

June 14, 2017

Via Email

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

13-00118

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

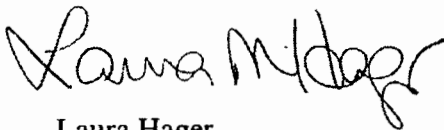
Dear Mr. Foster:

Enclosed is Piedmont Natural Gas Company's ("Piedmont" or "Company") Integrity Management Rider ("IMR") Monthly Report for the month ending April 30, 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 April 30, 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 704-731-4356 or laura.hager@piedmontng.com.

Sincerely,



Laura Hager
Regulatory Analyst

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.		April 2017 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of April 2017 ³	Cumulative Capital Expenditure as of April 2017 ⁶
<i>TN Direct</i>					
1	Corrosion Control	\$ 111,819.36	\$ 293,384.47	\$ 405,203.83	\$ 5,602,167.72
2	Casing Remediation	\$ -	\$ -	\$ -	\$ 742,803.13
3	Distribution Integrity	\$ 3,087,864.90	\$ 9,995,401.27	\$ 13,083,266.17	\$ 42,061,000.34
4	Transmission Integrity	\$ 99,791.69	\$ 2,102,059.90	\$ 2,201,851.59	\$ 173,041,010.66
5	Total	\$ 3,299,475.95	\$ 12,390,845.64	\$ 15,690,321.59	\$ 221,446,981.85
<i>Joint Property: CO3-State</i>					
6	OASIS Project (Work & Asset Management System)	\$ 875,683.12	\$ 11,079,465.67	\$ 11,955,148.79	\$ 123,895,074.32
7	TN % of CO-3 for Current Month ⁴	16.30%			
8	Total Allocated to TN	\$ 142,736.35	\$ 1,821,885.90	\$ 1,964,622.25	\$ 21,907,534.76
9	Total Capital Expenditures (Line 5 + Line 8)	\$ 3,442,212.30	\$ 14,212,731.54	\$ 17,654,943.84	\$ 243,354,516.61
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 3,442,212.30	\$ 14,212,731.54	\$ 17,654,943.84	\$ 210,454,516.61

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	April 2017
1	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	4,128.93
2	CORR-Corrosion Control	FP1734289	17	Bridge Attachments Nashville	105,963.49
3	CORR-Corrosion Control	FP1734388	17	Nashville MAG Anode 2017	1,578.50
4	CORR-Corrosion Control	FP1734389	17	FY17 Rectifier Monitors (Nashville)	148.44
5	DIMP-Distribution Integrity	FP1733763	17	Harding Place	37,690.37
6	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	1.61
7	DIMP-Distribution Integrity	FP1733765	17	McGavock Pike	768.33
8	DIMP-Distribution Integrity	FP1733766	17	Overhill Circle	5,442.51
9	DIMP-Distribution Integrity	FP1733767	17	Fesslers LN	168,168.34
10	DIMP-Distribution Integrity	FP1733768	17	Raymond ST	121,611.89
11	DIMP-Distribution Integrity	FP1733885	17	2nd Ave North 14" Replacement	(13,523.15)
12	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	1,441,444.27
13	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd. Over RR 5 of I-440	2,497.46
14	DIMP-Distribution Integrity	FP1734378	17	Overton Lea DIMP	29,477.93
15	DIMP-Distribution Integrity	FP1734409	17	Monroe Harding Children's Home	3,300.24
16	DIMP-Distribution Integrity	FP1734410	17	Georgia Ave Renewal	3,158.52
17	DIMP-Distribution Integrity	FP1734411	17	Knapp Blvd.	61.98
18	DIMP-Distribution Integrity	FP1734412	17	Vine Ridge Drive	223,342.03
19	DIMP-Distribution Integrity	FP1734413	17	McMurray Blvd Royal Elm Circle	64,585.92
20	DIMP-Distribution Integrity	FP1734414	17	Dreamland Drive Greenbrier Tn.	37,228.59
21	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	19,137.70
22	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	5,631.88
23	DIMP-Distribution Integrity	FP1734417	17	Rayon Drive Renewal	1.74
24	DIMP-Distribution Integrity	FP1734418	17	Turner St Renewal	121,032.18
25	DIMP-Distribution Integrity	FP1734419	17	Rosedale Ave	131,207.36
26	DIMP-Distribution Integrity	FP1734420	17	Snyder Street @ Lovell Street	26,643.60
27	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	1.70
28	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd _ DIM	499,319.39
29	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Road at ForestVie	3,655.40
30	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Lane	11,515.96
31	DIMP-Distribution Integrity	FP1734569	17	Enviro Science DIMP Project	141,581.03
32	DIMP-Distribution Integrity	FP1734592	17	Elm Hill Park Ext	1.51
33	DIMP-Distribution Integrity	FP1734614	17	Loretta Drive Replacement	2,878.61
34	TIMP-Transmission Integrity	FP1733929	17	White Bridge Road @ Post Rd.	9,249.85
35	TIMP-Transmission Integrity	FP1733950	17	County Hospital Rd Station LNG	(102.85)
36	TIMP-Transmission Integrity	FP1734029	17	Line 310 Scheduled Digs	685.29
37	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	63,685.11
38	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	26,274.29
39	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	875,683.12

Total (unallocated)

\$ 4,175,159.07

40 subtotal: TN Direct (unallocated)

\$ 3,299,475.95

41 subtotal: CO-3 (unallocated)

\$ 875,683.12

\$ 4,175,159.07

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>Apr-17</u>	
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 5,342,560.25
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	1,842,916.11 1/
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(1,444,571.37)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	5,740,904.99
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	5,541,732.62
6	Accrued Interest	<i>Line 5 * Line 9</i>	17,135.04
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 5,758,040.03
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.037100
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.003092
10	Actual GL #25351 EOM Balance	<i>per GL</i>	\$ 5,758,040.03
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	1,842,916.11
01 01 48010 3 17 6220 489	(1,099,188.88)
01 01 48110 3 17 6220 489	(574,989.83)
01 01 48120 3 17 6220 489	(24,860.94)
01 01 48300 3 17 6220 489	(516.02)
01 01 48900 3 17 6220 489	(143,360.44)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	17,135.04
01 01 43101 3 17 6220 626	(17,135.04)

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.