

TENNESSEE REGULATORY AUTHORITY

502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

August 24, 2015

Henry Walker, Esq.
Bradley Arant Boult Cummings, LLP
1600 Division Street, Suite 700
Nashville, TN 37203
hwalker@babco.com

RE: Docket No. 15-00042 – *Petition of B&W Pipeline, LLC for an Increase in Rates*

Dear Mr. Walker:

To assist the Authority in its evaluation of the above-captioned matter, please provide responses to the attached TRA Second Data Request to B&W Pipeline, LLC.

It is requested that all responses be provided no later than 2:00 p.m., September 3, 2015. In accordance with TRA rules submit either (1) an original and thirteen written copies of your response or (2) an original and four written copies and an electronic version. Should you have any questions or need clarification regarding any requested item, please contact me at (615) 770-6884. Thank you for your prompt attention to this matter.

Sincerely,

 with permission

David N. Foster
Chief, Utilities Division

cc: Docket File

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Attachment

TRA SECOND DATA REQUEST TO B&W PIPELINE, LLC

1. Reconcile the difference between the acquisition price included in rate base of \$2,633,085 and the purchase price of \$2,410,000 listed in the 2nd amendment to asset purchase agreement dated September 2, 2010.
2. Please explain how \$2,633,085 is a reasonable value to include in rate base for the pipeline, when the last known Net Utility Plant value for both the pipeline and the distribution system now owned by Navitas was \$949,548.79 at the end of 2009, shortly before the bankruptcy.
3. Provide documentation for payments of the dues and subscriptions included on Schedule 4 Line 5 that were paid to the U.S. Department of Transportation for PHMSA and Tennessee One-Call Systems Inc.
4. Did any portion of the cost for dues and subscriptions relate to unregulated activities?
5. List specifically and provide support for how the company arrived at \$30,000 in legal cost and \$30,000 in financial and regulatory cost for the completion of this case.
6. Provide a lead sheet specifying how the total insurance included in the operating fee charged to B&W was determined.
7. On page 14 of the Rebuttal Testimony of Hal Novak, as part of Table 2 the Company provides a column titled B&W updated throughput forecast for the attrition period. Was it the Company's intent to change the throughput? If yes, please provide any necessary updates to the Company's exhibits and testimony.
8. Please provide support for the Company's affiliate throughput as listed in Rebuttal Testimony of Hal Novak on page 14 and explain why the throughput has been revised.
9. Provide a price out schedule showing proof of revenue requirement using the daily demand rate design.
10. Was Check No. 1632 in the amount of \$73.00 paid to the TN Department of Revenue included in Taxes Other Than Income Expense? If yes, please provide support for this transaction and an explanation for what the \$73.00 was for.
11. The Bank Fees listed in General Ledger Account No. 521214 appear to be for overdraft fees for a Regions Checking Account. Please provide the rationale for including overdraft fees in rates.
12. The business city and county taxes appear to be based on regulated and nonregulated gross sales. Should any portion of these taxes be allocated to the Company's nonregulated business?

TRA SECOND DATA REQUEST TO B&W PIPELINE, LLC

13. Are any of the property taxes associated with property for B&W's nonregulated business? If so, please provide the amount of such taxes.
14. List the amount of Professional Services Expense associated with the CCN docket.
15. Did B&W request Authority approval to defer any CCN-related expenses in order to establish a regulatory asset? If so, please provide documentation supporting such deferral request.
16. Has B&W paid any expenses associated with obtaining its CCN? If so, please provide a schedule showing the payment date, the payee, the payment amount, and the account number to which the expense was charged.
17. Did B&W request Authority approval to defer any acquisition costs? If so, please provide documentation supporting such deferral request.
18. Could a rate base amount be computed beginning with the net book value of Gasco Distribution Systems, Inc., reported in its 2009 Annual Report filed with the Authority, and thereafter including any subsequent additions and retirements to plant made by B&W? If so, please provide such calculation. If not, please explain why such calculation cannot be determined.
19. Please fully describe all benefits to ratepayers that would result from including an acquisition premium in rates.
20. Please quantify any tangible, measureable benefits to ratepayers (e.g., cost savings, efficiencies, etc.) that would result from including an acquisition premium in rates.