

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

150 Third Avenue South, Suite 2800  
Nashville, TN 37201  
(615) 742-6200

**Virginia M. Yetter**

PHONE: (615) 742-7858

FAX: (615) 742-6293

E-MAIL: [VYetter@bassberry.com](mailto:VYetter@bassberry.com)



**Via Hand-Delivery**

August 15, 2014

Executive Director Earl Taylor  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
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 June 30, 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 June 30, 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.

Very truly yours,

A handwritten signature in cursive script that reads "Virginia M. Yetter".  
Virginia M. Yetter

Enclosures

**Cumulative Integrity Management Investment Amount**

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

		Current Vintage Year: Vintage Year 2			All Vintage Years
Line No.		June 2014 Capital Expenditure <sup>1</sup>	Prior Cumulative Capital Expenditure <sup>2</sup>	Cumulative Capital Expenditure as of June 2014 <sup>3</sup>	Cumulative Capital Expenditure as of June 2014 <sup>6</sup>
TN Direct					
1	Corrosion Control	\$ 112,755.17	\$ 1,033,829.46	\$ 1,146,584.63	\$ 4,651,443.63
2	Casing Remediation	\$ 41,664.68	\$ 21,646.76	\$ 63,311.44	\$ 63,616.96
3	Distribution Integrity	\$ 610,695.59	\$ 2,201,372.57	\$ 2,812,068.16	\$ 7,380,611.20
4	Transmission Integrity	\$ 3,901,556.84	\$ 30,995,146.64	\$ 34,896,703.48	\$ 152,648,519.81
5	Total	\$ 4,666,672.28	\$ 34,251,995.43	\$ 38,918,667.71	\$ 164,744,191.60
Joint Property: CO3-State					
6	OASIS Project (Work & Asset Management System)	\$ 1,786,467.86	\$ 22,206,346.10	\$ 23,992,813.96	\$ 65,111,246.42
7	TN % of CO-3 for Current Month <sup>4</sup>	17.95%			
8	Total Allocated to TN	\$ 320,670.98	\$ 3,986,039.13	\$ 4,306,710.11	\$ 11,687,468.74
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 4,987,343.26	\$ 38,238,034.56	\$ 43,225,377.82	\$ 176,431,660.34
10	Less: Amount Included in the Attrition Period <sup>5</sup>	\$ -		\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 4,987,343.26	\$ 38,238,034.56	\$ 43,225,377.82	\$ 143,531,660.34

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.

**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	June 2014
1	CORR-Corrosion Control	FP1733548	17	Nashville Distribution New Coating	\$ 63.57
2	CORR-Corrosion Control	FP1733567	17	Nashville Bridge New Coating-Dist	\$ 1,806.21
3	CORR-Corrosion Control	FP1733741	17	Nashville HCA Remote Monitors	\$ 233.47
4	CORR-Corrosion Control	FP1733748	17	Nashville Foreign Line Xing Remote	\$ 110,651.92
5	CSNG-Casing & Remediation	FP1733739	17	Casings #2719,2738,2720,2772	\$ 41,664.68
6	DIMP-Distribution Integrity	FP1733752	17	Murfreesboro Rd. Fessler to Menzler	\$ 233,309.19
7	DIMP-Distribution Integrity	FP1733754	17	South 12th (14th St. and Seiver St.	\$ 91,288.47
8	DIMP-Distribution Integrity	FP1733755	17	Wheeler Ave. and Hewlett Dr.	\$ 43,051.95
9	DIMP-Distribution Integrity	FP1733756	17	Foster Ave, Murfreesboro to Lyle	\$ 21,029.66
10	DIMP-Distribution Integrity	FP1733757	17	Gallatin Pk at Due West (Madison)	\$ 213,287.49
11	DIMP-Distribution Integrity	FP1733827	17	Elm Hill Pike Bridge Replaceme	\$ 944.73
12	DIMP-Distribution Integrity	FP1733874	17	Wendell Ave. insertion	\$ 147.96
13	DIMP-Distribution Integrity	FP1733885	17	2nd Ave North 14" Replacement	\$ 3,635.58
14	DIMP-Distribution Integrity	FP1733904	17	lakewood relocates	\$ 4,000.56
15	TIMP-Transmission Integrity	FP1733363	17	ILI Retrofit - Line J	\$ 8,429.02
16	TIMP-Transmission Integrity	FP1733365	17	ILI Retrofit - Lines A,B,D	\$ 765.50
17	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	\$ 3,887,965.71
18	TIMP-Transmission Integrity	FP1733463	17	Nashville ILI Retrofit-Bordeau	\$ 208.31
19	TIMP-Transmission Integrity	FP1733747	17	White Bridge Rd at Charlotte Pk	\$ 4,188.30
20	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	\$ 1,786,467.86
21	<b>Total (unallocated)</b>				<b>\$ 6,453,140.14</b>
22	<i>subtotal: TN Direct (unallocated)</i>				<i>\$ 4,666,672.28</i>
23	<i>subtotal: CO-3 (unallocated)</i>				<i>\$ 1,786,467.86</i>
					<b>\$ 6,453,140.14</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>Jun-14</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ (2,816,126.88)
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	469,447.78
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(400,770.12)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	(2,747,449.22)
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	(2,781,788.05)
6	Accrued Interest	<i>Line 5 * Line 9</i>	(7,533.08)
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ (2,754,982.30)
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>	\$ (2,754,982.30)
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	469,447.78
01 01 48010 3 17 6220 489	(279,997.43)
01 01 48110 3 17 6220 489	(146,528.74)
01 01 48120 3 17 6220 489	(6,271.82)
01 01 48300 3 17 6220 489	(131.45)
01 01 48900 3 17 6220 489	(36,518.34)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	(7,533.08)
01 01 43101 3 17 6220 626	7,533.08

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:

		June - 2014			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.07018		2,430,711	170,587.30
2	Small Commerical (302)	0.06130		1,956,588	119,938.84
3	Medium Commerical (352)	0.06130		591,242	36,243.13
4	Firm Lg General Sales (303)	0.02723		273,807	7,455.76
5	Firm Lg General Transportation (313)	0.02723		1,096,348	29,853.56
6	Firm Resale (310)	0.02723		2,825	76.92
7	Interruptible Lg General Sales (304)	0.00681		22,292	151.81
8	Interruptible Lg General Transportation (314)	0.00681		5,354,303	36,462.80
10	<b>Total</b>				<b>\$ 400,770.12</b>

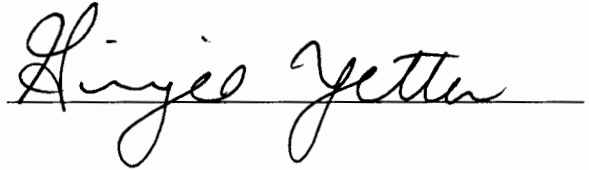
Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	170,587.30
01 01 48110 3 17 6220 489	119,938.84
01 01 48110 3 17 6220 489	36,243.13
01 01 48120 3 17 6220 489	7,455.76
01 01 48900 3 17 6220 489	29,853.56
01 01 48300 3 17 6220 489	76.92
01 01 48110 3 17 6220 489	151.81
01 01 48900 3 17 6220 489	36,462.80
01 01 25351 3 17 6250 489	(400,770.12)

**CERTIFICATE OF SERVICE**

15 I hereby certify that a true and exact copy of the foregoing has been served on this the day of August, 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

A handwritten signature in cursive script, appearing to read "L. Jett", is written over a horizontal line.