Piedmont
Natural Gas

February 26, 2010

20100043

Darlene Standley
Chief of Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

RE: Piedmont Natural Gas Company, Inc.
Petition for Tariff Change on the Applicable Metro Franchise Fee Rate

Dear Ms. Standley,

Enclosed for filing are an original and three copies of a proposed tariff change to adjust the applicable rate for the collection of the Metro Franchise Fee. As the attached schedules show, the new rate applicable to customers metered inside of Davidson County is 6.08%, which compares to a current rate of 6.11%. This rate adjustment is reflected on proposed Twenty-Sixth Revised Sheet No. 1, as enclosed herein.

As you know, the applicable rate for collection of the Metro Franchise Fee is based on usage projections, whereas the actual Metro Franchise Fee payments due are based on actual usage. As such, there is always some variance between the actual amounts collected under this mechanism and the actual Metro Franchise Fee payments. The difference between the actual collections and the actual payments varies from year to year and has been both positive and negative over the course of the operation of this mechanism. As of May 2009, the franchise collection account shows a cumulative under recovery of $2.9 million. The proposed revised rate for collection of the Metro Franchise Fee rate as identified in this filing is designed to recover 10% of the May 2009 cumulative undercollected balance on an annual basis over the next 10 years.

It is requested that any necessary waivers be granted to permit this filing to become effective April 1, 2010. Please direct any questions or concerns on this matter to my attention. I can be reached at (704) 731-4259.

Sincerely,

Pia Powers

Pia Powers
Manager – Regulatory Affairs

Enclosures
cc: Pat Murphy
Michelle Ramsey

PIEDMONT NATURAL GAS COMPANY, INC.
Tennessee Service Territory
Billing Rates Effective. April 1, 2010

Rate Schedule	Rate Class.	Description	Tariff Rate Approved In Docket No. 03-00313 <1>	Cumulative PGA Demand <2>	Cumulative PGA Commodity <3>	Current Refund <4>	Current ACA Demand <5a>	Current ACA Commodity <5b>	Current IPA <6>	Total Adj. Factor (Sum Col.2 thru Col.6) <7>	Proposed Billing Rate (Col.1+Col.7) <8>
		Customer Charge-Nov -Mar.	$13.00								$13.00
Residential		Customer Charge-Apr.-Oct.	$10.00								$10.00
301	Value	Nov.- Mar. per TH	0.32000	0.01750	0.52994	0.00000	0.03992	-0.06248	0.00534	0.53022	0.85022
301	Value	Apr.- Oct. per TH	0.27000	0.01750	0.52994	0.00000	0.03992	-0.06248	0.00534	0.53022	0.80022
321	Standard	Nov.- Mar. per TH	0.32000	0.04733	0.52994	0.00000	0.03992	-0.06248	0.00534	0.56005	0.88005
321	Standard	Apr.- Oct. per TH	0.27000	0.04733	0.52994	0.00000	0.03992	-0.06248	0.00534	0.56005	0.83005
Small General		Customer Charge	$29.00								$29.00
302	Standard	Nov.- Mar. per TH	0.35400	0.04811	0.52994	0.00000	0.03992	-0.06248	0.00534	0.56083	0.91483
302	Standard	Apr - Oct. per TH	0.30300	0.04811	0.52994	0.00000	0.03992	-0.06248	0.00534	0.56083	0.86383
332	Value	First 2,000 TH/TH (Nov.-Mar.)	0.35400	0.01683	0.52994	0.00000	0.03992	-0.06248	0.00534	0.52955	0.88355
332	Value	Over 2,000 TH/TH (Nov.-Mar.)	0 35400	0.00903	0.52994	0.00000	0.03992	-0.06248	0.00534	0.52175	0.87575
332	Value	First 2,000 TH/TH (Apr.-Oct.)	0.30300	0.01683	0.52994	0.00000	0.03992	-0.06248	0.00534	0.52955	0.83255
332	Value	Over 2,000 TH/TH (Apr -Oct.)	0.30300	0.00903	0.52994	0.00000	0.03992	-0.06248	0.00534	0.52175	0.82475
Medium General		Customer Charge	$75.00								$75.00
352	Standard	Nov.- Mar. per TH	0.35400	0.01750	0.52994	0.00000	0.03992	-0.06248	0.00534	0.53022	0.88422
352	Standard	Apr.- Oct. per TH	0 30300	0.01750	0.52994	0.00000	0.03992	-0.06248	0.00534	0.53022	0.83322
362	Value	First 5,000 TH/TH (Nov.-Mar.)	0.35400	0.01646	0.52994	0.00000	0.03992	-0.06248	0.00534	0.52918	0.88318
362	Value	Over 5,000 TH/TH (Nov -Mar.)	0.35400	0.00890	0.52994	0.00000	0.03992	-0.06248	0.00534	0.52162	0.87562
362	Value	First 5,000 TH/TH (Apr -Oct.)	0.30300	0.01646	0.52994	0.00000	0.03992	-0.06248	0.00534	0.52918	0.83218
362	Value	Over 5,000 TH/TH (Apr.-Oct.)	0 30300	0.00890	0.52994	0.00000	0.03992	-0.06248	0.00534	0.52162	0.82462
		Customer Charge	$300.00								$300.00
303		Peak Demand (Per DT)	8 00000	4.92520		0.00000	6.24750			11.17270	19.17270
Firm		First 15,000 TH/TH	0.09742	0.00374	0.52994	0.00000	0.00266	-0.06248	0.00534	0.47920	0.57662
Industrial		Next 25,000 TH/TH	0.08953	0.00222	0.52994	0.00000	0.00266	-0.06248	0.00534	0.47768	0.56721
		Next 50,000 TH/TH	0.06450	0.00172	0.52994	0.00000	0.00266	-0.06248	0.00534	0.47718	0.54168
		Over 90,000 TH/TH	0 02764	0.00000	0.52994	0.00000	0.00000	0.00000	0.00534	0.53528	0.56292
304		Customer Charge	$300.00								$300.00
Interruptible		First 15,000 TH/TH	0.09742	0.03333	0.52994	0.00000	0.00266	-0.06248	0.00534	0.50879	0.60621
Industrial		Next 25,000 TH/TH	0.08953	0.01672	0.52994	0.00000	0.00266	-0.06248	0.00534	0.49218	0.58171
		Next 50,000 TH/TH	0 06450	0.01374	0.52994	0.00000	0.00266	-0.06248	0.00534	0.48920	0.55370
		Over 90,000 TH/TH	0.02764	0.01019	0.52994	0.00000	0.00000	0.00000	0.00534	0.54547	0.57311
		Customer Charge	$300.00								$300.00
313		Peak Demand (Per DT)	8.00000	4.92520		0.00000	6.24750			11.17270	19 17270
Firm		First 15,000 TH/TH	0.09742	0.00262		0.00000	0.00266			0.00528	0.10270
Transportation		Next 25,000 TH/TH	0.08953	0.00171		0.00000	0.00266			0.00437	0.09390
		Next 50,000 TH/TH	0.06450	0.00100		0.00000	0.00266			0.00366	0.06816
		Over 90,000 TH/TH	0.02764	0.00000		0.00000	0.00000			0.00000	0.02764
314		Customer Charge	300.00								$300.00
Interruptible		First 15,000 TH/TH	0.09742	0.00282		0.00000	0.00266			0.00548	0.10290
Transportation		Next 25,000 TH/TH	0.08953	0.00188		0.00000	0.00266			0.00454	0.09407
		Next 50,000 TH/TH	0.06450	0.00106		0.00000	0.00266			0.00372	0.06822
		Over 90,000 TH/TH	0.02764	0.00000		0.00000	0.00000			0.00000	0.02764
310		Demand per DT	8.00000	4.92519		0.00000	6.26690			11.19209	19.19209
Resale Service		Commodity Charge	0.09000	0.00093	0.52994	0.00000	0.00000	-0.06248	0.00534	0.47373	0.56373

NOTE: In accordance with the Tennessee Public Service Commission order in Docket U-7074 customers metered inside Davidson County are required to pay an additional 6.08% for collection of the Metro Franchise Fee. Customers served by the Fairview, Greenbrier, Hartsville, Mt. Juliet and White House systems are required to pay 5.0%. Customers served by the Franklin system are required to pay 3%. Commercial customers on the Ashland City system are required to pay 5%.

PIEDMONT NATURAL GAS COMPANY, INC.
Metro Franchise Fee
Nashville and Davidson County, TN
Rate Calculation

Line				Line Computation
1	Projected Annual Piedmont Natural Gas Revenues Subject to Metro Franchise Fee	$191,270,290	A/	
2	Rate	5.00%		
3	Estimated Metro Franchise Fee	9,563,514		3 = 1 * 2
4	Cumulative actual under (over) collected balance thru May 2009	2,911,943	B/	
5	10 Year amortization of May 2009 balance	291,194		
6	Plus Fee per Section 2 of Ordinance	74,305		
7	Total Estimated Franchise Fee to be Collected	9,929,014		7 = 3 + 5+ 6
8	Estimated Davidson County Sales Revenues	163,230,065		8 = 12
9	Franchise Fee Rate to be Charged Davidson County Customers	6.08%		9 = 7 / 8

A/ ,B/, C/ See Attached Worksheets

10	Projected Annual Piedmont Natural Gas Revenues	$191,270,290		
11	% Inside Davidson County (See Attached Worksheet)	85.34%	C/	
12		$163,230,065		12 = 10 * 11

PIEDMONT NATURAL GAS COMPANY, INC.
Monthly Revenues
Fiscal 2010

	Actual Nov-09	Actual Dec-09	Actual Jan-10	Budget Feb-10	Budget Mar-10	Budget Apr-10	Budget May-10	Budget Jun-10	Budget Jul-10	Budget Aug-10	Budget Sep-10	Budget Oct-10	Total
TN													
Residential	10,826,657	19,896,500	25,735,028	19,931,020	8,736,009	5,259,146	3,125,087	2,985,838	3,007,049	2,075,349	3,175,787	4,858,884	109,612,355
S/M General Service	4,676,286	10,890,771	13,708,843	10,526,392	8,118,325	5,091,987	3,316,452	2,820,388	2,792,429	2,785,687	2,987,163	4,901,007	72,615,731
LGS + Industrial	88,060	132,843	178,873	1,394,386	1,191,882	930,055	803,500	755,072	776,913	755,377	766,389	875,988	8,649,338
Power Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
Muni & Military	32,798	53,916	69,253	59,194	43,262	21,881	18,823	18,103	17,748	17,811	17,737	22,341	392,866
Total Revenue	15,623,802	30,974,030	39,691,996	31,910,992	18,089,479	11,303,069	7,263,863	6,579,401	6,594,140	5,634,224	6,947,075	10,658,220	**191,270,290** A/

PIEDMONT NATURAL GAS COMPANY, INC.
Metro Franchise Fee
Nashville and Davidson County, TN
Collection Analysis

Period	Total Revenue	Uncollected	Revenue Amount for Franchise Fee Computation	5% Franchise Fee	Franchise Renewal Fee	Amount Collected	Current Period Over (Under) Collection	Cumulative Over (Under) Collected
Pre 6/96								(361,820)
6/96 - 11/96	34,865,095	(194,706)	34,670,389	1,733,519	-	1,772,618	39,099	(322,721)
12/96 - 5/97	104,052,118	(198,012)	103,854,106	5,192,705	-	5,022,987	(169,718)	(492,439)
6/97 - 11/97	36,776,541	(325,658)	36,450,883	1,822,544	-	1,778,098	(44,446)	(536,886)
12/97 - 5/98	98,482,962	(157,991)	98,324,971	4,916,249	-	4,793,660	(122,589)	(659,474)
6/98 - 11/98	30,287,470	51,459	30,338,929	1,516,946	-	1,510,678	(6,268)	(665,743)
12/98 - 5/99	89,797,396	(457,266)	89,340,130	4,467,006	-	4,405,446	(61,560)	(727,302)
6/99 - 11/99	29,259,419	(268,724)	28,990,696	1,449,535	-	1,474,589	25,054	(702,248)
12/99 - 5/00	90,848,647	(362,410)	90,486,237	4,524,312	-	4,414,232	(110,080)	(812,328)
6/00 - 11/00	37,420,837	(258,045)	37,162,792	1,858,140	-	1,875,126	16,986	(795,341)
12/00 - 5/01	156,939,316	(1,471,882)	155,467,435	7,773,372	-	7,618,396	(154,976)	(950,317)
6/01 - 11/01	39,285,853	(993,723)	38,292,130	1,914,606	-	1,959,335	44,729	(905,588)
12/01 - 5/02	99,442,775	(967,640)	98,475,135	4,923,757	-	4,795,562	(128,195)	(1,033,783)
6/02 - 11/02	36,819,626	(776,734)	36,042,892	1,802,145	-	1,818,222	16,077	(1,017,706)
12/02 - 5/03	141,674,029	(1,983,134)	139,690,895	6,984,545	-	6,479,574	(504,971)	(1,522,677)
6/03 - 11/03	47,960,899	(676,783)	47,284,116	2,364,206	-	2,114,861	(249,345)	(1,772,022)
12/03 - 5/04	129,117,522	(1,304,850)	127,812,672	6,390,634	-	6,834,528	443,895	(1,328,127)
6/04 - 11/04	57,365,393	(598,472)	56,766,921	2,848,543	-	2,250,377	(598,166)	(1,926,293)
12/04 - 5/05	150,142,076	(1,504,526)	148,637,550	7,431,877	-	7,816,606	384,728	(1,541,565)
6/05 - 8/05	18,274,607	(631,304)	17,643,303	882,165	218,500	976,758	(123,907)	(1,665,472)
9/05-11/05	59,971,144	(261,766)	59,709,377	2,985,469	86,618	1,852,612	(1,219,475)	(2,884,947)
12/05-2/06	122,651,941	(990,692)	121,661,249	6,083,062	16,094	6,458,489	359,333	(2,525,614)
3/06-5/06	38,535,240	(741,036)	37,794,204	1,889,710	16,470	2,477,027	570,847	(1,954,767)
6/06-8/06	18,898,932	(853,934)	18,044,999	902,250	16,658	991,447	72,540	(1,882,227)
9/06-11/06	45,939,166	(222,657)	45,716,509	2,285,825	16,658	1,631,416	(671,067)	(2,553,294)
12/07-2/07	109,039,237	57,203	109,096,441	5,454,822	16,658	5,026,853	(444,627)	(2,997,921)
02/07 Revision	-	2,060,895	2,060,895	103,045	-		(103,045)	(3,100,966)
3/07-5/07	35,884,674	(330,355)	35,554,319	1,777,716	17,046	2,560,095	765,334	(2,335,632)
6/07-8/07	20,391,824	(408,593)	19,983,230	999,162	17,241	1,008,829	(7,574)	(2,343,206)
9/07-11/07	42,612,098	4,964	42,617,062	2,130,853	17,241	1,501,625	(646,469)	(2,989,675)
12/07-2/08	122,851,441	(8,705)	122,842,736	6,142,137	17,241	5,689,053	(470,325)	(3,460,000)
3/08-5/08	49,547,008	(311,803)	49,235,206	2,461,760	17,643	3,357,385	877,983	(2,582,017)
6/08-8/08	25,460,309	(581,910)	24,878,399	1,243,920	17,844	1,259,153	(2,612)	(2,584,629)
9/08-11/08	49,129,081	(350,005)	48,779,076	2,438,954	17,844	1,634,233	(822,565)	(3,407,194)
12/08-2/09	111,779,748	(34,800)	111,744,947	5,587,247	17,844	5,477,784	(127,308)	(3,534,502)
3/09-5/09	30,312,112	(348,668)	29,963,444	1,498,172	18,261	2,138,991	622,559	**(2,911,943)** B/
6/09-8/09	16,539,207	(545,408)	15,993,799	799,690	18,469	819,453	1,295	(2,910,648)
9/09-10/09	17,586,817	22,679	17,609,496	880,475	12,312	586,666	(306,122)	(3,216,770)

	Total Fee	Amortization
Renew Fee	262,200	262,200
4/1/2005-3/31/2006	64,377	64,377.00
4/1/2006-3/31/2007	66,630	66,630.00
4/1/2007-3/31/2008	68,962	68,962.00
4/1/2008-3/31/2009	71,376	71,376.00
4/1/2009-3/31/2010	73,874	43,093.00
		576,638.00

PIEDMONT NATURAL GAS COMPANY, INC.
TN Sales Volumes
Therms
June 2008-May 2009

	Outside Davidson County A/	Inside Davidson County	Total
Gas Sales & Transp.	38,196,163	222,421,629	260,617,792
Percentage	14.66%	85.34%	100.00%
		C/	

Total Outside		61,229,143
Less:		
Ashland City	5,056,011	
Greenbrier	1,367,635	
Fairview	850,932	
White House	2,403,654	
Mt. Juliet	8,635,408	
Hartsville	575,014	
Franklin	4,144,326	23,032,980
		38,196,163

PIEDMONT NATURAL GAS COMPANY, INC.
TN Volumes - Therms
June 2008-May 2009

Service Area Code		Inside Davidson	Outside Davidson	Total
600	Antioch	10,016,521		10,016,521
601	Ashland City		5,056,011	5,056,011
602	Burns		38,424	38,424
603	Bellvue	4,626		4,626
604/627	Brentwood	3,197,691	14,816,922	18,014,613
605	Cottontown		12,136	12,136
606	Fairview		850,932	850,932
607	Franklin		4,144,326	4,144,326
608	Greenbrier		1,367,635	1,367,635
609/628	Goodlettsville	2,723,084	1,415,242	4,138,326
610	Hendersonville		12,440,272	12,440,272
611	Hermitage	6,890,589		6,890,589
612	Joelton	387,145		387,145
613	Kingston Springs			0
614	Lavergne		9,075,745	9,075,745
615/631	Madison	7,275,270	146	7,275,416
616	Millersville		107,338	107,338
617	Mt. Juliet		8,635,408	8,635,408
618	**Nashville**	**179,450,023**		179,450,023
619	Old Hickory	11,835,905		11,835,905
620	Ridgetop			0
622	Smyrna		241,590	241,590
623	Springfield		20,535	20,535
624	White House-R		1,816,340	1,816,340
625	White House-S		587,314	587,314
626	Hartsville		575,014	575,014
629	Whites Creek	542,179		542,179
632	Nolensville	98,596		98,596
633	Nolensville		27,813	27,813
	Total	222,421,629	61,229,143	283,650,772