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May 20, 2008

VIA UPS OVERNIGHT

Chairman Eddie Roberson
c/o Ms. Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Docket No. 07-00174; Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc., Actual Cost Adjustment Account Filing for the Twelve Months Ended December 31, 2006.

Dear Chairman Roberson:

On April 16, 2008 Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company") filed a request with the Authority in the above-captioned docket seeking (1) an extension of the audit period in this case for the purpose of permitting time for the Company and Audit Staff to meet in an effort to eliminate (or at least narrow) the contested matters at issue between them, and (2) an extension of the Company's date to respond to the Audit Staff's report, as requested in data request issued by Ms. Standley of the Authority Advisory Staff on April 8, 2008. That request was granted by Order issued April 18, 2008 which established a response date for Piedmont to the Audit Staff's report of May 21, 2008 and an extension of the audit period until June 20, 2008.

Since the date of that Order, Piedmont and Audit Staff have met and exchanged additional information and documentation regarding Piedmont's review period ACA costs and accounting practices. As a result, substantial progress has been made on reaching consensus with respect to the form in which Piedmont will present information to Audit Staff in future ACA audits. In addition, a number of adjustments to Piedmont's ACA account for the period under review, which were previously disputed, have now been resolved.

Notwithstanding the substantial progress that has been made in the last several weeks, one significant accounting adjustment remains unresolved between the parties. Piedmont has conducted additional analysis of this adjustment in the last several days and believes that it would be productive to have a brief further extension of time to provide additional analysis to Audit Staff regarding this adjustment in the hope that the dispute over this matter might be resolved as well.

The Honorable Eddie Roberson
May 20, 2008
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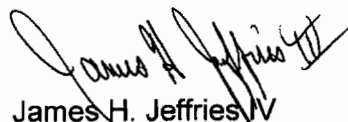
Further, it is Piedmont's understanding that the Authority currently has no conferences scheduled prior to June 20, 2008 and, therefore, there is no ready opportunity for the Authority to consider this docket within the current audit extension period.

Based on the foregoing, and in order to promote the orderly and efficient disposition of this matter and allow additional time for discussions between the Company and Audit Staff, Piedmont respectfully requests that the Authority (1) extend the ACA audit period in this proceeding through and including July 31, 2008, (2) extend the date by which Piedmont must file its response to the Audit Staff's Report until June 3, 2008, and (3) extend the time by which Audit Staff may answer Piedmont's response until June 11, 2008.

Piedmont has discussed the foregoing request for additional extensions of time with counsel for Audit Staff, Ms. Rebecca Montgomery, and it is undersigned counsel's understanding that Audit Staff has no objections to the to the further extensions of time requested herein.

Thank you for your consideration of this request. If you have any questions about this matter, you may reach me at the number shown above.

Sincerely,

A handwritten signature in black ink, appearing to read "James H. Jeffries IV", written over a printed name.

James H. Jeffries IV

JHJ/bao

Enclosures

c: Ms. Rebecca Montgomery
Mr. R. Dale Grimes
Mr. David Carpenter