TENNESSEE REGULATORY AUTHORITY

RECEIVED
2003 AUG 25 AM 8:18
T.R.A. DOCKET ROOM

Deborah Taylor Tate, Chairman
Pat Miller, Director
Sara Kyle, Director
Ron Jones, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

August 22, 2003

Mr. Bill Morris
Director of Corporate Planning & Development
Piedmont Natural Gas Company
1915 Rexford Road
Charlotte, NC 28233

Re: **Docket No. 03-00313** - Application of Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. for an Adjustment of its Rates and Charges, the Approval of Revised Tariffs and the Approval of Revised Service Regulations

Dear Mr. Morris:

To further the Staff's analysis of the reasonableness of the rates filed April 29, 2003 by Nashville Gas Company, we request that you furnish an original and nine (9) copies of the information requested below. Please provide responses by August 26, 2003.

131. Please provide a list of transactions in the following accounts for the months noted. Include the vendor or payee's name, the amount of direct and/or allocated expense (net of salaries and wages) that make up the total charged to Tennessee and a short description of the expenses.

Month	Account Number	Monthly Expense
March 2002	87600	$21,254.42
May 2002	88730	$30,806.77
October 2002	90320	$17,886.86
February 2002	91810	$61,629.11
October 2002	93230	$209,448.62

132. Please provide a list of transactions in the following accounts for January 2002 through December 2002. Include the vendor or payee's name, the amount of direct and/or allocated expense (net of salaries and wages) that make up the total charged to Tennessee each month for each account, and a short description of each expense.

92000	93010	92640	92340
92110	93070	93080	

133. Describe the "Self Insurance" plan found in Account 92515. Expense in Tennessee appears to have begun in November 2001. There also appears to be a similar amount allocated to Tennessee from the Corporate. Provide an explanation of the calculation of the amounts charged to Tennessee.

134. Refer to Account 92140 (Data Processing Equipment Rental). Provide an explanation for the significant increase in expense during the test period ($132,300.46) over the 12 month-to-date December 31, 2001 period ($44,169.85).

135. For the hourly and salaried employees, will any positions be eliminated in the attrition period? If so, provide the position, the related hourly or monthly compensation, and the month the elimination will occur. Likewise, will any new positions be created? If so, provide the same information for these new positions.

136. Provide verification of annual salary at December 2002 for the following employees:

Employee ID #	1153	5278	4225
	3753	3097	4313
	1800	2771	4508
	2236	4194	4104
	2092	5177	4442
	2344	4009	4034
	2877	4195	4151
	4969	4314	2235
	5296	4296	5320

137. Refer to Company workpapers SW-7, SW-8 and SW-9.

(a) Are increases awarded to all employees in a category at the same effective date?
(b) If so, supply the effective dates and the percentage increase for all three categories of employees. If not, identify specific employee numbers and their respective percentage increases and effective dates.
(c) For the corporate employees, are the officers listed in bold?
(d) Provide the company calculations (or reference if already provided in previous data requests) for the following amounts:

IS Premium Skills and Incentives	239,266
Gas Supply Incentive	46,560
Short Term Incentive	1,500,000
Car Allowances	183,237

138. For the 15 open corporate positions at December 31, 2002, identify each position, the annual salary, and the month each was filled or projected to be filled.

139. For which positions are car allowances awarded? Explain the reason for the payment of car allowances for each position.

140. Refer to the Company's workpaper ACC DEP-3 (page 2 of 10). The total depreciation expense for April 2003 is stated at $1,237,821. The Company's response to Staff data request question number 120 (page 80 of 81) shows depreciation expense for April 2003 of $1,211,557. Please explain the reason for the variance and reconcile the two amounts. Staff noted variances in nearly every month of the test period.

141. The Company's workpaper PLT-3 shows a monthly corporate depreciation expense of approximately $906,508. However, in the Company's response to Staff data request number 120, the balances are considerably higher. Please explain the discrepancy.

142. Using the monthly balances contained in the Company's response to Staff's data request number 12 (related to depreciation expense) produces different monthly balances than those shown on the Company's workpaper ACC DEP-1. Please explain the variance between the two schedules. Identify any adjustments that may have been omitted in the Company's response to Staff data request number 120.

143. Refer to the Company's workpaper ACC DEP-1. Please identify each addition separately by month that is included in the additions each month for the 12 months ended 12/31/2003.

144. Provide a schedule showing the amount of off-system sales, capacity release, and any other non-tariffed revenues from regulated utility assets for the last three years, showing total revenues, revenues refunded to customers, and revenues retained by the Company.

145. Please discuss the Company's position regarding consideration of customer/company sharing of IPA revenues within the context of a rate case.

146. The Company has entered into asset management arrangements with various 3rd parties in recent years. Prior to this, the Company took the responsibility upon itself for managing these assets. Discuss how the Company determined that this change from an internal to an external asset management strategy would necessitate a constant percentage for sharing wit NGC's customers when the necessary effort put forth by Piedmont employees to secure these revenues has declined.

147. Please state the source of the weather data used in the Company's weather normalization study. If this data is not from National Oceanic & Atmospheric Administration (NOAA) sources, please provide a calculation of the normal average used.

148. Please provide a weather normalization analysis using NOAA data for the Company's test period and also using a 30-year daily average of NOAA data as normal weather.

149. Please explain how the Company proposes to compute its daily WNA factors using NOAA weather on a going forward basis when the Company has used non-NOAA weather data in its rate case.

If you have questions regarding this data request, please consult one of the Energy and Water Staff prior to responding. Please provide a copy of the Company's responses to the parties in this docket.

Sincerely,

Pat Murphy

Pat Murphy
Energy and Water Division

C: Deborah Taylor Tate, Chairman
Pat Miller, Director
Ron Jones, Director
Sara Kyle, Director
Sharla Dillon, Docket Room
Richard Collier, Chief Counsel
Administrative Aides
Greg Mitchell, Public Information Officer
Aster Adams, Chief of Economic Analysis