

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
Petition of Piedmont Natural Gas Company,)	DOCKET NO. 09-00104
Inc. for Approval of Service Schedule No.)	
317 and Related Energy Efficiency)	
Programs)	

CONSUMER ADVOCATE'S RESPONSE TO PIEDMONT'S MOTION TO COMPEL

The Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate") respectfully submits this Response to the Motion to Compel filed in this Docket by Piedmont Natural Gas Company, Inc. ("Piedmont", "Company") and asks that the Motion be denied for the reasons set forth below.

INTRODUCTION

Piedmont filed its Petition in this Docket on July 16, 2009. That filing did not include any pre-filed testimony or other substantive support for the revenue decoupling mechanism by which Piedmont seeks to shift some of its costs and associated financial risk to Tennessee consumers. The Consumer Advocate asked to Intervene, which was opposed by Piedmont despite the Attorney General's absolute statutory right to do so. As a result, the Consumer Advocate did not officially become a party to this Docket until the entry of the Order granting the Intervention on October 13, 2009 a mere 38 days ago. Piedmont sought an extraordinarily expedited hearing schedule which will result in all Discovery being sent and responded to, testimony filed, both direct and rebuttal and a Hearing on the Petition only 9 weeks after the Consumer Advocate was officially allowed into the Docket.

DISCUSSION

In the Discovery requests that are at the heart of Piedmont's Motion to Compel, Piedmont seeks to know the factual and legal foundation of certain positions that the Consumer Advocate has taken in this Docket as well information about any witnesses who may testify about those positions. Because of the sparse nature of Piedmont's original Petition as well as the fact that the unusually rapid pace of the Docket requires the Consumer Advocate to respond to Discovery requests while simultaneously receiving and reviewing the first substantial information it has received from Piedmont, the Consumer Advocate has fully responded to Piedmont's requests as best it can at this time. Piedmont was provided over 1000 pages of information that the Consumer Advocate has reviewed describing other States' experiences with decoupling and the benefits and problems that derive from it. These include Orders in decoupling cases in other states which discuss how decoupling mechanisms shift economic risk from the Company to consumers, how that affects the Company's authorized rate of return and describe several alternative methods of aligning the conservation interests of Companies and consumers which are consistent with Tennessee's new public policy. Until the Consumer Advocate gets more specific factual information from Piedmont about its proposed decoupling mechanism, those documents form the basis of the Consumer Advocate's concerns which led to the Attorney General's decision to seek to Intervene herein.

It is not the intention of the Consumer Advocate to ambush Piedmont at the expedited Hearing on December 17th. Once the Consumer Advocate receives all of the information it seeks from Piedmont, company specific information that only Piedmont can supply, then the Consumer Advocate will have a better understanding of exactly what Piedmont seeks in this Docket and why, and will be able to finalize its positions and the underlying basis for those positions. Once those positions have been decided, the Consumer Advocate will, consistent with its duty under the rules, supplement its original responses to provide more detail as to the factual and legal

underpinnings of those positions. Additionally it will supplement with more detail information about any witnesses it intends to call to support its positions.

As to those experts, Piedmont protests that the Consumer Advocate has refused to divulge the names of the experts it has retained and expects to call at the Hearing on this matter. While the formal Response to Discovery filed by the Consumer Advocate does not contain the names of those experts (other than Terry Buckner whose relevant information is fully disclosed in the Consumer Advocate's Response to Piedmont's Discovery Requests), Piedmont has known the identity of the Consumer Advocate's experts for several weeks. Counsel for the Consumer Advocate told Piedmont in October that the Consumer Advocate had retained Dr. Chris Klein, an economist from Middle Tennessee State University to advise the Consumer Advocate and likely to testify at the Hearing. In early November, Piedmont was similarly notified that the Consumer Advocate had retained Dr. David Dismukes, an economist from Louisiana State University to also advise and likely to testify. So, Piedmont has known the identity of the Consumer Advocate's potential expert witnesses for quite some time. Any protest to the contrary is simply mistaken. Responses regarding their background and testimony will similarly be supplemented as soon as the Consumer Advocate receives from Piedmont substantial information specifically pertaining to Piedmont and its request for a decoupling mechanism.

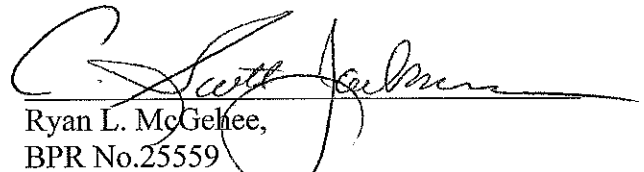
Quite simply, the Consumer Advocate has done its best to understand the specifics of what Piedmont seeks in its Petition and form positions regarding the relevant issues. The Consumer Advocate has combed the public records of similar cases in other states, asked the questions it needs to flesh out Piedmont's Petition and has lined up potential expert witnesses to help it digest that hoped for information and to testify on behalf of ratepayers. Because the compressed time frame of this Docket requires both parties to submit pre-filed testimony at the same time, the Consumer Advocate is prepared to supplement its Responses as soon as it

receives the information it needs from Piedmont and is able to digest it and finalize its positions, and pledges to do so as far ahead of the testimony filing deadline as it can.

The Consumer Advocate has timely given Piedmont what it has in response to Piedmont's Discovery requests. Piedmont is in possession of all data specific to Piedmont's situation and as was clearly stated by Piedmont in its Comments in the PURPA Docket (09-00065) each gas company is different and any approach to decoupling must be viewed on a case by case basis. Once Piedmont shares its specific data, the Consumer Advocate will move with all due haste to supplement its Responses so that even under the compressed time frame of this Docket, Piedmont is not surprised by anything that is introduced at the Hearing. The Consumer Advocate will provide those supplemental Responses as soon as they are formulated and will not wait until the filing of pre-filed direct testimony if it receives what it needs in time to avoid that. Accordingly the Consumer Advocate would ask that the Hearing Officer deny the Motion to Compel filed on behalf of Piedmont.

RESPECTFULLY SUBMITTED,

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CERTIFICATE OF SERVICE

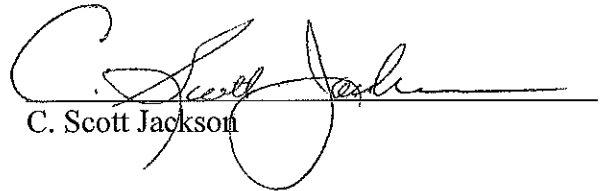
I hereby certify that a true and correct copy of the foregoing Statement of Issues was served via U.S. Mail or electronic mail upon:

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This the 20th day of November, 2009.


C. Scott Jackson