



2525 West End Avenue, Suite 1500
Nashville, Tennessee 37203-1423
615.244.0020
Fax: 615.256.1726

Mari-Jo M. Casey
615.251.6752
mcasey@wyattfirm.com

March 8, 2012

VIA EMAIL AND HAND DELIVERY

Kenneth C. Hill, Chairman Tennessee Regulatory Authority
c/o Sharla Dillon Dockets and Records Manager
460 James Robertson Parkway
Nashville, Tennessee 37219

Docket No. 12-00020

**RE: Petition of Navitas TN NG, LLC for Approval to Book as a Regulatory Asset its
Costs Associated with its Distribution Integrity Management Program**

Dear Chairman Hill:

Attached is an original and five copies of a Petition of Navitas TN NG, LLC for Approval to Book as a Regulatory Asset its Costs Associated with its Distribution Integrity Management Program, along with a check made payable to the Tennessee Regulatory Authority in the amount of \$25.00 for the filing fee . A copy of this Petition has also been submitted electronically.

As you can see, I have provided you with an additional copy of the Petition for you to return a file stamped copy with our courier for our files. Please contact me if you have any questions.

Sincerely yours,

A handwritten signature in black ink that reads 'Mari-Jo M. Casey'. Below the signature is the printed name 'Mari-Jo M. Casey' and the title 'Paralegal'.

on behalf of Counsel for Navitas TN NG, LLC

Enclosures

cc: Klint W. Alexander, Esq.
Mary Kathryn Kunc, Esq.
Jean A. Stone, Esq.
Vance L. Broemel, Esq.

60141361.1

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

**PETITION OF NAVITAS TN NG, LLC)
FOR AN ORDER GRANTING)
APPROVAL TO BOOK AS A)
REGULATORY ASSET ITS COSTS)
ASSOCIATED WITH ITS DISTRIBUTION)
INTEGRITY MANAGEMENT PROGRAM)**

Docket No. _____

PETITION

COMES NOW, Petitioner Navitas TN NG, LLC (“Navitas”), by and through counsel, pursuant to Tennessee Code Annotated §§ 65-4-101 *et seq.*, and hereby requests and order granting approval by the Tennessee Regulatory Authority (“Authority”) to book as a regulatory asset its costs associated with its distribution integrity management program. In support of this Petition, Navitas shows unto the Authority as follows:

1. Navitas is a Kentucky limited liability company with its principal place of business located at 3186-D Airway Avenue, Costa Mesa, California 92626. Navitas maintains its local office at 613 Sunset Trail, Jellico, Tennessee. Navitas is in the business of distributing and selling natural gas to residential, agricultural and industrial customers in Jellico, Campbell County, Byrdstown, Pickett County and Fentress County, Tennessee and Whitley County, Kentucky. Its utility operations and its rates, services, practices, and charges in connection therewith are subject to general regulation by the Authority.

2. The Authority has jurisdiction over this matter pursuant to Tennessee Code Annotated § 65-4-101 *et seq.*

3. The Gas Distribution Integrity Management Program (DIMP) was developed pursuant to the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006 (“PIPES

Act”). The Pipeline and Hazardous Materials Safety Administration promulgated rules for the program in 2009 which are codified in 49 C.F.R. §192.1001 *et seq* (DIMP RULES). The rules specify how distribution utilities, such as Navitas, must identify, assess, prioritize, evaluate and, repair and validate the integrity of distribution mains. The DIMP RULES mandate minimum requirements for a DIMP that Navitas must follow. The DIMP plan must, at a minimum, address the following elements: 1) Knowledge of its pipeline; 2) Identify threats such as excavation damage; 3) Evaluate and Rank risks to its pipeline; 4) Identify and implement measures to address risks; 5) Measure performance, monitor results, and evaluate effectiveness; and 6) Periodic evaluation and improvement.

4. Navitas has two sub-systems in Tennessee, and Navitas must have a separate DIMP plan that meets the requirements of the Act for each subsystem and other associated pipeline safety plans (collectively called the Plans). The DIMP plans must be submitted to and approved by the Authority.

5. Navitas’ affiliated entities - Navitas KY NG, LLC in Kentucky and Fort Cobb Fuel Authority, L.L.C. and its LeAnn Division (“FCFA”) in Oklahoma - also are required to submit separate DIMP plans for each sub-system in Kentucky (one sub-system) and Oklahoma (22 sub-systems) and approved by their respective public utility authorities.

6. Due to the complexity of the Plans and importance of ensuring that the Plans are compliant with federal regulations, Navitas has retained an experienced consultant, Tri-Star Energy Consultants (“Tri-Star”), to assist in preparing the Plans.

7. Navitas intends to book the costs associated with retaining Tri-Star to perform this work as a regulatory asset and to amortize the booked amount over a five year period. The costs will be allocated based on a one dollar per customer/per month charge applied to each of

Navitas' customers in Oklahoma, Kentucky and Tennessee over the five year period. Navitas intends to include the costs as a known and reasonable expense in its forthcoming rate case due to be filed on or before June 30, 2012.

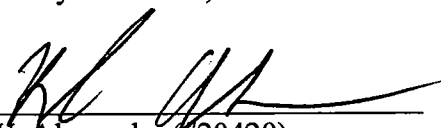
8. Navitas requests that the Authority make the following findings:
 - a. That the DIMP plans for each of Navitas's subsystems are mandated and necessary;
 - b. That the hiring of Tri-Star Energy Consultants is a necessary and prudent investment for Navitas to meet the requirements for the DIMP and other pipeline safety plans; and
 - c. That Navitas be permitted to book the costs associated with preparing and implementing the Plans as a regulatory asset and amortize the booked amount over a five year period.

WHEREFORE, Navitas respectfully requests the Authority to issue an Order:

1. Confirming that the DIMP plans are mandatory and necessary;
2. Determining that the hiring of Tri-Star Energy Consultants is a necessary and reasonable expense for Navitas;
3. Authorizing Navitas to book the costs associated with preparing and implementing the Plans as a regulatory asset and amortize the booked amount over a five year period; and
4. Granting such other relief as the Authority may determine to be fair, just and equitable in the premises.

Dated this the 8th day of March, 2012.

Respectfully submitted,



Klint W. Alexander (#20420)
Wyatt, Tarrant & Combs, LLP
2525 West End Avenue, Suite 1500
Nashville, TN 37203
(615) 244-0020
kalexander@wyattfirm.com

- and -

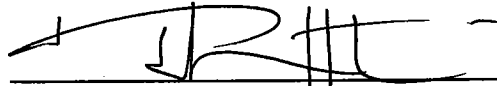
Ron Comingdeer, OBA#1835
Mary Kathryn Kunc, OBA#15907
Ron Comingdeer & Associates
6011 N. Robinson
Oklahoma City, Oklahoma 73118
(405) 848-5534
hunter@comingdeerlaw.com
mkkunc@comingdeerlaw.com

Counsel for Petitioner
Navitas TN NG LLC

VERIFICATION OF NAVITAS TN NG, LLC

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE) **ss.**

I, Thomas Hartline, Secretary of Navitas TN NG, LLC, being duly sworn according to law, makes oath and affirm that I have read the foregoing documentation, know the contents thereof, and that the same is true and correct to the best of my knowledge, information and belief.



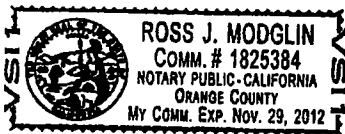
THOMAS HARTLINE

Subscribed and sworn to before me on this 5th day of March, 2012, by Thomas Hartline, who proved to me on the basis of satisfactory evidence to be the person who appeared before me.



NOTARY PUBLIC

My Commission Expires:



CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 8th day of March, 2012, a true and correct copy of the foregoing instrument was deposited in the United States Mail, with postage prepaid, and addressed to the following:

Jean A. Stone, Esq.
General Counsel
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Vance L. Broemel, Esq.
Senior Counsel
Consumer Advocate and Protection Division
State of Tennessee, Office of Attorney General
John Sevier Building
PO Box 20207
500 Charlotte Avenue
Nashville, Tennessee 37202



Klint Alexander