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RECEIVED
R. Dale Grimes
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2016 AUG 16 AM 11:50

T.R.A. DOCKET ROOM
August 15, 2016

Washington D.C. Office
1201 Pennsylvania Avenue NW, Suite 300
Washington, DC 20004
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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 June 30, 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 June 30, 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

cc: Emily Knight

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

		Current Vintage Year: Vintage Year 4			All Vintage Years
Line No.		June 2016 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of June 2016 ³	Cumulative Capital Expenditure as of June 2016 ⁶
TN Direct					
1	Corrosion Control	\$ 10.23	\$ 1,594.05	\$ 1,604.28	\$ 5,161,154.57
2	Casing Remediation	\$ -	\$ 35,975.89	\$ 35,975.89	\$ 742,803.13
3	Distribution Integrity	\$ 410,058.93	\$ 5,181,475.48	\$ 5,591,534.41	\$ 24,602,508.70
4	Transmission Integrity	\$ 992,895.06	\$ 1,702,416.57	\$ 2,695,311.63	\$ 167,255,749.51
5	Total	\$ 1,402,964.22	\$ 6,921,461.99	\$ 8,324,426.21	\$ 197,762,215.91
Joint Property: CO3-State					
6	OASIS Project (Work & Asset Management System)	\$ 1,097,111.66	\$ 14,121,451.27	\$ 15,218,562.93	\$ 105,259,610.81
7	TN % of CO-3 for Current Month ⁴	17.16%			
8	Total Allocated to TN	\$ 188,264.36	\$ 2,423,241.04	\$ 2,611,505.40	\$ 18,796,570.50
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 1,591,228.58	\$ 9,344,703.03	\$ 10,935,931.61	\$ 216,558,786.41
10	Less: Amount Included in the Attrition Period ⁵	\$ -		\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 1,591,228.58	\$ 9,344,703.03	\$ 10,935,931.61	\$ 183,658,786.41

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	June 2016
1	CORR-Corrosion Control	FP1733548	17	Nashville Distribution Remediation	1.97
2	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	4.74
3	CORR-Corrosion Control	FP1734289	17	Bridge Attachments Nashville	3.52
4	DIMP-Distribution Integrity	FP1733765	17	McGavock Pike	4,377.19
5	DIMP-Distribution Integrity	FP1733766	17	Overhill Circle	110,760.93
6	DIMP-Distribution Integrity	FP1733767	17	Fesslers LN	1.24
7	DIMP-Distribution Integrity	FP1733768	17	Raymond ST	1.42
8	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	45,369.52
9	DIMP-Distribution Integrity	FP1733945	17	Old Hickory Blvd. @ Logistics Way R	(30,365.83)
10	DIMP-Distribution Integrity	FP1733946	17	State Rte 45 Over Cumberland River	10,299.35
11	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd. Over RR S of I-440	143,880.52
12	DIMP-Distribution Integrity	FP1734027	17	Donelson St @ Robertson St	8,625.00
13	DIMP-Distribution Integrity	FP1734040	17	Metro Water Building Valve Replace	3,047.73
14	DIMP-Distribution Integrity	FP1734137	17	Overton St	90,740.50
15	DIMP-Distribution Integrity	FP1734138	17	Electric Avenue Project	1.52
16	DIMP-Distribution Integrity	FP1734239	17	47th Ave North	23,274.16
17	DIMP-Distribution Integrity	FP1734378	17	Overton Lea DIMP	45.68
18	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	93,329.78
19	TIMP-Transmission Integrity	FP1733747	17	White Bridge Road at Charlotte	(2,036.45)
20	TIMP-Transmission Integrity	FP1733929	17	White Bridge Road @ Post Rd. r	890,394.36
21	TIMP-Transmission Integrity	FP1733950	17	County Hospital Rd Station LNG	601.75
22	TIMP-Transmission Integrity	FP1733989	17	Line 310 T Cut Out R1	2,496.12
23	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	6,146.02
24	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	1,963.48
25	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	1,097,111.66

Total (unallocated)

\$ 2,500,075.88

26 subtotal: TN Direct (unallocated)

\$ 1,402,964.22

27 subtotal: CO-3 (unallocated)

\$ 1,097,111.66

\$ 2,500,075.88

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>Jun-16</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 272,726.91
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	764,225.07
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(653,847.16)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	383,104.82
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	327,915.87
6	Accrued Interest	<i>Line 5 * Line 9</i>	945.38
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 384,050.20
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>	\$ 384,050.20
11	Variance	<i>Line 7 - Line 10</i>	\$ 0.00

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	764,225.07
01 01 48010 3 17 6220 489	(455,814.41)
01 01 48110 3 17 6220 489	(238,537.57)
01 01 48120 3 17 6220 489	(10,210.05)
01 01 48300 3 17 6220 489	(213.98)
01 01 48900 3 17 6220 489	(59,449.06)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	945.38
01 01 43101 3 17 6220 626	(945.38)

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:

		June - 2016		
<u>Line No.</u>		IM Adjustment (\$ per therm)	x Usage (therms)	= Collections (\$)
1	Residential (301)	0.10144	2,712,281	275,133.78
2	Small Commerical (302)	0.08861	2,122,682	188,090.85
3	Medium Commerical (352)	0.08861	737,447	65,345.18
4	Firm Lg General Sales (303)	0.03936	396,253	15,596.52
5	Firm Lg General Transportation (313)	0.03936	1,106,745	43,561.48
6	Firm Resale (310)	0.03936	-	-
7	Interruptible Lg General Sales (304)	0.00984	13,314	131.01
8	Interruptible Lg General Transportation (314)	0.00984	6,706,132	65,988.34
9	Total			<u>\$ 653,847.16</u>

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	275,133.78
01 01 48110 3 17 6220 489	188,090.85
01 01 48110 3 17 6220 489	65,345.18
01 01 48120 3 17 6220 489	15,596.52
01 01 48900 3 17 6220 489	43,561.48
01 01 48300 3 17 6220 489	-
01 01 48110 3 17 6220 489	131.01
01 01 48900 3 17 6220 489	65,988.34
01 01 25351 3 17 6250 489	(653,847.16)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on August 15, 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


