

BASS BERRY + SIMS^{PC}

A PROFESSIONAL LIMITED LIABILITY COMPANY
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March 15, 2017

Via Email and
Hand Delivery

David Foster
Chief, Utility Division
Tennessee Regulatory Authority
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

***Re: Petition of Piedmont Natural Gas Company 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 January 31, 2017.

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 January 31, 2017.

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

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

		Current Vintage Year: Vintage Year 5			All Vintage Years
Line No.		January 2017 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of January 2017 ³	Cumulative Capital Expenditure as of January 2017 ⁶
	<i>TN Direct</i>				
1	Corrosion Control	\$ 51,543.88	\$ 156,189.05	\$ 207,732.93	\$ 5,404,696.82
2	Casing Remediation	\$ -	\$ -	\$ -	\$ 742,803.13
3	Distribution Integrity	\$ 2,159,275.58	\$ 2,658,917.23	\$ 4,818,192.81	\$ 33,795,926.98
4	Transmission Integrity	\$ 273,850.62	\$ 1,173,077.75	\$ 1,446,928.37	\$ 172,286,087.44
5	Total	\$ 2,484,670.08	\$ 3,988,184.03	\$ 6,472,854.11	\$ 212,229,514.37
	<i>Joint Property: CO3-State</i>				
6	OASIS Project (Work & Asset Management System)	\$ 826,258.18	\$ 7,966,499.11	\$ 8,792,757.29	\$ 120,732,682.82
7	TN % of CO-3 for Current Month ⁴	16.30%			
8	Total Allocated to TN	\$ 134,680.08	\$ 1,314,472.35	\$ 1,449,152.43	\$ 21,392,064.94
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 2,619,350.16	\$ 5,302,656.38	\$ 7,922,006.54	\$ 233,621,579.31
10	Less: Amount Included in the Attrition Period ⁵	\$ -		\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 2,619,350.16	\$ 5,302,656.38	\$ 7,922,006.54	\$ 200,721,579.31

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	January 2017
1	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	9,940.56
2	CORR-Corrosion Control	FP1734289	17	Bridge Attachments Nashville	811.64
3	CORR-Corrosion Control	FP1734292	17	Upgrd NASH 2G to 3 G Comm Radio	7,660.70
4	CORR-Corrosion Control	FP17374389	17	FY17 Rectifier Monitors (Nashville)	22,072.03
5	CORR-Corrosion Control	FP1734481	17	Magnesium Anode Beds - Nashville	11,058.95
6	DIMP-Distribution Integrity	FP1733753	17	3rd and Hart renewal-upgrade	1,063.89
7	DIMP-Distribution Integrity	FP1733763	17	Harding Place	1,176.70
8	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	248.05
9	DIMP-Distribution Integrity	FP1733765	17	McGavock Pike	138,317.76
10	DIMP-Distribution Integrity	FP1733766	17	Overhill Circle	11,100.94
11	DIMP-Distribution Integrity	FP1733767	17	Fessler's LN	111,089.41
12	DIMP-Distribution Integrity	FP1733768	17	Raymond ST	124,781.80
13	DIMP-Distribution Integrity	FP1733885	17	2nd Ave North 14" Replacement	16,867.01
14	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	712,306.18
15	DIMP-Distribution Integrity	FP1733938	17	23rd Ave N @ Osage St	11,718.83
16	DIMP-Distribution Integrity	FP1733946	17	State Rte 45 Over Cumberland River	1,356.80
17	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd. Over RR S of I-440	135,174.22
18	DIMP-Distribution Integrity	FP1734137	17	Overton St.	239,877.91
19	DIMP-Distribution Integrity	FP1734138	17	Electric Avenue Project	39,344.63
20	DIMP-Distribution Integrity	FP1734378	17	Overton Lea DIMP	4,169.35
21	DIMP-Distribution Integrity	FP1734409	17	Monroe Harding Childrens Home	539.23
22	DIMP-Distribution Integrity	FP1734410	17	Georgia Ave Renewal	67,761.99
23	DIMP-Distribution Integrity	FP1734412	17	Vine Ridge Drive	24,839.02
24	DIMP-Distribution Integrity	FP1734413	17	McMurray Blvd Royal Elm Circle	44,273.27
25	DIMP-Distribution Integrity	FP1734414	17	Dreamland Drive Greenbrier Tn.	803.38
26	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	166.84
27	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	239.83
28	DIMP-Distribution Integrity	FP1734417	17	Rayon Drive Renewal	1.70
29	DIMP-Distribution Integrity	FP1734419	17	Rosedale Ave	1.87
30	DIMP-Distribution Integrity	FP1734420	17	Snyder Street @ Lovell Street	57,506.60
31	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd _ DIM	297,958.11
32	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Road at ForestVie	11,909.90
33	DIMP-Distribution Integrity	FP1734478	17	3rd Ave North Steel Replacement	80,088.19
34	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Lane	23,465.37
35	DIMP-Distribution Integrity	FP1734569	17	Enviro Science DIMP Project	894.45
36	DIMP-Distribution Integrity	FP1734592	17	Elm Hill Park Ext	232.35
37	TIMP-Transmission Integrity	FP1733929	17	White Bridge Road @ Post Rd. r	40,885.72
38	TIMP-Transmission Integrity	FP1733950	17	County Hospital Rd Station LNG	101.64
39	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	184,210.10
40	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	48,653.16
41	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	826,258.18
42	Total (unallocated)				\$ 3,310,928.26
43	<i>subtotal: TN Direct (unallocated)</i>				<i>\$ 2,484,670.08</i>
44	<i>subtotal: CO-3 (unallocated)</i>				<i>\$ 826,258.18</i>
					\$ 3,310,928.26

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>Jan-17</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 2,852,263.29
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	3,671,158.59 1/
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(3,423,398.84)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	3,100,023.04
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	2,976,143.17
6	Accrued Interest	<i>Line 5 * Line 9</i>	8,681.41
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 3,108,704.45
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>	\$ 3,108,704.45
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	3,671,158.59
01 01 48010 3 17 6220 489	(2,189,625.83)
01 01 48110 3 17 6220 489	(1,145,401.49)
01 01 48120 3 17 6220 489	(49,523.93)
01 01 48300 3 17 6220 489	(1,027.92)
01 01 48900 3 17 6220 489	(285,579.42)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	8,681.41
01 01 43101 3 17 6220 626	(8,681.41)

1/ Amount identical to that recorded in January 2016, pursuant to Piedmont's Annual IMR Report filed 11/30/2015. The amount recorded for January 2017 is subject to update in TRA Docket No. 16-00140.

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		January - 2017			
<u>Line No.</u>		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.10144		21,278,516	2,158,492.66
2	Small Commerical (302)	0.08861		8,598,099	761,877.55
3	Medium Commerical (352)	0.08861		3,196,436	283,236.19
4	Firm Lg General Sales (303)	0.03936		920,465	36,229.50
5	Firm Lg General Transportation (313)	0.03936		2,166,394	85,269.27
6	Firm Resale (310)	0.03936		-	-
7	Interruptible Lg General Sales (304)	0.00984		18,455	181.60
8	Interruptible Lg General Transportation (314)	0.00984		9,970,739	98,112.07
9	Total				\$ 3,423,398.84

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	2,158,492.66
01 01 48110 3 17 6220 489	761,877.55
01 01 48110 3 17 6220 489	283,236.19
01 01 48120 3 17 6220 489	36,229.50
01 01 48900 3 17 6220 489	85,269.27
01 01 48300 3 17 6220 489	-
01 01 48110 3 17 6220 489	181.60
01 01 48900 3 17 6220 489	98,112.07
01 01 25351 3 17 6250 489	(3,423,398.84)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 15, 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
Email: emily.knight@ag.tn.gov


