

TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

VIA E-MAIL AND US MAIL

December 19, 2012

Klint W. Alexander
Wyatt, Tarrant & Combs, LLP
2525 West End Avenue, Suite 1500
Nashville, TN 37203-1423

John J. Baroni
Assistant Attorney General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, TN 37202-0207

RE: Docket No. 12-00068 – *Petition of Navitas TN NG, LLC For a General Rate Increase.*

Dear Mr. Alexander and Mr. Baroni:

To assist the Authority in its evaluation of the Stipulation and Settlement Agreement (“Agreement”) filed December 17, 2012, it is requested that responses be furnished to the following:

1. Provide a complete revised tariff including all proposed rates, terms and conditions as outlined in the Agreement. The tariffs need to include all phases of rates, include terms and conditions, and should otherwise explain in detail all provisions requested in the Agreement (e.g. to whom the phase-in rates will apply and details of the exact circumstances that customers must meet in order to have fees waived).
2. Is the proposal to waive fees for customers in certain situations to be funded by other ratepayers or Navitas stockholders? Explain and identify any revenue requirement of this proposal.
3. Referring to paragraph 21 of the Agreement, is it the parties’ position that customers within a specific class (e.g. residential) will be charged different rates for the same services simply due to subscription dates? If so, provide the rationale and legal basis to justify how customers within the same specific class receiving the same service (natural gas) can be charged different rates solely on the basis of subscription date.

4. On page ten of Mr. Hartline's rebuttal testimony, he states:

During the transition period, the Authority approved Navitas' contract with Tri-Star Energy to perform DIMP and other work. The regulatory treatment prescribed in the Authority's Order dated May 22, 2012 called for the portion of the contract attributable to Tennessee to be capitalized and included in net plant. The amount of this capitalization of \$27,300 is shown on the schedule 2 Rate Base.

Provide the cite in any TRA order wherein the Authority approved the Contract between Navitas and Tri-Star Energy. Also, provide any reference within any TRA order allowing recovery of the DIMP costs prior to the Authority considering and evaluating the DIMP costs, including the hiring of a consultant. If the Consumer Advocate performed an analysis of the DIMP costs, provide such analysis.

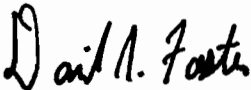
5. For reference only, provide revised schedules removing the \$27,300 amount of capitalization for DIMP costs from the Agreement.

6. For other revenues, provide a price-out of current and proposed amounts as set forth on Settlement Exhibit A, Schedules 9 and 12. Please include all assumptions used in the analysis and identify revenues by individual charges/services.

7. Paragraph 25.D of the Agreement states that reconnection of service will be provided (after appropriate payment from the customer) within two days. Explain how Navitas plans to track these reconnections. Also, if Navitas fails to reconnect service within two days, is there a penalty or is the customer somehow compensated for Navitas' failure to abide by its tariff?

It is imperative that the Authority receive this information as soon as possible in order to evaluate the Agreement in a timely manner. It is therefore requested that all responses be provided no later than 2:00 p.m. Friday, December 21, 2012. Should you have any questions or need clarification regarding any requested item, please contact me at (615) 741-2904, ext. 188. Thank you for your prompt attention to this matter.

Sincerely,



David Foster, Chief
Utilities Division

C: Thomas Hartline
Navitas Utility Corporation
3186 - D Airway Avenue
Costa Mesa, CA 92626