

**BASS BERRY + SIMS<sub>PC</sub>**

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July 15, 2014

*Via Hand-Delivery*

The Honorable Earl Taylor  
Executive Director  
Tennessee Regulatory Authority  
c/o Sharla Dillon  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

***Re: Petition of Piedmont Natural Gas, Inc. for Approval of an Integrity  
Management Rider to its Approved Rate Schedules and Service Regulations  
Docket No. 13-00118***

Dear Mr. Taylor:

I am enclosing an original and five (5) copies of Piedmont Natural Gas Company's Monthly Report for the Month Ending May 31, 2014. On December 18, 2013, the Authority approved Piedmont's Integrity Management Rider as proposed in Docket No. 13-00118. Paragraph 7 of Service Schedule 317 requires monthly reports to be filed within 45 days after the end of the month for which the report is being filed. This filing consists of various schedules constituting Piedmont's monthly report for the month ending May 31, 2014.

This material is also being filed by way of email to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon. Please file the original and four copies of this filing and stamp the additional copy as "filed". Then please return the stamped copies to me by way of our courier.

Should you have any questions concerning this matter, please do not hesitate to contact me at the email address or telephone number listed above.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

Enclosures

Piedmont Natural Gas Company, Inc.  
Integrity Management Rider  
State of Tennessee  
TRA Docket No. 13-00118

Schedule 1

**Cumulative Integrity Management Investment Amount**

**Actual Integrity Management Investment, by Integrity Project Type**

Current Vintage Year: Vintage Year 2					All Vintage Years
Line No.		May 2014 Capital Expenditure <sup>1</sup>	Prior Cumulative Capital Expenditure <sup>2</sup>	Cumulative Capital Expenditure as of May 2014 <sup>3</sup>	Cumulative Capital Expenditure as of May 2014 <sup>6</sup>
TN Direct					
1	Corrosion Control	\$ 205,633.12	\$ 828,196.34	\$ 1,033,829.46	\$ 4,538,688.46
2	Casing Remediation	\$ 21,646.76	\$ -	\$ 21,646.76	\$ 21,952.28
3	Distribution Integrity	\$ 393,266.76	\$ 1,808,105.81	\$ 2,201,372.57	\$ 6,769,915.61
4	Transmission Integrity	\$ 1,092,617.50	\$ 29,902,529.14	\$ 30,995,146.64	\$ 148,746,962.97
5	Total	\$ 1,713,164.14	\$ 32,538,831.29	\$ 34,251,995.43	\$ 160,077,519.32
Joint Property: CO3-State					
6	OASIS Project (Work & Asset Management System)	\$ 3,550,861.63	\$ 18,655,484.47	\$ 22,206,346.10	\$ 63,324,778.56
7	TN % of CO-3 for Current Month <sup>4</sup>	17.95%			
8	Total Allocated to TN	\$ 637,379.66	\$ 3,348,659.47	\$ 3,986,039.13	\$ 11,366,797.76
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 2,350,543.80	\$ 35,887,490.76	\$ 38,238,034.56	\$ 171,444,317.08
10	Less: Amount Included in the Attrition Period <sup>5</sup>	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 2,350,543.80	\$ 35,887,490.76	\$ 38,238,034.56	\$ 138,544,317.08

1/ Represents, for the current month, the actual Integrity Management Investment that is subject to this Rider.

2/ Represents, as of the prior month, the cumulative Integrity Management Investment for the current Vintage Year that is subject to this Rider; this amount is shown in the prior month's report.

3/ Represents, for the current Vintage Year through the current month, the cumulative Integrity Management Investment that is subject to this Rider.

4/ Represents the TN% of Total Company Gas Plant Excluding Joint Property, which is updated annually.

5/ Amount being recovered in existing base rates, per the Relevant Rate Order in Docket 11-00144.

6/ Represents, for all Vintage Years through the current month, the cumulative Integrity Management Investment that is subject to this Rider. The cumulative Integrity Management Investment for Vintage Year 1, which captures amounts through 10/31/13, is \$100,306,282.52.

Piedmont Natural Gas Company, Inc.  
Integrity Management Rider  
State of Tennessee  
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Schedule 2

**Detail of Current Month's Integrity Management Investment Amount**  
**Actual Capital Investment for Current Month, by Capital Funding Project**

Line No.	Capital Project Type	Funding Project Number	District	Funding Project Description	May 2014
1	CORR-Corrosion Control	FP1733548	17	Nashville Distribution New Coating	\$ 63.17
2	CORR-Corrosion Control	FP1733567	17	Nashville Bridge New Coating-Dist	\$ 125.31
3	CORR-Corrosion Control	FP1733727	17	James St-Nashville Bridge New Coati	\$ 106,907.91
4	CORR-Corrosion Control	FP1733731	17	Central Pike-Nashville Bridge New C	\$ 62,158.91
5	CORR-Corrosion Control	FP1733741	17	Nashville HCA Remote Monitors	\$ 36,374.77
6	CORR-Corrosion Control	FP1733748	17	Nashville Foreign Line Xing Remote	\$ 3.05
7	CSNG-Casing & Remediation	FP1733739	17	Casings #2719,2738,2720,2772	\$ 21,646.76
8	DIMP-Distribution Integrity	FP1733603	17	Hogan Road - Main Replacement	\$ 3,566.61
9	DIMP-Distribution Integrity	FP1733752	17	Murfreesboro Rd. Fessler to Menzler	\$ 235,674.04
10	DIMP-Distribution Integrity	FP1733754	17	South 12th (14th St. and Selver St.	\$ 36,371.14
11	DIMP-Distribution Integrity	FP1733755	17	Wheeler Ave. and Hewlett Dr.	\$ 77,426.78
12	DIMP-Distribution Integrity	FP1733756	17	Foster Ave, Murfreesboro to Lyle	\$ 29.92
13	DIMP-Distribution Integrity	FP1733757	17	Gallatin Pk at Due West (Madison)	\$ 8,482.14
14	DIMP-Distribution Integrity	FP1733827	17	Elm Hill Pike Bridge Replaceme	\$ 7,106.21
15	DIMP-Distribution Integrity	FP1733895	17	Whites Creek at Malta	\$ 24,609.92
16	TIMP-Transmission Integrity	FP1733363	17	ILI Retrofit - Line J	\$ 7,230.22
17	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	\$ 1,049,210.51
18	TIMP-Transmission Integrity	FP1733462	17	Nashville ILI Retrofit-Holtsholder2	\$ 9,652.93
19	TIMP-Transmission Integrity	FP1733463	17	Nashville ILI Retrofit-Bordeau	\$ 26,420.81
20	TIMP-Transmission Integrity	FP1733747	17	White Bridge Rd at Charlotte Pk	\$ 103.03
21	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	\$ 3,550,861.63

22	<b>Total (unallocated)</b>	<b>\$ 5,264,025.77</b>
23	<i>subtotal: TN Direct (unallocated)</i>	<i>\$ 1,713,164.14</i>
24	<i>subtotal: CO-3 (unallocated)</i>	<i>\$ 3,550,861.63</i>
		<b>\$ 5,264,025.77</b>

Piedmont Natural Gas Company, Inc.  
Integrity Management Rider  
State of Tennessee  
TRA Docket No. 13-00118

Schedule 3

**Schedule Detailing the Integrity Management Deferred Account Adjustment Recorded for the Month**

Calculation of the IM Deferred Account Balance

Amount Due From (To) Customers per GL Account No. 25351

<u>Line No.</u>			<u>May-14</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ (2,885,695.72)
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	662,956.83
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(585,678.16)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	(2,808,417.05)
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	(2,847,056.39)
6	Accrued Interest	<i>Line 5 * Line 9</i>	(7,709.83)
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ (2,816,126.88)
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.032500
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.002708
10	Actual GL #25351 EOM Balance	<i>per GL</i>	\$ (2,816,126.88)
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	662,956.83
01 01 48010 3 17 6220 489	(395,413.98)
01 01 48110 3 17 6220 489	(206,928.71)
01 01 48120 3 17 6220 489	(8,857.10)
01 01 48300 3 17 6220 489	(185.63)
01 01 48900 3 17 6220 489	(51,571.41)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	(7,709.83)
01 01 43101 3 17 6220 626	7,709.83

Piedmont Natural Gas Company, Inc.  
 Integrity Management Rider  
 State of Tennessee  
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Schedule 4

General Ledger Support

**Integrity Management Deferred Account Adjustment Recorded for the Month**

Calculation of the IM Adjustment Collections:

		May - 2014			
<u>Line No.</u>		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.07018		4,189,393	294,011.60
2	Small Commerical (302)	0.06130		2,573,926	157,781.66
3	Medium Commerical (352)	0.06130		843,170	51,686.32
4	Firm Lg General Sales (303)	0.02723		331,131	9,016.70
5	Firm Lg General Transportation (313)	0.02723		1,272,261	34,643.67
6	Firm Resale (310)	0.02723		4,109	111.89
7	Interruptible Lg General Sales (304)	0.00681		5,429	36.97
8	Interruptible Lg General Transportation (314)	0.00681		5,637,203	38,389.35
10	<b>Total</b>				<b>\$ 585,678.16</b>

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	294,011.60
01 01 48110 3 17 6220 489	157,781.66
01 01 48110 3 17 6220 489	51,686.32
01 01 48120 3 17 6220 489	9,016.70
01 01 48900 3 17 6220 489	34,643.67
01 01 48300 3 17 6220 489	111.89
01 01 48110 3 17 6220 489	36.97
01 01 48900 3 17 6220 489	38,389.35
01 01 25351 3 17 6250 489	(585,678.16)

**CERTIFICATE OF SERVICE**

15 I hereby certify that a true and exact copy of the foregoing has been served on this the day of July, 2014, via U.S. Mail, postage prepaid, upon:

Emily Knight  
Office of the Attorney General  
Consumer Advocate and Protection Division  
2nd Floor, 425 5th Avenue North  
Nashville TN 37243-0491

*P. D. Thomas*