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# BASS

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August 20, 2010

**Via Hand Delivery**

Chairman Mary W. Freeman  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

filed electronically in docket office on 08/20/10

**Re:   *Application of Piedmont Natural Gas Company, Inc. for Approval of  
Negotiated Gas Redelivery Agreement with Bridgestone/Firestone  
Docket No. 10-00015***

Dear Chairman Freeman:

Attached you will find an original and five (5) copies of Piedmont Natural Gas Company, Inc.'s Petition for Clarification and Correction. This document also is being filed today by way of email to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon.

Please file the original and four copies of the document and stamp the additional copy as "filed," and return that file-stamped copy to me by way of our courier.

Should you have any questions concerning the enclosed, please do not hesitate to contact me at the email address listed above.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

RDG/smb

Enclosure

cc:   Mary L. White, Esq.  
      Rebecca S. Montgomery, Esq.

8777442.1

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

IN RE:	)	
	)	
APPLICATION OF PIEDMONT NATURAL GAS	)	
COMPANY, INC. FOR APPROVAL OF	)	Docket No. 10-00015
NEGOTIATED GAS REDELIVERY AGREEMENT	)	
WITH BRIDGESTONE/FIRESTONE	)	

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**CLARIFICATION AND CORRECTION OF PETITION**

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Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company"), through counsel and in conformance with the procedures agreed upon at the August 12, 2010 status conference in this proceeding, respectfully submits the following Clarification and Correction of its previously filed Petition seeking approval of a Negotiated Gas Redelivery Agreement ("Agreement") with Bridgestone Americas Tire Operations, LLC ("Bridgestone"). The purpose of this Clarification and Correction is to address several inadvertently inaccurate assertions made in Piedmont's original Petition relating to potential margin losses under the Bridgestone Agreement.

1. In paragraph 11 of its original Petition in this proceeding, filed on February 1, 2010, Piedmont requested recovery of 100% of margin losses associated with the negotiated rates contained in the Bridgestone Agreement and cited Authority Docket No. 96-00977 as precedent for this request.

2. In its February 9, 2010 data requests in this proceeding, TRA Staff questioned Piedmont's assertion that it was entitled to recover 100% of the margin losses associated with this Agreement and further asked Piedmont to delineate what the anticipated scope of such margin losses would be.

3. In responding to these data requests, Piedmont determined that it had overlooked subsequent Authority precedent in Docket Nos. 98-00339 and 02-01271 that established a lower margin loss recovery rate of 90% for contracts similar to the pending

Agreement. More significantly, Piedmont determined that no margin losses would actually result from approval of the Bridgestone Agreement under Piedmont's current rates. The reason for this latter fact is that Piedmont's proposed Agreement with Bridgestone was negotiated at the equivalent of Piedmont's current tariff rates but with more service flexibility than is provided under Piedmont's tariffs. As such, no margin losses should occur under the Agreement so long as the margin allocation to Piedmont's comparable tariff rates are not changed in a general rate proceeding during the effective term of the Agreement.

4. In clarification and correction of its original Petition in this proceeding, Piedmont hereby acknowledges the Authority precedent establishing a 90% recovery rate for margin losses resulting from negotiated service agreements similar to that entered into with Bridgestone and confirms that under Piedmont's existing rates, approval of the Bridgestone Agreement will cause no margin losses or any shifting of costs to other Piedmont customers.

5. In the event Piedmont's tariffed margin allocations are changed in a general rate case proceeding during the effective term of the Agreement, and such changed allocations create a margin loss under the Bridgestone Agreement, Piedmont reserves its right to request recovery of 90% of such margin loss consistent with the Authority precedent established in Docket Nos. 98-00339 and 02-01271.

6. Piedmont regrets any confusion its initial Petition may have caused with respect to the issue of margin loss recovery and hereby requests prompt approval of the Bridgestone Agreement.

WHEREFORE, Piedmont Natural Gas Company, Inc., respectfully requests that the Authority: (1) approve the Contract and authorize Piedmont to provide the natural gas services and to charge the rates set forth therein; (2) grant Piedmont any waivers it deems appropriate; and (3) grant Piedmont such other relief as may be necessary or appropriate.

Respectfully submitted this 20th day of August, 2010.

**Piedmont Natural Gas Company, Inc.**

A handwritten signature in black ink, appearing to read "R. Dale Grimes", written over a horizontal line.

R. Dale Grimes  
Bass, Berry & Sims PLC  
150 Third Avenue South, Suite 2800  
Nashville, TN 37201  
Telephone: 615-742-6244

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document was served by first class U.S. mail, postage prepaid, this 20<sup>th</sup> day of August, 2010, upon the following:

Mary L. White, Esq.  
Rebecca S. Montgomery, Esq.  
Office of the Attorney General  
Consumer Advocate and Protection Division  
P. O. Box 20207  
Nashville, TN 37202-0207

*R. L. White*