

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**IN RE:**

**PETITION OF B&W PIPELINE, LLC  
FOR AN INCREASE IN RATES**

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**DOCKET NO. 15-00042**

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**PETITION TO INTERVENE**

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**COMES NOW** Navitas TN NG, LLC ("Navitas"), by and through undersigned counsel, pursuant to Tenn. Code Ann. § 4-5-310 and Tenn. Comp. R. & Regs. R. 1220--1-2-.08, respectfully petitions the Tennessee Regulatory Authority (the "Authority") to grant Navitas' intervention because the interests, rights, duties or privileges of Navitas and its customers may be determined or affected by the proceeding. For cause, Petitioner would show as follows:

1. Navitas is a natural gas distribution company that serves residential, commercial, and industrial consumers in Jellico, Tennessee, Byrdstown, Tennessee, Pickett and Fentress Counties, Tennessee and Albany, Clinton County, Kentucky (the "Area"). On December 30, 2010, the Authority issued an order granting to Navitas the transfer and control of the gas utility system previously owned by Gasco Distributions System, Inc. ("Gasco"). This transfer of control also conferred upon Navitas the authority to provide utility services deriving from Gasco's Certificate of Convenience and Necessity ("CPCN").<sup>1</sup> The Fentress-Byrdstown system serves approximately 50 customers and along with the Albany, Kentucky system is supplied by the B&W pipeline owned by B&W Pipeline, LLC ("B&W"). In other words, the B&W Pipeline supplies natural gas to Navitas servicing customers in two states, Tennessee and Kentucky. Accordingly, the B&W Petition for a rate increase in this proceeding is a two-state issue.

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<sup>1</sup> Order Approving Transfer of Control and Approving Franchise Agreements and Financing Transactions, TRA Docket No. 10-00220.

2. In April 2013, the Authority entered a final Order (Docket No. 12-00068) approving a general rate increase for Navitas to provide natural gas distribution service to its customers in Jellico and Byrdstown, Tennessee, and the County of Fentress, Tennessee. That rate increase approved by the Authority was based on a settlement agreement reached between Navitas and the Consumer Advocate and Protection Division of the Office of the Attorney General ("CAPD") wherein B&W was supplying Navitas natural gas through the B&W pipeline at the current rate of \$0.60 per Mcf.

3. In its Petition, B&W claims that its current rate for the transportation of natural gas - \$0.60 per Mcf - generates a net operating loss. This rate, according to B&W, was established before B&W purchased the pipeline, formerly owned by Gasco. B&W contends that the current rate was never intended to cover the total revenue requirement of the pipeline as a stand-alone business.

4. B&W is petitioning the TRA to find its current rate inadequate and to increase its net operating income to \$422,688 during calendar year 2016. B&W contends that it will incur a net operating loss of \$162,151.00 during the attrition period under its current rate. B&W claims that the rate increase is necessary to cover its projected loss and other expenses. B&W has not yet filed a proposed rate design with the TRA.

5. The interests of Navitas and its customers will be affected by the TRA's decisions in this proceeding. The impact of such a rate increase will unjustly harm Navitas and its customers. The proposed rate increase could ultimately lead to the demise of the gas system by making the rates uncompetitive with alternative energy sources. Furthermore, a rate change of this proposed magnitude, with percentage point increases in the hundreds, is an unreasonable burden to impose on Navitas' customers. In effect, a rate increase could result in the transfer of

the costs of exploration, production, and gathering ventures to the customers captive to the transmission line.

6. Only by participating in this proceeding can Navitas work adequately to protect its interests and the interest of its customers in Tennessee.

WHEREFORE, Petitioner respectfully asks the Authority to grant its Petition to Intervene.

Dated this the 28th day of April, 2015.

Respectfully submitted,



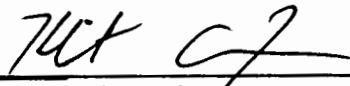
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**CERTIFICATE OF SERVICE**

I hereby certify that on April 28th, 2015, a true and correct copy of the foregoing Petition to Intervene was served via U.S. Mail or electronic mail upon the following:

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