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October 9, 2009

VIA EMAIL AND HAND DELIVERY

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

**Re: Petition of Piedmont Natural Gas, Inc. for Approval of Service Schedule
No. 317 and Related Energy Efficiency Programs**
Docket No. 09-00104

Dear Chairman Kyle:

Enclosed please find an original and five (5) copies of the Piedmont Natural Gas, Inc.'s Response to the Issues List Proposed by the Consumer Advocate and Protection Division and the Proposed Procedural Schedule for filing in Docket No. 09-00104. This document also has been transmitted electronically to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon.

Please stamp two copies of this Petition as "filed" and return them to me by way of our courier. Should you have any questions concerning any of the enclosed, please do not hesitate to contact me.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

Enclosures

cc: Hon. Mary Freeman (*w/o enclosure*)
Hon. Eddie Roberson, Ph.D. (*w/o enclosure*)
Hon. Kenneth C. Hill (*w/o enclosure*)
James H. Jeffries, Esq.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF PIEDMONT NATURAL GAS)	
COMPANY, INC. FOR APPROVAL OF)	Docket No. 09-00104
SERVICE SCHEDULE NO. 317 AND)	
RELATED ENERGY EFFICIENCY)	
PROGRAMS)	
)	

**RESPONSE OF PIEDMONT NATURAL GAS COMPANY, INC. TO
THE ISSUES LIST PROPOSED BY THE CONSUMER ADVOCATE
AND PROTECTION DIVISION OF THE ATTORNEY GENERAL AND
THE PROPOSED PROCEDURAL SCHEDULE FOR THIS DOCKET**

Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company"), through counsel and pursuant to the procedures directed by the Hearing Officer, respectfully submits its response to the list of proposed issues in this proceeding filed by the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate") on October 8, 2009 and the procedural schedule proposed by the Consumer Advocate.

**I. PIEDMONT'S RESPONSE TO THE CONSUMER ADVOCATE'S
PROPOSED ISSUES LIST.**

In its October 8, 2009 filing, the Consumer Advocate identifies seven issues it proposes to address in this proceeding. Piedmont believes that none of these issues interposes any obstacles to approval of its margin decoupling tariff. Piedmont also believes that several of the issues identified by the Consumer Advocate are beyond the reasonable scope of Piedmont's filing and/or implicate matters more properly discussed in a general rate proceeding, which this docket is not. Notwithstanding these positions,

and in order to move this matter along expeditiously, Piedmont does not object, as a procedural matter, to the inclusion of the issues identified by the Consumer Advocate in the matters to be resolved in this proceeding, subject to Piedmont's right to fully address these issues and their proper disposition in its testimony herein.

Piedmont does object, however, to the Consumer Advocate's attempt to keep the door open to the prospect of additional issues. The Consumer Advocate has had several months to analyze what is a fairly simple and straightforward filing by Piedmont in this docket and has posed seven very broad "issues" to be determined, in addition to the fundamental issue of whether Piedmont's tariff and proposed energy efficiency programs should be approved. Piedmont's understanding of the Hearing Officer's directive to file proposed issues was to define the scope of this proceeding in order to ensure that the Authority's inquiry was properly focused and that the parties are able to address those issues efficiently and completely in testimony. By attempting to reserve its right to add more issues later, neither the Authority nor Piedmont can be certain what additional matters may need to be addressed or resolved in this docket and, therefore, cannot be assured that the Consumer Advocate's proposed procedural schedule (that is otherwise agreeable to Piedmont) will be adequate or sufficient. Piedmont respectfully submits that the Consumer Advocate has had more than sufficient time to identify issues for hearing in this docket and that it should not be permitted to add additional issues for hearing later because of the disruptive effect that will have on the process utilized to reach a determination on Piedmont's proposed tariff and energy efficiency programs.

II. PIEDMONT'S RESPONSE TO THE CONSUMER ADVOCATE'S PROPOSED PROCEDURAL SCHEDULE.


The Consumer Advocate has proposed discovery dates of October 15, 2009 for data requests, October 29, 2009 for responses, and initial and responsive testimony dates for all parties of November 23, 2009 and December 4, 2009. Piedmont has no objection to these dates and supports the prompt hearing and resolution of this matter. As Piedmont articulated at the Status Conference in this proceeding, Piedmont prefers that the hearing in this matter be conducted in December if that schedule is suitable for the Authority and otherwise workable for the parties and witnesses.

WHEREFORE, Piedmont Natural Gas Company, Inc., respectfully requests that the Authority accept its Response to the Consumer Advocate's proposed issues and proposed procedural schedule in this proceeding as set forth above.

Respectfully submitted this 9th day of October, 2009.

Piedmont Natural Gas Company, Inc.


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