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T.R.A. DOCKET ROOM
January 17, 2017

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 November 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 November 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

Enclosures

cc: Emily Knight

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

		Current Vintage Year: Vintage Year 5			All Vintage Years
Line No.		November 2016 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of November 2016 ³	Cumulative Capital Expenditure as of November 2016 ⁶
	<i>TN Direct</i>				
1	Corrosion Control	\$ 112,554.64	\$ -	\$ 112,554.64	\$ 5,309,518.53
2	Casing Remediation	\$ -	\$ -	\$ -	\$ 742,803.13
3	Distribution Integrity	\$ 1,375,985.54	\$ -	\$ 1,375,985.54	\$ 30,353,719.71
4	Transmission Integrity	\$ 773,317.24	\$ -	\$ 773,317.24	\$ 171,612,476.31
5	Total	\$ 2,261,857.42	\$ -	\$ 2,261,857.42	\$ 208,018,517.68
	<i>Joint Property: CO3-State</i>				
6	OASIS Project (Work & Asset Management System)	\$ 922,894.87	\$ -	\$ 922,894.87	\$ 112,862,820.40
7	TN % of CO-3 for Current Month ⁴	16.50%			
8	Total Allocated to TN	\$ 152,277.65	\$ -	\$ 152,277.65	\$ 20,095,190.16
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 2,414,135.07	\$ -	\$ 2,414,135.07	\$ 228,113,707.84
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 2,414,135.07	\$ -	\$ 2,414,135.07	\$ 195,213,707.84

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, 3 and 4, which captures amounts through 10/31/16, is \$192,799,572.77 (\$100,306,282.52 for Vintage Year 1, \$53,974,676.19 for Vintage Year 2, \$18,441,896.09 for Vintage Year 3 & \$20,076,717.97 for Vintage Year 4).

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	November 2016
1	CORR-Corrosion Control	FP1733548	17	Nashville Distribution Remediation	56,205.02
2	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	2,871.11
3	CORR-Corrosion Control	FP1734289	17	Bridge Attachments Nashville	88.25
4	CORR-Corrosion Control	FP1734481	17	Magnesium Anode Beds - Nashville	53,390.26
5	DIMP-Distribution Integrity	FP1733763	17	Harding Place	5,514.35
6	DIMP-Distribution Integrity	FP1733765	17	McGavock Pike	18,383.21
7	DIMP-Distribution Integrity	FP1733766	17	Overhill Circle	72,560.72
8	DIMP-Distribution Integrity	FP1733767	17	Fesslers LN	39.45
9	DIMP-Distribution Integrity	FP1733768	17	Raymond ST	136,669.26
10	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	86,434.88
11	DIMP-Distribution Integrity	FP1733946	17	State Rte 45 Over Cumberland River	820.39
12	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd. Over RR S of I-440	108,678.61
13	DIMP-Distribution Integrity	FP1734137	17	Overton St	147.34
14	DIMP-Distribution Integrity	FP1734138	17	Electric Avenue Project	28,321.23
15	DIMP-Distribution Integrity	FP1734378	17	Overton Lea DIMP	18,627.64
16	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Road at ForestVie	1,698.92
17	DIMP-Distribution Integrity	FP1734478	17	3rd Ave North Steel Replacement	388,806.10
18	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Lane	509,283.44
19	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	50,980.23
20	TIMP-Transmission Integrity	FP1733929	17	White Bridge Road @ Post Rd. r	528,013.91
21	TIMP-Transmission Integrity	FP1733950	17	County Hospital Rd Station LNG	1,246.05
22	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	152,069.78
23	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	41,007.27
24	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	922,894.87
25	Total (unallocated)				\$ 3,184,752.29
26	<i>subtotal: TN Direct (unallocated)</i>				<i>\$ 2,261,857.42</i>
27	<i>subtotal: CO-3 (unallocated)</i>				<i>\$ 922,894.87</i>
					\$ 3,184,752.29

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>Nov-16</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 1,443,288.57
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	1,851,810.38
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(888,136.43)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	2,406,962.52
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	1,925,125.55
6	Accrued Interest	<i>Line 5 * Line 9</i>	5,615.59
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 2,412,578.11
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.035000
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.002917
10	Actual GL #25351 EOM Balance	<i>per GL</i>	\$ 2,412,578.11
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	1,851,810.38
01 01 48010 3 17 6220 489	(1,104,493.78)
01 01 48110 3 17 6220 489	(578,005.57)
01 01 48120 3 17 6220 489	(24,740.19)
01 01 48300 3 17 6220 489	(518.51)
01 01 48900 3 17 6220 489	(144,052.33)
	-

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	5,615.59
01 01 43101 3 17 6220 626	(5,615.59)

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:

		November - 2016			
		IM Adjustment		Usage	Collections
		(\$ per therm)	x	(therms)	= (\$)
<u>Line No.</u>					
1	Residential (301)	0.10144		3,986,067	404,346.64
2	Small Commerical (302)	0.08861		2,552,763	226,200.33
3	Medium Commerical (352)	0.08861		1,016,771	90,096.08
4	Firm Lg General Sales (303)	0.03936		605,235	23,822.05
5	Firm Lg General Transportation (313)	0.03936		1,680,140	66,130.31
6	Firm Resale (310)	0.03936		-	-
7	Interruptible Lg General Sales (304)	0.00984		15,597	153.47
8	Interruptible Lg General Transportation (314)	0.00984		7,864,588	77,387.55
9	Total				\$ 888,136.43

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	404,346.64
01 01 48110 3 17 6220 489	226,200.33
01 01 48110 3 17 6220 489	90,096.08
01 01 48120 3 17 6220 489	23,822.05
01 01 48900 3 17 6220 489	66,130.31
01 01 48300 3 17 6220 489	-
01 01 48110 3 17 6220 489	153.47
01 01 48900 3 17 6220 489	77,387.55
01 01 25351 3 17 6250 489	(888,136.43)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on January 17, 2017, a copy of the attached was served on 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
P. O. Box 20207
Nashville TN 37202
Emily.Knight@ag.tn.gov

R. J. McInnes