

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

A PROFESSIONAL LIMITED LIABILITY COMPANY  
ATTORNEYS AT LAW

R. DALE GRIMES  
TEL: (615) 742-6244  
FAX: (615) 742-2744  
dgrimes@bassberry.com

150 THIRD AVENUE SOUTH, SUITE 2800  
NASHVILLE, TN 37201  
(615) 742-6200

www.bassberry.com

OTHER OFFICES:

KNOXVILLE  
MEMPHIS  
WASHINGTON, D.C.

2015 MAR 16 PM 12:41  
T.R.A. DOCKET ROOM

March 16, 2015

Via U.S. Mail  
And Email

David Foster  
Chief, Utilities Division  
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. Foster:

Pursuant to the direction of Sharla Dillon, Clerk of the Tennessee Regulatory Authority, I have enclosed Piedmont Natural Gas Company's Integrity Management Monthly Report for the Month Ending January 31, 2015.

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 January 31, 2015. This material will also be mailed to you via UPS Overnight delivery.

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

Enclosure

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

Schedule 1

**Cumulative Integrity Management Investment Amount**

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

Line No.		Current Vintage Year: Vintage Year 3			All Vintage Years
		January 2015 Capital Expenditure <sup>1</sup>	Prior Cumulative Capital Expenditure <sup>2</sup>	Cumulative Capital Expenditure as of January 2015 <sup>3</sup>	Cumulative Capital Expenditure as of January 2015 <sup>6</sup>
	<i>TN Direct</i>				
1	Corrosion Control	\$ 567.74	\$ 3,421.01	\$ 3,988.75	\$ 4,653,872.06
2	Casing Remediation	\$ 227.28	\$ 35,430.70	\$ 35,657.98	\$ 325,890.26
3	Distribution Integrity	\$ 1,249,613.25	\$ 1,285,274.52	\$ 2,534,887.77	\$ 13,203,368.18
4	Transmission Integrity	\$ 591,030.98	\$ 641,212.97	\$ 1,232,243.95	\$ 160,037,333.02
5	Total	\$ 1,841,439.25	\$ 1,965,339.20	\$ 3,806,778.45	\$ 178,220,463.52
	<i>Joint Property: CO3-State</i>				
6	OASIS Project (Work & Asset Management System)	\$ 1,333,338.15	\$ 3,125,540.31	\$ 4,458,878.46	\$ 75,585,751.07
7	TN % of CO-3 for Current Month <sup>4</sup>	18.07%			
8	Total Allocated to TN	\$ 240,934.20	\$ 564,785.14	\$ 805,719.34	\$ 13,572,992.98
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 2,082,373.45	\$ 2,530,124.34	\$ 4,612,497.79	\$ 191,793,456.50
10	Less: Amount Included in the Attrition Period <sup>5</sup>	\$ -		\$ -	\$ 32,900,000.00
11	<b>Total Integrity Management Investment</b>	<b>\$ 2,082,373.45</b>	<b>\$ 2,530,124.34</b>	<b>\$ 4,612,497.79</b>	<b>\$ 158,893,456.50</b>

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 Years 1 and 2, which captures amounts through 10/31/14, is \$154,280,958.71 (\$100,306,282.52 for Vintage Year 1 & \$53,974,676.19 for Vintage Year 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	January 2015
1	CORR-Corrosion Control	FP1733548	Nashville Distribution Remediation	17	\$ 127.28
2	CORR-Corrosion Control	FP1733922	Nashville Bridge Attachments-New Co	17	\$ 440.46
3	CSNG-Casing & Remediation	FP1733739	Casing removal 2719,2738,2790,	17	\$ 227.28
4	DIMP-Distribution Integrity	FP1733752	Murfreesboro Rd Fesslers to Me	17	\$ 1,120.18
5	DIMP-Distribution Integrity	FP1733753	3rd and Hart renewal-upgrade	17	\$ 923,119.28
6	DIMP-Distribution Integrity	FP1733755	Wheeler Ave	17	\$ 21,743.91
7	DIMP-Distribution Integrity	FP1733756	Foster Ave, Murfreesboro Rd to	17	\$ 68,011.64
8	DIMP-Distribution Integrity	FP1733757	Gallatin Pike @ Due West, Mad	17	\$ 263.92
9	DIMP-Distribution Integrity	FP1733827	Elm Hill Pike Bridge Replaceme	17	\$ 1,050.27
10	DIMP-Distribution Integrity	FP1733885	2nd Ave North 14" Replacement	17	\$ 144,998.50
11	DIMP-Distribution Integrity	FP1733931	Shelby Park RR Bridge Project	17	\$ 7,846.47
12	DIMP-Distribution Integrity	FP1733939	500 Lawrence St to Tenth St	17	\$ 41,917.80
13	DIMP-Distribution Integrity	FP1733945	Old Hickory Blvd. @ Logistics Way R	17	\$ 9,050.18
14	DIMP-Distribution Integrity	FP1733946	State Rte 45 Over Cumberland River	17	\$ 15,725.39
15	DIMP-Distribution Integrity	FP1733947	Nolensville Rd. Over RR S of I-440	17	\$ 14,765.71
16	TIMP-Transmission Integrity	FP1733364	Nashville ILI Retrofit Project	17	\$ 573.45
17	TIMP-Transmission Integrity	FP1733398	South Nashville 20"	17	\$ 471,154.71
18	TIMP-Transmission Integrity	FP1733747	White Bridge Road at Charlotte	17	\$ 26,421.65
19	TIMP-Transmission Integrity	FP1733929	White Bridge Road @ Post Rd. r	17	\$ 81,619.63
20	TIMP-Transmission Integrity	FP1733950	County Hospital Rd Station LNG	17	\$ 11,015.10
21	TIMP-Transmission Integrity	FP1733989	Line 310 T Cut Out R1	17	\$ (76,785.88)
22	TIMP-Transmission Integrity	FP1734029	Line 310 Scheduled Digs	17	\$ 77,032.32
23	ISENP-Information Serv Enterprise	FP0026658	Work & Asset Management (OASIS)	00	\$ 1,333,338.15
24	<b>Total (unallocated)</b>				<b>\$ 3,174,777.40</b>
25	<i>subtotal: TN Direct (unallocated)</i>				<i>\$ 1,841,439.25</i>
26	<i>subtotal: CO-3 (unallocated)</i>				<i>\$ 1,333,338.15</i>
					<b>\$ 3,174,777.40</b>

**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>Jan-15</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ (2,541,850.87)
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	3,382,341.97
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(2,808,114.86)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	(1,967,623.76)
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	(2,254,737.32)
6	Accrued Interest	<i>Line 5 * Line 9</i>	(6,105.83)
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ (1,973,729.59)
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>	\$ (1,973,729.59)
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	3,382,341.97
01 01 48010 3 17 6220 489	(2,017,364.05)
01 01 48110 3 17 6220 489	(1,055,730.39)
01 01 48120 3 17 6220 489	(45,188.09)
01 01 48300 3 17 6220 489	(947.06)
01 01 48900 3 17 6220 489	(263,112.38)
	-

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	(6,105.83)
01 01 43101 3 17 6220 626	6,105.83

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

Schedule 4

**General Ledger Support**

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

Calculation of the IM Adjustment Collections:

		January - 2015		
<u>Line No.</u>		IM Adjustment (\$ per therm)	x Usage (therms)	= Collections (\$)
1	Residential (301)	0.07018	25,622,995	1,798,221.79
2	Small Commerical (302)	0.06130	10,801,835	662,152.49
3	Medium Commerical (352)	0.06130	2,992,015	183,410.52
4	Firm Lg General Sales (303)	0.02723	1,102,811	30,029.54
5	Firm Lg General Transportation (313)	0.02723	2,516,617	68,527.48
6	Firm Resale (310)	0.02723	-	-
7	Interruptible Lg General Sales (304)	0.00681	31,615	215.30
8	Interruptible Lg General Transportation (314)	0.00681	9,626,687	65,557.74
10	<b>Total</b>			<b>\$ 2,808,114.86</b>

Journal Entry: To Record Collections


01 01 48010 3 17 6220 489	1,798,221.79
01 01 48110 3 17 6220 489	662,152.49
01 01 48110 3 17 6220 489	183,410.52
01 01 48120 3 17 6220 489	30,029.54
01 01 48900 3 17 6220 489	68,527.48
01 01 48300 3 17 6220 489	-
01 01 48110 3 17 6220 489	215.30
01 01 48900 3 17 6220 489	65,557.74
01 01 25351 3 17 6250 489	(2,808,114.86)

**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 16<sup>th</sup> day of March, 2015.

  
\_\_\_\_\_