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December 6, 2011

Dr. Kenneth Hill
Chairman
Tennessee Regulatory Authority
460 James Robertson Pkwy.
Nashville, TN 37243-0505

Re: *Petition of Piedmont Natural Gas Company, Inc, For Adjustment To Its Rates*
Docket No. 11-00144

Dear Chairman:

Please accept for filing the attached pre-filed testimony of the Consumer Advocate in this docket. All pre-filed testimony and exhibits are being filed under seal out of an abundance of caution due to the large volume of financial information Piedmont Natural Gas Company, Inc. ("Piedmont", "Company") has deemed "confidential" under the protective order entered in this docket. The Consumer Advocate does not agree with some of the confidential designations. We will work with the Company in an effort to file a public version at a later date of the confidential testimony submitted today.

In summary, it is the position of the Consumer Advocate that a rate increase of no more than \$9.863 million (an increase of 5.3%) is necessary for Piedmont to have the opportunity to earn a just and reasonable return. The difference between the Consumer Advocate's forecast and the rate increase of \$16.713 million (an increase of 8.9%) requested by the Company is \$6.849 million. Briefly, the differences between the respective forecasts of Consumer Advocate and the Company involve the appropriate rate of return, revenues, taxes, depreciation, working capital, cost-recovery for the energy conservation and GTI proposals and other elements of the case. Furthermore, Piedmont and the Consumer Advocate have proposed different rate designs.

Sincerely,

Ryan McGehee
Assistant Attorney General
(615) 532-5512

cc: all parties of record in Docket 11-00144