

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

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July 14, 2016

13-00118

**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 Company, Inc. for Approval of an Integrity Management Rider to its Approved Rate Schedules and Service Regulations***

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 May 31, 2016.

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 May 31, 2016.

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

**RECEIVED**

JUL 15 2016

TN REGULATORY AUTHORITY  
UTILITIES DIVISION

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

		Current Vintage Year: Vintage Year 4			All Vintage Years
Line No.		May 2016 Capital Expenditure <sup>1</sup>	Prior Cumulative Capital Expenditure <sup>2</sup>	Cumulative Capital Expenditure as of May 2016 <sup>3</sup>	Cumulative Capital Expenditure as of May 2016 <sup>6</sup>
<i>TN Direct</i>					
1	Corrosion Control	\$ 555.52	\$ 1,038.53	\$ 1,594.05	\$ 5,161,144.34
2	Casing Remediation	\$ -	\$ 35,975.89	\$ 35,975.89	\$ 742,803.13
3	Distribution Integrity	\$ 541,391.14	\$ 4,640,084.34	\$ 5,181,475.48	\$ 24,192,449.77
4	Transmission Integrity	\$ 247,962.11	\$ 1,454,454.46	\$ 1,702,416.57	\$ 166,262,854.45
5	Total	\$ 789,908.77	\$ 6,131,553.22	\$ 6,921,461.99	\$ 196,359,251.69
<i>Joint Property: CO3-State</i>					
6	OASIS Project (Work & Asset Management System)	\$ 880,831.75	\$ 13,240,619.52	\$ 14,121,451.27	\$ 104,162,499.15
7	TN % of CO-3 for Current Month <sup>4</sup>	17.16%			
8	Total Allocated to TN	\$ 151,150.73	\$ 2,272,090.31	\$ 2,423,241.04	\$ 18,608,306.14
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 941,059.50	\$ 8,403,643.53	\$ 9,344,703.03	\$ 214,967,557.83
10	Less: Amount Included in the Attrition Period <sup>5</sup>	\$ -		\$ -	\$ 32,900,000.00
11	<b>Total Integrity Management Investment</b>	<b>\$ 941,059.50</b>	<b>\$ 8,403,643.53</b>	<b>\$ 9,344,703.03</b>	<b>\$ 182,067,557.83</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, 2 and 3, which captures amounts through 10/31/15, is \$172,722,854.80 (\$100,306,282.52 for Vintage Year 1, \$53,974,676.19 for Vintage Year 2 & \$18,441,896.09 for Vintage Year 3).

**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	May 2016
1	CORR-Corrosion Control	FP1733548	17	Nashville Distribution Remediation	1.96
2	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	4.71
3	CORR-Corrosion Control	FP1734289	17	Bridge Attachments Nashville	548.85
4	DIMP-Distribution Integrity	FP1733765	17	McGavock Pike	32.32
5	DIMP-Distribution Integrity	FP1733766	17	Overhill Circle	173,043.56
6	DIMP-Distribution Integrity	FP1733767	17	Fesslers LN	193.39
7	DIMP-Distribution Integrity	FP1733768	17	Raymond ST	221.75
8	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	160,957.20
9	DIMP-Distribution Integrity	FP1733941	17	Overton Lea DIMP	7,117.56
10	DIMP-Distribution Integrity	FP1733945	17	Old Hickory Blvd. @ Logistics Way R	607.66
11	DIMP-Distribution Integrity	FP1733946	17	State Rte 45 Over Cumberland River	18,603.43
12	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd. Over RR S of I-440	14,521.12
13	DIMP-Distribution Integrity	FP1734136	17	Jones St Renewal	61,572.28
14	DIMP-Distribution Integrity	FP1734137	17	Overton St	98,663.21
15	DIMP-Distribution Integrity	FP1734138	17	Electric Avenue Project	237.57
16	DIMP-Distribution Integrity	FP1734239	17	47th Ave North	5,620.09
17	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	62,150.40
18	TIMP-Transmission Integrity	FP1733747	17	White Bridge Road at Charlotte	450.88
19	TIMP-Transmission Integrity	FP1733929	17	White Bridge Road @ Post Rd. r	160,242.82
20	TIMP-Transmission Integrity	FP1733950	17	County Hospital Rd Station LNG	3,790.87
21	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	20,260.28
22	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	1,066.86
23	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	880,831.75

**Total (unallocated)**

**\$ 1,670,740.52**

24 subtotal: TN Direct (unallocated)  
25 subtotal: CO-3 (unallocated)

\$ 789,908.77  
\$ 880,831.75  
**\$ 1,670,740.52**

**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>May-16</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 21,379.38
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	1,079,242.99
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(828,318.80)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	272,303.57
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	146,841.48
6	Accrued Interest	<i>Line 5 * Line 9</i>	423.34
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 272,726.91
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.034600
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.002883
10	Actual GL #25351 EOM Balance	<i>per GL</i>	\$ 272,726.91
11	Variance	<i>Line 7 - Line 10</i>	\$ 0.00

**Journal Entry: To Record Revenue**

01 01 25351 3 17 6250 489	1,079,242.99
01 01 48010 3 17 6220 489	(643,703.69)
01 01 48110 3 17 6220 489	(336,864.10)
01 01 48120 3 17 6220 489	(14,418.69)
01 01 48300 3 17 6220 489	(302.19)
01 01 48900 3 17 6220 489	(83,954.32)
	-

**Journal Entry: To Record Interest**

01 01 25351 3 17 6250 626	423.34
01 01 43101 3 17 6220 626	(423.34)

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:

		May - 2016			
		IM Adjustment		Usage	Collections
		(\$ per therm)	x	(therms)	= (\$)
<u>Line No.</u>					
1	Residential (301)	0.10144		3,849,440	390,487.19
2	Small Commerical (302)	0.08861		2,620,591	232,210.57
3	Medium Commerical (352)	0.08861		721,923	63,969.60
4	Firm Lg General Sales (303)	0.03936		439,496	17,298.56
5	Firm Lg General Transportation (313)	0.03936		1,298,017	51,089.95
6	Firm Resale (310)	0.03936		-	-
7	Interruptible Lg General Sales (304)	0.00984		35,442	348.75
8	Interruptible Lg General Transportation (314)	0.00984		7,409,978	72,914.18
9	<b>Total</b>				<b>\$ 828,318.80</b>

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	390,487.19
01 01 48110 3 17 6220 489	232,210.57
01 01 48110 3 17 6220 489	63,969.60
01 01 48120 3 17 6220 489	17,298.56
01 01 48900 3 17 6220 489	51,089.95
01 01 48300 3 17 6220 489	-
01 01 48110 3 17 6220 489	348.75
01 01 48900 3 17 6220 489	72,914.18
01 01 25351 3 17 6250 489	(828,318.80)

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on July 14, 2016, a copy of the attached was 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

  
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