

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**January 8, 2015**

**IN RE:**

**PETITION OF PIEDMONT NATURAL GAS  
COMPANY, INC. FOR APPROVAL OF A CNG  
INFRASTRUCTURE RIDER TO ITS APPROVED  
RATE SCHEDULES AND SERVICE REGULATIONS**

)  
) **DOCKET NO.**  
) **14-00086**  
)

**TARIFF TO REVISE THE NATURAL GAS VEHICLE  
FUEL TARIFF AND INTRODUCE AN  
EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE  
TARIFF**

) **DOCKET NO.**  
) **14-00087**  
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)

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**PRE-HEARING ORDER**

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Pursuant to Tenn. Code Ann. § 4-5-306(d) and TRA Rule 1220-1-2-.12, this matter came before the Hearing Officer during a pre-hearing conference on January 7, 2015, with the attorneys for Piedmont Natural Gas Company, Inc. ("Piedmont"), the Consumer Advocate and Protection Division of the Tennessee Attorney General's Office ("Consumer Advocate"), and the Tennessee Fuel and Convenience Store Association ("TFCA") (collectively, the "Parties") to establish the orderly conduct of the hearing, which is scheduled to be heard at 9:00 a.m. CST on January 12, 2015.

**I. PROCEDURAL MATTERS**

**A. Notice of Hearing & Public Comment**

On January 2, 2015, a *Notice of Hearing* was issued notifying the public that a hearing will be held at **9:00 a.m. CST on Monday, January 12, 2015**. As was also included in the *Notice of Hearing*, members of the public are encouraged to participate by filing written

comments in the docket file and/or presenting verbal comments during the hearing. The purpose of the hearing is to consider Piedmont's proposed Compressed Natural Gas ("CNG") Infrastructure Rider mechanism and tariff, as originally filed in Docket No. 14-00086, and certain tariffs that amend its existing Rate Schedule 342 related to Natural Gas Vehicle Fuel and introduce an Experimental Motor Vehicle Fuel Service, as originally filed in Docket No. 14-00087.

### **B. Opening Statements**

After preliminary matters are considered, if any, each party is permitted a maximum of ten (10) minutes to present an opening statement. Piedmont will present its opening statement first, followed by the Consumer Advocate, then TFCA.

### **C. Exhibits & Documents**

Concerning the use of exhibits or documents, TFCA stated that in an effort to streamline the hearing, the Authority had in certain previous dockets required the parties to exchange exhibits in advance of the hearing. TFCA further volunteered that it did not plan to present material that was not currently filed, and requested that the parties exchange exhibit lists or otherwise provide notice of any intention to use material that is not already filed in the docket file. The Consumer Advocate also indicated that it did not anticipate presenting material that was not currently filed, and asked that Piedmont also indicate its expectations as to the use of exhibits or documents. Piedmont stated that it would need additional time to determine what documents and exhibits it might use, and offered to provide notice by close of business Friday, January 9, 2015.

Upon consideration of the agreement between the parties on this issue, the Hearing Officer establishes the following procedure for providing notice:

1) Regardless of the intended purpose or anticipated use, any party that would like to present any document or exhibit during the hearing that is not currently filed in the docket file, should attempt to confer and reach agreement with the other parties of record concerning the use of the material.

2) Whether or not the parties reach agreement, the party intending to use such material shall provide notice by electronic mail to all parties of record and the Hearing Officer no later than 4:30 p.m. CST on Friday, January 9, 2015. The notice shall include a clear copy of the document or exhibit to be presented, a detailed explanation of the reason or need to use the material, and cite the legal foundation and grounds for its admission or use.

3) Any party who objects to the document or exhibit shall provide a detailed response including appropriate citation to legal authority, by electronic mail to all parties of record and the Hearing Officer by 12:00 p.m. (Noon) CST on January 10, 2015. No additional reply or further response will be permitted unless specifically requested by the Hearing Officer.

During the hearing, each party should have its own copy of all exhibits, including those appended to pre-filed testimony, available for reference. Further, each party is responsible for supplying a sufficient number of copies of any documents and exhibits that it intends to reference or discuss with a witness. While a party should rely on its own judgment and discretion in determining the total number of copies to have on hand, *at a minimum*, copies of a document or exhibit should be provided to the court reporter (1), each Director on the panel (3), Legal Staff (3), and to the Authority Utilities Division Chief (1). A copier may not be available for use during the hearing, and delaying or interrupting the proceedings to make copies is disfavored and, in the discretion of the panel, may not be permitted.

#### **D. Witnesses**

During direct examination, each witness will be permitted ten (10) minutes to summarize his/her pre-filed testimony. In addition, each witness remains subject to recall for rebuttal purposes and should remain available throughout the length of the proceedings.

- Piedmont will present two witnesses:
  - 1) **Ken Valentine** – Piedmont Vice President, Business Development & Gas Technology Services
  - 2) **Pia K. Powers** – Piedmont Director, Regulatory Affairs
- Consumer Advocate will present two witnesses:
  - 1) **William H. Novak** – President, WHN Consulting
  - 2) **Christopher C. Klein** – Professor, Middle Tennessee State University Economics and Finance Department
- TFCA will present two witnesses:
  - 1) **Ron Jones** - Principal, WRD Regulatory Consulting, LLC
  - 2) **Scott M. Carr** - Director, Navigant Economics

#### **D. Examination of Witnesses and Questions by the Authority**

While redirect examination of a witness is allowed, the parties are reminded to limit questions on redirect to matters elicited during cross-examination that require clarification. It is not appropriate to raise new issues during redirect examination. Re-cross examination is not permitted except in the event that a new issue is raised during the immediately preceding redirect examination. The Authority's Advisory Staff has the opportunity to ask questions following cross-examination, before redirect examination. The parties should be aware that the Directors might ask questions at any time during a witness's testimony, as well as following cross-examination.

#### **E. Confidential Information**

As discussed during the pre-hearing conference, concerning the disclosure of confidential information during the hearing, a party shall notify the Chairman/Presiding Director before beginning a line of questioning that is likely to involve the disclosure of confidential information. Whenever possible, discussion of confidential information should be conducted so as to reduce the time and number of instances that the panel would have to clear the Hearing Room or take special measures to maintain the confidentiality of protected information.

#### **F. Post-Hearing Briefs**

In light of the number of witnesses and complexity of the case, TFCA and the Consumer Advocate proposed that the parties be permitted to file post-hearing briefs in lieu of presenting closing arguments. The Hearing Officer informed the parties that in order that post-hearing briefs may be reviewed and sufficiently considered before the February 9, 2015 Authority Conference, during which time the panel is expected to deliberate the requests at issue, the Hearing Officer established a filing deadline of 2:00 p.m. CST on January 22, 2015. With the understanding that the target date for deliberations would remain unchanged, Piedmont stated that it had no objection to filing post-hearing briefs.

#### **G. Technological and Other Special Requests**

The parties should inform the Hearing Officer of any requests or requirements as to visual display aids and technology that might be needed during the hearing. So that the appropriate arrangements and accommodations may be made, all such requests and information should be provided via email to the Hearing Officer at [kelly.grams@tn.gov](mailto:kelly.grams@tn.gov) by 4:30 p.m. CST on January 8, 2015.

#### **H. Summary Outline of Hearing**

For the convenience of the presiding panel and the parties, a *Procedural Outline of Hearing* has been provided as an attachment to this Order.

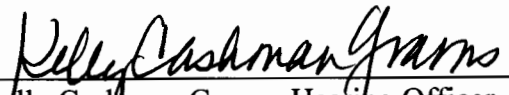
**IT IS THEREFORE ORDERED THAT:**

1. Any party that would like to present any document or exhibit during the hearing that is not currently filed in the docket file shall first attempt to confer with the other parties concerning such material, and shall further provide notice, as described in section C herein above, to the parties of record and the Hearing Officer **no later than 4:30 p.m. CST on January 9, 2015**. Any objection to the use of such document or exhibit shall be made, as described in paragraph C, by electronic mail to all parties of record and the Hearing Officer **by 12:00 p.m. (Noon) CST on January 10, 2015**. Unless specifically ordered by the Hearing Officer, no additional reply or further response shall be permitted.

2. Requests for visual aids, the use of technology, and information concerning the technical requirements of the parties shall be provided by electronic mail to the Hearing Officer at [kelly.grams@tn.gov](mailto:kelly.grams@tn.gov) **by 4:30 p.m. CST on January 8, 2015**.

3. The hearing scheduled **at 9:00 a.m. CST on January 12, 2015**, shall be conducted in accordance with this Pre-Hearing Order unless otherwise ordered by the Chairman/Presiding Director.

4. Post-Hearing Briefs shall be filed with the Authority Docket Manager **no later than 2:00 p.m. CST on January 22, 2015**.

  
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Kelly Cashman-Grams, Hearing Officer

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**NASHVILLE, TENNESSEE**

**IN RE:**

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**PROCEDURAL OUTLINE OF HEARING**

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**Hearing on the Merits**

- Time/Date: **9:00 a.m. CST on January 12, 2015**
- Location: Hearing Room G.201  
Andrew Jackson State Office Building  
500 Deaderick Street, Nashville, TN

A. Hearing Convened by Chairman/Presiding Director & Introductions

B. Preliminary Matters (if any)

C. Public Comment

D. Opening Statements (10 minutes each):

- 1) Piedmont Natural Gas Company
- 2) Tennessee Attorney General-Consumer Advocate & Protection Div.
- 3) Tennessee Fuel and Convenience Store Association ("TFCA")

E. Witness Testimony

**1) Piedmont Witness:**

**Ken Valentine, Vice President, Business Dev. & Gas Technology Svs.,  
Piedmont**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10 minutes)

Cross-examination by Consumer Advocate

Cross-examination by TFCA

Questions by TRA Advisory Staff (if any)<sup>1</sup>

Re-direct examination by Piedmont

**2) Piedmont Witness:**

**Pia K. Powers, Director, Regulatory Affairs, Piedmont**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10 minutes)

Cross-examination by Consumer Advocate

Cross-examination by TFCA

Questions by TRA Advisory Staff (if any)

Re-direct examination by Piedmont

**3) Consumer Advocate Witness:**

**William H. Novak, President, WHN Consulting**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10 minutes)

Cross-examination by TFCA

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<sup>1</sup> Witnesses should anticipate questions from Directors at any time throughout the proceedings.



Cross-examination by Piedmont

Questions by TRA Advisory Staff (if any)

Re-direct examination by Consumer Advocate

**4) Consumer Advocate Witness:**

**Christopher C. Klein, Professor, Economics & Finance Dept., Middle Tenn. State Univ.**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10 minutes)

Cross-examination by TFCA

Cross-examination by Piedmont

Questions by TRA Advisory Staff (if any)

Re-direct examination by Consumer Advocate

**5) TFCA Witness:**

**Ron Jones, Principal, WRD Regulatory Consulting, LLC**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10 minutes)

Cross-examination by Consumer Advocate

Cross-examination by Piedmont

Questions by TRA Advisory Staff

Re-direct examination by TFCA

**6) TFCA Witness:**

**Scott M. Carr, Director, Navigant Economics**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10 minutes)

Cross-examination by Consumer Advocate

Cross-examination by Piedmont

Questions by TRA Advisory Staff

Re-direct examination by TFCA

F. Final Public Comment

G. Consideration of Final Matters/Issues (if any)

H. Hearing Adjourned