Piedmont Natural Gas

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T.R.A. DOCKET ROOM

August 29, 2011

DOCKET NO.
11-00143

Mr. Eddie Roberson, Chairman
c/o Sharla Dillion – Docket Room
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Piedmont Natural Gas Company, Inc., Performance Incentive Plan Report for the period July 1, 2010 – June 30, 2011.

Dear Chairman Roberson:

In accordance with the reporting provisions of Service Schedule No. 316, Performance Incentive Plan, ("Plan"), Piedmont Natural Gas Company ("Company"), submits the accompanying annual report of shared gas cost savings for the period July 1, 2010, through June 30, 2011.

As the enclosed Gain/Loss Summary page indicates, the annual accumulated total gains and savings under the plan total $2,924,191. Under the Plan's sharing formula, $2,193,143 of these gains and savings is allocated to the Company's Tennessee ratepayers. The remaining $731,048 of the gains and savings is reflected as the Company's share. Detailed calculations supporting the amounts shown on the Gain/Loss Summary page are provided in this filing. Please note that all enclosures provided in this filing, with the exception of the Gain/Loss Summary page itself, contain CONFIDENTIAL INFORMATION.

A copy of the Gain/Loss Summary page is enclosed. The Company requests that the Authority stamp this copy as "filed", and return it to me in the enclosed envelope.

Sincerely,

Jenny Furr

Jenny Furr

Manager - Regulatory Reporting

Enclosures

c: Cynthia Kinser

COPY

Piedmont Natural Gas Company, Inc.

GAIN/LOSS SUMMARY

Report on Performance Incentive Plan
July 2010 - June 2011

Month	Year	Gas Procurement Incentive Mechanism Gain/(Loss) 1/	25% Company GPI Sharing Gain/(Loss) 2/	75% TN Ratepayer GPI Sharing Gain/(Loss)	Capacity Management Incentive Mechanism Gain/(Loss)	25% Company CMI Sharing Gain/(Loss)	75% TN Ratepayer CMI Sharing Gain/(Loss)	Total Gain/(Loss)	25% Total Company Gain/(Loss) 3/	75% Total TN Ratepayer Gain/(Loss) 3/
July	2010	$ 8,412	$ 2,103	$ 6,309	$ 111,151	$ 27,788	$ 83,363	$ 119,563	$ 29,891	$ 89,672
August	2010	$ 31,770	$ 7,943	$ 23,828	$ 111,151	$ 27,788	$ 83,363	$ 142,921	$ 35,730	$ 107,191
September	2010	$ (15,702)	$ (3,926)	$ (11,777)	$ 114,412	$ 28,603	$ 85,809	$ 98,710	$ 24,677	$ 74,032
October	2010	$ 38,304	$ 9,576	$ 28,728	$ 111,151	$ 27,788	$ 83,363	$ 149,456	$ 37,364	$ 112,092
November	2010	$ 140,664	$ 35,166	$ 105,498	$ 166,667	$ 41,667	$ 125,000	$ 307,331	$ 76,833	$ 230,499
December	2010	$ 226,772	$ 56,693	$ 170,079	$ 166,667	$ 41,667	$ 125,000	$ 393,439	$ 98,360	$ 295,079
January	2011	$ 169,494	$ 42,374	$ 127,121	$ 166,667	$ 41,667	$ 125,000	$ 336,161	$ 84,040	$ 252,121
February	2011	$ 205,516	$ 51,379	$ 154,137	$ 166,667	$ 41,667	$ 125,000	$ 372,183	$ 93,046	$ 279,137
March	2011	$ 146,607	$ 36,652	$ 109,955	$ 178,022	$ 44,506	$ 133,517	$ 324,629	$ 81,157	$ 243,472
April	2011	$ 104,822	$ 26,205	$ 78,616	$ 177,235	$ 44,309	$ 132,926	$ 282,057	$ 70,514	$ 211,542
May	2011	$ 45,654	$ 11,413	$ 34,240	$ 166,667	$ 41,667	$ 125,000	$ 212,321	$ 53,080	$ 159,240
June	2011	$ 18,754	$ 4,689	$ 14,066	$ 166,667	$ 41,667	$ 125,000	$ 185,421	$ 46,355	$ 139,066
		$ 1,121,067	$ 280,267	$ 840,800	$ 1,803,124	$ 450,781	$ 1,352,343	$ 2,924,191	$ 731,048	$ 2,193,143

1/ The monthly gain or loss set forth in this column reflects total gains or losses calculated under the gas procurement mechanism.

2/ Company GPI sharing reflects 25% of gains or losses calculated under the gas procurement mechanism.

3/ The Company is subject to a cap on overall gains or losses of $1.6 million annually. Any gains above this cap will be reflected in the Total TN Ratepayer Gain/(Loss) column.