

TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

October 13, 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:

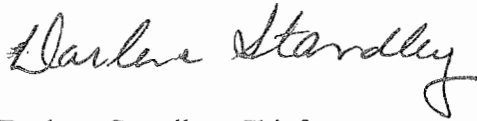
In order to assist the Authority in its evaluation of the above referenced docket, it is requested that the following information be provided:

1. If Piedmont's total fixed costs were recovered totally from customers in fixed monthly charges, would the Margin Decoupling Tracker be necessary to stabilize earnings as a result of decreased customer usage?
2. Excluding purchased gas, please list and describe Piedmont's most volatile expenses for which the Company has little control over.
3. To clarify the proposed tariff, does Piedmont plan to adjust rates monthly for the Margin Decoupling Tracker or semi-annually? Also, please discuss why a deferred account is necessary and why the Authority shouldn't simply review the Company's earned margin on an annual basis and adjust the Company's margin on a going-forward basis?
4. Please provide a site in the Authority's order in Docket No. 03-00313 stating the adopted total Company margin and the per customer margin for Piedmont. Please provide a comparison of Piedmont's approved margin approved in Docket 03-00313 with Piedmont's latest earned margin for the most recent twelve months (provide the margin comparison both on a per customer basis and by total company margin).

5. If the Margin Decoupling Tracker is approved as filed, please discuss why a Weather Normalizing Adjustment would continue to be necessary.

This information should be provided no later than 2:00 p.m. on Thursday October 29, 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,

A handwritten signature in cursive script that reads "Darlene Standley".

Darlene Standley, Chief
Utilities Division

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

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Docket File: