

January 4, 2013

Via Hand Delivery

Tennessee Regulatory Authority  
c/o Sharla Dillon, Dockets and Records Manager  
460 James Robertson Parkway  
Nashville, TN 37219

**RE: Navitas TN NG, LLC's Response to the Tennessee Regulatory Authority  
Staff's Second Set of Supplemental Data Requests  
Docket No. 12-00068**

Dear Sharla:

Enclosed for filing in the above matter is the original and five (5) copies of Navitas TN NG, LLC.'s Response to the Tennessee Regulatory Authority Staff's Second Set of Supplemental Data Requests and Certificate of Service which were also served electronically today.

Please stamp the extra copies of these documents and return a file stamped copy with our courier for our files. Please contact me if you have any questions.

Thank you for your assistance.

Sincerely yours,



Klint W. Alexander

KWA/sdd  
Enclosures

cc: Kelly Cashman-Grams, Esq.  
John J. Baroni, Esq.

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**IN THE TENNESSEE REGULATORY AUTHORITY  
AT NASHVILLE, TENNESSEE**

**IN RE:**

**PETITION OF NAVITAS TN NG, LLC  
FOR AN ADJUSTMENT TO ITS NATURAL  
GAS RATES AND APPROVAL OF REVISED  
TARIFFS**

**DOCKET NO. 12-00068**

**NAVITAS TN NG, LLC's RESPONSES TO THE TENNESSEE REGULATORY  
AUTHORITY STAFF'S SECOND SET OF SUPPLEMENTAL DATA REQUESTS**

COMES NOW Petitioner NAVITAS TN NG, LLC ("Navitas"), by and through counsel  
and hereby submits the following Responses to the TRA Staff's Second Set of Supplemental  
Data Requests dated January 2, 2013. Navitas states as follows:

1. Navitas' proposed tariff submitted on December 21, 2012 contained provisions for Returned Check Charges, Collection/Shut-Off Fees, Lighting Charges, and Charges related to Customer Requested meter Changes. Provide the anticipated annual revenue effects of these new charges and discuss/if they are incorporated in the proposed rate design attached to the Stipulation and Settlement Agreement.

**RESPONSE:** The revenue (if any) from these charges is included in the gross-up of the terms and conditions revenue as described in the CAPD schedule. These charges are meant to be a pass through of cost designed to accomplish two goals. The first goal is to have those parties incurring additional expenses, for example returned check fees, bear those charges. The second goal is to discourage particular behaviors, for example, it is our experience that certain customers call at or near the close of business on a Friday and request a relight, which in turn causes the Company to incur overtime charges. By having certain fees in place, these types of passive aggressive behaviors are curbed thus saving additional expense. However we note that we need to have the ability to waive these fees in certain circumstances for example a particular hardship

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**for the customer or a relighting request that can be scheduled in the service persons normal work hours (note – that despite having a relighting fee in place for a number of years in other jurisdictions, Navitas has never rendered the charge for this service.**

2. Please discuss how the Provision of Competitive Service rates conforms to the TRA's existing rule 1220-4-1-.07, Special Contracts.

**RESPONSE: Our intent is to comply with the noted section. By way of background, Navitas has experienced other providers establishing dedicated service to particular customer(s) with high volume. Navitas needs to be able to compete to retain these high volume customers. Navitas is agreeable to wording changes if needed to fully comply with the regulation.**

3. Refer to the Settlement Exhibits attached to the Stipulation and Settlement Agreement in Exhibit A. Is the Depreciation & Maintenance Expense amount on line 7 of Schedule 4 also included as part of the Operations 7 Amortization Expense amount on line 5 of Schedule 4. if the answer is no, please explain the amounts identified as Depreciation and Amortization on Schedule 4.A. if the answer is yes, provide revised schedules removing Depreciation and Amortization Expense from Operations and Maintenance Expense (also, please do not include DIMP costs in these schedules).

**RESPONSE: As this exhibit was prepared by CAPD, it is Navitas' understanding that CAPD will provide a response. Otherwise, Navitas does not believe that a simple yes or no answer can adequately address the query. Schedule 4 was prepared by the CAPD and supported by testimony as being accurate. Navitas relied upon this information and negotiated with the CAPD to reach the settlement agreement. The original Item 56a found in the Minimum Filing Requirements and submitted by Navitas in the summer of 2012 accounts for \$75,805 in annual depreciation (see attached). During the give and take of settlement negotiations**

**with the CAPD during the Fall of 2012, Navitas compromised on certain issues that it otherwise would not have and the use of CAPD's accounting methods and calculations were a part of this give and take. Likewise, we believe that CAPD also gave on certain issues based on its calculations. For example, if the CAPD increased depreciation to \$91,200 (by reducing depreciable lives or some other method) as a means of achieving an outcome fair to all parties pursuant to settlement negotiations, then that was part of the process.**

Dated this the 4th day of January, 2013.

RESPECTFULLY SUBMITTED,



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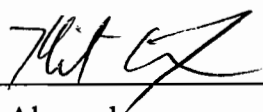
Klint W. Alexander, Esq. (#20420)  
Wyatt, Tarrant & Combs, LLP  
2525 West End Avenue, Suite 1500  
Nashville, Tennessee 37203  
(615) 244-0020  
Counsel for Navitas, TN NG, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that on January 4, 2013, a copy of the foregoing was filed in the above-captioned action. A copy will be served by regular U.S. Mail and electronic mail to:

John J. Baroni, Esq.  
Assistant Attorney General  
Office of the Attorney General  
Consumer Advocate and Protection Division  
P.O. Box 20207  
Nashville, Tennessee 37202-0207  
(615) 741-8726

Kelly Cashman-Grams, Esq.  
General Counsel  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243  
kelly.grams@tn.gov

  
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Klint Alexander

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Plant	Plant	Accumulated Depreciation	Allocation	Plant	Accumulated Depreciation	Net Plant	Annual Depreciation
Tennessee							
Pipeline	1,755,227	(907,049)	100%	1,755,227	(907,049)	848,178	NTNNG
Other long-term assets	214,438	(18,653)	100%	214,438	(18,653)	195,785	NTNNG
							49,634
Oklahoma							
Customer service center	416,841	(43,731)	10.7%	44,724	(4,692)	40,032	FCFA
2,669							
California							
Operations center	1,150,429	(10,198)	10.7%	123,432	(1,094)	122,338	NALLC
							8,156
Shared							
Equipment & tooling	1,186,095	(701,357)	10.7%	127,259	(75,250)	52,009	NUC
Aircraft	1,660,186	(105,387)	10.7%	178,126	(11,307)	166,818	N1
							10,402
							4,944
Total				2,443,206	(1,018,046)	1,425,160	75,805