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July 13, 2010

Via Hand Delivery

Chairman Mary W. Freeman
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

filed electronically in docket office on 07/13/10

Docket No. 10-00142

**Re: *Application of Piedmont Natural Gas Company, Inc. for Approval of
Negotiated Gas Redelivery Agreement with E.I. DuPont de Nemours Company***

Dear Chairman Freeman:

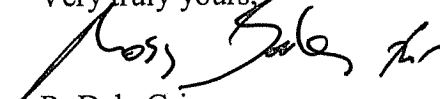
Attached you will find an original and five (5) copies of the Application of Piedmont Natural Gas Company, Inc. for Approval of Negotiated Gas Redelivery Agreement with E.I. DuPont de Nemours Company. Accompanying this application is a check for the filing fee in the amount of \$25.00.

The application also is being filed today by way of email to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon.

Should you have any questions concerning the enclosed, please do not hesitate to contact me at the email address listed above.

With kindest regards, I remain

Very truly yours,


R. Dale Grimes

RDG/smb

Enclosures

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

IN RE:)

APPLICATION OF PIEDMONT NATURAL GAS)
COMPANY, INC. FOR APPROVAL OF)
NEGOTIATED GAS REDELIVERY AGREEMENT)
WITH E. I. DUPONT DE NEMOURS COMPANY)

Docket No. 10-

PETITION

Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company"), through counsel, respectfully requests the Tennessee Regulatory Authority (the "Authority") to approve a negotiated Gas Redelivery Agreement ("Gas Redelivery Agreement") with E. I. du Pont de Nemours Company ("DuPont"), including the rates set forth therein. In support of its Petition, Piedmont respectfully shows unto the Authority as follows:

1. It is respectfully requested that any notices or other communications with respect to this Petition be sent to:

Jane Lewis-Raymond
Vice President & General Counsel
Piedmont Natural Gas Company, Inc.
Post Office Box 33068
Charlotte, NC 28233
Telephone: 704-731-4261

and

R. Dale Grimes
Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, TN 37201
Telephone: 615-742-6244

and

James H. Jeffries IV
Moore & Van Allen PLLC
100 North Tryon Street, Suite 4700
Charlotte, NC 28202-4003
Telephone: 704-331-1079

2. Piedmont is incorporated under the laws of the State of North Carolina and is duly domesticated and is engaged in the business of transporting, distributing, and selling natural gas in the States of Tennessee, North Carolina, and South Carolina. Piedmont's principal office and place of business is located at 4720 Piedmont Row Drive, Charlotte, North Carolina.

3. Piedmont's natural gas distribution business is subject to regulation and supervision by the Authority pursuant to Chapter 4 of Title 65 of the Tennessee Code Annotated.

4. Piedmont is engaged in the business of furnishing natural gas to customers located in Nashville and the remainder of Davidson County as well as portions of the adjoining counties of Cheatham, Dickson, Robertson, Rutherford, Sumner, Trousdale, Williamson, and Wilson and in certain incorporated towns and cities located therein.

5. DuPont is an existing industrial customer of Piedmont that operates a facility for the manufacture of chemical products located at 1002 Industrial Road, Old Hickory, Tennessee ("Old Hickory Facility").

6. DuPont has recently decided to transition from coal to natural gas as a main fuel source at its Old Hickory Facility due to reduced production at that facility which makes the utilization of coal to produce process steam economically inefficient. As part of this transition from coal to natural gas to produce process steam, DuPont plans to install new lower capacity natural gas fired steam boilers at the Old Hickory Facility.

7. DuPont's transition to gas-fired boilers and away from coal will increase natural gas usage at the Old Hickory Facility and will have several beneficial effects for Piedmont,

Piedmont's customers, and the State of Tennessee. First, it will increase Piedmont's system throughput thereby spreading Piedmont's fixed costs across a broader base and putting downward pressure on the rates of all Piedmont customers. Second, it will contribute to the recovery of Piedmont's approved margin thereby slightly reducing the need for future rate filings. Third, it will reduce the usage of coal within the State of Tennessee in favor of lower emitting natural gas.

8. In order to facilitate DuPont's transition to natural gas as a primary fuel for the production of process steam, Piedmont and DuPont have reached agreement for the provision of both Firm Transportation Service (pursuant to Rate Schedule No. 313) and Interruptible Transportation Service (pursuant to Rate Schedule No. 314) to the Old Hickory Facility. Such services shall be provided at the rates and on the terms and conditions specified by those Rate Schedules with only minor modifications. These modifications include: (a) the use of a 2,000 dekatherm per day Transportation Contract Quantity ("TCQ") under Rate Schedule No. 313 where the strict application of Piedmont's tariff would calculate a higher TCQ on the basis of historic usage, (b) the ability of DuPont to "flex" its daily usage, on an interruptible basis under Rate Schedule No. 314, up to an additional 5,500 dekatherms at the rates specified for service under Rate Schedule No. 314 in excess of 90,000 therms; and (c) the waiver by Piedmont of the requirements of its Rate Schedule No. 314 for DuPont to maintain a serviceable back-up system as a condition to receipt of service under Rate Schedule No. 314 and a corresponding assumption by DuPont of the risks associated with its choice not to maintain such a system. A copy of the Gas Redelivery Agreement between Piedmont and DuPont for which Piedmont seeks approval is attached hereto as Exhibit A and incorporated herein by reference.

9. The modifications to service under Rate Schedules Nos. 313 and 314 agreed to by Piedmont and DuPont and reflected in Exhibit A serve the business and economic needs of DuPont during an operational transition from coal to natural gas at its Old Hickory Plant and have no potential to harm the interests of other customers or Piedmont. Nonetheless, because

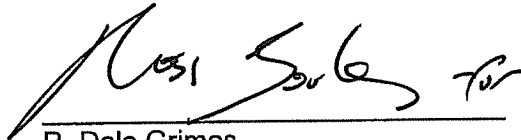
the terms agreed to by Piedmont and DuPont vary slightly from those of Piedmont's approved tariffs, Piedmont is submitting the attached Gas Redelivery Agreement to the Authority for approval.

10. Piedmont and DuPont have agreed to request approval of the attached Gas Redelivery Agreement as of May 1, 2010 in order to match service under the agreement with the underlying service transition engaged in by DuPont. Accordingly, Piedmont respectfully requests that the Authority approve this agreement for services provided by Piedmont to DuPont at the Old Hickory Facility on and after May 1, 2010. In the event the Authority declines this request, Piedmont requests Authority approval of the attached Gas Redelivery Agreement at the earliest possible date.

WHEREFORE, Piedmont Natural Gas Company, Inc., respectfully requests that the Authority: (1) approve the attached Gas Redelivery Agreement and authorize Piedmont to provide the natural gas redelivery services and to charge the rates provided for thereunder, all as requested herein; (2) grant Piedmont any waivers it deems appropriate; and (3) grant Piedmont such other relief as may be necessary or appropriate.

Respectfully submitted this ____ day of July, 2010.

Piedmont Natural Gas Company, Inc.

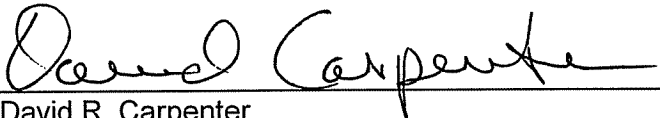
A handwritten signature in black ink, appearing to read "R. Dale Grimes", is written over a horizontal line.

R. Dale Grimes
Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, TN 37201
Telephone: 615-742-6244

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

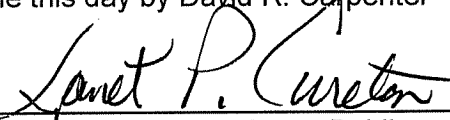
VERIFICATION

David R. Carpenter, being duly sworn, deposes and says that he is Managing Director, Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, he has read the foregoing Petition and knows the contents thereof; that the same are true of his own knowledge except as to those matters stated on information and belief and as to those he believes them to be true.


David R. Carpenter

Mecklenburg County, North Carolina
Signed and sworn to before me this day by David R. Carpenter

Date: July 12, 2010


Janet P. Cureton, Notary Public

(Official Seal)

My commission expires: March 1, 2015

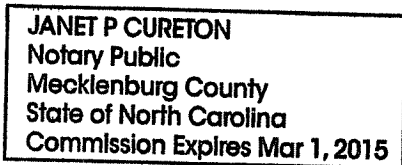


EXHIBIT A

GAS REDELIVERY AGREEMENT

This Gas Redelivery Agreement (the "Agreement") is made this 7 day of June, 2010, by and between Piedmont Natural Gas Company, Inc. ("Piedmont") and E. I. du Pont de Nemours Company ("DuPont"). Piedmont and DuPont are referred to hereinafter individually as "Party" and collectively as "Parties."

WHEREAS, DuPont owns and operates a manufacturing facility at 1002 Industrial Road, Old Hickory, Tennessee for the production of chemical products ("Customer's Facility"); and

WHEREAS, DuPont has transitioned from coal to natural gas as a main fuel source. Due to reduced steam demands at Customer's Facility, it is no longer economically advantageous to use coal to produce steam. DuPont has ceased burning coal and plans to install new lower capacity natural gas fired steam boilers; and

WHEREAS, given this transition, Piedmont desires to provide and DuPont desires to receive expanded gas delivery service from Piedmont on the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, Piedmont and DuPont mutually agree as follows:

ARTICLE I Transportation Service

Section 1.01 During the Term hereof, Piedmont agrees to provide to DuPont, at the Customer's Facility, daily firm transportation service pursuant to (except as expressly modified herein) the rates, terms, and conditions of service applicable to Firm Transportation Service under Piedmont's approved Rate Schedule 313, as such rates, terms, and conditions of service may be changed from time to time by the Tennessee Regulatory Authority. Customer's Transportation Contract Quantity ("TCQ") with respect to such service shall be 2,000 dekatherms per day based on 1,030 BTUs per standard cubic foot of natural gas. This TCQ shall be utilized as Customer's billing demand determinate for purposes of calculating Customer's minimum monthly bill under Rate Schedule 313.

Section 1.02 Also during the Term hereof, Piedmont agrees to provide to DuPont, at the Customer's Facility, daily interruptible transportation service pursuant to (except as expressly modified herein) the terms and conditions of service applicable to Interruptible Transportation Service under Piedmont's approved Rate Schedule 314. DuPont agrees to pay Piedmont for such service the volumetric rate specified under Rate Schedule 314 for the "4th Step (over 90,000 therms)," as such rate (and such terms and conditions of service) may be changed from time to time by the Tennessee Regulatory Authority. Customer's entitlement to interruptible transportation service hereunder is in an amount up to 5,500 dekatherms per day based on 1,030 BTUs per standard cubic foot of natural gas and shall only be available to the extent such interruptible transportation service is requested by Customer in excess of Customer's TCQ. With respect to the provision of interruptible service hereunder, DuPont acknowledges that Rate

Schedule 314 requires a serviceable back-up system in order to cover DuPont's energy needs in the event of an interruption in service. DuPont acknowledges that it has no such system currently in place and has no plans to install such a system during the Term of this Agreement. Customer agrees that any damages to its equipment, products, processes, earnings, or profits proximately resulting from an interruption in the service provided pursuant to Section 1.02 hereof are Customer's sole and exclusive responsibility and Customer hereby waives any claims against Piedmont for such damages and agrees to indemnify and hold Piedmont harmless from any and all such damages or liabilities.

Section 1.03 In no event shall Customer be entitled to redeliveries of natural gas hereunder in an amount in excess of 7,500 dekatherms per day.

Section 1.04 Piedmont's service under this Agreement does not include interstate balancing service to DuPont.

Section 1.05 Natural gas delivered by DuPont for redelivery hereunder shall be considered as a single and discrete pool and shall not be netted or aggregated with natural gas nominated or received by any other service provided to DuPont, or with the Gas of any other customers.

ARTICLE II

Term

Section 2.01. This Agreement shall be binding on the Parties upon the execution hereof. Subject to and contingent upon approval by the Tennessee Regulatory Authority, and with respect to the services being provided pursuant to Sections 1.01 and 1.02, this Agreement shall be effective as of the earlier of (1) May 1, 2010 or (2) if not approved for effectiveness on May 1, 2010 by the Tennessee Regulatory Authority, such other date specified for approval by that entity ("Effective Date"). If the Tennessee Regulatory Authority approves the Agreement to be effective as of May 1, 2010, Piedmont shall reimburse DuPont for any payments made for services rendered after May 1, 2010 that exceed the amount DuPont would have paid under this Agreement. Such reimbursement, if any, shall be made within fifteen days following the Tennessee Regulatory Authority's approval of the Agreement.

The Agreement shall remain in effect for a period of three (3) years from the Effective Date ("Term").

ARTICLE III

Redelivery Point

Section 3.01 The redelivery of natural gas purchased by DuPont and transported by Piedmont for DuPont's account to the Customer's Facility pursuant hereto shall be made at the meter and regulator facilities at Customer's Facility only.

ARTICLE IV

Receipt and Redelivery Pressure

Section 4.01 All natural gas delivered to Piedmont for redelivery to DuPont shall be at sufficient pressure to enter Piedmont's facilities, and Piedmont shall have no obligation to provide compression prior to redelivery to DuPont. Piedmont shall be responsible for the installation and operation of adequate safety equipment upstream of the redelivery point. DuPont shall have the sole and exclusive responsibility for the design, installation, operation, and maintenance of overpressure protection, at and beyond the redelivery point, for the safe and reliable operation of the DuPont facilities and equipment at the Customer's Facility.

ARTICLE V

Incorporation of Tariff Terms

Section 5.01 All services provided under this Agreement, except as expressly modified herein, shall be provided at the rates and under the terms and conditions of service specified in Piedmont's approved tariffs and applicable to service under Piedmont's Rate Schedules 313 and 314, as applicable, as the same may be modified from time to time with the approval of the Tennessee Regulatory Authority. In the event of a conflict between the provisions of this Agreement and the tariff provisions applicable to service under Rate Schedules 313 and 314, the provisions of this Agreement shall prevail.

ARTICLE VI

Regulatory Approval

Section 6.01 This Agreement is expressly subject to and conditioned upon approval by the Tennessee Regulatory Authority. Piedmont agrees to submit the Agreement for such approval within five (5) business days after the execution hereof by both parties.

ARTICLE VII

Assignment

Section 7.01 This Agreement shall inure to the benefit of and be binding upon the successors in interest and assigns of the Parties hereto. Neither Party shall assign this Agreement and the rights hereunder without first having obtained the written consent of the other Party, which consent shall not be unreasonably withheld, provided, however, that either Party may assign this Agreement to an affiliate or to an entity succeeding to substantially all the assets of the Party, or in the case of DuPont, to an entity succeeding to substantially all the assets related to the Customer's Facility, without such consent.

ARTICLE VIII

General

Section 8.01 The section headings are for identification and reference only and shall not be used in interpreting any part of this Agreement.

Section 8.02 This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, submittal, or other event of negotiation, drafting or execution thereof.

Section 8.03 This Agreement and the rights and duties of the Parties shall be governed and interpreted according to the laws of the State of Tennessee without regard to the conflict of laws provisions thereof.

Section 8.04 Any notice, request, demand, statement, or report with reference to this Agreement shall be made in writing and shall be considered as duly delivered when received by mail, electronic communication or fax.

To Piedmont Natural Gas Company:

Notices:

Managing Director, Power Generation, Commercial Support & MAS
P.O. Box 33068 Phone: (704) 364-3120
Charlotte, NC 28233 Fax: (704) 364-8320

Operations:

Gas Control Phone: (704) 364-3120
P.O. Box 33068 Fax: (704) 365-8740
Charlotte, NC 28233

Scheduling:

Gas Scheduling Phone: (704) 731-4413
P.O. Box 33068 Fax: (704) 364-8320

Evenings/weekends Phone: 704-241-7465
Group E-mail PNGGasSchedulingServices@piedmontng.com

To DuPont:

Notices:

DuPont - Sourcing
Barley Mill Plaza – 22/2370.
4417 Lancaster Avenue
Wilmington, DE 19880-0022
Attn: Natural Gas Buyer

Invoices:

DuPont
P. O. Box 2197
Houston, TX 77079-2197

Section 8.05 The terms and conditions set forth herein, including any attachments hereto, are intended by Piedmont and DuPont to constitute the final, complete and exclusive statement of their agreement and all prior proposals, communications, negotiations, and understandings relating to the subject matter of this Agreement, whether verbal or written, are hereby superseded. No modification or amendment of this Agreement shall be effective unless the same is in writing and signed by both Parties.

Section 8.06 For any waiver of any right, obligation or privilege to be binding, the waiver must be in writing and signed by the Party against whom such waiver is sought to be enforced. A waiver of any one or more obligations, defaults or breaches under this Agreement shall not operate as a waiver of any future obligation, default or defaults, whether of a like or different character.

Section 8.07 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement effective as of the day and year first above written.

Piedmont Natural Gas Company, Inc.

By: 

Title: Sr VP

2/7/2010

E. I. du Pont de Nemours Company

By: 

Title: THOMAS L HARAGAY