

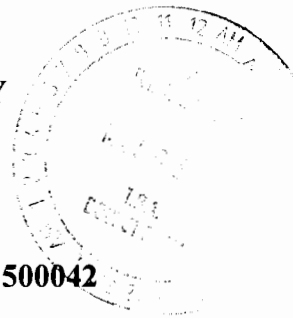
**IN THE TENNESSEE REGULATORY AUTHORITY  
AT NASHVILLE, TENNESSEE**

**IN RE:**

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

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**DOCKET NO. 1500042**



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**NAVITAS TN NG, LLC'S RESPONSE TO B&W PIPELINE, LLC's  
PETITION FOR CLARIFICATION**

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COMES NOW Navitas TN NG, LLC ("Navitas"), by and through undersigned counsel, and hereby serves this Response to the B&W Pipeline, LLC's ("B&W") Petition for Clarification filed on February 24, 2016.

1. Navitas objects to the filing of any subsequent Petition in this matter pending the Authority entering its Final Order. The Hearing Officer in this action has not authorized the parties' to file any new petitions or motions at this stage in the proceeding and to accept such a filing at this juncture, prior to the Authority entering its Order, is prejudicial and untimely.

2. The decision rendered by the Authority on December 14, 2015 does not require any clarification regarding a fixed customer charge or a volumetric charge. The Authority intended to fix the monthly charge in this action to ensure predictability and certainty for all parties, including Navitas. The fact that the oral decision does not "address how the fixed customer charges should be calculated if there is a change in the number of customers or in a customer's proportional usage" in the future has no bearing on the Authority's decision, calls for speculation, and is simply an attempt to grant B&W more flexibility to adjust the fixed monthly charge as it applies to Navitas upward on an annual basis. If B&W is allowed to adjust the tariff distribution annually, who will conduct an audit of that adjustment and how? If the tariff

distribution is to be adjusted annually, what would be the need for fixing any of the costs as opposed to making it all variable?

3. Regardless of the Authority's decision and the pending Order to be submitted in due course, B&W states in its Petition that it has already "filed a proposed tariff in which the company on January 1 of each year will make an annual adjustment to the fixed charge." What authority did B&W have to file this proposed tariff without a final Order in place? How was the proposed tariff determined without an Order? What is the effective date after which the proposed new rates go into effect? Is B&W already charging this rate to its customers? Is B&W allowed to charge transportation for the gas their affiliate company is producing and putting into the B&W pipeline? If so, is the transport rate prorated since it does not travel the full length of the pipeline?

4. The Authority stated in its December 14, 2015 decision the following:

The rate design I am proposing is based upon the entire throughput of volumes transported to Navistar [sic], which includes the volumes sold to Kentucky customers. Through the rate design – though the rate design is based on total throughput volumes for Tennessee and Kentucky, our jurisdiction applies only to the gas that is delivered to Navistar [sic] that is consumed within the borders of Tennessee. Therefore, the rates I am recommending will apply only to the gas transported by B&W that is consumed in Tennessee.

Transcript, Page 12-13, Line 19-25; 1-3.

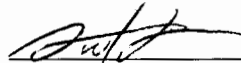
B&W's proposed tariff filed with the Authority includes customer usage calculations for Tennessee *and Kentucky* customers, where the Authority states clearly it has no jurisdiction. It also intends to re-calculate each customer's fixed monthly charge annually based on actual usage in Tennessee *and Kentucky*. As stated in B&W's petition, "Under the company's proposal, the first such adjustment will be made effective January 1, 2017." Is Kentucky customer usage going to be included in this adjustment? If the Authority has no jurisdiction over Kentucky

customers, then how can it authorize B&W to effectuate this adjustment on an annual basis? B&W should not be permitted to re-calculate the percentage allocation of the fixed monthly charge based upon the customer's usage in Kentucky. To suggest otherwise would pose a jurisdictional conflict with the Kentucky Public Service Commission and its regulatory domain.

For the foregoing reasons, B&W's Petition for Clarification should be denied.

Dated this the 1st day of March, 2016.

Respectfully submitted,



Klint Alexander (#20420)

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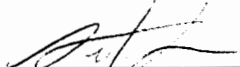
*Counsel for Navitas TN NG, LLC*

**CERTIFICATE OF SERVICE**

I hereby certify that on March 1 2016, a true and correct copy of the foregoing was served via U.S. Mail upon the following:

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