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September 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 July 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 July 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

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

Line No.		Current Vintage Year: Vintage Year 2			All Vintage Years
		July 2014 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of July 2014 ³	Cumulative Capital Expenditure as of July 2014 ⁶
	TN Direct				
1	Corrosion Control	\$ 4,090.29	\$ 1,146,584.63	\$ 1,150,674.92	\$ 4,655,533.92
2	Casing Remediation	\$ (16,552.04)	\$ 63,311.44	\$ 46,759.40	\$ 47,064.92
3	Distribution Integrity	\$ 685,611.71	\$ 2,812,068.16	\$ 3,497,679.87	\$ 8,066,222.91
4	Transmission Integrity	\$ 498,181.70	\$ 34,896,703.48	\$ 35,394,885.18	\$ 153,146,701.51
5	Total	\$ 1,171,331.66	\$ 38,918,667.71	\$ 40,089,999.37	\$ 165,915,523.26
	Joint Property: CO3-State				
6	OASIS Project (Work & Asset Management System)	\$ 2,739,786.00	\$ 23,992,813.96	\$ 26,732,599.96	\$ 67,851,032.42
7	TN % of CO-3 for Current Month ⁴	17.95%			
8	Total Allocated to TN	\$ 491,791.59	\$ 4,306,710.11	\$ 4,798,501.70	\$ 12,179,260.33
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 1,663,123.25	\$ 43,225,377.82	\$ 44,888,501.07	\$ 178,094,783.59
10	Less: Amount Included in the Attrition Period ⁵	\$ -		\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 1,663,123.25	\$ 43,225,377.82	\$ 44,888,501.07	\$ 145,194,783.59

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
 TRA Docket No. 13-00118

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	July 2014
1	CORR-Corrosion Control	FP1733548	17	Nashville Distribution New Coating	\$ 3,142.03
2	CORR-Corrosion Control	FP1733741	17	Nashville HCA Remote Monitors	\$ 234.97
3	CORR-Corrosion Control	FP1733748	17	Nashville Foreign Line Xing Remote	\$ 713.29
4	CSNG-Casing & Remediation	FP1733739	17	Casings #2719, 2738, 2720, 2772	\$ (16,552.04)
5	DIMP-Distribution Integrity	FP1733752	17	Murfreesboro Rd. Fessler to Menzler	\$ 202,293.49
6	DIMP-Distribution Integrity	FP1733754	17	South 12th (14th St. and Seiver St.	\$ 76,277.04
7	DIMP-Distribution Integrity	FP1733755	17	Wheeler Ave. and Hewlett Dr.	\$ 56,121.91
8	DIMP-Distribution Integrity	FP1733756	17	Foster Ave, Murfreesboro to Lyle	\$ 67,296.76
9	DIMP-Distribution Integrity	FP1733757	17	Gallatin Pk at Due West (Madison)	\$ 137,681.95
10	DIMP-Distribution Integrity	FP1733827	17	Elm Hill Pike Bridge Replacement	\$ 3,105.76
11	DIMP-Distribution Integrity	FP1733885	17	2nd Ave North 14" Replacement	\$ 49,055.67
12	DIMP-Distribution Integrity	FP1733904	17	lakewood relocates	\$ 93,779.13
13	TIMP-Transmission Integrity	FP1733363	17	ILI Retrofit - Line J	\$ 11,342.97
14	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	\$ 470,586.08
15	TIMP-Transmission Integrity	FP1733747	17	White Bridge Rd at Charlotte Pk	\$ 16,252.65
16	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	\$ 2,739,786.00

17 **Total (unallocated)** \$ **3,911,117.66**

18 subtotal: TN Direct (unallocated)

19 subtotal: CO-3 (unallocated)

\$ 1,171,331.66
 \$ 2,739,786.00
\$ 3,911,117.66

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

Line No.		<u>Jul-14</u>
1	Beginning Balance	\$ (2,754,982.30)
2	IMR Revenue Recognition	437,099.30
3	(Collections from IM Adjustment)	(355,320.15)
4	Ending Balance Before Interest	(2,673,203.15)
5	Average Balance	(2,714,092.73)
6	Accrued Interest	(7,349.76)
7	Ending Balance After Interest	\$ (2,680,552.91)
8	Applicable Annual Interest Rate	0.032500
9	Monthly Interest Rate	0.002708
10	Actual GL #25351 EOM Balance	per GL \$ (2,680,552.91)
11	Variance	Line 7 - Line 10 \$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	437,099.30
01 01 48010 3 17 6220 489	(260,703.50)
01 01 48110 3 17 6220 489	(136,431.80)
01 01 48120 3 17 6220 489	(5,839.65)
01 01 48300 3 17 6220 489	(122.39)
01 01 48900 3 17 6220 489	(34,001.96)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	(7,349.76)
01 01 43101 3 17 6220 626	7,349.76

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Schedule 4

General Ledger Support
Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

Line No.		IM Adjustment (\$ per therm)	x	July - 2014	
				Usage (therms)	Collections (\$)
1	Residential (301)	0.07018		1,868,447	131,127.61
2	Small Commerical (302)	0.06130		1,858,978	113,955.35
3	Medium Commerical (352)	0.06130		520,714	31,919.77
4	Firm Lg General Sales (303)	0.02723		288,118	7,845.45
5	Firm Lg General Transportation (313)	0.02723		1,117,265	30,423.13
6	Firm Resale (310)	0.02723		1,302	35.45
7	Interruptible Lg General Sales (304)	0.00681		20,696	140.94
8	Interruptible Lg General Transportation (314)	0.00681		5,854,986	39,872.45
10	Total				\$ 355,320.15

Journal Entry: To Record Collections	
01 01 48010 3 17 6220 489	131,127.61
01 01 48110 3 17 6220 489	113,955.35
01 01 48110 3 17 6220 489	31,919.77
01 01 48120 3 17 6220 489	7,845.45
01 01 48900 3 17 6220 489	30,423.13
01 01 48300 3 17 6220 489	35.45
01 01 48110 3 17 6220 489	140.94
01 01 48900 3 17 6220 489	39,872.45
01 01 25351 3 17 6250 489	(355,320.15)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached documents were served upon the parties in this action by electronic mail and by depositing a copy of the same in the United States Mail, First Class Postage Prepaid, addressed as follows:

Emily Knight
Office of the Attorney General
Consumer Advocate and Protection Division
Post Office Box 20207
Nashville, Tennessee 37202
Emily.Knight@ag.tn.gov

This the 15th day of September, 2014.

R. T. Humes