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October 15, 2015

Mr. David N. Foster
Chief, Utilities Division
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, TN 37243

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

Dear Mr. Foster:

Attached are the responses of B&W Pipeline to the “TRA Third Data Request” dated October 7, 2015.

Sincerely,

BRADLEY ARANT BOULT CUMMINGS LLP

By:


Henry Walker

HW/dbi

Enclosures

cc: Klint Alexander, Esq. (w/ enclosures)
Rachel A. Newton, Esq. (w/ enclosures)

B&W PIPELINE

Response to TRA Staff Data Request #3

Docket 15-00042

- 1. Do the throughput volumes listed on Schedule 4 of B&W's Exhibits constitute metered volumes or volumes delivered?**

RESPONSE:

The volumes listed on Schedule 4 of B&W's Exhibit constitute forecasted volumes metered by B&W at its delivery points to Navitas and Rugby Energy. Therefore, these volumes should be considered to be both delivered and metered during the attrition year.

B&W PIPELINE

Response to TRA Staff Data Request #3

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- 2. Do any of the throughput volumes listed on Schedule 4 of B&W's Exhibits include volumes for lost gas? If so, identify the amount of lost gas.**

RESPONSE:

No. The throughput volumes listed on Schedule 4 of B&W's Exhibit does not include volumes for lost gas. By its definition, lost gas is not metered and therefore not included as revenue.

B&W PIPELINE

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- 3. Are the easement customers included in the throughput volumes on Schedule 4 of B&W's Exhibits? If yes, identify where these volumes are included and the total volumes for each of the easement customers.**

RESPONSE:

No. The throughput volumes listed on Schedule 4 of B&W's Exhibit does not include volumes for easement customers. The volumes associated with easement customers are not metered, and therefore not included as revenue.

B&W PIPELINE

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4. Please explain the basis for the 10% shrinkage in the transportation contract between Navitas (Gasco) and B&W.

RESPONSE:

The shrinkage component of the agreement between Navitas (Gasco) and B&W Pipeline is a common provision in most pipeline contracts. Among other things, shrinkage represents the difference between the amount of natural gas received into a pipeline for transportation and the gas delivered taking into account fuel, imbalances, leakage, discrepancies due to meter inaccuracies, variations of temperature and/or pressure variants, or other actual losses.

The existing shrinkage rate of 10% that is included in the transportation contract between Navitas/Gasco and B&W Pipeline was inherited by B&W Pipeline from the contractual agreement negotiated by the previous owners of the pipeline.

B&W PIPELINE

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- 5. Do the invoices from B&W to Navitas include commodity and transportation? If yes, please provide a breakdown of the rate between commodity costs and transportation costs for each of the test period invoices from B&W to Navitas.**

RESPONSE:

B&W Pipeline and its affiliates have always provided separate invoices to Navitas for transportation and gas commodity costs.

Please see the Company's response to CAPD Data Request #1, Item 10 for a copy of the test period transportation invoices to Navitas.

Please see the Company's response to TRA Data Request #1, Item 2 for a copy of the test period gas commodity invoices to Navitas.

B&W PIPELINE

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6. Please provide a detailed explanation describing the intercompany throughput listed on Schedule 4 of the Company's exhibit. Does this represent B&W transporting gas it is providing to its affiliates or are the affiliates using B&W's pipeline to transport gas they produce or purchase? Please explain your answer.

RESPONSE:

B&W's affiliate Rugby Energy is anticipating using natural gas to assist it in attempting to extract oil from different oil wells that it owns. As a result, Rugby Energy needs to move the natural gas from gas wells through B&W Pipeline to the oil wells.

In other words, Rugby Energy is transporting gas that it produces through B&W Pipeline to the different oil wells.