

TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

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February 9, 2010

Mr. R. Dale Grimes
Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, TN 37201

RE: Docket No. 10-00015 – Application of Piedmont Natural Gas Company, Inc. For Approval of Negotiated Gas Redelivery Agreement with Bridgestone/Firestone.

Dear Mr. Grimes:

To further the Staff's investigation of the reasonableness of the Negotiated Gas Redelivery Agreement with Bridgestone/Firestone filed with this Authority on February 2, 2010, it is requested that you furnish additional information as requested on the attached Staff Data Request #1. Should you have questions regarding any item number in the attached request, please contact Pat Murphy (extension 178) or Tiffany Underwood (extension 172) for clarification before responding.

It is requested that this information be provided no later than Monday, February 23, 2010 and that you reference Docket 10-00015 on the response. In accordance with TRA rules submit either (1) original and thirteen written copies of your response or (2) original and four written copies and an electronic version. Thank you for your attention to this matter.

Sincerely,

Darlene Standley, Chief
Utilities Division

Enclosure

TRA STAFF DATA REQUEST NO. 1

INSTRUCTIONS:

In responding to the following data requests, please repeat the question, followed by the Company's response in pdf format as required by the Docket Room.

Additionally, all responses should be provided electronically in Word format or Excel format with working formulas on a CD properly labeled "Response to 2/9/10 Data Request – For Staff Use."

GENERAL:

1. Provide usage volumes by month for Bridgestone/Firestone for the years 2006-2009.
2. For the Negotiated Gas Redelivery Agreement with Bridgestone/Firestone approved in Docket No. 98-00339, Piedmont's fixed cost of servicing Bridgestone/Firestone was \$5,803. Please provide an updated calculation of the cost of servicing Bridgestone/Firestone.
3. Is Bridgestone/Firestone still located approximately four miles from the nearest interstate pipeline? If not, please update the Company's location.
4. Has Bridgestone/Firestone updated its cost of by-pass and pay back analysis since the original contract with Piedmont was approved in 1999? If so, please provide a copy of these calculations.
5. Please provide a detailed schedule in Excel with working formulas showing Piedmont's monthly margin loss for the most recent forty-eight (48) months under the current contract with Bridgestone/Firestone.
6. Please provide a detailed calculation in Excel, with working formulas, of Piedmont's projected monthly margin loss under the proposed negotiated gas redelivery agreement for the next twenty-four months, using the most recent twenty-four months usage data.
7. Please provide a detailed calculation in Excel, with working formulas, of the margin cost per customer resulting from the proposed special contract between the Company and Bridgestone/Firestone that would be recovered through the ACA, if recovery is approved by the Authority.
8. The proposed contract was entered into on October 27, 2009 ("Effective Date"). Please explain why the contract was not brought before the Authority for approval until February 2010.
9. Has Piedmont begun billing Bridgestone/Firestone under the terms of the proposed contract? If so, when did the new rates take affect?
10. Piedmont's petition states at paragraph 11 that Piedmont has been recovering 100% of its margin losses associated with the Bridgestone/Firestone negotiated rates. Regarding this statement, please answer the following questions:

- a. The Authority's orders in Docket 98-00339 and Docket 02-01271 allow Piedmont to recover 90% of its margin losses associated with the negotiated rates in the Bridgestone/Firestone contract. Please provide a copy of the Authority's order that Piedmont is relying on that allows Piedmont to recover 100% of its margin losses;
- b. What month and year did Piedmont start recovering 100% of its margin losses from other customers;
- c. Please explain the recovery mechanism that Piedmont uses to recover these margin losses from the other customers; and
- d. If these margin losses are recovered in the ACA, please explain in detail how the dollars are charged to the ACA Account.