

TENNESSEE REGULATORY AUTHORITY

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460 James Robertson Parkway
Nashville, Tennessee 37243-0505

April 15, 2010

Mr. David Carpenter
Director - Rates
Piedmont Natural Gas Company
P.O. Box 33068
Charlotte, NC 28233

RE: PIEDMONT NATURAL GAS COMPANY, INC.'S ACTUAL COST ADJUSTMENT
ACCOUNT FILING FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008.

Dear Mr. Carpenter:

Piedmont submitted a Request for Declaratory Interpretation on April 6, 2010. Specifically, the request was for an interpretation of Service Schedule No. 316 as to: 1) whether the tariff allows an allocation of hedging costs subject to the 1% cap to be allocated to periods that have been provided protection; or 2) the tariff requires that the hedging costs subject to the 1% cap shall be determined based upon the time the costs are incurred and paid.

Is it your position that should the Authority adopt the interpretation advocated by the Company it be applicable to the 2008 Actual Cost Adjustment filing? If yes please explain why, if no please explain why.

Your response should be provided on or before April 19, 2010.

Sincerely,

Darlene Standley
Utilities Division Chief

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2010 APR 15 AM 10:22
460 James Robertson Parkway
Nashville, Tennessee 37243-0505
T.R.A. DOCKET ROOM

April 15, 2010

Ms. Pat Murphy
Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN. 37243-0505

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