

D. Billye Sanders

Attorney – at – Law
3514 Geneva Circle
Nashville, Tennessee 37209
(615) 500-7749
sanders.billye@gmail.com

May 10, 2013

Mr. David Foster, Chief Utilities Division
Tennessee Regulatory Authority
c/o Sharla Dillon Dockets and Records Manager
460 James Robertson Parkway
Nashville, Tennessee 37243

RE: Joint Petition of Tensasco Pipeline Corporation and General Gas Pipeline LLC for
Approval of Transfer of Certificate of Public Convenience and Necessity and Authority Granted
Pursuant to Resolution 2000-092 of the City of Kingsport, as Amended; Docket No. 13-00049

Responses to Tennessee Regulatory Authority Staff Data Request 1

Dear Mr. Foster,

Enclosed are the original and four (4) copies of the Petitioners' responses to the TRA
Staff's Data Request 1. The non-confidential responses are also being filed electronically.

Many of the responses contain proprietary and confidential information and are marked
CONFIDENTIAL and filed under seal. The Petitioners request that the Authority treat the
responses that are marked "CONFIDENTIAL" as such and that they not be made available to the
public for review. Should anyone seek to view the documents, the Petitioners request an
opportunity to further protect them from disclosure and, if necessary, to seek a protective order.

Please contact me if you have any questions.

Sincerely,

D. Billye Sanders

D. Billye Sanders
Attorney for General Gas Pipeline LLC

Enclosures

c: William A. McArthur
G. Anthony Campbell
W. Wayne Coverdale
Cary V. Sorensen

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

**JOINT PETITION OF TENGASCO PIPELINE
CORPORATION AND GENERAL GAS PIPELINE
LLC FOR APPROVAL OF TRANSFER OF
CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY AND AUTHORITY GRANTED
PURSUANT TO RESOLUTION 2000-092 OF THE
CITY OF KINGSPORT, AS AMENDED**

DOCKET NO. 13-00049

**PETITIONERS' RESPONSES TO TENNESSEE REGULATORY AUTHORITY
STAFF DATA REQUEST 1**

Notice Requirements

1. Within seven (7) days, provide written notice directly to all interested parties, including (1) all entities that currently purchase gas from Tengasco Pipeline and (2) local gas distributors operating in Hawkins, Claiborne, Hancock and Sullivan counties (include utility districts, cooperatives and investor owned utilities, i.e. Atmos Energy). Also, file said notices in the TRA Docket No. 13-00049.

Response:

For purpose of clarification, no persons or entities purchase gas from Tengasco Pipeline Corporation ("TPC"), as TPC does not sell gas. Tengasco Pipeline transports gas that entities purchase from Tengasco, Inc.

On May 9, 2013 Counsel for General Gas Pipeline served the attached notice on the parties listed on the attached Certificate of Service. This notice has been filed in TRA Docket No. 13-00049.

Legal

2. Provide a copy of all contracts entered into pursuant to Tenn. Code. Ann. §65-28-103 (b)(3), including extensions that may have been executed.

Response: A copy of the contract between Tengasco, Inc. and Eastman Chemical Company is on the attached disc which is marked "CONFIDENTIAL" and filed under seal. The Petitioners request confidential treatment of the Agreement and request that it not be made available to the public for review. Should anyone seek to view the Agreement or any of the other documents or responses filed as confidential, the

Petitioners request an opportunity to further protect the documents/responses from disclosure and, if necessary, to seek a protective order.

The initial term of the contract is twenty (20) years from the date the TPC pipeline was completed, with automatic annual renewals unless terminated by either party. The contract is still in its initial term.

3. If an existing contract is being transferred to the new entity, please discuss any provisions within the existing contract that allow it to be transferred. Also discuss whether such transfer provisions conform with Tenn. Code Ann. §65-28-103 (b)(3).

Response: Section 10.1 of the contract between Eastman Chemical Company and Tengasco, Inc. allows the contract to be transferred. The assignment requires mutual consent of the parties, which will be obtained as part of the closing of the transfer of assets from Tengasco to Swan Creek and General Gas. Although the contract is being assigned, no gas is currently being transported pursuant to it. Currently, Atmos Energy is buying gas from Tengasco, Inc. and transporting it to Eastman Chemical Company via Tengasco Pipeline Corporation's pipeline. Even though the contract with Eastman will be assigned to General Gas, General Gas expects that the arrangement with Atmos to continue after the transfer is consummated.

The transfer of the contract between Eastman Chemical Company and Tengasco, Inc. to Swan Creek Partners/General Gas conforms with Tenn. Code Ann. §65-28-103 (b)(3) as the statute does not prohibit a transfer of the contract. Tenn. Code Ann. §65-28-103(b)(3) provides that:

Any contractual arrangements made by an intrastate natural gas pipeline corporation for transportation of natural gas pursuant to the provisions of subsection (b)(1) shall remain in effect according their terms if such agreements are entered into, or permits are granted, during the pilot project, even though the term of the transportation agreement shall be for a longer term than the pilot project and without regard to whether the pilot project is extended or is not extended.

The pilot project statute ended in 2003. However, any contract that was executed during the effective period of the pilot project remains in effect throughout its term and any extensions thereof, even if the term is longer than the pilot project. Therefore, the Eastman/Tengasco contract remains effective and may be transferred pursuant to the terms of the contract.

Mapping

4. Provide a current map of the existing pipeline, including county boundaries, street names, highways crossed, etc. The map should be designated to scale and marked so with legends.

Response: See attached map which is marked "CONFIDENTIAL" and filed under seal.

5. Identify the location on the map of all customers served via the pipeline; also indicated whether the customer is industrial, commercial, residential, etc.

Response: Atmos (gas marketer) and Powell Valley Utility District (utility district/local distribution company) obtain gas at the wellhead at Swan Creek. BAE Systems Ordnance Systems, Inc. (commercial) as contract operator for the federal government at the Holston Army Ammunition Plant (commercial), Sullivan County EMS Department (small commercial) and Transit Mix (small commercial) are in Kingsport, Tennessee at the Holston Army Ammunition Plant. See attached map.

6. Identify any proposed pipeline extensions for the next five years.

Response: The response contains proprietary information. It is therefore marked "CONFIDENTIAL" and filed under seal.

Organizational

7. Provide a corporate organizational chart for General Gas Partners, LLC ("General Gas") and Tengasco, Inc., both before the transfer of Tengasco Pipeline Corporation and after. Identify all parent, sister and affiliate companies.

Response: First for purposes of clarification and correction of the request, the name of the transferee Petitioner is General Gas *Pipeline* LLC ("General Gas") as opposed to General Gas *Partners*, LLC. The name of the parent of General Gas is Swan Creek Partners LLC ("Swan Creek").

(a) Attached is an organizational chart for General Gas and Swan Creek. The chart will be the same before and after the transfer. See responses to Data Request #8 and #9 for clarification on number of members.

(b) Attached are organizational charts for Tengasco, Inc. before and after the transfer.

8. General Gas is listed on the Tennessee Secretary of State's website as having two (2) members. Identify those members and any parent, sister or affiliated companies with the members.

Response: General Gas has only one member, which is Swan Creek Partners LLC. It has always had only one member. The document filed with the Secretary of State will be corrected to reflect this. See the response to Data Request # 9 for Swan Creek Partners LLC's owners and affiliates. General Gas is a manager-managed limited liability company. W. Wayne Coverdale will be the manager, replacing William A. McArthur and G. Anthony Campbell as managers.

9. Swan Creek Partners, LLC ("Swan Creek") is listed on the Tennessee Secretary of State's website as having five (5) members. Identify those members. Do any of these members have any association with subsidiaries or affiliate companies of Targasco, Inc.? If so, explain the relationship.

Response: Swan Creek Partners is a manager-managed limited liability company with two (2) members. The listing on the Tennessee Secretary of State's website of five (5) members was a place holder during formation. The two members of Swan Creek Partners LLC before and after the acquisition are and will be:

Broadstreet Energy LLC, a Florida limited liability company (Broadstreet Energy, LLC is, in turn, owned 50% - 50% by its two members G. Anthony Campbell and William A. McArthur.) and

W. Wayne Coverdale.

Swan Creek Partners, LLC will be managed by three (3) managers who are: W. Wayne Coverdale, G. Anthony Campbell and William A. McArthur.

None of the members have any association with subsidiaries or affiliates of Targasco, Inc.

10. Identify all aggregators for resale that provide natural gas via Targasco's pipeline. Are any of these aggregators affiliated companies? If so, explain the relationship.

Response: Atmos Energy is an aggregator for resale that transports natural gas via Targasco's pipeline. Powell Valley Utility District is a utility serving a small number of customers in Sneedville, Tennessee. Neither of these companies is affiliated with Targasco.

11. Provide a copy of the Asset Purchase Agreement between Targasco, Inc. and Swan Creek.

Response: The Asset Purchase Agreement is proprietary. It is attached, marked "CONFIDENTIAL" and filed under seal.

12. Provide a copy of the Asset Purchase Agreement between Targasco, Inc. and General Gas.

Response: There is only one Asset Purchase Agreement which covers all the assets to be transferred. See response to Date Request #11.

Financial

13. Provide year-end 2012 financial statements for Swan Creek, including an Income, Statement, Balance Sheet and Statement of Cash Flow.

Response: Swan Creek Partners LLC, a Delaware limited liability company qualified to do business in Tennessee was formed January 29, 2013; therefore it has no financial statements for year-end 2012. Attached are its Income, Statement, Balance Sheet and Statement of Cash Flows as of March 31, 2013. These financial statements are proprietary. They are marked “CONFIDENTIAL” and filed under seal.

14. Provide bank statements for Swan Creek for the months of January, February, March and April of 2013.

Response: Swan Creek opened a bank account in April of 2013. It does not have bank statements for January, February and March 2013. The April 2013 bank statement is attached, marked “CONFIDENTIAL” and filed under seal.

15. Provide a list identifying all existing sources of funding, including amounts, for Swan Creek, and sources going forward.

Response: Swan Creek Partners LLC, will be funded from both its operational income and from additional equity contributions from its member Broad Street Energy, LLC. Broad Street Energy, LLC, in turn, will be funded (if needed) by additional capital contributions from its sole members G. Anthony Campbell and William A. McArthur.

Attached is a letter from U.S. Trust, Bank of America Wealth Management attesting to the financial capability of G. Anthony Campbell and William A. McArthur. The letter is marked “CONFIDENTIAL” and filed under seal.

16. Provide a list identifying all existing sources of funding, including amounts, for General Gas, and sources going forward.

Response: General Gas Pipeline, LLC will be funded from its on-going operations and equity contributions from its sole member, Swan Creek Partners, LLC.

17. Provide bank statements for General Gas for the months of January, February, March, and April of 2013.

Response: General Gas was formed on February 8, 2013. It opened bank accounts in March of 2013 and April of 2013. General Gas does not have bank statements for January and February 2013. Attached are the March and April 2013 bank statements for General Gas' business checking account and attached is the April 2013 statement for General Gas' operating account. All of the bank statements are proprietary, marked "CONFIDENTIAL" and filed under seal.

18. Provide federal tax returns for Tengasco, Inc. for the years 2010, 2011 and 2012.

Response: The consolidated federal tax returns for Tengasco, Inc. for the years 2010 and 2011 are enclosed on a disc, are proprietary, marked "CONFIDENTIAL" and filed under seal. Tengasco's 2012 tax returns have not yet been filed. Tengasco's consolidated financial statements for the year ended December 31, 2013 were filed as part of Form 10-K for that period filed with the SEC on March 29, 2013 and available on sec.gov.

19. Please describe and explain the annual amortization for Holston Ammunition as contained within the proposed financial statements for General Gas.

Response: The response is proprietary, marked "CONFIDENTIAL" and filed under seal.

20. Tengasco Pipeline's year-end 2012 annual report filed with Authority on April 4, 2013 identifies \$30,106 as operating revenues; the projections by General Gas in years one, two and three of operation, however, are much larger. Explain in detail the sources of the additional revenue growth. List all new customers that General Gas anticipates adding.

Response: Existing wells will be reworked to increase gas production and gas from sections behind the pipe in the existing wells will be opened and stimulated to produce more gas. Industry Partners, oil and gas exploration consultants, will participate in new drilling, developing more gas production from Swan Creek leases. The source of additional revenue growth will be transportation of increased gas volumes for existing customers.

21. Identify all entities that use the pipeline for transporting natural gas and any associated revenues.

Response: The following entities use the pipeline for transporting natural gas with associated revenues as indicated below. Revenue for transportation charges is based upon review of invoices for last 12 months.

Atmos Energy Marketing: average monthly transportation charge paid in the period May 2012 through April 2013 was \$1,413 per month for gas Atmos purchased from Tengasco,

Inc. (including MMC gas and Swan Creek Field gas) as well as gas purchased by Atmos from others and transported by TPC. Per TPC/Atmos transportation contract, charge for transportation is \$.10 per MMBtu. Atmos is a buyer/reseller of gas. Most of the gas purchased by Atmos is delivered by TPC to Eastman Chemical Company.

Transit Mix: Average monthly purchase is about 21.8 MMBtu of gas for a total gas purchase price of \$188 per month, plus average transportation charge of \$121 per month calculated at \$.0375/therm (One MMBtu equals ten therms). Transit Mix is a small commercial customer in the business of mixing cement.

Sullivan County EMS: Average monthly purchase is about 7.9 MMBtu of gas for a total gas purchase price of \$66.63 per month, plus average transportation charge of \$29.54 per month calculated at \$.0375/therm. Sullivan County EMS is a small commercial customer that provides emergency medical services.

Powell Valley Utility District (PVUD): PVUD serves customers in Sneedville, Hancock County, located adjacent to the Swan Creek Field and at the beginning of TPC's 65-mile pipeline. Tengasco, Inc. is the only entity that is available to sell gas to this utility, and does so. The gas is then billed by the District to its approximately 20 customers, who used an aggregated total of 6081.7 MCF of gas in 2012 with sales revenues to Tengasco, Inc. being \$40,624 for the same period. Historically, the gas sales contract was negotiated in 2004 between Tengasco, Inc. and the PVUD and provided for gas purchased by the District to be at a delivered price. Accordingly, TPC has not charged the District a separate transportation charge. Transportation revenues at equivalent rates to that charged Atmos would have been \$608 in 2012 or about \$50 per month, an amount Tengasco determines is a *de minimus* amount in any event.

22. Within Tengasco Pipeline's 2012 year-end annual report filed with the Authority on April 4, 2013, a miscellaneous amortization in the amount of \$5,242,315 is listed as a miscellaneous income deduction (page F-3, line 35). Provide the journal entries for this transaction and explain in detail the rationale for this charge and how the amount was determined.

Response: This amount represents an impairment taken on the pipeline in the 4th quarter 2012. A public company may be obligated to take an "impairment" charge when factors used to determine "fair value" for accounting purposes indicate that the fair value of an asset may be less than the carrying cost then on its books. Here, after discussions with third parties regarding the sale of the pipeline, Tengasco made the decision that the pipeline asset should be written down to reflect its fair value. This determination was effectuated as an impairment charge taken against current year income and the pipeline carrying cost.

23. In reference to question 22, above, describe the tax effect, to Tengasco, Inc.

Response: From a book standpoint, Tengasco recorded a tax benefit of \$1,439,000. Tengasco has not yet filed the 2012 federal return; however, there is no cash tax implication of this transaction.

24. Describe General Gas' financial qualifications and abilities relating to accounting functions and financial reporting.

Response: W. Wayne Coverdale is arranging for the internal financial affairs of General Gas Pipeline, LLC and Swan Creek Partners, LLC utilizing a staff member who will make financial data entries using QuickBooks software and the services of Industry Partners, oil and gas exploration consultants, with supervision by certified public accountant, David Kingman.

Annual audited financial statements are to be produced for both entities by the accounting firm of Patrick & Robinson, CPAs, Jacksonville, Florida.

VERIFICATION

STATE OF North Carolina

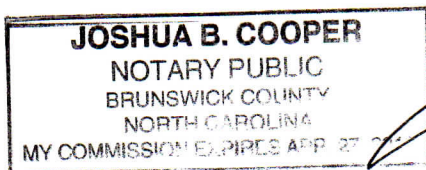
COUNTY OF New Hanover

William Wayne Coverdale, being first duly sworn, deposes and says that he is Chief Executive Officer of General Gas Pipeline LLC, that he has read the foregoing Data Requests and Responses and that the Responses pertaining to Swan Creek Partners LLC and General Gas Pipeline are true and correct to the best of his knowledge and belief.

William Wayne Coverdale
William Wayne Coverdale

Subscribed and sworn before me this 6th day of May, 2013.

My Commission Expires: 04-27-2014



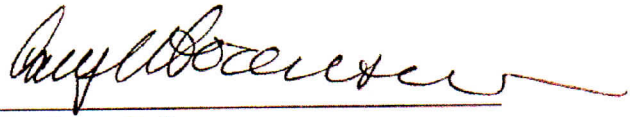
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NOTARY PUBLIC

VERIFICATION

STATE OF TENNESSEE

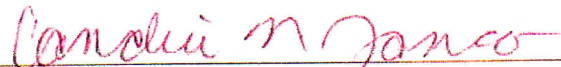
COUNTY OF KNOX

Cary V. Sorensen, being first duly sworn, deposes and says that he is Vice President and General Counsel of Tengasco, Inc.; that he has read the foregoing Data Requests; and that the Responses thereto that pertain to Tengasco, Inc. or Tengasco Pipeline Corporation are true and correct to the best of his knowledge and belief.



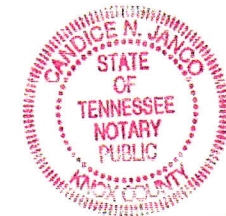
CARY V. SORENSEN

Subscribed and sworn before me this 9th day of May, 2013.



NOTARY PUBLIC IN AND FOR
THE STATE OF TENNESSEE

My Commission Expires: Nov. 1, 2014



MY COMMISSION EXPIRES:
November 1, 2014

Response No. 1 - Notice

D. Billye Sanders

Attorney – at – Law
3514 Geneva Circle
Nashville, Tennessee 37209
(615) 500-7749
sanders.billye@gmail.com

May 9, 2013

Mr. David Foster, Chief Utilities Division
Tennessee Regulatory Authority
c/o Sharla Dillon Dockets and Records Manager
460 James Robertson Parkway
Nashville, Tennessee 37243

RE: Joint Petition of Tengasco Pipeline Corporation and General Gas Pipeline LLC for Approval of Transfer of Certificate of Public Convenience and Necessity and Authority Granted Pursuant to Resolution 2000-092 of the City of Kingsport, as Amended; Docket No. 13-00049

Response to Tennessee Regulatory Authority Staff Data Request 1, Item No. 1

Dear Mr. Foster,

Enclosed are five (5) copies of the notice that you requested be issued pursuant to Data Request 1, Item No. 1. The attached Certificate of Service identifies the entities and persons to whom it was sent.

Please contact me if you have any questions.

Sincerely,

D. Billye Sanders

D. Billye Sanders
Attorney for General Gas Pipeline LLC

Enclosures

c: William A. McArthur
G. Anthony Campbell
W. Wayne Coverdale
Cary V. Sorensen

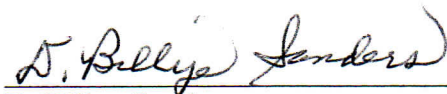
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JOINT PETITION OF TENGASCO PIPELINE
CORPORATION AND GENERAL GAS PIPELINE
LLC FOR APPROVAL OF TRANSFER OF
CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY AND AUTHORITY GRANTED
PURSUANT TO RESOLUTION 2000-092 OF THE
CITY OF KINGSFORT, AS AMENDED

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DOCKET NO. 13-00049

**NOTICE OF FILING OF JOINT PETITION BEFORE THE TENNESSEE
REGULATORY AUTHORITY, NASHVILLE, TENNESSEE**

Tengasco Pipeline Corporation ("TPC") and General Gas Pipeline LLC hereby give notice of filing with the Tennessee Regulatory Authority ("TRA") on March 26, 2013 the Joint Petition of Tengasco Pipeline Corporation and General Gas Pipeline LLC for approval of the transfer of the Certificate of Public Convenience of Necessity of TPC to provide intrastate gas transportation services in Hancock, Hawkins and Claiborne Counties, Tennessee issued in TRA Docket No. 98-00156 and approval of the transfer of authority to provide intrastate transportation services in Kingsport, Tennessee authorized pursuant to Resolution 2000-092 of the City of Kingsport, as amended and approved in TRA Docket No. 00-00537. The Joint Petition may be viewed on the website of the TRA at <http://www.tn.gov/tra> or the offices of the TRA at 460 James Robertson Parkway, Nashville, TN 37243.



D. Billye Sanders
3514 Geneva Circle
Nashville, Tennessee 37209
(615) 500-7749
sanders.billye@gmail.com
Attorney for General Gas Pipeline LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of May 2013, a true and correct copy of the of the attached notice of filing of Joint Petition was served on the entities/persons below by placing same in the U.S. mail, postage pre-paid addressed to:

Atmos Energy Corporation
810 Crescent Centre Dr., Suite 600
Franklin, Tennessee 37067
Attention: Ms. Patricia Childers, Vice President-Rates & Regulatory Affairs for
Kentucky/Mid-States Division

Atmos Energy Marketing, LLC
381 Riverside Drive, Suite 120
Franklin, TN 37064
Attn: David Tucker

Atmos Energy Marketing, LLC
13430 Northwest Freeway, Suite 700
Houston, TX 77040-6091
Attn: Contract Administration

A. Scott Ross
Neal & Harwell, PLC
2000 One Nashville Place
150 Fourth Avenue, North
Nashville, Tennessee 37219-2498
Counsel for Atmos Energy Company

Joe A. Conner
Baker, Donaldson, Bearman & Caldwell, P.C.
1800 Republic Centre
633 Chestnut Street
Chattanooga, Tennessee 37450-1800

Hawkins County Gas Utility District
P. O. Box 667
Rogersville, TN 37857
Attention: Patrick Lund, General Manager

Powell Valley Utility District
P.O. Box 412
Sneedville, TN 37869

Claiborne Utility District
630 Davis Drive
New Tazewell, TN 37825

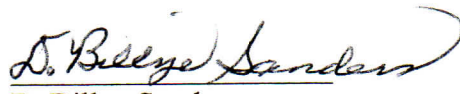
Eastman Chemical Company
P. O. Box 431
Kingsport, Tennessee 37662

Holston Army Ammunition Plant
4509 West Stone Drive
Kingsport, Tennessee 37660-1048

BAE Systems Ordnance Systems, Inc.
Holston Army Ammunition Plant
4509 West Stone Drive
Kingsport, TN 37660

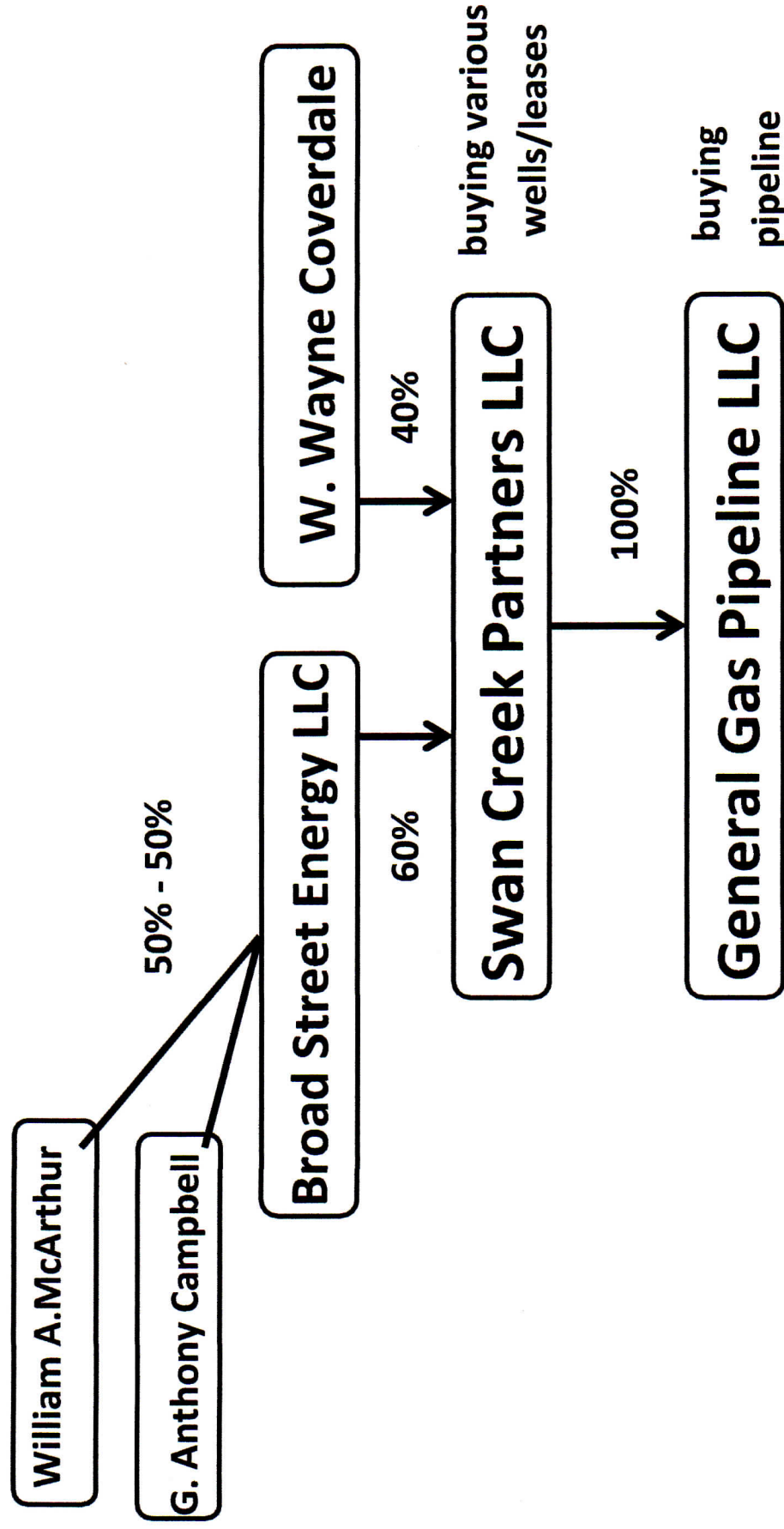
Sullivan County EMS Department
P.O. Box 389
Blountville, TN 37617-0389
Attn: Tina Wood

Transit Mix
P.O. Box 1275
Johnson City, TN 37605


D. Billye Sanders

**Response 7 (a) – Swan Creek Partners, LLC/ General
Gas Pipeline LLC Organizational Chart**

Organizational Chart of Swan Creek Partners LLC and General Gas Pipeline LLC



As of May 1, 2013

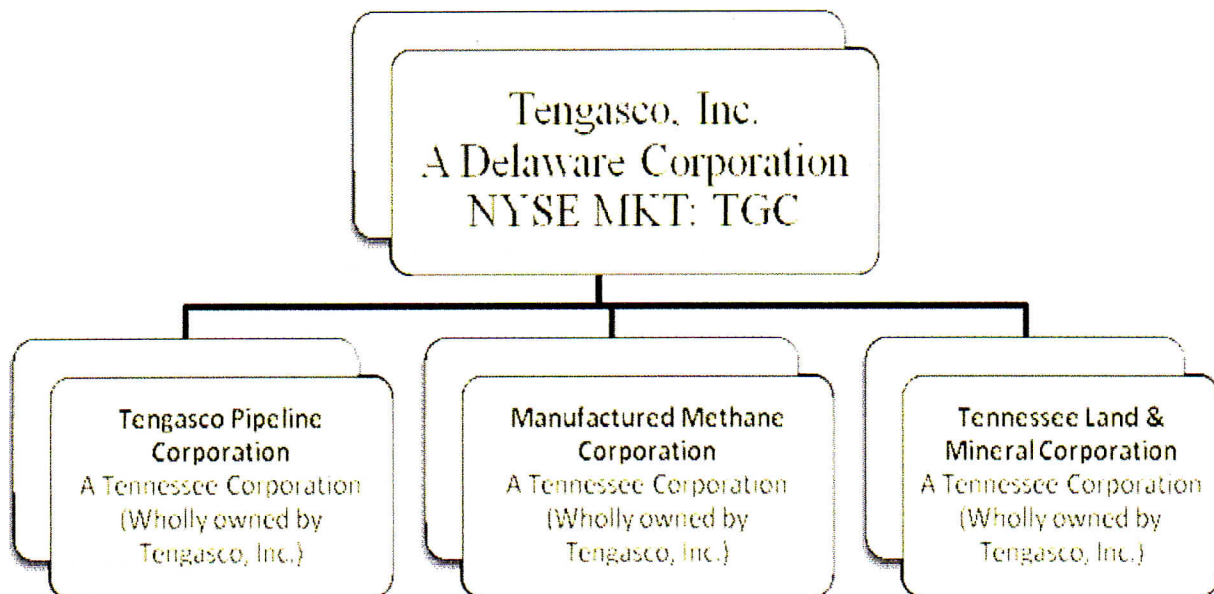
**Response 7 (b) – Tengasco, Inc./Tengasco Pipeline
Corporation Organizational Charts (Before and After
the Transfer)**

ORGANIZATIONAL CHART

Of

Tengasco, Inc. and its Subsidiaries

(Before the transfer to Swan Creek Partners LLC and General Gas Pipeline LLC)



ORGANIZATIONAL CHART

Of

Tengasco, Inc. and its Subsidiaries (After the transfer to Swan Creek LLC and General Gas LLC)

