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July 10, 2015

**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 Company, Inc. for Approval of an Integrity Management Rider to Its Approved Rate Schedules and Service Regulations***  
**Docket No. 13-00118**

Dear Mr. Taylor:

Enclosed please find an original and five (5) copies of the Responses of Piedmont Natural Gas Company Inc. to the Tennessee Regulatory Authority's ("TRA") Additional Data Requests of June 23, 2015. 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 copy 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

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**DOCKET NO. 13-00118**  
**INTEGRITY MANAGEMENT RIDER**  
**DATA REQUEST**  
**Issued: June 23, 2015**

1. For each amount listed on the itemized Billing Reports provide a detailed explanation of how the action was required by the state or federal government to ensure the reliability and/or safety of the public utility plant in service pursuant to Part 192 US DOT regulations, Subparts O and P.

**Response:**

FPI733945 Old Hickory Blvd at Logistics Way Railroad Crossing:

Piedmont is unable to properly perform integrity inspections due to the pipeline's attachment to a bridge over a high speed train line. Approximately 155' of 8" pipe will be removed from the bridge and replaced with new pipe installed under the river utilizing horizontal directional drilling. This project will be performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

Contract Labor – Other \$4,015.00:

Energy Land and Infrastructure, LLC. is the engineering firm utilized by Piedmont to survey, research and design the project. As these costs are incurred as part of the project, they are reflected in the Company's Integrity Management Investment in the project.

Payroll and Payroll Taxes \$2,104.49:

Piedmont employs a project manager and construction supervisor for all projects. A portion of their time each month is charged to the project. As these individuals are full time employees, Piedmont is required to also pay payroll taxes on their behalf. As these costs are incurred as part of the project, they are reflected in the Company's Integrity Management Investment in the project.

Administrative Overhead \$2,527.74:

As part of the Company's standard policy, all utility plant capital projects are allocated a portion of general administrative overhead costs. As these costs are incurred as part of the project, they are reflected in the Company's Integrity Management Investment in the project.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**DOCKET NO. 13-00118**  
**INTEGRITY MANAGEMENT RIDER**  
**DATA REQUEST**  
**Issued: June 23, 2015**

Other Corporate Expenses \$1,435.00:

Piedmont needed to secure temporary workspace from a landowner for the construction of the project. As these costs are incurred as part of the project, they are reflected in the Company's Integrity Management Investment in the project.

Transmission Land Rights \$6,705.00:

Piedmont needed to purchase a permanent easement from a landowner in relation to this project. As these costs are incurred as part of the project, they are reflected in the Company's Integrity Management Investment in the project.

AFUDC \$249.74:

AFUDC is calculated on individual projects and represents the estimated costs of funds used to finance construction projects. As these costs are recorded as part of the project, they are reflected in the Company's Integrity Management Investment in the project.

FP1733950 County Hospital Rd Station:

The County Hospital Road project entails the installation of two sets of control valve runs at the County Hospital Station to regulate and control the flow of gas from the Nashville LNG Plant to both Line 314 and Line 311. The pressure reduction will allow for the reclassification of pipeline from transmission to high pressure distribution main to reduce the risk profile of the pipeline. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart O.

Contract Labor – Other \$5,157.50:

Energy Land and Infrastructure, LLC. is the engineering firm utilized by Piedmont to survey, research and design the project. As these costs are incurred as part of the project, they are reflected in the Company's Integrity Management Investment in the project.

Payroll and Payroll Taxes \$3,905.13:

Piedmont employs a project manager and construction supervisor for all projects. A portion of their time each month is charged to the project. As these individuals are full time

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**DOCKET NO. 13-00118**  
**INTEGRITY MANAGEMENT RIDER**  
**DATA REQUEST**  
**Issued: June 23, 2015**

employees, Piedmont is required to also pay payroll taxes on their behalf. As these costs are incurred as part of the project, they are reflected in the Company's Integrity Management Investment in the project.

Administrative Overhead \$1,606.52:

As part of the Company's standard policy, all utility plant capital projects are allocated a portion of general administrative overhead costs. As these costs are incurred as part of the project, they are reflected in the Company's Integrity Management Investment in the project.

AFUDC \$171.54:

AFUDC is calculated on individual projects and represents the estimated costs of funds used to finance construction projects. As these costs are recorded as part of the project, they are reflected in the Company's Integrity Management Investment in the project.

Response provided by Piedmont Natural Gas on July 10, 2015.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**DOCKET NO. 13-00118**  
**INTEGRITY MANAGEMENT RIDER**  
**DATA REQUEST**  
**Issued: June 23, 2015**

2. For all amounts other than those contained in the itemized Billing Reports, please explain how the action was required by the state or federal government to ensure the reliability and/or safety of the public utility plant in service pursuant to Part 192 US DOT regulation, Subparts O and P.

**Response:**

FP1733548 Nashville Distribution Remediation:

The cathodic protection system on this section of steel pipeline was operating at full capacity; however system readings indicated additional protection was required to prevent corrosion. An additional rectifier and ground bed unit was added to provide adequate cathodic protection to the existing steel pipeline facilities in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733922 Nashville Bridge Attachments:

Piedmont identified seven bridge attachments as potential threats to the integrity of the pipeline due to corrosion. The Company installed pipeline coating, bridge hangers and end wall support. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733739 Casing Removal 2719, 2720, 2738, 2772:

Piedmont was unable to perform integrity requirement inspections due to the inaccessibility of casings as a result of road widening. The casings identified as, #2719 at Massman Dr. at the railroad, #2720 private drive to McRedmond Farms, #2738 S Mt. Juliet Rd and #2772 Franklin Rd at Thompson Lane, are being abandoned and a new main is being installed utilizing horizontal directional drilling in an adjacent location. This project is being performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733743 Old Hickory Blvd. Casing 2766:

Piedmont was unable to perform integrity requirement inspections due to a casing, identified as #2766 at Old Hickory Blvd, that runs beneath a railroad. The casing is being abandoned and a new main is being installed utilizing horizontal directional drilling in an adjacent location. This project is being performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**DOCKET NO. 13-00118**  
**INTEGRITY MANAGEMENT RIDER**  
**DATA REQUEST**  
**Issued: June 23, 2015**

FP1733753 3rd and Hart Renewal/Upgrade:

Piedmont identified a section of 1946 vintage steel pipe that posed a potential threat to the integrity of the pipeline due to corrosion and leak history. The vintage steel pipe was replaced with approximately 6,500' of high pressure steel and plastic pipe. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733755 Wheeler Ave:

Piedmont identified a section of steel pipe that posed a potential threat to the integrity of the pipeline due to corrosion and leak history. Approximately 5,100' of steel pipe was replaced with plastic pipe in the vicinity of Wheeler Avenue. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733756 Foster Ave and Murfreesboro Rd:

Piedmont identified a section of steel pipe that posed a potential threat to the integrity of the pipeline due to corrosion issues. Approximately 3,300' of steel pipe was replaced with plastic pipe in the vicinity of Foster Avenue and Murfreesboro Road. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733758 Beekman Dr and Foxwood Dr:

Piedmont identified a section of steel pipe that posed a potential threat to the integrity of the pipeline due to corrosion issues. Approximately 1,504' of steel pipe was replaced with plastic pipe in the vicinity of Beekman Drive and Foxwood Drive. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733759 Sunrise Ave and McCombs Ave:

Piedmont identified a section of 1951 vintage steel pipe that posed a potential threat to the integrity of the pipeline due to corrosion issues. Approximately 1,700' of steel pipe was

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**DOCKET NO. 13-00118**  
**INTEGRITY MANAGEMENT RIDER**  
**DATA REQUEST**  
**Issued: June 23, 2015**

replaced with plastic pipe in the vicinity of Sunrise Avenue and McCombs Avenue. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733762 Grandview Ave:

Piedmont identified a section of steel pipe that posed a potential threat to the integrity of the pipeline due to corrosion and leak history. Approximately 2,000' of steel pipe is being replaced with steel pipe in the vicinity of Grandview Avenue. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733886 Kermit Dr and Vultee Blvd:

Piedmont identified a section of steel pipe that posed a potential threat to the integrity of the pipeline due to leak history. Approximately 100' of steel pipe was replaced with new steel pipe in the vicinity of Kermit Drive. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733904 Lakewood Relocates:

Piedmont identified this project as having been inadvertently classified as a distribution integrity project. The Company has subsequently reversed out the project capital investments totaling \$176,498.32 in the Integrity Management Monthly Report for the month ending May 31, 2015.

FP1733931 Shelby Park Railroad Bridge Project:

The Shelby Park railroad bridge over the Cumberland River has approximately 1,200' of steel pipe welded directly to the bridge which results in an inability to provide cathodic protection to the pipeline to prevent corrosion. Piedmont will be removing the section of pipe welded directly to the bridge and will be replacing it with new pipe installed via horizontal directional drilling under the Cumberland River. This project will be performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**DOCKET NO. 13-00118**  
**INTEGRITY MANAGEMENT RIDER**  
**DATA REQUEST**  
**Issued: June 23, 2015**

FP1733939 500 Lawrence St to 10th St:

Piedmont identified a section of steel pipe that posed a potential threat to the integrity of the pipeline due to corrosion and leak history. Approximately 2,400' of steel pipe was replaced with plastic pipe in the vicinity of Lawrence Street from 10th Street to 5th Street. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733945 Old Hickory Blvd at Logistics Way Railroad Crossing:

Piedmont is unable to properly perform integrity inspections due to the pipeline's attachment to a bridge over a high speed train line. Approximately 155' of 8" pipe will be removed from the bridge and replaced with new pipe installed under the river utilizing horizontal directional drilling. This project will be performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733946 State Rte 45 Over Cumberland River:

The State Road 45 bridge over the Cumberland River has approximately 860' of steel pipe welded directly to the bridge. Piedmont will be removing the section of pipe welded directly to the bridge and bringing the pipeline up to current standards by replacing it with new pipe installed via horizontal directional drilling under the Cumberland River. This project will be performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1733947 Nolensville Rd Over Railroad South of I-440:

Piedmont will be removing approximately 168' of pipe attached to the underside of a bridge and bringing the pipeline up to current standards by replacing it with new pipe installed via horizontal directional drilling under the river. In addition, two casings, #2819 and # 2853, located on the on-ramps will be removed. New main will be drilled in an adjacent location. This project will be performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1734027 Donelson St at Robertson St:

Piedmont identified a section of steel pipe that posed a potential threat to the integrity of the pipeline due to leak history. Approximately 660' of steel pipe was replaced with plastic pipe



**PIEDMONT NATURAL GAS COMPANY, INC.**  
**DOCKET NO. 13-00118**  
**INTEGRITY MANAGEMENT RIDER**  
**DATA REQUEST**  
**Issued: June 23, 2015**

in the vicinity of Donelson Street. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1734040 Metro water building valve replacement:

Piedmont identified a 14" valve that posed a potential threat to the integrity of the pipeline due to leak history. The valve was cut out and replaced. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP1734060 Jefferson St valve replacement:

Piedmont replaced 2" isolated valves prior to the repaving of roads. The replacement of the valves was due to cathodic protection considerations prior to the completion of the road improvements. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart P.

FP173398 South Nashville:

The South Nashville Project entailed running 17 miles of 20" high pressure steel pipeline. This pipeline installation was performed to reclassify other existing transmission mains to high pressure distribution mains, thus reducing the risk profile of the pipeline. The new pipeline was installed in dedicated right-of-way and to current, piggable transmission specifications, also reducing the overall risk of operations to the greater Nashville pipeline system. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart O.

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FP1733747 White Bridge Rd at Charlotte:

White Bridge Road was widened and realigned without consideration for Piedmont's existing 12" pipeline. Once the road construction was completed, a retail establishment was built and its parking lot was located directly on top of the transmission line. To allow for accessibility to the pipeline, Piedmont relocated the 12" transmission line. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart O.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**DOCKET NO. 13-00118**  
**INTEGRITY MANAGEMENT RIDER**  
**DATA REQUEST**  
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FP1733929 White Bridge Rd at Post Rd:

The White Bridge Road project entails installing a new regulator station near White Bridge and Post Road to separate pressure on Line 314. This will include installing approximately 2,200' of 12" interconnect pipe. In addition, a 175 psig outlet will be built along with the installation of 700' 12" main. The pressure reduction resulting from this project will allow for reclassification of pipeline from transmission to high pressure distribution main, thus reducing the risk profile of the pipeline. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart O.

FP1733950 County Hospital Rd Station:

The County Hospital Road project entails the installation of two sets of control valve runs at the County Hospital Station to regulate and control the flow of gas from the Nashville LNG Plant to both Line 314 and Line 311. The pressure reduction will allow for the reclassification of pipeline from transmission to high pressure distribution main to reduce the risk profile of the pipeline. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart O.

FP1734029 Line 310 Scheduled Digs:

Digs were performed under TIMP guidelines as a result of in-line inspection findings. Piedmont remediated several anomalies in Line 310 and replaced 150' of 12" transmission line. This project was performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subpart O.

FP0026658 OASIS :

The OASIS project entails the implementation of integrated systems, processes, and data to facilitate the efficient, effective, safe construction and management of pipeline assets. The systems deployed under the OASIS programs will support asset management, compliance documentation, and work management for distribution and construction. This project is being performed in order to remain compliant with current integrity specifications under US DOT regulations Part 192, Subparts O and P.

Response provided by Piedmont Natural Gas on July 10, 2015.

**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 10<sup>th</sup> day of July, 2015.

  
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