

**BASS, BERRY & SIMS PLC**  
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OTHER OFFICES

KNOXVILLE  
MEMPHIS

October 15, 2009

Via Hand Delivery

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

filed electronically in docket office on 10/15/09

*In 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 Discovery Request of Piedmont Natural Gas to the Consumer Advocate with regard to the above matter

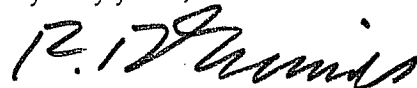
This document also is being filed electronically today with the Tennessee Regulatory Authority Docket Manager, Sharla Dillon.

Please stamp two (2) copies of this document 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

RDG/lfr  
Enclosures

Chairman Eddie Roberson

October 15, 2009

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cc: Ryan L. McGehee, Esq.  
S. Scott Jackson, Esq.  
Hon. Gary Hotvedt, Hearing Officer

8180397.1

**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	)	
	)	

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**DISCOVERY REQUEST OF PIEDMONT NATURAL GAS  
TO THE CONSUMER ADVOCATE**

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Pursuant to the Order Granting Intervention, Determining Issues, and Establishing Procedural Schedule issued by the Hearing Officer on October 13, 2009, Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R & Reg. 1220-1-2-.11, Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company") hereby submits the following Interrogatories and Requests for Production ("Data Requests") upon the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"). Piedmont requests that the Consumer Advocate respond to the following Data Requests under oath and in accordance with the Instructions and Definitions below by October 29, 2009. The Consumer Advocate's responses and Documents should be produced at the offices of Bass, Berry & Sims PLC, 315 Deaderick Street, Suite 2700, Nashville, TN 37328-3001, Attn: R. Dale Grimes.

**INSTRUCTIONS**

1. These Data Requests are continuing in nature, and are to be supplemented or amended promptly if information is received or a position held by the Consumer Advocate changes, which would make a prior response or production of Documents inaccurate, incomplete, or incorrect.

2. Each Data Request calls for all knowledge and Documents in the possession, custody and control of the Consumer Advocate, including all information and Documents in the possession of your attorneys, agents, or representatives. When asked to answer an interrogatory, the request pertains to information within your actual or constructive possession, control, or custody, including information which may be held by your attorneys, representatives, and all persons acting under, by, or through you, or subject to your control or supervision, and all persons acting on your behalf.
3. Documents that are responsive to a particular Data Request should be labeled with the corresponding number of the Data Request. All Documents produced shall be consecutively numbered on each page with alphanumeric characters identifying your company and with numerical characters identifying the page.
4. Where all or a portion of a Document is responsive to one or more of these Data Requests, produce the entire Document together with any attachments or exhibits thereto.
5. Whenever you object to a particular Data Request, or portion thereof, you must respond to the extent you have not objected.
6. If you object to providing a response to an interrogatory, in whole or in part, on the grounds of privilege, provide your objection in writing with sufficient specificity to permit a determination concerning the validity of the claim of privilege, together with the factual and legal basis for each objection asserted. If you object to providing a response in part, respond to that portion of the interrogatory to which no objection is made.
7. If you cannot fully answer any interrogatory, then you should answer such interrogatory to the fullest extent possible, and should indicate the reason for failing to answer fully. Further, you should provide all available information relating to the interrogatory and should identify the person or persons who can more fully answer such interrogatory.
8. In each instance in which you aver insufficient knowledge or information as a grounds for not providing information or for providing only a portion of the information requested by an

interrogatory, please set forth a description of the efforts made to locate information needed to answer the interrogatory. In addition, identify each person, if any, who is known by you to have such knowledge.

9. If a Data Request specifically calls for an answer in response rather than the production of Documents, an answer is required. The production of Documents will not suffice.

### **DEFINITIONS**

1. "You" or "your" or "Consumer Advocate" refers to the Consumer Advocate and Protection Division of the Office of the Attorney General, its officers, employees, agents, or representatives during the period of time covered by the Data Request, and any other person acting on the Consumer Advocate's behalf or subject to its control, now or in the past.
2. "Document" is intended to have the broadest permissible meaning and includes, without limitation, the original and all copies of all communications and any written, printed, electronically recorded, typed or graphic matter of any kind or nature however produced or reproduced, and whether or not claimed to be privileged or otherwise excludable from discovery; specifically, including but not limited to, notes; letters; correspondence; memoranda; books of any character; summaries or records of telephone conversations; summaries or records of personal conversations; diaries; routing slips or memoranda; reports and notebooks; periodicals; publications; invoices; bills; receipts; specifications; shipping papers; purchase orders; minutes or records of meetings; reports and/or summaries of interviews; agreements and contracts; electronic recordings; audio and video tapes; journals; ledgers; or any other type of data compilation from which information can be obtained and translated, if necessary, by you through computers, detection devices or any other mechanical device into reasonably usable form.
3. "Person" means any natural person, corporation, partnership, business, governmental body, and all types and kinds of entities of any kind.

4. "Communication" includes without limitation, any oral, electronic, visual, or written exchange of work, thoughts, ideas or Documents between persons or entities by any means.
5. Any reference to a filing or Order means a filing or Order in this Proceeding unless otherwise indicated.
6. "Proceeding" refers to TRA Docket No. 09-00104, Petition of Piedmont Natural Gas Company, Inc. to Implement a Margin Decoupling Tracker (MDT) Rider and Related Energy Efficiency and Conservation Program.
7. "Identify" or "identification" when used in reference to a natural person means to provide that person's full name, present or last known business address (or, if no business address, home address), and that person's employer and position at the time in question with respect to the particular interrogatory involved.
8. "Identify" or "identification" when used in reference to a Document means to provide the title, date, author, signatories, recipients, a general description of such Document sufficient to permit it to be identified with particularity in a request for the production of Documents, the present or last known location of such Document, and the identity of the person or persons having custody, control, or possession thereof.
9. The singular form of a noun or pronoun shall be considered to include within its meaning the plural form of the noun or pronoun so used, and vice versa; and the use of any tense of any verb shall be considered to include also within its meaning all other tenses of the verb so used.
10. Whenever the terms "all", "any" or "each" are used herein, each of these terms shall be construed to include each of the other terms.
11. The connectives "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery all responses which might otherwise be construed to be outside of its scope.

## **DATA REQUESTS**

1. State the Consumer Advocate's position on what is the most appropriate mechanism or financial incentive to ensure that Piedmont's financial incentives are aligned with the state's energy conservation policy as set out in 2009 Public Act 531, Section 53.

2. With respect to the position stated in response to the foregoing data request:

- (a) Identify each and every factual basis relied upon by the Consumer Advocate in reaching such position;
- (b) Identify each and every legal basis relied upon by the Consumer Advocate in reaching such position;
- (c) Identify each and every witness the Consumer Advocate intends to call to support such position; and
- (d) Identify each and every document relating to, or reviewed or relied upon in reaching, such position.

3. If the Consumer Advocate's position is that an alternative mechanism may be more appropriate to fulfill the state's energy conservation policy as set out in 2009 Public Act 531, Section 53, identify the alternative mechanism(s) under the Consumer's Advocate's consideration.

4. With respect to the position and any identified alternative mechanism stated in response to the foregoing data request:

- (a) Identify each and every factual basis relied upon by the Consumer Advocate in reaching such position;
- (b) Identify each and every legal basis relied upon by the Consumer Advocate in reaching such position;
- (c) Identify each and every witness the Consumer Advocate intends to call to support such position; and
- (d) Identify each and every document relating to, or reviewed or relied upon in reaching, such position.

5. State the Consumer Advocate's position on what is the most appropriate customer usage level and/or margin to be used as the benchmark for Piedmont's proposed decoupling mechanism.

6. With respect to the position stated in response to the foregoing data request:

- (a) Identify each and every factual basis relied upon by the Consumer Advocate in reaching such position;
- (b) Identify each and every legal basis relied upon by the Consumer Advocate in reaching such position;
- (c) Identify each and every witness the Consumer Advocate intends to call to support such position; and



- (d) Identify each and every document relating to, or reviewed or relied upon in reaching, such position.

7. State the Consumer Advocate's position on the issue whether Piedmont's earnings should be evaluated prior to the implementation of a decoupling mechanism.

8. With respect to the position stated in response to the foregoing data request:

- (a) Identify each and every factual basis relied upon by the Consumer Advocate in reaching such position;
- (b) Identify each and every legal basis relied upon by the Consumer Advocate in reaching such position;
- (c) Identify each and every witness the Consumer Advocate intends to call to support such position; and
- (d) Identify each and every document relating to, or reviewed or relied upon in reaching, such position.

9. State the Consumer Advocate's position on whether the implementation of a decoupling mechanism lowers the business risk for Piedmont, thereby justifying an adjustment to its rate of return.

10. With respect to the position stated in response to the foregoing data request:

- (a) Identify each and every factual basis relied upon by the Consumer Advocate in reaching such position;
- (b) Identify each and every legal basis relied upon by the Consumer Advocate in reaching such position;
- (c) Identify each and every witness the Consumer Advocate intends to call to support such position; and
- (d) Identify each and every document relating to, or reviewed or relied upon in reaching, such position.
- (e) Identify what method or evaluation tools the Consumer Advocate contends should be utilized to quantify an adjustment to Piedmont's rate of return and why such methods or tools are appropriate.

11. State the Consumer Advocate's position on the issue whether Piedmont should be required to meet specific, verifiable, measurable energy efficiency goals and/or benchmarks for any approved conservation programs.

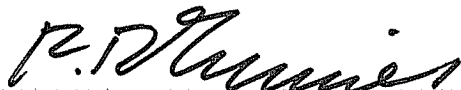
12. With respect to the position stated in response to the foregoing data request:

- (a) Identify each and every factual basis relied upon by the Consumer Advocate in reaching such position;
- (b) Identify each and every legal basis relied upon by the Consumer Advocate in reaching such position;

- (c) Identify each and every witness the Consumer Advocate intends to call to support such position; and
- (d) Identify each and every document relating to, or reviewed or relied upon in reaching, such position.

13. Identify each and every specific, verifiable, measurable energy efficiency goals that the Consumer Advocate's contends Piedmont should be required to meet for any approved the benchmark for Piedmont's proposed decoupling mechanism.

This the 15th day of October, 2009.



R. Dale Grimes (#6223)

Attorney for Piedmont Natural Gas

OF COUNSEL:

Bass, Berry and Sims PLC  
Amsouth Center  
315 Deaderick Street, Suite 2700  
Nashville, TN 37238-3001  
(615) 742-6200



James H. Jeffries IV

Brian S. Heslin

Attorney for Piedmont Natural Gas

by RDG  
w/ permission

OF COUNSEL:

Moore & Van Allen, PLLC

Bank of America Corporate Center  
100 N. Tryon Street, Suite 4700  
Charlotte, North Carolina 28202-4003  
Telephone: 704-331-1079

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of NASHVILLE GAS COMPANY'S FIRST SET OF DATA REQUESTS TO THE CONSUMER ADVOCATE was served upon the parties in this action by depositing a copy of the same in the United States Mail, First Class Postage Prepaid, addressed as follows:

Ryan L. McGehee  
C. Scott Jackson  
Assistant Attorney General  
Office of the Consumer Advocate and Protection Division  
Post Office Box 20207  
Nashville, Tennessee 37202

This the 15 day of October, 2009.

*R. L. McGehee*