

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

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T.R.A. DECKLE ROOM

May 15, 2017

**Via Email**  
**and Hand-Delivery**

David Foster  
Chief, Utility Division  
Tennessee Public Utilities Commission  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

**Re: *Piedmont Natural Gas Company, Inc.***  
***Integrity Management Rider Monthly Report***

Dear Mr. Foster:

Enclosed is Piedmont Natural Gas Company's ("Piedmont" or "Company") Integrity Management Rider ("IMR") Monthly Report for the month ending March 31, 2017.

Paragraph 7 of Piedmont's Service Schedule 317 requires monthly IMR 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 IMR monthly report for the month ending March 31, 2017. Schedules 3 and 4 have been prepared in order to reflect the Tennessee Public Utility Commission's April 10, 2017 ruling in Docket No. 16-00140.

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

cc: Pia Powers  
Bruce Barkley  
James Jeffries  
Michelle Ramsey  
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.		March 2017 Capital Expenditure <sup>1</sup>	Prior Cumulative Capital Expenditure <sup>2</sup>	Cumulative Capital Expenditure as of March 2017 <sup>3</sup>	Cumulative Capital Expenditure as of March 2017 <sup>6</sup>
<i>TN Direct</i>					
1	Corrosion Control	\$ 38,123.51	\$ 255,260.96	\$ 293,384.47	\$ 5,490,348.36
2	Casing Remediation	\$ -	\$ -	\$ -	\$ 742,803.13
3	Distribution Integrity	\$ 2,240,849.73	\$ 7,754,551.54	\$ 9,995,401.27	\$ 38,973,135.44
4	Transmission Integrity	\$ 298,339.45	\$ 1,803,720.45	\$ 2,102,059.90	\$ 172,941,218.97
5	Total	\$ 2,577,312.69	\$ 9,813,532.95	\$ 12,390,845.64	\$ 218,147,505.90
<i>Joint Property: CO3-State</i>					
6	OASIS Project (Work & Asset Management System)	\$ 1,135,806.38	\$ 9,943,659.29	\$ 11,079,465.67	\$ 123,019,391.20
7	TN % of CO-3 for Current Month <sup>4</sup>	16.30%			
8	Total Allocated to TN	\$ 185,136.44	\$ 1,636,749.46	\$ 1,821,885.90	\$ 21,764,798.41
9	Total Capital Expenditures (Line 5 + Line 8)	\$ 2,762,449.13	\$ 11,450,282.41	\$ 14,212,731.54	\$ 239,912,304.31
10	Less: Amount Included in the Attrition Period <sup>5</sup>	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	<b>Total Integrity Management Investment</b>	<b>\$ 2,762,449.13</b>	<b>\$ 11,450,282.41</b>	<b>\$ 14,212,731.54</b>	<b>\$ 207,012,304.31</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, 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	March 2017
1	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	859.33
2	CORR-Corrosion Control	FP1734289	17	Bridge Attachments Nashville	37,016.95
3	CORR-Corrosion Control	FP1734388	17	Nashville MAG Anode 2017	99.74
4	CORR-Corrosion Control	FP1734389	17	FY17 Rectifier Monitors (Nashville)	147.49
5	DIMP-Distribution Integrity	FP1733763	17	Harding Place	22,356.33
6	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	1.60
7	DIMP-Distribution Integrity	FP1733767	17	Fesslers LN	366,914.78
8	DIMP-Distribution Integrity	FP1733768	17	Raymond ST	(2,602.34)
9	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	660,919.80
10	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd. Over RR S of I-440	4,315.39
11	DIMP-Distribution Integrity	FP1734410	17	Georgia Ave Renewal	6,882.70
12	DIMP-Distribution Integrity	FP1734411	17	Knapp Blvd.	9,656.87
13	DIMP-Distribution Integrity	FP1734412	17	Vine Ridge Drive	179,896.81
14	DIMP-Distribution Integrity	FP1734413	17	McMurray Blvd Royal Elm Circle	42,727.61
15	DIMP-Distribution Integrity	FP1734414	17	Dreamland Drive Greenbrier Tn.	65,481.58
16	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	6,841.68
17	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	6,314.42
18	DIMP-Distribution Integrity	FP1734417	17	Rayon Drive Renewal	1.73
19	DIMP-Distribution Integrity	FP1734418	17	Turner St Renewal	16,055.48
20	DIMP-Distribution Integrity	FP1734419	17	Rosedale Ave	292,782.31
21	DIMP-Distribution Integrity	FP1734420	17	Snyder Street @ Lovell Street	103,906.25
22	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	265.63
23	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd _ DIM	382,475.31
24	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Road at ForestVie	2,367.64
25	DIMP-Distribution Integrity	FP1734478	17	3rd Ave North Steel Replacement	5,821.29
26	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Lane	11,096.35
27	DIMP-Distribution Integrity	FP1734569	17	Enviro Science DIMP Project	51,438.95
28	DIMP-Distribution Integrity	FP1734592	17	Elm Hill Park Ext	1.50
29	DIMP-Distribution Integrity	FP1734614	17	Loretta Drive Replacement	4,930.06
30	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	3,216.91
31	TIMP-Transmission Integrity	FP1733929	17	White Bridge Road @ Post Rd.	18,876.39
32	TIMP-Transmission Integrity	FP1733950	17	County Hospital Rd Station LNG	0.81
33	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	244,485.31
34	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	31,760.03
35	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	1,135,806.38

**Total (unallocated)**

**\$ 3,713,119.07**

36 subtotal: TN Direct (unallocated)

\$ 2,577,312.69

37 subtotal: CO-3 (unallocated)

\$ 1,135,806.38

**\$ 3,713,119.07**

**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>Mar-17</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 4,546,793.18
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	2,851,853.96 1/
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(2,070,489.51)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	5,328,157.63
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	4,937,475.41
6	Accrued Interest	<i>Line 5 * Line 9</i>	14,402.62
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 5,342,560.25
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>	\$ 5,342,560.25
11	Variance	<i>Line 7 - Line 10</i>	\$ -

**Journal Entry: To Record Revenue**

01 01 25351 3 17 6250 489	2,851,853.96
01 01 48010 3 17 6220 489	(1,700,959.78)
01 01 48110 3 17 6220 489	(889,778.43)
01 01 48120 3 17 6220 489	(38,471.51)
01 01 48300 3 17 6220 489	(798.52)
01 01 48900 3 17 6220 489	(221,845.72)

**Journal Entry: To Record Interest**

01 01 25351 3 17 6250 626	14,402.62
01 01 43101 3 17 6220 626	(14,402.62)

1/ Pursuant to the TPUC's April 10, 2017 ruling in Docket No. 16-00140, this schedule reflects the approved monthly amortization of the annual Integrity Management Revenue Requirement from Piedmont's 2016 Annual Integrity Management Rider Report, which was filed by the Company on November 30, 2016.

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:

		March - 2017			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.10144		12,163,554	1,233,870.92
2	Small Commerical (302)	0.08861		5,313,493	470,828.61
3	Medium Commerical (352)	0.08861		1,978,912	175,351.39
4	Experimental Motor Vehicle Fuel (343/352)	0.08861		2,017	178.73
5	Firm Lg General Sales (303)	0.03936		636,500	25,052.64
6	Experimental Motor Vehicle Fuel (343/303)	0.03936		124,963	4,918.54
7	Firm Lg General Transportation (313)	0.03936		1,832,596	72,130.98
8	Experimental Motor Vehicle Fuel (343/313)	0.03936		13,068	514.36
9	Firm Resale (310)	0.03936		99	3.90
10	Interruptible Lg General Sales (304)	0.00984		17,323	170.46
11	Interruptible Lg General Transportation (314)	0.00984		8,889,124	87,468.98
12	<b>Total</b>				<b>\$ 2,070,489.51</b>

**Journal Entry: To Record Collections**

01 01 48010 3 17 6220 489	1,233,870.92
01 01 48110 3 17 6220 489	470,828.61
01 01 48110 3 17 6220 489	175,530.12
01 01 48120 3 17 6220 489	29,971.18
01 01 48900 3 17 6220 489	72,645.34
01 01 48300 3 17 6220 489	3.90
01 01 48110 3 17 6220 489	170.46
01 01 48900 3 17 6220 489	87,468.98
01 01 25351 3 17 6250 489	(2,070,489.51)

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on May 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

*R. J. Minnis*

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