



August 28, 2013

Mr. James M. Allison, Chairman  
c/o Sharla Dillon – Docket Room  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

13-00116

Re: Piedmont Natural Gas Company, Inc., Performance Incentive Plan Report for the period July 1, 2012 – June 30, 2013

Dear Chairman Allison:

In accordance with the reporting provisions of Service Schedule No. 316, Performance Incentive Plan, ("Plan"), Piedmont Natural Gas Company, Inc. ("Company"), submits the accompanying annual report of shared gas cost savings for the period July 1, 2012 through June 30, 2013.

As the enclosed Gain/Loss Summary page indicates the annual accumulated total gains and savings under the Plan total \$3,693,336. Under the Plan's sharing formula, \$2,770,002 of these gains and savings is allocated to the Company's Tennessee ratepayers. The remaining \$923,334 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.

Should you need any additional information or have any questions please contact me at (704) 731-4560.

Sincerely,

A handwritten signature in black ink, appearing to read "Jenny Furr".

Jenny Furr  
Manager, Regulatory Reporting

cc: Michelle Ramsey  
Tiffany Underwood