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T.R.A. DOCKET NO. 03-00209

**Moore&VanAllen**

**James H. Jeffries IV**  
Attorney at Law

T 704 331 1079  
F 704 339 5879  
jimjeffries@mvalaw.com

Moore & Van Allen PLLC

Suite 4700  
100 North Tryon Street  
Charlotte, NC 28202-4003

March 16, 2006

**VIA UPS OVERNIGHT**

The Honorable Ron Jones  
Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

Re: Nashville Gas Company, A Division of Piedmont Natural Gas Company, Inc. –  
Docket No. 03-00209

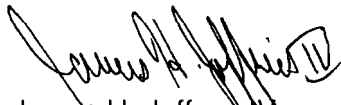
Dear Chairman Jones:

Pursuant to Tenn. Comp. R. and Reg. 1220-1-1-2-.11, Nashville Gas Company respectfully submits a copy of the Responses of Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc., to the TRA Staff's First Data Request in the above referenced docket.

Please accept these Responses for filing and return a filed-stamped copy of this letter to me in the enclosed self-addressed and stamped envelope.

Thank you for your assistance with this matter. If you have any questions regarding these comments you may reach me at the number shown above.

Sincerely,



James H. Jeffries IV

JHJ/bao

Enclosure

c: All Parties of Record

Research Triangle, NC  
Charleston, SC

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE

March 16, 2006

IN RE:

PETITION OF CHATTANOOGA GAS CO.,  
NASHVILLE GAS CO., A DIVISION OF PIEDMONT  
NATURAL GAS CO., INC. AND UNITED CITIES  
GAS CO., A DIVISION OF ATMOS ENERGY CORP.  
FOR A DECLARATORY RULING REGARDING  
THE COLLECTIBILITY OF THE GAS COST  
PORTION OF UNCOLLECTIBLE ACCOUNTS  
UNDER THE PURCHASE GAS ADJUSTMENT  
("PGA") RULES

DOCKET NO. 03-00209

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RESPONSES OF NASHVILLE GAS COMPANY,  
A DIVISION OF PIEDMONT NATURAL GAS COMPANY, INC.,  
TO THE TRA STAFF'S FIRST DATA REQUEST

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Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc.  
("Nashville Gas" or "Company"), pursuant to Tenn. Comp. R. and Reg. 1220-1-1-2-.11,  
respectfully submits the following Responses to the TRA Staff's First Data Request.

**NASHVILLE GAS COMPANY**  
**Gas Cost Portion of Uncollectible Accounts**  
**Under PGA Rule**  
**Docket No. 03-00209**  
**TRA Staff Data Request #1**  
**March 3, 2006**

**1.** For each customer account number listed on Attachment 1 provide an Excel spreadsheet in electronic format detailing the following:

- a. Customer Account Number
- b. Date of each individual write-off on or after March 9, 2004
- c. Total amount of each individual write-off
- d. Amount of the total of each individual write-off that represents gas cost
- e. Amount of the total of each individual write-off that represents margin
- f. The gas cost percentage rounded to two decimal points (i.e., 65.27%) of each individual write-off
- g. The margin percentage rounded to two decimal points of each individual write-off
- h. Date of each individual payment made against each write-off after March 9, 2004
- i. Total amount of each individual payment made against each write-off
- j. Amount of each individual payment applied to gas cost
- k. Amount of each individual payment applied to margin
- l. The gas cost percentage rounded to two decimal points of each individual payment against the write-off
- m. The margin percentage rounded to two decimal points of each individual payment against the write-off
- n. The difference between the gas cost percentage of the original write-off and the gas cost portion of each individual payment made against the original write-off rounded to two decimal points

**Response:** See Attachment.

Nashville Gas Company  
Gas Cost Portion of Uncollectible Accounts Under PGA Rule  
Docket 03-00209  
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A	B	C	D	E	F, L	G, M	H	I	J	K	N	
Account Number	Charge-Off Date	Original Charge-Off Amount	Original PGA Amount	Original Margin Amount	PGA % MARGIN %		Payment Date	Payment Amount	PGA Payment Amount	Margin Payment Amount	Payment	Difference in
											Amount Multiplied by PGA Percentage	PGA % and % Applied to Payment
6788001	9/26/2005	92.05	41.24	50.81	44.8	55.20	10/27/2005	26.04	11.67	14.37	11.67	0.00
6788001	9/26/2005	92.05	41.24	50.81	44.8	55.20	11/23/2005	18.01	8.07	9.94	8.07	0.00
6788001	9/26/2005	92.05	41.24	50.81	44.8	55.20	12/5/2005	48.00	21.50	26.50	21.50	0.00
39361001	6/27/2005	364.06	211.1	152.96	57.98	42.02	8/17/2005	2.02	1.17	0.85	1.17	0.00
39361001	6/27/2005	364.06	211.1	152.96	57.98	42.02	9/21/2005	20.00	11.60	8.40	11.60	0.00
39361001	6/27/2005	364.06	211.1	152.96	57.98	42.02	10/27/2005	20.00	11.60	8.40	11.60	0.00
39361001	6/27/2005	364.06	211.1	152.96	57.98	42.02	12/28/2005	20.00	11.60	8.40	11.60	0.00
39361001	6/27/2005	364.06	211.1	152.96	57.98	42.02	2/16/2006	25.00	14.50	10.50	14.50	0.00
39361001	6/27/2005	364.06	211.1	152.96	57.98	42.02	3/3/2006	20.00	11.60	8.40	11.60	0.00
1468382001	7/11/2005	71.51	37.02	34.49	51.77	48.23	7/29/2005	14.02	7.26	6.76	7.26	0.00
1468382001	7/11/2005	71.51	37.02	34.49	51.77	48.23	9/2/2005	19.20	9.94	9.26	9.94	0.00
1468382001	7/11/2005	71.51	37.02	34.49	51.77	48.23	9/30/2005	19.20	9.94	9.26	9.94	0.00
1468382001	7/11/2005	71.51	37.02	34.49	51.77	48.23	10/28/2005	19.09	9.88	9.21	9.88	0.00
1001443851001	7/5/2005	358.16	229.71	128.45	64.14	35.86	7/15/2005	18.98	12.17	6.81	12.17	0.00
1001443851001	7/5/2005	358.16	229.71	128.45	64.14	35.86	7/28/2005	25.00	16.04	8.96	16.04	0.00
1001443851001	7/5/2005	358.16	229.71	128.45	64.14	35.86	9/16/2005	50.00	32.07	17.93	32.07	0.00
1001443851001	7/5/2005	358.16	229.71	128.45	64.14	35.86	11/3/2005	50.00	32.07	17.93	32.07	0.00
1001443851001	7/5/2005	358.16	229.71	128.45	64.14	35.86	1/19/2006	50.00	32.07	17.93	32.07	0.00
1001443851001	7/5/2005	358.16	229.71	128.45	64.14	35.86	1/23/2006	164.18	105.31	58.87	105.31	0.00
2000048236001	8/29/2005	363.03	198.44	164.59	54.66	45.34	10/13/2005	13.77	7.53	6.24	7.53	0.00
2000048236001	8/29/2005	363.03	198.44	164.59	54.66	45.34	12/5/2005	25.00	13.67	11.33	13.67	0.00
2000048236001	8/29/2005	363.03	198.44	164.59	54.66	45.34	12/21/2005	25.00	13.67	11.33	13.67	0.00
2000048236001	8/29/2005	363.03	198.44	164.59	54.66	45.34	2/16/2006	25.00	13.67	11.33	13.67	0.00
2000070654001	7/11/2005	280.93	163.23	117.7	58.1	41.90	8/26/2005	13.40	7.79	5.61	7.79	0.00
2000070654001	7/11/2005	280.93	163.23	117.7	58.1	41.90	9/21/2005	25.53	14.83	10.70	14.83	0.00
2000070654001	7/11/2005	280.93	163.23	117.7	58.1	41.90	11/23/2005	42.00	24.40	17.60	24.40	0.00
2000070654001	7/11/2005	280.93	163.23	117.7	58.1	41.90	2/22/2006	50.00	29.05	20.95	29.05	0.00
3001732670001	12/27/2005	62.24	29.81	32.43	47.9	52.10	12/28/2005	62.24	29.81	32.43	29.81	0.00
4002266690001	4/18/2005	176.16	93.57	82.59	53.12	46.88	7/7/2005	26.69	14.18	12.51	14.18	0.00
4002266690001	4/18/2005	176.16	93.57	82.59	53.12	46.88	8/17/2005	35.00	18.59	16.41	18.59	0.00
4002266690001	4/18/2005	176.16	93.57	82.59	53.12	46.88	9/16/2005	35.00	18.59	16.41	18.59	0.00
4002266690001	4/18/2005	176.16	93.57	82.59	53.12	46.88	11/30/2005	79.47	42.21	37.26	42.21	0.00
5000070791005	7/5/2005	274.71	172.89	101.82	62.94	37.06	7/13/2005	6.70	4.22	2.48	4.22	0.00
5000070791005	7/5/2005	274.71	172.89	101.82	62.94	37.06	8/17/2005	20.00	12.59	7.41	12.59	0.00
5000070791005	7/5/2005	274.71	172.89	101.82	62.94	37.06	9/16/2005	20.00	12.59	7.41	12.59	0.00
5000070791005	7/5/2005	274.71	172.89	101.82	62.94	37.06	10/13/2005	20.00	12.59	7.41	12.59	0.00
5000070791005	7/5/2005	274.71	172.89	101.82	62.94	37.06	11/10/2005	20.00	12.59	7.41	12.59	0.00
5000070791005	7/5/2005	274.71	172.89	101.82	62.94	37.06	12/14/2005	20.00	12.59	7.41	12.59	0.00

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Account Number	Charge-Off Date	Original Charge-Off Amount	Original PGA Amount	Original Margin Amount	PGA %	MARGIN %	Payment Date	Payment Amount	PGA Payment Amount	Margin Payment Amount	Payment Amount Multiplied by PGA Percentage	Difference in PGA % and % Applied to Payment
5000070791005	7/5/2005	274 71	172 89	101 82	62 94	37.06	2/10/2006	20 00	12 59	7 41	12 59	0 00
6001643180003	12/6/2004	47 91	18 53	29 38	38 68	61 32	1/28/2005	5 00	1 93	3 07	1 93	0 00
6002232561001	7/12/2004	203 88	100 3	103 58	49 2	50 80	10/29/2004	2 00	0 98	1 02	0 98	0 00
6002232561001	7/12/2004	203 88	100 3	103.58	49 2	50 80	1/31/2005	6 67	3 28	3 39	3 28	0 00
6002232561001	7/12/2004	203 88	100 3	103 58	49 2	50 80	1/31/2005	195 21	96 04	99 17	96 04	0 00
8002229169001	5/12/2004	1937 83	999 9	937 93	51 6	48.40	1/6/2005	1011 36	521 86	489 50	521 86	0 00
9001220566005	4/26/2004	236 08	133 83	102 25	56 69	43.31	5/12/2005	35 66	20 22	15 44	20 22	0 00
9001220566005	4/26/2004	236 08	133 83	102 25	56 69	43 31	6/16/2005	17 52	9 93	7 59	9 93	0 00
9001220566005	4/26/2004	236 08	133 83	102 25	56 69	43 31	7/13/2005	8 26	4 68	3 58	4 68	0 00
9002244028001	8/2/2004	105 31	44 8	60 51	42 54	57 46	3/3/2005	21 04	8 95	12 09	8 95	0 00
9002244028001	8/2/2004	105 31	44 8	60 51	42 54	57 46	3/29/2005	25 00	10 64	14 36	10 64	0 00
9002244028001	8/2/2004	105 31	44 8	60 51	42 54	57 46	4/22/2005	25 00	10 64	14 36	10 64	0 00
9002244028001	8/2/2004	105 31	44 8	60 51	42 54	57.46	7/7/2005	20 00	8 51	11 49	8 51	0 00
9002244028001	8/2/2004	105 31	44 8	60 51	42 54	57 46	8/17/2005	14 27	6 07	8 20	6 07	0 00
9002291285001	6/27/2005	288 89	167 52	121 37	57 99	42 01	7/5/2005	14 32	8 30	6 02	8 30	0 00
9002291285001	6/27/2005	288 89	167 52	121 37	57 99	42 01	8/5/2005	150 00	86 99	63 01	86 99	0 00
9002291285001	6/27/2005	288 89	167 52	121 37	57 99	42 01	8/8/2005	89 57	51 94	37 63	51 94	0 00

**NASHVILLE GAS COMPANY**  
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**March 3, 2006**

2. Explain in detail the cause of any variances shown in your response to (1.n) above. If any variances exist explain if the accounting system can be modified to address the variances.

**Response:** There were no variances.

**NASHVILLE GAS COMPANY**  
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3. Describe fully the procedure(s) followed in allocating partial payments made to written off accounts between gas cost recovery and margin recovery.

**Response:** At the time of charge-off, the customer information system calculates the percentage of the charge-off associated with gas cost and stores that percentage on an internal data table. When the monthly uncollectible reports are run, a calculation is performed to multiply the payment amount by the gas cost percentage to obtain the amount of the payment that is to be applied to the gas cost portion of the charge-off balance.

**NASHVILLE GAS COMPANY**  
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4. Some companies have shown a collection agency fee netted against the gas cost portion of recoveries. Staff realizes that monthly reports were submitted prior to the Motion that was adopted by the Authority at its April 4, 2005 conference and the companies' Response to that Motion filed on June 1, 2005.

- a. Has the company filed any monthly report showing a collection agency fee netted or to be netted against the gas cost portion of recoveries?
- b. If the company responds affirmatively to (a ) above, can the company recast uncollectible reports excluding netting of the collection agency fee if requested to do so?

**Response:**

- a. No.
- b. n/a



**NASHVILLE GAS COMPANY**  
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5. Is the company's accounting system capable of applying payments and partial payments against one or more written off accounts by applying the same percentage of each individual write-off to the recovery or multiple recoveries using the first-in-first-out method 100% of the time with no exceptions?

Example: (for one customer account)

Jan. 1	Write-off	\$100	Gas Cost	\$75	Margin	\$25
Mar. 4	Recovery	\$20	Gas Cost	\$15	Margin	\$5
June 24	Write-off	\$200	Gas Cost	\$100	Margin	\$100
Sept. 4	Recovery	\$180	Gas Cost	\$110	Margin	\$70

**Response:** At the time an account is written off, the system determines the percentage of gas costs applicable to that account. This percentage remains in place and is applied to all payments made on the written-off account balance until the entire amount is paid in full.

STATE OF NORTH CAROLINA

**VERIFICATION**

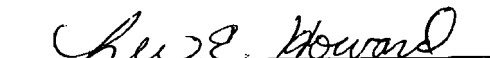
COUNTY OF MECKLENBURG

Bill R. Morris, being duly sworn, deposes and says that he is Director of Financial Planning and Rates of Piedmont Natural Gas Company, Inc., that as such, he has read the foregoing Responses and knows the contents thereof; that the same are true of his own knowledge except as to those matters stated on information and belief and as to those he believes them to be true.



Bill R. Morris

Sworn to and subscribed before me  
this the 16 day of  
March, 2006

  
Notary Public

My Commission Expires:

**MY COMMISSION EXPIRES 10-29-10**

### CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the Responses of Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc., to the TRA Staff's First Data Request is being served upon the parties in this action via US mail, postage prepaid addressed as follows:

Bill R. Morris  
Director of Financial Planning and Rates  
Piedmont Natural Gas Company, Inc.  
Post Office Box 33068  
Charlotte, North Carolina 28233

David Carpenter  
Director - Rates  
Piedmont Natural Gas Company, Inc.  
Post Office Box 33068  
Charlotte, North Carolina 28233

R. Dale Grimes, Esq.  
Bass, Berry & Sims PLC  
AmSouth Center  
315 Deaderick Street, Suite 2700  
Nashville, Tennessee 37238

D. Billye Sanders  
Waller, Lansden, Dortch & Davis, PLLC  
511 Union Street, Suite 2100  
Nashville, Tennessee 37219-1760

Joe A. Conner, Esq.  
Misty S. Kelley, Esq.  
Baker, Donelson, Bearman & Caldwell  
1800 Republic Centre  
633 Chestnut Street  
Chattanooga, Tennessee 37450-1800

Pat Childers  
Vice President  
Atmos Energy  
Rates & Regulatory Affairs  
810 Crescent Centre Drive, Suite 600  
Franklin, Tennessee 37067-6226

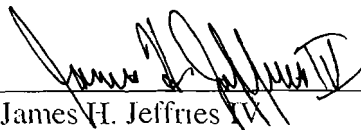
Archie R. Hickerson  
Director, Regulatory Affairs  
AGL Resources  
150 West Main Street  
Norfolk, Virginia 23502

Shilina B. Chatterjee  
Assistant Attorney General  
Office of the Attorney General  
Consumer Advocate and Protection Division  
Post Office Box 20207  
Nashville, Tennessee 37202

And via UPS Overnight delivery to:

Pat Murphy  
Manager  
Utilities Division  
Tennessee Regulatory Authority Staff  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

This the 16th day of March, 2006.

  
James H. Jeffries