

September 21, 2011

James H. Jeffries IV
Attorney at Law

T 704 331 1079
F 704 339 5879
jimjeffries@mvalaw.com

VIA EMAIL AND UPS OVERNIGHT

Doctor Kenneth C. Hill
Director and Hearing Officer
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Moore & Van Allen PLLC

Suite 4700
100 North Tryon Street
Charlotte, NC 28202-4003

Filed Electronically in
TRA Docket Room
09/21/11

Re: Piedmont Natural Gas Company, Inc., Docket No. 11-00144

Dear Doctor Hill:

Following our brief discussion last week regarding the establishment of procedures for preparation of the above-captioned docket for hearing, the Consumer Advocate and Piedmont have worked together in an effort to reach agreement about such procedures and to reduce those procedures to writing. I am pleased to report, on behalf of both Piedmont and the Consumer Advocate, that those efforts have been successful and that the active participants to this proceeding have reached agreement on recommended procedures. As evidence of this fact, attached hereto are a (1) a joint proposed procedural schedule, and (2) a joint proposed protective order, both of which are presented for your consideration as Hearing Officer in this rate proceeding. If the attached are acceptable to you, I would ask that you issue an order approving them. If you have questions about them, the Consumer Advocate and Piedmont are both available for a prehearing conference at your convenience.

The ultimate hearing date in this docket is obviously a matter to be determined by the Authority; however, we have suggested the week of January 23, 2012 as that facilitates adequate preparation before the hearing and a reasonable time for Authority deliberations after the hearing in order to allow for implementation of new rates by March 3, 2012. We have also proposed the submission of proposed order/briefs following the hearing in order to aid the Authority's deliberations. If the Authority determines to conduct the hearing the week of January 23, 2012, as requested, I wanted to advise the Authority that Piedmont would need to have Mr. Skains testify on Monday the 23d of that week. Inasmuch as Mr. Skains would normally be the first witness to testify for Piedmont, that would suggest a January 23, 2012 start date for the hearing. The Consumer Advocate has also advised us that one of their witnesses, Dr. Klein, may need accommodation that week as well to avoid pre-existing conflicts, and Piedmont has agreed to cooperate in having that witness testify at a convenient time.

In addition to the attachments, the Consumer Advocate and Piedmont have also agreed to several additional procedural stipulations that should serve to streamline the process needed to prepare this case for hearing. These stipulations are as follows:

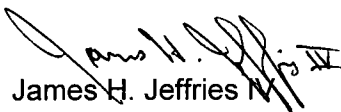
- (1) Piedmont stipulates that the Consumer Advocate's intervention in this proceeding is proper, necessary and consistent with the public interest and has no objection to the entry of an order allowing such intervention;
- (2) Piedmont and the Consumer Advocate jointly stipulate that more than 40 data requests may be served by each party in this proceeding and waive any objection to data requests in excess of this number solely on that basis. Piedmont and the Consumer Advocate reserve their respective rights to object to data requests on any other grounds, including any undue burden associated with such requests;
- (3) Piedmont and the Consumer Advocate jointly stipulate that prior to filing any motion to compel or motion in limine in this proceeding, counsel for each party will consult regarding the potential motion and, in good faith, seek to reach an informal resolution of the dispute forming the basis for such motion.
- (4) Piedmont and the Consumer Advocate stipulate that they will conduct themselves in conformance with the matters discussed in this filing, including the proposed protective order and proposed procedural schedule, pending formal approval or modification of those documents by the Hearing Officer.

The Consumer Advocate has authorized me to convey their agreement to the matters discussed herein.

Thank you for your consideration of these matters.

If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,



James H. Jeffries

JHJ/bao

Enclosure

c: Ryan McGeehee, Esq.
Scott Jackson, Esq.
Dale Grimes, Esq.
David Carpenter
Pia Powers

Proposed Protective Order

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF PIEDMONT NATURAL GAS)	
COMPANY, INC. FOR AN ADJUSTMENT)	
TO ITS RATES, APPROVAL OF CHANGES)	
TO ITS RATE DESIGN, AMORTIZATION)	
OF CERTAIN DEFERRED ASSETS,)	DOCKET NO. 11-00144
APPROVAL OF NEW DEPRECIATION)	
RATES, APPROVAL OF REVISED)	
TARIFFS AND SERVICE REGULATIONS,)	
AND APPROVAL OF A NEW ENERGY)	
EFFICIENCY PROGRAM AND GTI)	
FUNDING)	

PROPOSED PROTECTIVE ORDER

To expedite the flow of filings, exhibits and other materials, and to facilitate the prompt resolution of disputes as to the confidentiality of material, adequately protect material entitled to be kept confidential and to ensure that protection is afforded only to material so entitled, the Tennessee Regulatory Authority ("TRA") hereby orders that:

1. For the purpose of this Protective Order ("Order"), proprietary or confidential information, hereinafter referred to as "Confidential Information," shall mean documents, testimony, or information in whatever form which the Producing Party, in good faith, and based on reasonable inquiry, deems to contain non-public financial information the disclosure of which would be competitively harmful to the Producing Party, trade secrets, confidential research or development information, confidential data of third parties or other sensitive information, and which has been specifically designated by the Producing Party as confidential. A "Producing Party" is defined as the party creating the Confidential Information as well as the party having actual physical possession of the information produced pursuant to this Order. All summaries,

notes, extracts, compilations or other direct or indirect reproduction from or of any protected materials, shall be entitled to protection under this Order. Documents containing Confidential Information shall be conspicuously and specifically labeled as "CONFIDENTIAL." The documents must be produced in a way that will clearly identify to others that it contains Confidential Information. Any document so designated shall be handled in accordance with the Order. The provisions of any document containing Confidential Information may be challenged under Paragraph 11 of this Order.

2. Any individual or company subject to this Order, including Producing Parties or persons reviewing Confidential Information, shall act in good faith in discharging their obligations hereunder. Parties or non-parties subject to this Order shall include Piedmont Natural Gas, Inc. (the "Company"), and the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General ("Attorney General"), and other parties permitted to intervene subsequent to the date of entry of this order.

3. Subject to the exceptions noted below in this Paragraph 3, Confidential Information shall be disclosed only to the following persons:

- a. counsel of record for the parties in this case and associates, secretaries, and paralegals actively engaged in assisting outside counsel of record in this docket and any appeals therefrom;
- b. in-house counsel for the parties;
- c. officers, directors, or employees of the parties, including employees of the Attorney General; provided that such officers, directors, and/or employees shall be subject to the provisions of this Protective Order, and shall not disclose such information further except as otherwise permitted under the terms of this Protective Order;
- d. TRA Directors and members of the staff of the TRA;
- e. outside consultants and expert witnesses employed or retained by the parties or their counsel, who have access to Confidential Information solely for evaluation, testing, testimony, preparation for trial or other

services related to this docket, provided that to the extent that any party seeks to disclose Confidential Information to any outside consultant or expert witness who is expected to testify on that party's behalf, the party shall give five (5) days written notice to the Producing Party of intention to disclose Confidential Information. During such notice period, the Producing Party may move to prevent or limit disclosure for cause, in which case no disclosure shall be made until the TRA, the hearing officer, the administrative law judge or court rules on the motion. Any such motion shall be filed within three (3) days after service of the notice. Any response shall be filed within three (3) days after service of the notice. Pre-hearing conferences may be called to confer with the parties on the Motions to Limit Disclosure. All service shall be by hand delivery or by facsimile; and

- f. notwithstanding anything else to the contrary, under no circumstances shall any Confidential Information be disclosed to or discussed with anyone associated with the marketing of services in competition with the products, goods or services of the Producing Party.

4. Prior to disclosure of the Confidential Information to any of the authorized persons, the counsel representing the party who is to receive the Confidential Information shall provide a copy of the Order to the recipient Director, staff member, employee or, officer, who shall be bound by the terms of this Order. Prior to disclosure of Confidential Information to any outside consultant or expert witness employed or retained by a party, counsel shall provide a copy of this Order to such outside consultant or expert witness, who shall sign an affidavit in the form of that attached to this Order attesting that he or she has read a copy of this Order, that he or she understands and agrees to be bound by the terms of this Order, and that he or she understands that unauthorized disclosure of the documents labeled CONFIDENTIAL constitutes a violation of this Order (the "Affidavit"). The Affidavit shall be signed in the presence of and be notarized by a notary public. Counsel of record for each party shall provide the Producing Party a copy of each such Affidavit and shall keep the Affidavits executed by the parties' experts or consultants on file in their respective offices.

5. If any party or non-party subject to this Order inadvertently fails to label documents as CONFIDENTIAL in accordance with the provisions of this Order when producing such documents, such failure shall not constitute a waiver of confidentiality, provided the party or non-party who has produced the document shall notify the recipient of the document in writing within five (5) days of discovery of such inadvertent failure to label the document as CONFIDENTIAL. At that time, the recipients will immediately treat the subject document as Confidential Information. In no event shall the TRA or Attorney General be liable for any claims or damages resulting from the disclosure of a document while not so labeled as CONFIDENTIAL. An inadvertent failure to label a document as CONFIDENTIAL shall not, in any way, affect the TRA's determination as to whether the document is entitled to Confidential Information status.

6. If any party or non-party subject to this Order inadvertently fails to label documents as Confidential Information in accordance with the provisions of this Order when producing such documents and such failure is not discovered in time to provide five (5) days notification to the recipient of the confidential nature of the documents referenced in the paragraph above, the failure shall not constitute a waiver of confidentiality and a party by written motion or by oral motion at a Pre-hearing Conference called for the purpose or at the Hearing on the merits may request designation of such documents as Confidential Information, and if the motion is granted by the Hearing Officer, Administrative Law Judge, or the TRA, the recipients shall immediately treat the subject documents as Confidential Information. The TRA, Hearing Officer, or Administrative Law Judge may also, at his or her discretion, either before or during the Pre-hearing Conference or Hearing on the merits of the case, allow information to be labeled Confidential Information and treated as such in accordance with the terms of this Order.

7. Any papers filed in this proceeding that contain, quote, paraphrase, compile or otherwise disclose documents covered by the terms of this Order, or any information contained therein, shall be filed with the TRA in sealed envelopes labeled CONFIDENTIAL. The filing party shall also include with the filing a public version of pre-filed testimony with any Confidential Information redacted. In the TRA's files, each sealed envelope shall be labeled to reflect the style and docket number of this proceeding and to identify the subject matter of the content of the sealed envelope. Further, the envelopes at the TRA shall be maintained in a locked filing cabinet. The envelopes shall not be opened or their contents reviewed by anyone except upon order by the TRA, hearing officer, or administrative law judge after due notice to counsel of record. Notwithstanding the foregoing, the directors and the staff of the TRA may review any paper filed as Confidential Information and labeled CONFIDENTIAL without obtaining an order of the TRA, hearing officer, or administrative law judge, provided the directors and staff maintain the confidentiality of the paper in accordance with the terms of this Order.

8. Documents, information and testimony designated as Confidential Information and labeled CONFIDENTIAL, in accordance with the Order, may be disclosed in testimony at the hearing on the merits of this proceeding and offered into evidence in any hearing related to this action, subject to the applicable rules of evidence and to such future orders as the TRA, hearing officer, or administrative law judge may enter. Any party intending to use documents, information, or testimony designated as Confidential Information shall inform the Producing Party and the TRA, hearing officer, or administrative law judge, prior to the hearing on the merits of the case, of the proposed use, and shall advise the TRA, the hearing officer, or administrative law judge, and the Producing Party before use of such information during witness

examinations so that appropriate measures can be taken by the TRA, hearing officer, or administrative law judge to protect the confidential nature of the information.

9. Except for documents filed with the TRA, all documents covered by the terms of the Order that are disclosed to the requesting party shall be maintained in files labeled CONFIDENTIAL and labeled with reference to this Order at the offices of the requesting party's counsel of record.

10. Nothing herein shall be construed as preventing any party from continuing to use and disclose any information (a) that is in the public domain, or (b) that subsequently becomes part of the public domain through no act of, or violation of the terms herein, any party subject to this Order, or (c) that is disclosed to it by a third party, where said disclosure does not itself violate any contractual or legal obligation or terms of this Order, or (d) that is independently developed by a party, or (e) that is known or used by it prior to this proceeding. The burden of establishing the existence of (a) through (e) shall be upon the party attempting to use or disclose such information.

11. Any party may contest the designation of any document or information as Confidential Information by filing a motion with the TRA, hearing officer, administrative law judge or the courts, as appropriate, for a ruling that the documents, information, or testimony should not be so treated. All documents, information and testimony designated as Confidential Information, however, shall be maintained as such until the TRA, hearing officer, administrative law judge, or a court orders otherwise. A motion to contest must be filed not later than five (5) days after receipt of the material designated Confidential Information or ten (10) days prior to the hearing on the merits, whichever date occurs later in time or as otherwise ordered by the TRA. Any reply seeking to protect the status of the Confidential Information must be received not later than five (5) days prior to the hearing on the merits or as otherwise ordered by the TRA.

Motions made and subsequent replies received within the five (5) days prior to the Hearing on the merits shall be presented to the TRA at the hearing on the merits for a ruling.

12. Non-party witnesses shall be entitled to invoke the provisions of this Order by designating information disclosed or documents produced for use in this action as Confidential Information pursuant to the terms of this Order.

13. No person authorized under the terms herein to receive access to documents, information, or testimony designated as Confidential Information shall be granted access until such person has complied with the requirements set forth in Paragraph 4 of this Order.

14. Any person to whom disclosure or inspection is made in violation of this Order shall be bound by the terms of this Order.

15. Upon an order becoming final in this proceeding and conclusion of any appeals resulting from such an order, all the filings, exhibits and other materials designated Confidential Information and all copies thereof shall be returned to counsel of the party who produced the filings, exhibits and other materials within fifteen (15) days of a written request from the Producing Party, or counsel in possession of such documents shall certify to counsel of the Producing Party that all the filings, exhibits and other materials designated as Confidential Information and all copies thereof have been destroyed. If requested to return any Confidential Information, the Attorney General may request the permission of the TRA to retain the Confidential Information if it deems it appropriate in the discharge of its duties or in the public interest. The requirements of this paragraph shall become operative immediately upon any party (including any intervenor) who withdraws or otherwise ceases to be a party to the case, even though the case itself may continue to be pending. Subject to the requirements of Paragraph 7 above, the TRA shall retain copies of information designated as confidential as may be necessary to maintain the record of this cause intact.

16. After termination of this proceeding, the provisions of this Order relating to the secrecy and confidential nature of confidential documents, information and testimony shall continue to be binding, upon parties hereto and their officers, employers, employees, agents, and/or others for five (5) years unless this Order is vacated or modified or otherwise ordered by the TRA.

17. Nothing herein shall prevent a party from seeking further protection for particular documents or prevent entry of a subsequent order, upon an appropriate showing, requiring that any documents, information or testimony designated as Confidential Information shall receive protection other than that provided herein.

18. The Attorney General and its staff have authority to enter into non-disclosure agreements pursuant to Tenn. Code Ann. § 65-4-118 which are consistent with state and federal law, regulations and rules.

19. The Attorney General and its staff agree to keep Confidential Information in a secure place and will not permit them to be seen by any person who is not an employee of the State of Tennessee, the Office of the Attorney General and Reporter, or a person who has signed a Non-disclosure Agreement.

20. The Attorney General and its staff may make copies of Confidential Information and any portion thereof. To the extent not prohibited by state and federal law, regulations and rules, all notes utilizing supporting information shall be subject to the terms of this Order to the extent factual assertions are derived from the supporting information.

21. To the extent not prohibited by state law, the Attorney General will provide timely notice of filing or disclosure in the discharge of the duties of the Office of the Attorney General and Reporter, pursuant to Tenn. Code Ann. §10-7-504(a)(5)(C) or any other law, regulation or rule, so that the Company may take action relating to disclosure.

22. Confidential Information is subject to this Protective Order, which is entered pursuant to Rule 26 of the Tennessee Rules of Civil Procedure. If any person or entity subject to this Protective Order, other than the Producing Party, receives a request or subpoena seeking the disclosure or production of "Confidential Information," such person or entity shall give prompt written notice to the TRA Hearing Officer and the Producing Party within not more than five (5) days of receiving such a request, subpoena or order and: (i) shall respond to the request, subpoena or order, in writing, stating that the Confidential Information is protected pursuant to this Protective Order and (ii) shall not disclose or produce such Confidential Information unless and until subsequently ordered to do so by a court of competent jurisdiction. This Protective Order shall operate as an exception to the Tennessee Public Records Act, as set forth in the language of Tenn. Code Ann. § 10-7-503(a)(2)(A) ". . . unless otherwise provided by state law."

23. The designation of any information, documents or things in accordance with this Order as constituting Confidential Information and the Attorney General's or its staff's treatment of such material as confidential or proprietary in compliance with this Order is not an admission of agreement by the Attorney General or its staff that the material constitutes or contains confidential commercial information or trade secret information and shall not be deemed to be either a waiver of the state's right to challenge such designation or an acceptance of such designation. The Producing Party agrees to designate information, documents or things provided to the Attorney General as Confidential Information only if it has a good faith basis for the claim. The Producing Party will upon request of the Attorney General or its staff provide a written explanation of the details, including statutory authority that support its designation of specified Confidential Information claim within five (5) days of a written request. The Producing Party also specifically agrees that it will not designate any documents as Confidential Information or label such documents as CONFIDENTIAL if the documents:

- a. have been distributed to the public, consumers or others; or
- b. are not maintained by the Company as Confidential Information.

24. Nothing in this Order shall prevent the Attorney General from using the Confidential Information received for investigative purposes in the discharge of the duties of the Office of the Attorney General and Reporter. Additionally, nothing in this Order shall prevent the Attorney General from informing state officials and third parties of the fact of an investigation, as needed, to conduct the investigation. Without limiting the scope of this paragraph, nothing in the Order shall prevent the Attorney General from contacting consumers whose names were provided by the Company or from discussing with any consumer any materials that he or she allegedly received from the Company or confirming that a consumer actually received the materials.

25. All information, documents and things designated as Confidential Information and produced in accordance with this Order may be disclosed in testimony or offered into evidence at any TRA or court hearing, trial, motion or proceeding of this matter, subject to the provisions of this Order, including Paragraph 7, and the applicable rules of evidence and any order the TRA may enter to protect the confidentiality of information offered at any hearing or other proceeding. The party who produced the information, documents and things designated as Confidential Information agrees to stipulate to the authentication of such information, documents and things in any such proceeding. If any party identified information in the Confidential Information that indicates that illegal conduct (civil or criminal) has occurred or may occur, nothing in the Order shall prevent such party from reporting such alleged conduct to the appropriate law enforcement or regulatory agency.

26. Nothing in this Order is intended to restrict or alter federal or state laws, regulations or rules.

27. Any person who has signed a non-disclosure certificate or is otherwise bound by the terms of this Order shall continue to be bound by this Order and/or certificate even if no longer engaged by the TRA or Intervenors.

28. Any party aggrieved with the TRA's decision in this matter may file a Petition for Reconsideration with the TRA within fifteen (15) days from and after the date of this Order.

29. Any party aggrieved with the TRA's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.

HEARING OFFICER

IN RE:)
)
PETITION OF PIEDMONT NATURAL GAS)
COMPANY, INC. FOR AN ADJUSTMENT)
TO ITS RATES, APPROVAL OF CHANGES)
TO ITS RATE DESIGN, AMORTIZATION)
OF CERTAIN DEFERRED ASSETS,) **DOCKET NO. 11-00144**
APPROVAL OF NEW DEPRECIATION)
RATES, APPROVAL OF REVISED)
TARIFFS AND SERVICE REGULATIONS,)
AND APPROVAL OF A NEW ENERGY)
EFFICIENCY PROGRAM AND GTI)
FUNDING)

I have reviewed the Protective Order entered in the above-captioned matter and agree to abide and be bound by its terms. I understand that unauthorized disclosure of documents labeled "CONFIDENTIAL" will be a violation of the Order.

NAME

COUNTY OF _____)

WITNESS my hand, at office, this _____ day of _____, _____.

My Commission Expires:

Proposed Procedural Schedule

Piedmont Natural Gas Company, Inc.
Docket No. 11-00144
Proposed Procedural Schedule

September 23, 2011		First Round of data requests
September 30, 2011		Objections to First Round of data requests
October 7, 2011		Motions to compel
October 17, 2011		Status Conference (if necessary)
October 26, 2011		Responses to First Round of data requests
Dec. 6, 2011		Intervenor pre-filed testimony
December 13, 2011		Second Round of data requests
December 19, 2011		Responses and Objections to Second Round of data requests
December 23, 2011		Motions to compel
January 3, 2011		Status Conference (if necessary)
January 13, 2012		Piedmont rebuttal testimony
January 17, 2012		Pre-hearing motions
January 19, 2012		Pre-hearing conference
Week of January 23-27, 2012		Hearing on the merits
February 6, 2012		Post-hearing briefs/proposed orders