



Piedmont
Natural Gas

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August 30, 2007

SEP 04 2007

The Honorable Eddie Roberson, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

TN REGULATORY AUTHORITY
UTILITIES DIVISION

2007 SEP 13 AM 8:32
T.R.A. DOCKET ROOM

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Re: Nashville Gas Company, ~~Docket No. 99-00207~~

DOCKET NO.

07-00212

Dear Chairman Roberson:

In accordance with the reporting provisions of Service Schedule No. 14, Performance Incentive Plan, as approved in the above captioned docket, Nashville Gas Company ("Nashville"), a division of Piedmont Natural Gas Company, Inc., submits the accompanying quarterly report of shared gas cost savings for the period May 1, 2007, through June 30, 2007.

As the summary indicates, the accumulated total gains and savings under the plan through June 30, 2007 total \$2,789,979. Under the Plan's sharing formula, \$1,449,200 of these gains and savings will be allocated to the Company's ratepayers. The remaining \$1,340,779 of the gains and savings is reflected as the Company's share.

Detailed calculations supporting the amounts shown on the summary are provided in this filing. Also included in this submission are revisions to Schedule G, Other Gas Costs, for the period February 1, 2007 through April 30, 2007. Spreadsheet formulas were revised to reflect the correct Price Bought calculation. Reported (Gain)/Loss dollars were not affected.

I am enclosing one additional copy of the summary that I would appreciate your stamping "filed" and returning to me in the enclosed envelope.

Sincerely,

Kim Johnston

Regulatory Affairs

Enclosures

c: Cynthia Kinser, Deputy Attorney General

Report on Nashville Incentive Plan July 2006 - June 2007

Month	Year	Gas Procurement Incentive Mechanism Gain/(Loss) 1/	Nashville GPI Sharing Gain/(Loss) 2/	Ratepayer GPI Sharing Gain/(Loss)	Capacity Management Incentive Mechanism Gain/(Loss)	Nashville CMI Sharing Gain/(Loss) 3/	Ratepayer CMI Sharing Gain/(Loss) 3/	Total Gain/(Loss)	Total Nashville Gain/(Loss) 4/	Total Ratepayer Gain/(Loss) 4/
July	2006	\$ 2,240	\$ -	\$ 2,240	\$ -	\$ -	\$ -	\$ 2,240	\$ -	\$ 2,240
August	2006	\$ 7,501	\$ -	\$ 7,501	\$ 6,561	\$ -	\$ 6,561	\$ 14,062	\$ -	\$ 14,062
September*	2006	\$ (64,226)	\$ -	\$ (64,226)	\$ -	\$ -	\$ -	\$ (64,226)	\$ -	\$ (64,226)
October*	2006	\$ (64,403)	\$ -	\$ (64,403)	\$ -	\$ -	\$ -	\$ (64,403)	\$ -	\$ (64,403)
November*	2006	\$ 69,051	\$ -	\$ 69,051	\$ 319,871	\$ 50,395	\$ 269,476	\$ 388,923	\$ 50,395	\$ 338,528
December	2006	\$ 308,265	\$ 67,438	\$ 240,827	\$ 318,750	\$ 159,375	\$ 159,375	\$ 627,015	\$ 226,813	\$ 400,202
January	2007	\$ 367,385	\$ 100,268	\$ 267,117	\$ 318,750	\$ 159,375	\$ 159,375	\$ 686,135	\$ 259,643	\$ 426,492
February*	2007	\$ (151,033)	\$ -	\$ (151,033)	\$ 319,180	\$ 159,590	\$ 159,590	\$ 168,147	\$ 159,590	\$ 8,557
March*	2007	\$ (100,316)	\$ -	\$ (100,316)	\$ 324,614	\$ 162,307	\$ 162,307	\$ 224,298	\$ 162,307	\$ 61,991
April*	2007	\$ (117,532)	\$ (2,275)	\$ (115,257)	\$ 318,750	\$ 159,375	\$ 159,375	\$ 201,218	\$ 157,100	\$ 44,118
May*	2007	\$ 17,451	\$ -	\$ 17,451	\$ 331,112	\$ 165,556	\$ 165,556	\$ 348,563	\$ 165,556	\$ 183,007
June*	2007	\$ (60,743)	\$ -	\$ (60,743)	\$ 318,750	\$ 159,375	\$ 159,375	\$ 258,007	\$ 159,375	\$ 98,632
		\$ 213,641	\$ 165,432	\$ 48,210	\$ 2,576,338	\$ 1,175,348	\$ 1,400,990	\$ 2,789,979	\$ 1,340,779	\$ 1,449,200

1/ The monthly gain or loss set forth in this column reflects total gains or losses calculated under the gas procurement mechanism, including gains or losses within the one percent deadband.

2/ Nashville GPI sharing reflects 50% of gains or losses calculated under the gas procurement mechanism after application of the one percent monthly deadband .

3/ Nashville sharing percentages range from 0% (up to 1% of annual demand savings), to 10% (1% - 2% savings), to 25% (2% - 3% savings), and to 50% (> 3% savings). Total capacity demand costs for the period are based on estimated annual costs for the plan year. These sharing amounts shall be adjusted based on the actual demand costs incurred, taking into account refunds or surcharges from pipeline and storage supplies.
(See Service Schedule No. 14, page 5)

4/ Nashville is subject to a cap on overall gains or losses of \$1.6 million annually. Any gains above this cap will be reflected in the Total Ratepayer Gain/(Loss) column

* Purchased Options

** Sold Options

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