

TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

July 30, 2009

David R. Carpenter
Managing Director, Regulatory Affairs
Piedmont Natural Gas, Inc.
P.O. Box 33068
Charlotte, NC 28233

In Re: Docket No. 09-00104, *Petition of Piedmont Natural Gas Inc. to Implement a Margin Decoupling Tracker (MDT) Rider and Related Energy Efficiency and Conservation Programs.*

Dear Mr. Carpenter:

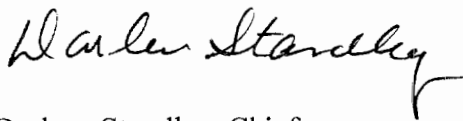
In order to assist the Authority in its evaluation of the above referenced docket, it is requested that the following information be provided:

1. Provide a numerical example of the Margin Decoupling Deferred Account and monthly adjustment that would have been calculated for the month ended April 30, 2009. In this example please provide cites to the Relevant Order used for the R Factor, Heat Sensitivity Factor, Normal Degree Days and Base Load. Please include all calculations and journal entries and any assumptions used in the example.
2. Provide the annual residential per customer gas usage for each of the past five years ending March 31 (include total volumes and customers).
3. Without the implementation of the proposed tariff and accompanying energy conservation and energy efficiency programs, provide Piedmont's forecasted annual average residential usage for the years ending March 31, 2010, 2011 and 2012.
4. Given approval of the proposed tariff and accompanying energy conservation and energy efficiency programs, provide Piedmont's forecasted annual average residential usage for the years ending March 31, 2010, 2011 and 2012.

5. Discuss the possible affects that residential energy efficiency and conservation programs could have on the market price of natural gas (e.g. could supply/demand be altered to lower the market price?).
6. Provide justification that the margin allowed for new customers under the proposed tariff will equal the per customer margin approved in the last rate case.
7. Given approval of this petition, indicate Piedmont's anticipated affect on individual residential customer bills as well as the overall average residential bill.
8. Will allowing Piedmont to retain the per customer margin approved in the last rate case reduce the overall risk to investors? Please explain.

This information should be provided no later than 2:00 p.m. on Friday August 7, 2009 and should reference Docket No. 09-00104 on the response. In accordance with Authority rules submit either (1) thirteen written copies of your response or (2) four written copies and an electronic version. Should you have any questions regarding or need for clarification of this request, please contact me at (615) 741-2904, extension 149 or David Foster at extension 188.

Sincerely,



Darlene Standley, Chief
Utilities Division

C: R. Dale Grimes
Bass, Berry and Sims PLC
315 Deaderick Street, Suite 2700
Nashville, TN 37238-3001

James H. Jeffries IV
Moore & Van Allen PLLC
Bank of America
Corporate Center, Suite 4700
100 N. Tryon Street
Charlotte, NC 28202