

# BUTLER | SNOW

November 7, 2014

**VIA ELECTRONICALLY**

Hon. Herbert H. Hilliard, Chairman  
Tennessee Regulatory Authority  
c/o Sharla Dillon, Dockets and Records Manager  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243

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

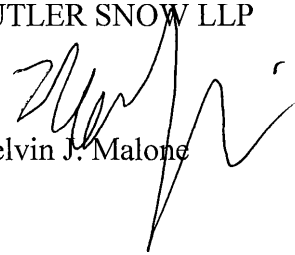
Dear Chairman Hilliard:

Attached for filing please find *Tennessee Fuel and Convenience Store Association's Supplemental Discovery Requests to Piedmont Natural Gas Company* in the above-captioned matter.

As required, an original of this filing, along with four (4) hard copies, will follow. Should you have any questions concerning this filing, or require additional information, please do not hesitate to let me know.

Very truly yours,

BUTLER SNOW LLP

  
Melvin J. Malone

Attachment

c: Parties of Record

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BUTLER SNOW LLP

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

**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**

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**TENNESSEE FUEL AND CONVENIENCE STORE ASSOCIATION'S  
SUPPLEMENTAL DISCOVERY REQUESTS TO PIEDMONT NATURAL GAS  
COMPANY**

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Tennessee Fuel and Convenience Store Association ("TFCA") respectfully submits the following supplemental data requests to the Petitioner, Piedmont Natural Gas Company, Inc. ("Piedmont" or "Company"). Consistent with the Procedural Schedule established by the Hearing Officer in this matter, the responses are to be produced at the office of the undersigned counsel, Mr. Melvin J. Malone, at Butler Snow LLP, 150 Third Avenue, South, Nashville, Tennessee, 37201 on November 14, 2014.

**Instructions**

As used herein, "Documents" include all correspondence, memoranda, notes, e-mail, maps, drawings, surveys or other written or recorded materials, whether external or internal, of every kind or description in the possession of or accessible to Piedmont, its witnesses or counsel.

A. Please identify by name, title, position and responsibility the person or persons answering each of these data requests for information.

B. These requests shall be deemed continuing so as to require further and supplemental responses if Piedmont receives or generates additional information within the

scope of these requests between the time of the response and the time of any hearing conducted herein.

C. To the extent that the specific document, work paper or information as requested does not exist, but a similar document, work paper or information does exist, provide the similar document, work paper or information.

D. To the extent that any request may be answered by way of a computer printout, spreadsheet or other form of electronic media, please identify each variable contained in the document or file which would not be self-evident to a person not familiar with the document or file.

E. If Piedmont has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the undersigned counsel for TFCA as soon as possible.

F. For any document withheld on the ground of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown or explained; and the nature and legal basis for the privilege asserted.

G. In the event any document requested has been destroyed or transferred beyond the control of the Piedmont or any of its witnesses, state: the identity of the person by whom it was destroyed or transferred and the person authorizing the destruction or transfer; the time, place and method of destruction or transfer; and the reason(s) for its destruction or transfer. If destroyed or transferred by reason of a document retention policy, describe in detail the document retention policy.

H. If a document responsive to a request is a matter of public record, please produce a copy of the document rather than refer TFCA to the record where the document is located.

**DISCOVERY REQUEST NO. 1:**

Is Compressed Natural Gas ("CNG") provided by any regulated natural gas local distribution public utility as an unregulated commodity in any state?

Among other places, this information may come from information or resources developed by the Company or from any other source, including, but not limited to, trade or similar organizations, within the Company's possession.

**RESPONSE:**

**DISCOVERY REQUEST NO. 2:**

Excepting federal regulations, is CNG provided by any regulated natural gas local distribution public utility as an unregulated commodity in any state?

Among other places, this information may come from information or resources developed by the Company or from any other source, including, but not limited to, trade or similar organizations, within the Company's possession.

**RESPONSE:**

**DISCOVERY REQUEST NO. 3:**

Please provide any information, compilation or listing regarding in which states CNG is provided by regulated natural gas local distribution public utilities as a regulated commodity.

Among other places, this information may come from information or resources developed by the Company or from any other source, including, but not limited to, trade or similar organizations, within the Company's possession.

**RESPONSE:**

**DISCOVERY REQUEST NO. 4:**

Please provide any information, compilation or listing regarding in which states CNG is provided by regulated natural gas local distribution public utilities as an unregulated commodity.

Among other places, this information may come from information or resources developed by the Company or from any other source, including, but not limited to, trade or similar organizations, within the Company's possession.

**RESPONSE:**

**DISCOVERY REQUEST NO. 5:**

Excepting that the Company has an approved tariff on file with the Tennessee Regulatory Authority regarding the provision of CNG to the public emanating from TRA Docket No. 11-00144, are there any other characteristics of CNG or the provision of CNG by Piedmont that make the same a regulated commodity in Tennessee? Please explain in detail and with specificity?

**RESPONSE:**

**DISCOVERY REQUEST NO. 6:**

If the Tennessee Regulatory Authority had not approved the Company's CNG tariff in TRA Docket No. 11-00144, are there any circumstances under which the Company could have provided CNG to the public? Please explain in detail and with specificity.

**RESPONSE:**

**DISCOVERY REQUEST NO. 7:**

If the Company had not filed, or the TRA had not approved, the Company's CNG tariff in TRA Docket No. 11-00144, would the Company be prohibited from providing CNG in Tennessee as an unregulated commodity? Please explain in detail and with specificity.

**RESPONSE:**

**DISCOVERY REQUEST NO. 8:**

In Rate Schedule 343, under the caption "SERVICE AVAILABILITY," on First Page 2 of 3, what standard or measurement will the Company employ in instances where it exercises its judgment to assess the "impact on the local economy"?

**RESPONSE:**

**DISCOVERY REQUEST NO. 9:**

Reference: Mr. Valentine's Supplemental Pre-filed Testimony, p. 9, LL 2-4.

Mr. Valentine testified that "it is Piedmont's position that retail CNG service is appropriately offered to the public by Piedmont as a utility service (at least under current market conditions)." Please identify and explain, with detail and specificity, the market conditions under which CNG should no longer be offered to the public by Piedmont as a utility service.

**RESPONSE:**

**DISCOVERY REQUEST NO. 10:**

Is it the Company's position that CNG refueling stations are a natural monopoly? Please explain in detail and with specificity.

**RESPONSE:**

**DISCOVERY REQUEST NO. 11:**

Is it the Company's position that the provision of CNG is a natural monopoly? Please explain in detail and with specificity.

**RESPONSE:**

**DISCOVERY REQUEST NO. 12:**

What are the risks to the Company's shareholders with respect to the tariffs associated with TRA Docket Nos. 14-00086/87 and the proposed recovery mechanism? Please explain in detail and with specificity.

**RESPONSE**

**DISCOVERY REQUEST NO. 13:**

Has the Company entered into any discounted rate arrangements, or otherwise allowed any discounted rates, from current Rate Schedule 342 or any other Piedmont tariff applicable to CNG? Please respond in detail and with specificity.

**RESPONSE:**

**DISCOVERY REQUEST NO. 14:**

If the Petition and the associated tariffs are approved by the Tennessee Regulatory Authority, is it the Company's position that it may thereafter enter into discounted rate arrangements, or otherwise allow discounted rates for CNG absent TRA approval? Please respond in detail and with specificity.

**RESPONSE:**

**DISCOVERY REQUEST NO. 15:**

With respect to each and every state in which attempts, similar to that proposed by the Company in TRA Dockets 14-00086 and 14-00087, to develop the CNG market have not been successful, such as, but not limited to, Connecticut, please explain, in detail and with specificity, the underlying reasons or factors for such insufficient development of the market for CNG in such states? Please identify each such state separately in this response.

Among other places, this information may come from information or resources developed by the Company or from any other source, including, but not limited to, trade or similar organizations, within the Company's possession.

**RESPONSE:**

**DISCOVERY REQUEST NO. 16:**

With respect to each and every state in which any attempt has been made to develop the CNG market, such as, but not limited to, Connecticut, please explain, in detail and with specificity, the underlying reasons or factors for such insufficient development of the market for CNG in such states? Please identify each such state separately in this response.

Among other places, this information may come from information or resources developed by the Company or from any other source, including, but not limited to, trade or similar organizations, within the Company's possession.

**RESPONSE**

**DISCOVERY REQUEST NO. 17:**

If the Company bids to build a CNG filling station for a customer without investing in it, would any ratepayer funds or regulated resources be used? Please explain in detail and with specificity?

**RESPONSE:**

**DISCOVERY REQUEST NO. 18:**

If the Company's provision of CNG is provided at some future time as an unregulated service via infrastructure and facilities subsidized by the ratepayers, what regulatory treatment or allocation would the company employ to account for said ratepayer subsidy? Please explain in detail and with specificity?

**RESPONSE:**

**DISCOVERY REQUEST NO. 19**

If the Company's provision of CNG is provided at some future time as an unregulated service, would the ratepayers' benefit in any way from such future unregulated revenues earned from the provision of unregulated CNG? Please explain in detail and with specificity?

**RESPONSE:**



**DISCOVERY REQUEST NO. 20:**

Reference: TRA Docket No. 14-00087.

Is it the Company's position that the *Order Approving Settlement Agreement* in TRA Docket No. 11-00144 and the associated tariffs authorized, and/or the proposed tariffs in TRA Docket Nos. 14-00086 and 14-00087 would authorize, the Company to provide CNG at less than cost basis? Please respond in detail and with specificity.

**RESPONSE:**

**DISCOVERY REQUEST NO. 21:**

Reference: Mr. Valentine's Supplemental Pre-filed Testimony, p. 6, LL 13-20.

Please provide the addresses for both Trillium CNG's station and Waste Management, Inc.'s CNG station.

**RESPONSE:**

**DISCOVERY REQUEST NO. 22:**

Reference: Mr. Valentine's Supplemental Pre-filed Testimony, p. 6, LL 13-20.

What services does Piedmont provide Trillium CNG's station and the Waste Management, Inc.'s CNG station? Please explain in detail and with specificity.

**RESPONSE:**

**DISCOVERY REQUEST NO. 23:**

Reference: Mr. Valentine's Supplemental Pre-filed Testimony, p. 6, LL 13-20.

What infrastructure and related facilities did Piedmont deploy or provide advance funding or payment for in relation to Trillium CNG's station and the Waste Management, Inc.'s CNG station? Please explain in detail and with specificity.

**RESPONSE:**

**DISCOVERY REQUEST NO. 24:**

Reference: Mr. Valentine's Supplemental Pre-filed Testimony, p. 6, LL 13-20.

Did Piedmont provide any financial assistance of any nature to either Trillium CNG, Waste Management, Inc., or any entity or person connected with the development, construction or operation of these CNG stations? Please explain in detail and with specificity.

**RESPONSE:**

**DISCOVERY REQUEST NO. 25:**

Reference: Mr. Valentine's Supplemental Pre-filed Testimony, p. 6, LL 13-20.

What were the costs of any and all infrastructure and related facilities deployed by Piedmont in relation to Trillium CNG's station and the Waste Management, Inc.'s CNG station? Please explain in detail and with specificity. If this information has already been provided, please reference the place where this information has been provided.

**RESPONSE:**

**DISCOVERY REQUEST NO. 26:**

Reference: Mr. Valentine's Supplemental Pre-filed Testimony, p. 6, LL 13-20.

Please produce any contracts, agreements, memoranda or other documentation Piedmont has with Trillium CNG or Waste Management, Inc.' related to existing or proposed CNG stations in Tennessee, North Carolina and South Carolina?

**RESPONSE:**

**DISCOVERY REQUEST NO. 27:**

Reference: Mr. Valentine's Supplemental Pre-filed Testimony, p. 6, LL 13-20.

Are the rates charged to Trillium's CNG station and Waste Management, Inc.'s CNG station Piedmont's current TRA-approved tariff rates? Please explain with detail and specificity?

**RESPONSE:**

**DISCOVERY REQUEST NO. 28:**

Please provide a schedule of the consumption of 536,000 Gasoline Gallon Equivalent volumes (GGEs) for the 11 months ended September 2014 used by large trucks, local delivery fleets, school buses, distribution fleets, personal commuter vehicles, Piedmont's utility fleet, and others in Tennessee.

**RESPONSE:**

**DISCOVERY REQUEST NO. 29:**

Please provide a schedule of the computations for the "rough approximation" Mr. Valentine used to calculate \$1 million in customer savings based on the prevailing price differential of approximately \$1.50 between CNG and gasoline/diesel applied to customer volumes.

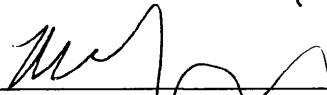
**RESPONSE:**

**DISCOVERY REQUEST NO. 30:**

To the extent not previously provided, please provide copies of all schedules and underlying computations, work papers, analysis, studies, reports and any other materials used, relied upon, developed or produced by Piedmont, or its witnesses in this matter, in support of its responses to these supplemental discovery requests.

**RESPONSE:**

RESPECTFULLY SUBMITTED,



MELVIN J. MALONE (BPR #013874)

VALERIA GOMEZ (BPR #032131)

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*Attorneys for Tennessee Fuel and Convenience  
Store Association*

Dated: November 7, 2014

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

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and External Relations Officer  
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This the 7th day of November, 2014.

  
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Melvin J. Malone