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September 14, 2015

Via U.S. Mail
RECEIVED *and Email*

SEP 15 2015

TN REGULATORY AUTHORITY
UTILITIES DIVISION

David Foster
Chief, Utility Division
Tennessee Regulatory Authority
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. 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 July 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 July 31, 2015. This material will also be mailed to you via U.S. Mail.

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 the kindest regards, I remain

Very truly yours,



R. Dale Grimes

Enclosure

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

		Current Vintage Year: Vintage Year 3			All Vintage Years
Line No.		July 2015 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of July 2015 ³	Cumulative Capital Expenditure as of July 2015 ⁶
<i>TN Direct</i>					
1	Corrosion Control	\$ 1,958.52 ✓	\$ 309,205.75	\$ 311,164.27	\$ 4,961,047.58
2	Casing Remediation	\$ 93,594.24 ✓	\$ 90,510.84	\$ 184,105.08	\$ 474,337.36
3	Distribution Integrity	\$ 304,879.76 ✓	\$ 6,043,113.20	\$ 6,347,992.96	\$ 17,016,473.37
4	Transmission Integrity	\$ 483,348.69 ✓	\$ 3,845,389.87	\$ 4,328,738.56	\$ 163,133,827.63
5	Total	\$ 883,781.21 ✓	\$ 10,288,219.66	\$ 11,172,000.87	\$ 185,585,685.94
<i>Joint Property: CO3-State</i>					
6	OASIS Project (Work & Asset Management System)	\$ 1,496,021.80 ✓	\$ 13,162,359.75	\$ 14,658,381.55	\$ 85,785,254.16
7	TN % of CO-3 for Current Month ⁴	18.07%			
8	Total Allocated to TN	\$ 270,331.14	\$ 2,378,438.40	\$ 2,648,769.54	\$ 15,416,043.17
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 1,154,112.35	\$ 12,666,658.06	\$ 13,820,770.41	\$ 201,001,729.11
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 1,154,112.35	\$ 12,666,658.06	\$ 13,820,770.41	\$ 168,101,729.11

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	July 2015
1	CORR-Corrosion Control	FP1733922	17	Nashville Bridge Attachments-New Co	\$ 1,958.52
2	CSNG-Casing & Remediation	FP1733739	17	Casing removal 2719,2720,2738,2772	\$ 2,318.98
3	CSNG-Casing & Remediation	FP1733743	17	Old Hickory Blvd. Casing#2766	\$ 91,275.26
4	DIMP-Distribution Integrity	FP1733503	17	Broadmoor Dr.	\$ 286.01
5	DIMP-Distribution Integrity	FP1733753	17	3rd and Hart renewal-upgrade	\$ 124,567.22
6	DIMP-Distribution Integrity	FP1733756	17	Foster Ave, Murfreesboro Rd to Lyle	\$ 2,427.76
7	DIMP-Distribution Integrity	FP1733761	17	Kline Ave.	\$ 51,942.26
8	DIMP-Distribution Integrity	FP1733762	17	Grandview Ave	\$ 15,168.36
9	DIMP-Distribution Integrity	FP1733765	17	McGavock Pike	\$ 5,501.75
10	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	\$ 23,859.99
11	DIMP-Distribution Integrity	FP1733938	17	23rd Ave N @ Osage St	\$ 38,508.60
12	DIMP-Distribution Integrity	FP1733940	17	Hadley to Buffalo St & Wilming	\$ 13,851.98
13	DIMP-Distribution Integrity	FP1733945	17	Old Hickory Blvd. @ Logistics Way Railroad	\$ 9,478.51
14	DIMP-Distribution Integrity	FP1733946	17	State Rte 45 Over Cumberland River	\$ 7,383.81
15	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd. Over RR S of I-440	\$ 1,325.18
16	DIMP-Distribution Integrity	FP1734027	17	Donelson St @ Robertson St	\$ 590.58
17	DIMP-Distribution Integrity	FP1734040	17	Metro Water building valve replace	\$ 2,955.65
18	DIMP-Distribution Integrity	FP1734105	17	Anderson Ln	\$ 7,032.10
19	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	\$ 96,155.89
20	TIMP-Transmission Integrity	FP1733747	17	White Bridge Road at Charlotte	\$ 1,140.72
21	TIMP-Transmission Integrity	FP1733929	17	White Bridge Road @ Post Rd.	\$ 29,989.03
22	TIMP-Transmission Integrity	FP1733950	17	County Hospital Rd Station LNG	\$ 356,063.05
23	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	\$ 1,496,021.80

93,594.04

304,879.76

483,348.69

Total (unallocated)

\$ 2,379,803.01

24 subtotal: TN Direct (unallocated)

25 subtotal: CO-3 (unallocated)

\$ 883,781.21 ✓

\$ 1,496,021.80 ✓

\$ 2,379,803.01

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>Jul-15</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ (3,224,458.58)
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	655,584.18
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(499,413.11)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	(3,068,287.51)
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	(3,146,373.05)
6	Accrued Interest	<i>Line 5 * Line 9</i>	(8,520.38)
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ (3,076,807.89)
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>	\$ (3,076,807.89)
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	655,584.18
01 01 48010 3 17 6220 489	(391,016.63)
01 01 48110 3 17 6220 489	(204,627.50)
01 01 48120 3 17 6220 489	(8,758.60)
01 01 48300 3 17 6220 489	(183.56)
01 01 48900 3 17 6220 489	(50,997.89)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	(8,520.38)
01 01 43101 3 17 6220 626	8,520.38

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		July - 2015		
Line No.		IM Adjustment (\$ per therm)	x Usage (therms)	= Collections (\$)
1	Residential (301)	0.09285	2,004,384	186,107.05
2	Small Commerical (302)	0.08111	1,949,581	158,130.51
3	Medium Commerical (352)	0.08111	521,087	42,265.37
4	Firm Lg General Sales (303)	0.03603	387,723	13,969.66
5	Firm Lg General Transportation (313)	0.03603	1,083,744	39,047.30
6	Firm Resale (310)	0.03603	-	-
7	Interruptible Lg General Sales (304)	0.00901	641	5.78
8	Interruptible Lg General Transportation (314)	0.00901	6,646,775	59,887.44
10	Total			\$ 499,413.11

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	186,107.05
01 01 48110 3 17 6220 489	158,130.51
01 01 48110 3 17 6220 489	42,265.37
01 01 48120 3 17 6220 489	13,969.66
01 01 48900 3 17 6220 489	39,047.30
01 01 48300 3 17 6220 489	-
01 01 48110 3 17 6220 489	5.78
01 01 48900 3 17 6220 489	59,887.44
01 01 25351 3 17 6250 489	(499,413.11)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on September 14, 2015, a copy of the attached documents were served upon the following 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

R. D. Thomas