

**BASS BERRY + SIMS<sub>PLC</sub>**

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December 16, 2014

**Via Hand-Delivery**

The Honorable Earl Taylor  
Executive Director  
Tennessee Regulatory Authority  
c/o Sharla Dillon  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

**Re:   *Petition of Piedmont Natural Gas, Inc. for Approval of a CNG Infrastructure  
Rider to Its Approved Rate Schedules and Service Regulations*  
Docket No. 14-00086**

Dear Mr. Taylor:

I enclose and original and five (5) copies of Discovery Request Piedmont Natural Gas Company, Inc. to the Consumer Advocate.

This material is also being filed by way of email to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon. Please file the original and four copies of this filing and stamp the additional copy as "filed". Then please return the stamped copies to me by way of our courier.

Should you have any questions concerning this matter, please do not hesitate to contact me at the email address or telephone number listed above.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

Enclosures

cc:   Melvin Malone, Esq.  
      Wayne Irvin, Esq.  
      Sharla Dillon (via email)

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

IN RE:	)	
	)	
PETITION OF PIEDMONT NATURAL GAS	)	
COMPANY, INC. FOR APPROVAL OF	)	Docket No. 14-00086
A CNG INFRASTRUCTURE RIDER TO ITS	)	
APPROVED RATE SCHEDULES AND SERVICE	)	
REGULATIONS	)	
	)	

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**DISCOVERY REQUEST OF PIEDMONT NATURAL GAS  
TO THE CONSUMER ADVOCATE**

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Pursuant to the Order Establishing Procedural Schedule issued by the Hearing Officer on October 1, 2014, Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R & Reg. 1220-1-2-.11, Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company") hereby submits the following Interrogatories and Requests for Production ("Data Requests") upon the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"). Piedmont requests that the Consumer Advocate respond to the following Data Requests under oath and in accordance with the Instructions and Definitions below by December 23, 2014. The Consumer Advocate's responses and Documents should be produced at the offices of Bass, Berry & Sims PLC, 150 Third Avenue South, Suite 2800, Nashville, TN 37201, Attn: R. Dale Grimes.

**INSTRUCTIONS**

1. These Data Requests are continuing in nature, and are to be supplemented or amended promptly if information is received or a position held by the Consumer Advocate changes, which would make a prior response or production of documents inaccurate, incomplete, or incorrect.
2. Each Data Request calls for all knowledge and documents in the possession, custody and control of the Consumer Advocate, including all information and documents in the

possession of your attorneys, agents, or representatives. When asked to answer an interrogatory, the request pertains to information within your actual or constructive possession, control, or custody, including information which may be held by your attorneys, representatives, and all persons acting under, by, or through you, or subject to your control or supervision, and all persons acting on your behalf.

3. Documents that are responsive to a particular Data Request should be labeled with the corresponding number of the Data Request. All documents produced shall be consecutively numbered on each page with alphanumeric characters identifying your company and with numerical characters identifying the page.
4. Where all or a portion of a document is responsive to one or more of these Data Requests, produce the entire document together with any attachments or exhibits thereto.
5. Whenever you object to a particular Data Request, or portion thereof, you must respond to the extent you have not objected.
6. If you object to providing a response to an interrogatory, in whole or in part, on the grounds of privilege, provide your objection in writing with sufficient specificity to permit a determination concerning the validity of the claim of privilege, together with the factual and legal basis for each objection asserted. If you object to providing a response in part, respond to that portion of the interrogatory to which no objection is made.
7. If you cannot fully answer any interrogatory, then you should answer such interrogatory to the fullest extent possible, and should indicate the reason for failing to answer fully. Further, you should provide all available information relating to the interrogatory and should identify the person or persons who can more fully answer such interrogatory.
8. In each instance in which you aver insufficient knowledge or information as a grounds for not providing information or for providing only a portion of the information requested by an interrogatory, please set forth a description of the efforts made to locate information

needed to answer the interrogatory. In addition, identify each person, if any, who is known by you to have such knowledge.

9. If a Data Request specifically calls for an answer in response rather than the production of documents, an answer is required. The production of documents will not suffice.

#### **DEFINITIONS**

1. "You" or "your" or "Consumer Advocate" refers to the Consumer Advocate and Protection Division of the Office of the Attorney General, its officers, employees, agents, or representatives during the period of time covered by the Data Request, and any other person acting on the Consumer Advocate's behalf or subject to its control, now or in the past.
2. "Document" is intended to have the broadest permissible meaning and includes, without limitation, the original and all copies of all communications and any written, printed, electronically recorded, typed or graphic matter of any kind or nature however produced or reproduced, and whether or not claimed to be privileged or otherwise excludable from discovery; specifically, including but not limited to, notes; letters; correspondence; memoranda; books of any character; summaries or records of telephone conversations; summaries or records of personal conversations; diaries; routing slips or memoranda; reports and notebooks; periodicals; publications; invoices; bills; receipts; specifications; shipping papers; purchase orders; minutes or records of meetings; reports and/or summaries of interviews; agreements and contracts; electronic recordings; audio and video tapes; journals; ledgers; or any other type of data compilation from which information can be obtained and translated, if necessary, by you through computers, detection devices or any other mechanical device into reasonably usable form.
3. "Person" means any natural person, corporation, partnership, business, governmental body, and all types and kinds of entities of any kind.

4. "Communication" includes without limitation, any oral, electronic, visual, or written exchange of work, thoughts, ideas or Documents between persons or entities by any means.
5. Any reference to a filing or Order means a filing or Order in this Proceeding unless otherwise indicated.
6. "Proceeding" refers to TRA Docket No. 09-00104, Petition of Piedmont Natural Gas Company, Inc. to Implement a Margin Decoupling Tracker (MDT) Rider and Related Energy Efficiency and Conservation Program.
7. "Identify" or "identification" when used in reference to a natural person means to provide that person's full name, present or last known business address (or, if no business address, home address), and that person's employer and position at the time in question with respect to the particular interrogatory involved.
8. "Identify" or "identification" when used in reference to a Document means to provide the title, date, author, signatories, recipients, a general description of such Document sufficient to permit it to be identified with particularity in a request for the production of Documents, the present or last known location of such Document, and the identity of the person or persons having custody, control, or possession thereof.
9. The singular form of a noun or pronoun shall be considered to include within its meaning the plural form of the noun or pronoun so used, and vice versa; and the use of any tense of any verb shall be considered to include also within its meaning all other tenses of the verb so used.
10. Whenever the terms "all", "any" or "each" are used herein, each of these terms shall be construed to include each of the other terms.
11. The connectives "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery all responses which might otherwise be construed to be outside of its scope.

## **DATA REQUESTS**

1. Reference Novak's testimony, p. 4, LL 13-15: "CNG is a completely different product than the regulated natural gas that is used in homes and businesses." Natural gas is always delivered under pressure by a utility like Piedmont; In Mr. Novak's opinion at what pressure does natural gas become a different product?
2. Reference Klein's testimony, p. 10, LL 20-23. Please describe in detail how, and under what circumstances, the CNG IR mechanism would "retard the development of the retail CNG fuel market and reduce the external environmental benefits from CNG as a vehicle fuel relative to the case without the subsidy"?
3. Identify all changes within the knowledge of the CAPD or its witnesses in the CNG market in Piedmont's service territory that have occurred since December 21, 2011.
4. Explain in detail all facts/factors that support the reversal of the Consumer Advocate's position in this docket from its position in docket 11-00144 where it supported approval of Rate Schedule 342 for Natural Gas Vehicle Fuel.
5. Explain in detail why the CAPD's position in this docket does not constitute a breach of the settlement agreement reached in docket TRA Docket No.11-00144?
6. Reference Klein's testimony, p. 7-8. Identify any and all additional support for Klein's conclusion that a subsidy is inconsistent with the intent of the legislation establishing TCA sec. 65-5-103(d).
7. Reference Klein's testimony, p. 8-9. Identify all of the potential "positive externalities" analyzed by CAPD's witnesses and provide any and all studies, quantifications or data utilized for these analyses to determine their value.
8. Reference Klein's testimony, p. 11-12. If both wholesale and retail CNG services were regulated, as requested by Piedmont, how and under what circumstances is the potential of a "vertical price squeeze" impacted by a regulated service in which the rates for those services are set by the Authority?

9. Reference Klein's testimony, p. 12, LL 10-18. Identify all facts and evidence supporting Klein's conclusion that a CNG IR would be consistent with TCA sec. 65-5-103(d) "if it covered additions to Piedmont's natural gas infrastructure and equipment, up to and including the customer's meter, that were necessary to sell natural gas at wholesale to retail CNG vehicle fuel stations."
10. Identify and describe in detail any and all experience of CAPD's witnesses with the development of alternative fuel markets in general or CNG in particular.
11. Identify and describe in detail any and all experience of CAPD's witnesses with the use of natural gas as a vehicle fuel including, but not limited to, academic, consultative or operational.
12. Identify all reports, studies, data and analyses relied upon by CAPD witnesses to support the conclusion that the TRA should treat retail CNG vehicle fuel as an unregulated service.
13. If CNG should not be a regulated service as stated by CAPD witnesses, what is the CAPD's position/explanation as to (a) the lawfulness of the Stipulation entered into in TRA Docket No. 11-00144, (b) the lawfulness of the TRA order approving that Stipulation, (c) the express reference to alternative motor fuels in T.C.A. § 65-5-103, and (d) the lack of any claim by any entity that CNG is not a regulated utility service prior to the filing of intervenor testimony in this docket.
14. If CNG should not be a regulated service as stated by CAPD witnesses, explain CAPD's position as to why Tennessee legislators specifically passed new legislation authorizing alternative methods for regulated utilities to recover alternative fuel infrastructure equipment and costs?
15. Identify and produce any and all documents reviewed by CAPD witnesses in preparation for the filing of their testimony.
16. Identify and produce any and all documents constituting written work product and/or testimony by the CAPD's witnesses related to CNG.

This the 16th day of December, 2014.

**Piedmont Natural Gas Company, Inc.**

*R. Dale Grimes*

R. Dale Grimes  
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*James H. Jeffries, IV*

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*by PDS w/  
permanence*



**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the attached document was served upon the parties in this action by electronic mail and by depositing a copy of the same in the United States Mail, First Class Postage Prepaid, addressed as follows:

<b>Counsel for Tennessee Fuel &amp; Convenience Store Assoc.</b>  Melvin J. Malone Butler Snow Suite 1600 150 Third Avenue South Nashville, TN 37201	<b>Counsel for the Consumer Advocate and Protection Division of the Office of the Attorney General</b>  Wayne Irvin Assistant Attorney General Office of the Tennessee Attorney General Consumer Advocate and Protection Division P. O. Box 20207 Nashville, TN 37202-0207
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This the 16<sup>th</sup> day of December, 2014.

