

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

June 5, 2006

IN RE:

**PETITION OF PIEDMONT NATURAL
GAS COMPANY FOR APPROVAL OF AN
AMENDMENT TO THE GAS REDELIVERY
AGREEMENT BETWEEN PIEDMONT AND
VISTEON CORPORATION**

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**DOCKET NO.
06-00028**

ORDER APPROVING AMENDMENT TO THE GAS REDELIVERY AGREEMENT

This matter came before Chairman Ron Jones, Director Pat Miller and Director Sara Kyle of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on February 21, 2006, upon the Petition of Piedmont Natural Gas Company (“Piedmont” or the “Company”) for approval of an amendment to the gas redelivery agreement between Piedmont and Visteon Corporation (“Visteon”).

BACKGROUND

By Order dated April 23, 1993, in Docket No. 90-07401, the Tennessee Public Service Commission approved a special contract between Nashville Gas Company (“NGC”) and Ford Motor Company (“Ford”) which allowed NGC to supply natural gas to Ford’s Nashville manufacturing plant at rates less than NGC’s existing tariff rates.¹ The agreement has been extended four times. In addition to granting a second extension in Docket No. 00-00824, the

¹ See *In Re: Petition of Nashville Gas Company for Approval of Extension of Negotiated Gas Redelivery Agreement with Visteon Corporation*, Docket No. 04-00174, *Order Approving Extension of Negotiated Gas Redelivery Agreement*, pp. 1-2 (June 10, 2005) (hereinafter *Visteon Extension Agreement Order*).

Authority also approved an amendment which assigned the agreement to Visteon Corporation (“Visteon”), a wholly-owned subsidiary of Ford.²

In January 2006, Visteon simultaneously entered into agreements with Automotive Components Holdings, Inc. (“ACH”) and with Ford pursuant to which Visteon contributed certain assets, including its Nashville facilities, to Automotive Components Holdings, LLC (“ACH LLC”), an operating subsidiary of ACH, and Ford acquired full control of ACH and ACH LLC.³ As a result, NGC filed an amendment to assign to Ford the existing gas redelivery agreement with Visteon.

THE PETITION

Under the proposed amendment, the assignment of Visteon’s gas redelivery agreement with NGC to Ford would become effective on the start date of the first billing period beginning in February 2006 to coincide with Ford’s acquisition of Visteon’s assets. Visteon remains liable for all obligations under the agreement prior to that date.⁴ NGC will begin issuing monthly bills to Ford instead of Visteon after February 28, 2006, at the rates currently approved for Visteon. The amendment does not change the rates or terms of the most recent agreement approved by the Authority in Docket No. 04-00174;⁵ and the criteria by which the Authority approved the current agreement remains unchanged.⁶ Approval of the transfer of liabilities and obligations under the agreement, from Visteon to Ford, falls under the general regulatory powers granted the Authority pursuant to Tenn. Code Ann. § 65-4-104 (2004). The contract amendment requested by NGC in this docket in essence reassigns the obligations

² *Visteon Extension Agreement Order*, p 3 (June 10, 2005).

³ Petition, p. 1 (February 1, 2006).

⁴ Petition, p. 2 (February 1, 2006).

⁵ *Petition of Nashville Gas Company for Approval of Extension of Negotiated Gas Redelivery Agreement with Visteon Corporation*, Docket No. 04-00174, *Order Approving Extension Of Negotiated Gas Redelivery Agreement* (June 10, 2005).

⁶ Petition, Transmittal letter (February 1, 2006)

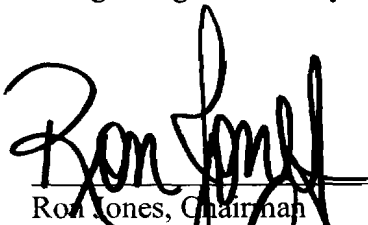
under the current agreement from Visteon to Ford, the original party to the agreement, without changing the rates, terms, and conditions of gas redelivery or the expiration date of the current agreement.⁷

FEBRUARY 21, 2006 AUTHORITY CONFERENCE

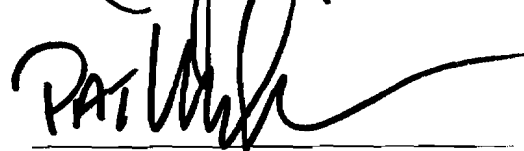
The panel considered the Petition during the Authority Conference held on February 21, 2006. Upon a review of the record and specifically recognizing that the amendment reassigns the obligations of the agreement from Visteon to Ford without changing the rates, terms or conditions of the agreement, the panel voted unanimously to approve the amendment to become effective on or after Ford's first billing period beginning in February 2006.

IT IS THEREFORE ORDERED THAT:

The Petition of Piedmont Natural Gas Company for approval of an amendment to the gas redelivery agreement between Piedmont and Visteon Corporation is approved, and shall become effective on or after Ford's first billing period beginning in February 2006.



Ron Jones, Chairman



Pat Miller, Director



Sara Kyle, Director

⁷ See *In Re: Filing to Amend the Gas Redelivery Agreement between Ford Motor Company and Piedmont Natural Gas Company*, Docket No. 00-00824, *Order Approving Amendment to Gas Redelivery Agreement*, pp. 2-3 (January 24, 2001), in which the Authority approved an amendment extending the agreement based on there being no change in the rates, terms and conditions of the agreement.