,722	244,445	226,882	500,680	252,316	260,599
APR	222,517	229,186	219,560	225,922	222,763	230,490	224,856	247,345
MAY	237,795	236,705	179,496	219,718	217,238	227,734	231,992	243,457
JUN	232,728	228,774	126,622	210,896	215,818	215,961	231,280	221,098
JUL	209,128	220,791	114,210	206,841	197,152	204,564	214,833	208,809
AUG	236,207	230,062	202,186	220,423	206,485	223,109	237,440	236,153
SEP	228,895	226,663	202,233	223,479	212,312	213,104	231,244	232,294
OCT	245,807	239,560	215,370	236,878	232,207	229,781	250,236	247,281
NOV	254,167	238,459	227,564	237,897	244,811	229,301	248,952	246,537
DEC	256,051	248,795	237,329	243,504	251,971	248,268	265,495	250,870
TOTALS	2,800,969	2,843,895	2,476,270	2,761,872	2,708,700	2,999,485	2,880,730	2,923,982

4. Provide the annual gas volumes, by month, Visteon projects during the three- (3) year term of the Agreement. Include a comparison, using these three (3) years of the gas cost for Visteon under the old Agreement rates and under the new Agreement rates.

RESPONSE

Projection of Gas Volumes by month for the next three years
(thousands of dekatherms)

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	237	213	229	211	211	210	188	209	203	218	217	229	2,575

Operations at the Nashville Glass Plant are presently being studied by Glass and Visteon management. No conclusions to that study have been reached and none are expected until at least the end of this year.

Response by Jim Mulholland of Ford Motor Company.

5. Will Nashville Gas provide any capacity for Visteon? If so, at what rate?

RESPONSE

Visteon (and Ford before) will provide its own natural gas supplies as well as interstate pipeline capacity. Nashville Gas will provide the capacity on its local distribution system to redeliver gas supplies previously delivered to the city gate by Visteon.

6. If Nashville Gas delivers more gas than is contracted for, will it be under the normal tariff rate for transportation, i.e. 7F? Is the service to be provided under firm transportation?

RESPONSE

Yes. Under the revised definitions of Rate Schedule 7F, Nashville Gas will redeliver amounts of gas on a firm basis to the Visteon plant. Should Visteon take more gas on a particular day than was delivered for their account at the Nashville Gas city gate, Nashville gas will allow the plant to consume more than was delivered if doing so does not jeopardize the operational integrity of the distribution system. If such daily imbalances are not remedied before the end of the calendar month, Nashville Gas will cash-out the imbalance in accordance with the provisions of Rate Schedule 7F.

7. If Nashville Gas delivers more gas than is contracted for, will it be under the normal tariff rate for transportation, i.e. 7F? Is the service to be provided under firm transportation?

RESPONSE

The wording of the tariffs under Rate Schedule 7F provided the customer an option of purchasing gas supplies from Nashville Gas at tariff rates. In other words, the rate schedule was still partially bundled. Nashville Gas wanted to make it clear that although there was an obligation to redeliver gas to the plant that had been delivered via the interstate pipeline to the city gate, Nashville Gas had no obligation to purchase upstream capacity or gas supplies for resale to the plant (Ford plant at that time).

The current tariffs have separated the merchant function one additional step away from the previous transportation services provided under Rate Schedule 7F. It is now acceptable to state in the contract that the nature of the service is provided under Rate Schedule 7F.

8. In the old contract with Ford (our Docket 98-00128), there was a special agreement listed as item No. 5 in the petition. Will Nashville Gas continue this procedure to credit their customers' accounts for 100% of the difference between the negotiated Visteon rates and the current rates as approved by the TRA? If so, provide the margin credited each month to the ratepayers with Ford, and projected for ratepayers with the Visteon Agreement. If not, please explain.

RESPONSE

In its petition in Docket No. 98-00128, Nashville Gas proposed to give customers full credit for the increased margin resulting from the difference between the Ford rates approved in Docket No. 96-00977 and the rates included in the renegotiated contract with Visteon. The company's proposal was subsequently approved by the Authority in its Order dated March 12, 1999. In two other dockets (98-00338 and 98-00339) involving negotiated redelivery agreements between Nashville Gas and two of its large industrial customers, the Company requested 100% margin ***loss*** recovery resulting from reduced rates under the new agreements. In those two dockets, the Authority disallowed the Company's request for full recovery of the margin losses and, instead, ordered a sharing arrangement of the margin losses of 90%/10% between the ratepayers and Nashville Gas, respectively.

It is the Company's position that equitable treatment be applied to margin *gains* as well as margin *losses*. Therefore, the Company seeks the same margin sharing arrangement in this docket as approved by the Authority in the two dockets mentioned above. In this case, even though the newly negotiated rates are not identical to those approved in Docket No. 98-00128, the end result is a minimal difference. The attached schedules show the amounts credited to customers as ordered in Docket No. 98-00128 and the amount of the margin differences resulting from the renegotiated contract in this docket.

Nashville Gas Company
Ford Margin Credited to ACA

Mar-98	$	4,436.08
Apr-98		4,128.51
May-98		4,081.93
Jun-98		6,926.41
Jul-98		8,590.37
Aug-98		4,003.77
Sep-98		3,834.69
Oct-98		4,116.53
Nov-98		4,108.41
Dec-98		4,428.95
Jan-99		4,664.63
Feb-99		4,118.05
Mar-99		4,497.36
Apr-99		4,033.30
May-99		4,153.88
Jun-99		4,141.85
Jul-99		3,763.91
Aug-99		4,245.96
Sep-99		4,141.25
Oct-99		4,462.22
Nov-99		4,440.52
Dec-99		4,720.10
Jan-00		4,887.44
Feb-00		4,528.24
Mar-00		4,637.35
Apr-00		4,413.36
May-00		4,347.65
Jun-00		3,969.78
	$	126,822.50

Nashville Gas Company
Comparison of Visteon Contracts

	Jan	Feb	Mar	Apr	May	Jun	Jul *	Aug	Sep	Oct	Nov	Dec	Total
Projected DTs	237,000	213,000	229,000	211,000	211,000	210,000	188,000	209,000	203,000	218,000	217,000	229,000	2,575,000
Old Contract													
Total Amount Billed	$ 56,510	$ 50,990	$ 54,670	$ 50,530	$ 50,530	$ 50,300	$ 45,600	$ 50,070	$ 48,690	$ 52,140	$ 51,910	$ 54,670	$ 616,610
New Contract													
Total Amount Billed	$ 56,420	$ 50,900	$ 54,580	$ 50,440	$ 50,440	$ 50,210	$ 45,150	$ 49,980	$ 48,600	$ 52,050	$ 51,820	$ 54,580	$ 615,170
Margin Loss	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 450	$ 90	$ 90	$ 90	$ 90	$ 90	$ 1,440
Ratepayer %	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Ratepayer Share of Loss	$ 81	$ 81	$ 81	$ 81	$ 81	$ 81	$ 405	$ 81	$ 81	$ 81	$ 81	$ 81	$ 1,296

9. Provide a breakdown, by Section, of all changes (other than price changes) between the old contract and the negotiated contract? If the changes have resulted in a material difference from the old contract, provide an explanation.

RESPONSE

There are very few material differences between the two contracts. In the first paragraph the date of the contract is changed from 1998 to 2001 and the "Customer changes from Ford to Visteon.

As discussed above in the response to question number seven, the former references to Rate Schedule 7I have been changed to 7F.