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EXECUTIVE SECRETARY

April 26, 2000

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Docket No. 99-00994

99-00994

Dear Mr. Waddell:

I am enclosing for filing six copies of the following responses to the Staff's Data Request #: 100, 101, 104, 112, 115, 116, and 97 (one copy).

Sincerely,

Jerry W. Amos

JWA:lh
Encl.

POSTED 5-3-00

NASHVILLE GAS COMPANY
DOCKET NO. 99-00994
TENNESSEE REGULATORY AUTHORITY
STAFF DATA REQUEST # 1

100. In the testimony of Bill Morris (pages 4-5) you discuss the Special Contract customers. You proposed to handle the revenue from the contract customers through an Incentive Tracking Mechanism. Provide a detailed explanation of how this mechanism will be applied. Include information on how the mechanism will work, what the benefits to the Special Contract customers are and how NGC and the other NGC customers will benefit. Explain how the 90%/10% incentive was determined. What was the basis for the percentages?

Response:

The Company proposes to "track" the Special Contract revenues monthly for each twelve-month period immediately following the date new rates are approved in this docket. The revenues actually realized from the three Special Contract customers (Ford, Bridgestone and State Industries) will be aggregated each month and compared to the aggregate monthly revenues from these customers included in the attrition period in the current rate case. At the end of each twelve-month period, an accounting will be made and any variance from the $889,933 benchmark established in the current rate case and the actual revenues realized during that period will be multiplied by 90%. The product would then be either debited or credited to the Actual Cost Adjustment (ACA) account. A detailed report of the accounting for each twelve-month period will be filed with the Authority no later than 60 days from the end of the period.

As explained in testimony, the mechanism provides an incentive to the Company to do the best job possible in negotiating the highest competitive rate when the current contract rates expire. The ratepayers benefit in that the higher the rate, the higher the revenues and contribution to margin will be generated, thus holding down rates to all other customers. The Special Contract customers benefit from negotiated rates which are lower than tariff rates and which are competitive with their energy alternatives.

The 90%/10% sharing formula was chosen because it is the TRA approved sharing ratio on margin loss recovery for the existing three Special Contracts. It is also the sharing ratio adopted by the Authority for margin loss recovery for the other two LDCs in Tennessee.

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101. Will the Incentive Tracking Mechanism be applied to all special contract customers and will it also be applied to any future special contract customers?

Response:

The incentive tracking mechanism will be applied to the existing special contract customers—Ford, Bridgestone, and State Industries. The incentive tracking mechanism would apply to future special contract customers only if specifically requested by the Company and approved by the Authority.

104. In the testimony of Mr. Fleenor (page 3), you discuss the Attrition Period Growth Adjustment and you list patterns and projections utilized to formulate the growth adjustment. Provide details on each of the determinants and show how each contributed to the total growth projections. Provide the calculations showing the growth estimates you used and how these projections are consistent with Authority approved practices.

NASHVILLE GAS COMPANY
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Response:

Residential and Commercial

The Planning Department goes through an extensive, iterative process with each district to project customer additions/gains. Prior years growth, regional trends and specific projections derived from district business contacts are all key factors. The data for Fiscal 2000 includes monthly figures. Year 2001 projections were done as annual net gains. For purposes of rate case growth the Year 2001 annual net gains were spread to the months prorata based on Year 2000 data. This method of projecting customer growth was reviewed and the results approved by TRA staff in the most recent general rate case, Docket No. 96-00977. The attached schedules show customer numbers for test period through the attrition period. Also attached are separate schedules of Fiscal 2000 and Fiscal 2001 customer projections.

Industrial

Industrial customer projections are based on analysis by Company industrial representatives based on prior years growth patterns, regional trends and commitments from developing industrial applications.

Nashville Gas Division
Customer Growth Factor

	Residential	Commercial	Total
Aug-98	112,184	15,201	127,385
Sep-98	112,609	15,187	127,796
Oct-98	113,052	15,205	128,257
Nov-98	115,286	15,517	130,803
Dec-98	116,830	15,773	132,603
Jan-99	118,131	16,081	134,212
Feb-99	118,647	16,111	134,758
Mar-99	119,062	16,102	135,164
Apr-99	119,024	16,056	135,080
May-99	118,400	15,870	134,270
Jun-99	117,838	15,698	133,536
Jul-99	117,638	15,635	133,273
Aug-99	117,365	15,506	132,871
Sep-99	118,014	15,623	133,637
Oct-99	118,425	15,632	134,057
Nov-99	120,309	15,994	136,303
Dec-99	121,739	16,227	137,966
Jan-00	122,850	16,493	139,343
Feb-00	123,491	16,536	140,027
Mar-00	123,879	16,519	140,398
Apr-00	123,860	16,485	140,344
May-00	123,274	16,306	139,580
Jun-00	122,727	16,144	138,871
Jul-00	122,493	16,242	138,735
Aug-00	122,370	16,117	138,487
Sep-00	122,892	16,108	139,000
Oct-00	123,272	16,127	139,399
Nov-00	125,250	16,442	141,692
Dec-00	126,751	16,645	143,396
Jan-01	127,917	16,877	144,794
Feb-01	128,590	16,914	145,504
Mar-01	128,997	16,900	145,897
Apr-01	128,977	16,870	145,847
May-01	128,362	16,714	145,076
12 Months Ended Aug 99	116,990	15,728	132,719
12 Months Ended May 01	125,717	16,508	142,225
Attrition Year Vs. Test Year	7.46%	4.96%	7.16%

Tennessee Customers on File
FY 2000

	Oct-1999	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Customers on File - 11 (FY 99)		114,987	116,531	117,831	118,346	118,761	118,722	118,101	117,540	117,281	116,997	117,438	117,901
Cumulative Customer Gains		4,858	4,744	4,555	4,789	4,762	4,781	4,834	4,848	4,856	4,865	4,946	4,862
Forecasted '00 Additions		464	464	464	356	356	356	339	339	356	508	508	508
		1,884	1,430	1,111	641	388	(19)	(586)	(547)	(234)	(123)	522	380
Customers on File for FY 00	118,425	**120,309**	**121,739**	**122,850**	**123,491**	**123,879**	**123,860**	**123,274**	**122,727**	**122,493**	**122,370**	**122,892**	**123,272**
Customers on File - 21 (FY 99)		15,500	15,756	16,062	16,092	16,083	16,038	15,851	15,679	15,769	15,631	15,617	15,653
Cumulative Customer Gains		446	433	393	415	407	408	427	436	444	448	452	427
Forecasted '00 Additions		47	38	38	29	29	38	29	29	29	38	38	47
		362	233	266	43	(17)	(34)	(178)	(162)	98	(125)	(9)	19
Customers on File for FY 00	15,632	**15,994**	**16,227**	**16,493**	**16,536**	**16,519**	**16,485**	**16,306**	**16,144**	**16,242**	**16,117**	**16,108**	**16,127**

		Oct-2000	NOV	DEC	JAN	FEB	MAR	APR	MAY
Residential									
Net Change by month Fiscal 2000			1,884	1,430	1,111	641	388	(19)	(586)
Net additions fiscal 2001	5088		1,978	1,501	1,166	673	407	(20)	(615)
Commercial									
Net Change by month Fiscal 2000			362	233	266	43	-17	-34	-178
Net additions fiscal 2001	431		315	203	232	37	(14)	(30)	(155)
Residential	FY2001	123,272	125,250	126,751	127,917	128,590	128,997	128,977	128,362
Commercial	FY2001	16,127	16,442	16,645	16,877	16,914	16,900	16,870	16,714

NASHVILLE GAS COMPANY
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TENNESSEE REGULATORY AUTHORITY
STAFF DATA REQUEST # 1

112. In the Testimony of Mr. Morris (page 3), you reference the Special Contract Customers having total revenues of $889,933. Provide an analysis showing the usage and revenue for each Special Contract Customer (Ford, Bridgestone, and State Industries) by month for the test period.

	FORD		BRIDGESTONE			STATE	
	USAGE	REVENUE	USAGE	REVENUE	*	USAGE	REVENUE
Sep-98	213,104	$51,014.00	66,339	$ 21,598.13		19,107	$3,691.00
Oct-98	229,781	$54,849.00	81,317	$ 27,132.47		24,827	$4,796.00
Nov-98	229,301	$54,739.00	101,891	$ 15,822.85		32,721	$3,654.00
Dec-98	248,268	$59,102.00	116,117	$ 18,933.56		38,288	$3,765.00
Jan-99	262,214	$62,309.00	126,165	$ 24,559.23		38,451	$3,769.00
Feb-99	229,872	$54,870.00	108,682	$ 21,693.11		35,642	$3,712.00
Mar-99	252,315	$60,032.00	122,711	$ 31,179.94		25,761	$3,781.00
Apr-99	224,856	$53,716.00	76,195	$ 23,545.51		28,314	$3,515.00
May-99	231,992	$55,358.00	74,039	$ 18,465.80		28,190	$3,563.00
Jun-99	231,280	$55,194.00	71,372	$ 20,435.23		20,140	$3,402.00
Jul-99	214,833	$51,311.00	61,764	$ 23,505.73		24,045	$3,480.00
Aug-99	237,439	$56,611.00	75,022	$ 20,790.65		23,523	$3,470.00
TOTAL	2,805,255	$669,105.00	1,081,614	$267,662.20		339,009	$44,598.00

* Includes Order 636 Surcharge

NASHVILLE GAS COMPANY
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115. For the following categories of Company expenses, provide the account numbers and amounts for each account that make up the total test period (non-payroll) expense for that category as shown on the referenced Company schedule.

Distribution-LNG Maintenance	$55,947	DIST-1
Distribution-Maintenance	$2,017,855	DIST-1
Distribution-Customer Accounts	$1,207,685	DIST-1
Sales Expense	$271,528	CUST-1
Advertising Expense	$902,668	CUST-1
A & G Office Supply & Expense	$1,343,598	AG-1
Miscellaneous General	$1,524,519	AG-1
Training	$24,593	AG-1
Long Term Incentive Plan	$1,448,373	AG-1
Transferred-Cr.	-$1,824,256	AG-1

Response:

The schedules supporting the amounts for Distribution – LNG Maintenance, Distribution – Maintenance, and Distribution- Customer Accounts are attached. The remaining account detail was provided in response to data request item # 80.

PIEDMONT NATURAL GAS COMPANY, INC.
TENNESSEE O&M
12 MONTHS ENDED AUGUST 31, 1999

		TN ALLOCATED	PAYROLL	NET		
84300	Supervision and Engineering	0		0 |		
84400	Structures and Improvements	102164	100377	1788 |		
84500	Gas Holders	8604		8604 |		
84600	Purification Equipment	5723		5723 |		
84700	Liquefaction Equipment	9647		9647 |		
84800	Vaporizing Equipment	3044	410	2634 |		
84810	Compressor Equipment	102439	99562	2877 |		
84820	Meas. & Reg. Equipment	3120		3120 |		
84830	Other Equipment	21559	5	21554 |		
99514	Undistributed Payroll	1543	1543	0 |	55947	LNG-Maint.

PIEDMONT NATURAL GAS COMPANY, INC.
TENNESSEE O&M
12 MONTHS ENDED AUGUST 31, 1999

Account	Description	TN ALLOCATED	PAYROLL	NET		
88500	Supervision & Engineering	0	0	0		
88600	Structures & Improvements	413817	29533	384284		
88700	Mains	1750567	768770	981797		
88701	Mains Damaged by Others	46320	19606	26714		
88702	88701 (Contra)	-31506	408	-31914		
88710	Mains-Corrosion Control	28796	19287	9510		
88720	Mains-Cor Control-Troubleshooting	11416	843	10572		
88730	Mains-Cor Control-Repairs	28864	1923	26941		
88900	Meas. & Reg. Sta. Equip.-General	70747	65271	5476		
89000	Meas. & Reg. Sta. Equip.-Industrial	7949	118	7831		
89100	Meas. & Reg. Sta.-City Gate	0		0		
89200	Services	1118927	616387	502540		
89201	Services Damaged by Others	36219	21552	14667		
89202	89201 (Contra)	-31838		-31838		
89210	Services-Corrosion Control	11790	11351	439		
89220	Services-Cor Contr-Troubleshooting	0		0		
89230	Services-Cor Control-Repairs	100	100	0		
89310	Meters-House Reg.-Labor & Expenses	415346	354159	61187		
89315	Field Painting	47935	2011	45924		
89320	Meters-House Reg. Materials	3728	3	3725		
89400	Other Equipment	0		0		
99531	Undistributed Payroll	11575	11575	0	2017855	Maintenance

PIEDMONT NATURAL GAS COMPANY, INC.
TENNESSEE O&M
12 MONTHS ENDED AUGUST 31, 1999

	TN ALLOCATED	PAYROLL	NET		
90100 Supervision	193296	184840	8456		
90200 Meter Reading	782642	643032	139610		
90205 Meter Reading Exp.-Servicemen	4993	3694	1298		
90310 Cust. Records-Cont. Orders, Etc.	974706	816557	158148		
90315 Cust. Rec.-Bill Invest.-Serv.	4325	4325	0		
90320 Collection	408311	351691	56620		
90321 Cashiering Expenses	30839	30839	0		
90330 Customer Billing & Acct.	839965	543870	296095		
90340 Equipment Rental	0		0		
90350 Supplies & Forms	29329		29329		
90360 Utilities	6692		6692		
90370 Postage	495694		495694	1191944	Cust Acct
90500 Miscellaneous	15741		15741		
90600 Rents	0		0		
90810 Supervision-RCS Program	0		0		
90830 Program Announcements	0		0		
99540 Undistributed Payroll	-4378	-4378	0	15741	Cust Acct

NASHVILLE GAS COMPANY
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116. For Employee Benefits on Company schedule AG-1, please reconcile the totals for the test year (non-payroll) amounts. Staff used the accounts and amounts shown on the monthly financial reports provided to Staff.

Acct. #	Account Name	Staff	Company (BEN-1)
92615	ESOP and Paysop	$10,501	$10,501
92610	Pensions	$661,158	650,858
92620	Insurance Premiums	$2,353,767	$2,353,767
92625	Employee Benefits-SIP	$573,998	$573,998
92630	Education	$14,444	$0
92640	Service Pins-Watches	$74,280	$86,525
	Total	$3,688,148	$3,675,649

Response:

The attached schedules show the amounts used by the Company for non-payroll Employee Benefits expense. The first schedule shows the Tennessee allocated total expense, the payroll charged to the expense accounts and the net, or non-payroll amounts. The second schedule is a two-page summary of all Tennessee Direct payroll charged to expense accounts. The payroll amounts shown on the first schedule were pulled from the second schedule. The corporate payroll charged to Account 92640 in the amount of $697 was inadvertently omitted from the filed amounts.

PIEDMONT NATURAL GAS COMPANY, INC.
TENNESSEE O&M
12 MONTHS ENDED AUGUST 31, 1999

		TN ALLOCATED	PAYROLL	NET		
92610	Employees Pensions	730817	79959	650858		
92615	Employee Stock Ownership Plans	10501		10501		
92620	Employees Benefits-Ins.	2353767		2353767		
92625	Employee Benefits-SIP	573998		573998		
92630	Employees Benefits-Education	27711	16163	11548		
92640	Employees Benefits-Misc.	74977		74977	3675648	Emp Benefits

Nashville Gas Company
Payroll Charged to O&M Expenses
September 1998-August 1999

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
84000	4022	4022	6033	4022	4022	4022	4022	4022	6033	4022	4182.84	4182.84	52607.68
84100	17648.94	16691.79	27249.44	18434	19098.19	17456.64	16838.84	17670.39	25586.59	17869.26	17619.61	17164.43	229328.12
84110				0.15				0.81					0.96
84400	8234.12	7693.59	11728.33	8088.78	8193.72	7081.3	7069.28	7760.47	11257.75	7559.24	7972.64	7737.48	100376.7
84800		144.88						130.08		135.07			410.03
84810	8211.32	7617.57	11744.53	8065.98	8159.52	7035.7	6977.12	7498.15	11234.95	7547.84	7987.84	7481.84	99562.36
84830						5.04							5.04
86310		141.92											141.92
87000	60916.01	61892.85	105355.2	59037.6	62915.99	56862.6	57010.31	58966.35	86471.22	59016.94	58891.86	59334.31	786671.24
87100	2236.66	2582.91	3223.33	2254.46	2284.86	2225.29	2193.2	2336.09	3321.21	2224.83	2297	2255.32	29435.16
87400	197.57	146.35	311.9	226.44	223.47	237.54	229.22	229.22	315.5	212.79	152.52	83.53	2566.05
87500	20436.36	22896.13	34082.13	23246.7	28344.16	23149.36	21249.86	21153.21	31431.4	22665.77	21645.79	21343.66	291644.53
87600			-1868.22			107.8				5.24			-1755.18
87810	1370.75	1137.17	2026.92	1067.54	1088.57	1633.3	1312.96	2071.2	3456.41	1477.44	2056.48	1228.58	19927.32
87815	10944.63	12306.25	13470.82	7194.67	5092.95	11443.05	8769.21	11664.59	13410.09	8764.02	10700.94	8278.57	122039.79
87825	6778.29	29862.52	104130.5	17564.63	13874.21	7246.66	7880.7	7442.09	9587.03	5736.86	4337.53	5234.64	219675.66
87827	20770.62	30804.38	48120.51	21115.83	24071.41	28296.08	26611.32	22950	36366.32	22965.97	19583.71	20057.98	321714.13
87828	18077.14	15895.35	21447.09	7630.42	6813.19	9321.45	3748.42	4741.7	5159.96	2832.04	3890.65	5841.5	105398.91
87830						53.22							53.22
87910	2158.02	2163.48	3236.75	2159.2	2158.98	2160.02	2266.53	2266.53	3400.07	2266.91	2264.49	2259.95	28760.93
87920	1365.98	319.32	1011.18	816.04	337.06	156.69	124.93	319.32	430.26	212.88	409.63	205.43	5708.72
87930	21371.91	19216.16	35220.77	26453.73	29684.67	21479.16	22547.92	24526.08	32997.46	23469.54	22693.09	22694.12	302354.61
87940	10754.99	14622.8	26239.39	13434.33	13217.25	12860.75	9967.72	10877.87	13343.19	8616.92	10053.35	10073.11	154061.67
87950													0
87970	83561.81	112458.81	187103.96	90420.53	99234.18	85534.48	82779.35	79740.29	117847.76	77353.05	82234.65	77321.55	1175590.42
88030	27067.38	26651.37	37019.96	26426.27	25110.89	21789.03	23502	23692.3	35137.09	23070.66	25339.32	24767	319573.27
88500													0
88600	2342.62	2419.97	3288.4	2121.3	2121.32	2187.85	2121.32	2121.32	3479.56	2227.38	2293.9	2808.34	29533.28
88700	49241.57	45185.01	90485.87	71498.72	64636.15	56179.63	65869.83	62515.97	89747.42	59512.29	60192.65	53705.05	768770.16
88701	535.41	1394.9	3280.11	2082.81	3314.8	1080.5	393.2	982.79	2058.41	2043.25	1842.3	597.86	19606.34
88702											408.03		408.03
88710	1749.18	2545.96	2126.19	1043.06	1443.93	1684.14	1469.43	901.75	1909.09	1186.74	1605.31	1621.76	19286.54
88720	46.14	62.36	68.35	120.58	48.97	52.06	50.23	192.15	76.18	51.38	44.19	30.72	843.31
88730	76.24	231.41	112.93	233.83	182.09	86.01	192.67	82.99	162.2	281.25	200.93	80.32	1922.87
88900	4588.37	5351.96	7509.09	5055.59	4800.26	5032	4922.32	5115.68	7192.47	5105.79	5312.61	5284.98	65271.12
89000									118.24				118.24
89200	41231.06	37487.45	56241.64	46454.23	43660.52	47255.1	47964.62	56807.73	75848.58	57733.81	53459.16	52242.92	616386.82
89201	1791.95	2477.23	2128.89	1097.68	1254.29	1967.71	1734.33	1821.34	2771.6	1340.56	703.68	2462.97	21552.23
89210	853	141.92	1311.07	547.38	827.84	847.08	745.82	869.26	2030.8	1206.32	851.52	1118.77	11350.78
89230												99.77	99.77
89310	32324.99	21664.1	31540.31	19505.79	20607.01	24958.95	34457.11	30062.27	46493.04	32024	30242.78	30278.68	354159.03
89315	786.22	63.99			208.56		394.35	35.13	396.72	50.26	48.79	26.61	2010.63
89320					0.38	2.5							2.88
90100	14512.71	11965.53	17719.91	11817.46	13459.33	15190.13	15310.97	15378.88	23068.1	15412.94	15440.62	15563.79	184840.37

Nashville Gas Company
Payroll Charged to O&M Expenses
September 1998-August 1999

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
90200	50484.26	46033.69	70447	48512.9	51299.53	54535.35	52073.48	53639.58	75000.54	51041.52	44334.04	45630.24	643032.13
90205	425.76	283.84			39.92		461.24	780.56	1490.16	212.88			3694.36
90310	82541.4	84534.07	92568.71	57803.96	60640.43	58920.55	57094.39	57922.26	86338.13	62364.46	58627.87	57200.9	816557.13
90315	53.59	53.22	84.27	213.44	204.63	2210.38	745.45	266.1	133.3	128.62	115.31	117.13	4325.44
90320	16239.49	16165.31	40037.47	30465.79	28632.67	29642.53	27313.45	29789.66	44816.62	28407.15	30539.05	29641.81	351691
90321			7325.03	4541.6	4594.05	2032.77	2344.72	2054.77	3207.53	1810.28	1497.56	1430.38	30838.69
90330	38447.16	38789.61	71548.25	47892.92	47821	48038.63	49545.02	49394.07	74847.49	24517.2	25585.23	27443.71	543870.29
90900													0
91010	4239.04	4239.04	6500.15	4333.43	4333.44	4333.44	4351.02	4333.44	6695	4408.48	4408.47	4408.48	56583.43
91500	3758.03	3874.97	5630.76	3783.09	3778.39	3800.63	3787.48	3965.19	5944.12	3967.02	3915.19	3818.05	50022.92
91610	15860.78	15972.06	25339.03	17572.47	17173.58	16217.35	15863.26	16814.46	24684.1	16954.96	16954.96	17257.44	216664.45
91620	37075.28	38930.34	59560.61	41489.03	39045.25	38247.48	38233.45	40330.36	58884.57	39906.71	39965.8	39351.27	511020.15
91630	252.81	341.65	374.46	271.86	268.28	285.18	275.19	275.19	417.35	281.48	242.11	168.32	3453.88
91760			22.5	36.94		349.05	299.21	25.43	162.12	60.01			955.26
91810	2719.96		150.71	11.86		1.47		55.81				39.01	2978.82
92000	37220.4	53783.92	60923.25	41198.87	53838.89	40769	41147.91	50535.53	62758.68	41885.17	60111.12	42330.89	586503.63
92110	463.51	626.36	686.51	498.41	491.85	522.83	504.51	504.51	765.14	516.05	443.87	308.58	6332.13
92130										23136.02	23263.72	23517.94	69917.68
92610					10299.75	10299.75	9851.87	9851.87	9851.87	9934.78	9934.78	9934.78	79959.45
92630					3572.89	1973.5	873	873	4020.6	1620.15	3230.01		16163.15
92900	21.41	1684.93	376.9	336.25	4959.56	7290.53	6051.29	2686.71		129.33	255.29	676.28	24468.48
92905	3672	3852.92	4120.93			60.36			5301.08	787.92	3431.69	6710.19	27937.09
93230	2621.6	2479.76	4860.58	3204.72	3028.16	3860.13	3458.86	3884.2	5430.4	2340	1974.24	3136.21	40278.86
	772300.44	831905.08	1343257.37	801405.27	844512.99	800071.73	795001.89	814928.7	1172888.47	790611.43	805790.72	776589.99	10549264.08

TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman
Lynn Greer, Director
Sara Kyle, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

May 1, 2000

TRANSMITTED VIA FAX
(301) 571-0405 / ORIGINAL TO FOLLOW VIA U.S. MAIL

Ms. Chris Tran, Manager of Regulatory Affairs
1100 Wayne Avenue
8th Floor
Silver Spring, MD 20910

RE: Arbros Communications Licensing Company S.E., LLC (Docket No. 00-00274)

Dear Ms. Tran:

The Tennessee Regulatory Authority requests the following information regarding the Application of Arbros Communications Licensing Company S.E., LLC for a Certificate of Convenience and Necessity to provide facilities-based and resold local exchange and Long Distance Telecommunications Service in the State of Tennessee:

Technical Qualifications

Provide the following information regarding the proposed network data:

1. Specific geographic area coverage: Nashville, Memphis, Knoxville, entire state, etc. Specify the area(s) which will be excluded.

2. Location of switches – i.e., specific cities.

Financial Qualifications

1. Provide sources of funding the Tennessee network, equipment, and UNEs: Cash, Loan Commitments, Vendor Credits, Letters of Credit, etc. (complete detail) If the parent is listed as the source of funding, please provide sufficient information which appropriately substantiates the financial funding to the subsidiary.

2. Please quantify the amounts in the projected financial statements relating to reciprocal compensation for terminating ISP traffic.

Please submit the requested information by May 8, 2000. If you have any questions, please contact this office at (615) 741-2904 (ext. 132).

Sincerely,

David Waddell
Executive Secretary

c: Docket File
Joe Werner
Darlene Standley
Carsie Mundy
Darrell Whitis