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October 10, 2014

Sharla Dillon
Tennessee Regulatory Authority
502 Deaderick Street
4th Floor
Nashville, TN 37243

Re: Application of B&W Pipeline, LLC for a Certificate of Convenience and
Necessity to Operate a Natural Gas Pipeline System in Pickett, Morgan &
Fentress Counties/Substitute Testimony of Rafael E. Ramon
Docket No. 13-00151

Dear Sharla:

Please file the attached testimony of Rafael E. Ramon in the above-captioned docket as a
substitute for the testimony that was filed on August 28, 2014.

Sincerely,

BRADLEY ARANT BOULT CUMMINGS LLP

By:

A handwritten signature in dark ink, appearing to read 'Henry Walker', written over a horizontal line.

Henry Walker

HW/mkc
Enclosure
cc: Wayne Irwin, Consumer Advocate

BEFORE THE TENNESSEE REGULATORY AUTHORITY

APPLICATION OF B&W PIPELINE,)	
LLC FOR A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY TO)	
OPERATE A NATURAL GAS)	Docket No. 13-00151
PIPELINE SYSTEM IN PICKETT,)	
MORGAN & FENTRESS COUNTIES)	
)	

DIRECT TESTIMONY
of
RAFAEL E. RAMON

ON BEHALF OF
B&W PIPELINE, LLC

August 27, 2014

1 ***Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND***
2 ***OCCUPATION FOR THE RECORD.***

3 A1. My name is Rafael E. Ramon. My business address is 728 S. Jefferson Avenue,
4 Cookeville, TN 38501. I am the Controller for Enrema, LLC (“Enrema”).
5 Enrema is an affiliate and service company for B&W Pipeline, LLC (“B&W
6 Pipeline” or “the Company”).

7
8 ***Q2. PLEASE PROVIDE A SUMMARY OF YOUR BACKGROUND AND***
9 ***PROFESSIONAL EXPERIENCE.***

10 A2. A detailed description of my educational and professional background is provided
11 in Attachment RER-1 to my testimony. Briefly, I have a Bachelors degree in Civil
12 Engineering, and a Masters degree in Business Administration. I have been
13 employed by Enrema since 2011.

14
15 ***Q3. WHAT DUTIES DO YOU PERFORM AS THE CONTROLLER FOR***
16 ***ENREMA?***

17 A3. Enrema’s primary business is to provide support services for B&W Pipeline and
18 its affiliates. I oversee the operations of B&W Pipeline in Tennessee. As the
19 Controller of Enrema, I am responsible for overseeing the permitting, operational,
20 engineering, construction, financial and business development on new and
21 existing projects and facilities here in Tennessee.

22

1 ***Q4. WHAT ARE YOUR RESPONSIBILITIES FOR B&W PIPELINE?***

2 ***A4.*** I am responsible for the day-to-day operation, engineering, permitting, and long-
3 term planning for B&W Pipeline. Among other things, this includes supervision
4 and daily contact with the operator; review and approval of expenditures;
5 reviewing and resolving customer issues; scoping and obtaining proposals for
6 maintenance work; establishment of contracts; contact with regulatory personnel
7 on existing and future permit requirements and issues; preparation of portions of
8 and review of tariff documents; engineering, including the investigation of
9 physical and operational conditions of the B&W Pipeline system; and evaluation
10 of proposals for plant upgrades and replacement.

11

12 ***Q5. ON WHOSE BEHALF ARE YOU TESTIFYING?***

13 ***A5.*** I am testifying on behalf of B&W Pipeline.

14

15 ***Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***
16 ***PROCEEDING?***

17 ***A6.*** The purpose of my testimony is to present information to the TRA on the
18 managerial, financial, and technical capabilities of B&W Pipeline.

19

20 ***Q7. PLEASE DESCRIBE B&W PIPELINE.***

21 ***A7.*** B&W Pipeline is a limited liability company authorized to conduct business in
22 Tennessee and is a wholly-owned subsidiary of FIR Energy. The pipeline now

1 owned by B&W Pipeline was formerly owned by Titan Energy Group, Inc. a
2 subsidiary of Gasco Distribution System. As part of the Gasco system, the
3 pipeline operated pursuant to Gasco's certificate. Following the bankruptcy of
4 Gasco, the pipeline was separated from Gasco and sold to B&W Pipeline. B&W
5 Pipeline's system is approximately fifty miles long and extends through parts of
6 Pickett, Morgan and Fentress counties.

7
8 ***Q8. PLEASE DESCRIBE THE TERRITORY THAT B&W PIPELINE***
9 ***PROPOSES TO SERVE.***

10 A8. At this time, B&W Pipeline only intends to provide transportation service to
11 Navitas TN NG LLC ("Navitas") which owns the natural gas distribution system
12 formerly owned by Gasco.

13
14 ***Q9. DOES A NEED PRESENTLY EXIST FOR AN INTRASTATE NATURAL***
15 ***GAS PIPELINE IN PICKETT, MORGAN AND FENTRESS COUNTIES?***

16 A9. Yes. All natural gas ultimately sold to customers of Navitas must flow through
17 B&W Pipeline.

18
19 ***Q10. DOES B&W PIPELINE POSSESS THE MANAGERIAL CAPABILITIES***
20 ***TO OPERATE A NATURAL GAS PIPELINE?***

21 A10. Yes. The managers of B&W Pipeline and its affiliates have broad experience
22 working with natural gas systems. In addition, B&W Pipeline has engaged

1 various legal, accounting and regulatory experts to advise and assist it with the
2 managerial responsibilities of operating a natural gas pipeline in Tennessee.
3

4 ***Q11. DOES B&W PIPELINE POSSESS THE FINANCIAL CAPABILITIES TO***
5 ***OPERATE A NATURAL GAS PIPELINE?***

6 A11. Yes. The financial statements that were provided along with our application show
7 that FIR Energy, the parent company of B&W Pipeline, controlled over \$6 million
8 in assets at December 31, 2012. In addition, B&W Pipeline is already built and
9 operating and therefore requires no new funding for its completion.
10

11 ***Q12. DOES B&W PIPELINE POSSESS THE TECHNICAL CAPABILITIES TO***
12 ***OPERATE A NATURAL GAS PIPELINE?***

13 A12. Yes. The managers of B&W Pipeline and its affiliates have broad technical
14 experience with the design and maintenance of natural gas pipeline systems.
15

16 ***Q13. HAS B&W PIPELINE SUBMITTED PROPOSED TARIFFS ALONG***
17 ***WITH ITS APPLICATION?***

18 A13. No. In lieu of a tariff, B&W Pipeline has negotiated a special contract with
19 Navitas. A copy of this special contract is included along with our application.
20

21 ***Q14. IS B&W PIPELINE AWARE OF THE TRA'S RULES AND PIPELINE***
22 ***SAFETY REQUIREMENTS?***

1 A14. Yes. B&W Pipeline will adhere to all of the TRA's rules and pipeline safety
2 requirements.

3

4 ***Q15. HAS B&W SUPPLIED THE TRA WITH THE DETAILS OF ITS***
5 ***OPERATIONS?***

6 A15. Yes. B&W Pipeline has supplied the TRA Staff with all of the information that it
7 has sought in its two formal data requests in this docket. In addition, B&W
8 Pipeline has provided follow-up information to the TRA Staff through informal
9 discovery responses.

10

11 ***Q16. DOES THIS CONCLUDE YOUR TESTIMONY?***

12 A16. Yes, it does.