



Henry Walker
Direct: 615.252.2363
Fax: 615.252.6363
hwalker@babc.com

May 22, 2015

Sharla Dillon
Tennessee Regulatory Authority
502 Deaderick Street
4th Floor
Nashville, TN 37243

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

Dear Sharla:

When the above-captioned petition was filed on April 2, 2015, the paper version of the "Company Exhibit" did not match the copy provided to the TRA Staff on a compact disc.


The Company Exhibit on the CD is correct; the paper version is not.

Therefore, please accept the attached, corrected copy of the Company Exhibit and substitute it for the paper version filed earlier. Corrected copies are also being sent to both intervenors.

Sincerely,

BRADLEY ARANT BOULT CUMMINGS LLP

By:


Henry Walker

HW/mkc
Enclosure
cc: Rachel Newton
Klint Alexander

BEFORE
THE TENNESSEE REGULATORY AUTHORITY

PETITION OF B&W PIPELINE, LLC
FOR AN INCREASE IN ITS RATES
AND CHARGES

)
)
)
)
)
)
)

DOCKET NO. 15-00042

COMPANY EXHIBIT

March 31, 2015

**B&W Pipeline
Revenue Deficiency
For the 12 Months Ending December 31, 2016**

	Trial Balance Amount	Test Period Adjustments	Adjusted Test Period	Attr Period Adjustments	Attrition Period
Rate Base	\$2,699,310 A/	\$0 A/	\$2,699,310 A/	-\$123,984 A/	\$2,575,326 A/
Net Operating Income (Loss)	-472,596 B/	153,751 B/	-318,845 B/	53,733 B/	-265,111 B/
Earned Rate of Return	-17.51%		-11.81%		-10.29%
Fair Rate of Return	10.12% C/		10.12% C/		10.12% C/
Required Net Operating Income	\$273,080		\$273,080		\$260,537
NOI Deficiency:	\$745,676		\$591,925		\$525,648
Revenue Conversion Factor	1.000000 D/		1.000000 D/		1.000000 D/
Revenue Deficiency	\$745,676		\$591,925		\$525,648

A/ Company Exhibit, Schedule 2.

B/ Company Exhibit, Schedule 3.

C/ Company Exhibit, Schedule 6.

D/ Company is a single member LLC.

Therefore all income flows to the owner's personal tax returns, and the resulting Revenue Conversion Factor = 1.000000.

**B&W Pipeline
Rate Base
For the 12 Months Ending December 31, 2016**

Company Exhibit
Schedule 2

Line No.		Trial Balance Amount	Test Period Adjustments	Adjusted Test Period	Attr Period Adjustments	Attrition Period
Plant in Service:						
1	Intangible Plant (303)	\$88,450 A/	\$0	\$88,450	\$0	\$88,450
2	Land & Land Rights (374)	20,100 A/	0	20,100	0	20,100
3	Structures & Improvements (375)	11,292 A/	0	11,292	0	11,292
4	Mains (376)	3,035,000 A/	0	3,035,000	0	3,035,000
5	Total Plant in Service	\$3,154,842	\$0	\$3,154,842	\$0	\$3,154,842
6	Less Accumulated Depreciation	455,532 A/	0	455,532	177,984 B/	633,516
7	Net Plant in Service	\$2,699,310	\$0	\$2,699,310	-\$177,984	\$2,521,326
Other Rate Base Items:						
8	Deferred Rate Case Expense	\$0	\$0	\$0	\$54,000 C/	\$54,000
9	Total Other Rate Base Items	\$0	\$0	\$0	\$54,000	\$54,000
10	Total Rate Base	\$2,699,310	\$0	\$2,699,310	-\$123,984	\$2,575,326

A/ Per Company Trial Balance and TRA Annual Report.
B/ Annual Depreciation Expense * 1.5 to approach the estimated balance at the midpoint of the Attrition Year.
C/ Company Exhibit, Schedule 4.

B&W Pipeline
Net Operating Income
For the 12 Months Ending December 31, 2016

Company Exhibit
Schedule 3

Line No.		Trial Balance Amount	Test Period Adjustments	Adjusted Test Period	Attr Period Adjustments	Attrition Period
Revenues:						
1	Transportation Revenue (400)	\$36,183 A/	\$0	\$36,183	\$65,733 D/	\$101,917
2	Total Revenue	<u>\$36,183</u>	<u>\$0</u>	<u>\$36,183</u>	<u>\$65,733</u>	<u>\$101,917</u>
Expenses:						
Operation Expense (401)						
3	Operator Fee	\$273,000 A/	-\$136,500 B/	\$136,500	\$0	\$136,500
4	Bank Fees	95 A/	0	95	0	95
5	Dues & Subscriptions	12,930 A/	0	12,930	0	12,930
6	Rights of Way Payments	67 A/	0	67	0	67
7	Electric Expense	881 A/	0	881	0	881
8	Chart Service Expense	3,212 A/	0	3,212	0	3,212
9	Materials Expense	274 A/	0	274	0	274
10	Road Maintenance Repair	3,350 A/	0	3,350	0	3,350
11	Professional Services	74,383 A/	0	74,383	12,000 E/	86,383
12	Total Operation Expense (401)	<u>\$368,192</u>	<u>-\$136,500</u>	<u>\$231,692</u>	<u>\$12,000</u>	<u>\$243,692</u>
Maintenance Expense (402)						
13	Equipment Maintenance Service	\$980 A/	\$0	\$980	\$0	\$980
14	Equipment Repair Service	1,861 A/	0	1,861	0	1,861
15	Line Locate	1,145 A/	0	1,145	0	1,145
16	Disassemble Service	163 A/	0	163	0	163
17	Total Maintenance Expense	<u>\$4,148</u>	<u>\$0</u>	<u>\$4,148</u>	<u>\$0</u>	<u>\$4,148</u>
Other Expenses						
18	Depreciation Expense (403)	\$118,656 A/	\$0	\$118,656	\$0	\$118,656
19	Taxes Other Than Income (408.1)	532 A/	0	532	0	532
20	Total Other Expenses	<u>\$119,188</u>	<u>\$0</u>	<u>\$119,188</u>	<u>\$0</u>	<u>\$119,188</u>
21	Total Expenses	<u>\$491,528</u>	<u>-\$136,500</u>	<u>\$355,028</u>	<u>\$12,000</u>	<u>\$367,028</u>
22	Income (Loss) from Non-Utility Operations (417)	<u>-\$17,251 A/</u>	<u>\$17,251 C/</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
23	Net Operating Income (Loss)	<u>-\$472,596</u>	<u>\$153,751</u>	<u>-\$318,845</u>	<u>\$53,733</u>	<u>-\$265,111</u>

A/ Per Company Trial Balance and TRA Annual Report.
B/ Allocation of 50% of Operator Fee to Non-Utility Operations.
C/ Elimination of Non-Utility Income.
D/ Company Exhibit, Schedule 4.
E/ Company Exhibit, Schedule 5.

B&W Pipeline
Attrition Period Revenues
For the 12 Months Ending December 31, 2016

Company Exhibit
Schedule 4

Line No.		Projected MCF Throughput	Current Rate	Amount
	Projected Revenue for 2016:			
1	Navitas (Albany & Byrdstown)	60,411 A/	\$0.60	\$36,247
2	New Industrial Customer #1	36,000 B/	0.60	21,600
3	New Industrial Customer #2	26,000 B/	0.60	15,600
4	B&W Pipeline Intercompany Transportation	47,450 C/	0.60	28,470
5	Total Projected Attrition Period Revenue	169,861		\$101,917
6	Test Period Revenue			\$36,183 D/
7	Attrition Period Revenue Adjustment			\$65,733

A/ Test Period throughput.

B/ Estimated throughput for new customers from Navitas.

C/ Estimated transportation throughput to B&W affiliates.

D/ Company Exhibit, Schedule 3

**B&W Pipeline
Deferred Rate Case Expense
For the 12 Months Ending December 31, 2016**

Company Exhibit
Schedule 5

Line No.			Amount
	Estimated Rate Case Costs:		
1	Legal Costs		\$30,000 A/
2	Financial & Regulatory Costs		30,000 B/
3	Total Estimated Rate Case Costs		<u>\$60,000</u>
4	Proposed Amortization Period (Months)		<u>60</u>
	Amortization Expense & Deferred Cost Balance:		
		Amortization	Deferred Cost
5	December 2015		\$60,000
6	January 2016	\$1,000	59,000
7	February	1,000	58,000
8	March	1,000	57,000
9	April	1,000	56,000
10	May	1,000	55,000
11	June	1,000	54,000
12	July	1,000	53,000
13	August	1,000	52,000
14	September	1,000	51,000
15	October	1,000	50,000
16	November	1,000	49,000
17	December	1,000	48,000
18	Total/13 Month Average	<u>\$12,000</u>	<u>\$54,000</u>

A/ Estimated legal costs for Bradley Arant Boult Cummings, LLP.

B/ Estimated financial and regulatory costs for WHN Consulting.

**B&W Pipeline
Proposed Return on Equity
For the 12 Months Ending December 31, 2016**

Company Exhibit
Schedule 6

<u>Line No.</u>	<u>Utility:</u>	<u>TRA Docket</u>	<u>Approved Equity Return</u>
1	Atmos Energy Corporation	12-00064	10.10%
2	Chattanooga Gas Company	09-00183	10.05%
3	Piedmont Natural Gas Company	11-00144	10.20%
4	Average		<u><u>10.12%</u></u>