

TENNESSEE REGULATORY AUTHORITY



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502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

November 24, 2014

Archie Hickerson
Director -Regulatory Affairs
10 Peachtree Place NE, Location 1686
Atlanta GA 30309

RE: Docket No. 14-00118 – *Joint Request of Chattanooga Gas Company and Volkswagen Group of America Chattanooga Operations, LLC for Approval of Special Contract.*

Dear Mr. Hickerson:

For the Authority to further evaluate your petition and to move this matter as quickly as possible, it is requested that you provide complete responses to the following:

1. Please provide the terms of CGC's agreement to pursue a special contract rate for Volkswagen as part of the incentive package promotion put forth by the City of Chattanooga.
2. What is the distance from the Volkswagen plant to the nearest interstate pipeline?
3. Has Volkswagen or CGC considered the feasibility and/or conducted any feasibility studies to determine the economic costs and benefits of bypassing CGC's distribution system and connecting directly to the interstate pipeline? If so, please provide a copy of all such studies and/or analysis done to reach the decision to pursue a special contract rate through the TRA.
4. Please provide any documentation to demonstrate that should Volkswagen bypass CGC's system, such bypass would be uneconomic to CGC and its customers. (Please provide the amount of stranded investment cost to CGC should Volkswagen make the decision to bypass CGC's distribution system.)
5. Please provide any documentation and/or evidence of negotiations to support the determination that the contract rates and terms are not unduly preferential or discriminatory pursuant to Tenn. Code Ann. § 65-4-104 and that the rates are the highest that could be negotiated.
6. Please provide CGC's rationale for agreeing to the contract term (see Section 5) that metered volumes of gas delivered to the Volkswagen facility will have no adjustment for intrastate fuel use or lost or unaccounted for gas.
7. Page 3 of the Company's Petition states that CGC's other customers will not be adversely impacted by the approval of this negotiated contract. Please explain fully the Company's basis for this statement.
8. Please provide detailed work papers and all supporting documents demonstrating whether the contract rates will cover CGC's cost and contribute to margin by year over the life of the contract.

9. Provide a schedule calculating a monthly bill for Volkswagen using an estimated usage at the proposed contract rates versus a monthly bill using the tariff rates that would apply to Volkswagen absent a special contract.
10. Please discuss all other relevant factors that support approval of this special contract.

It is requested that your responses be submitted no later than December 10, 2014, and that your responses reference Docket No. 14-00118. Pursuant to TRA Rule 1220-1-1-.03(4), submit either an electronic response along with an original and four (4) written copies or an original written response and thirteen (13) copies. Please note that the requisite number of written copies of all requested information must be provided to the Docket Manager and electronic responses, if filed, must be in .pdf format. Should you have questions regarding the request, please contact Tiffany Underwood at (615) 770-6893.

Sincerely,

A handwritten signature in black ink, appearing to read "D M Foster". The signature is fluid and cursive, with the first name "D" being large and prominent.

David Foster
Chief, Utilities Division

C: Docket File.