Piedmont Natural Gas

July 17, 2017

Via Email

David Foster
Chief, Utility Division
Tennessee Public Utility 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 May 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 May 31, 2017.

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 M Hager

Laura Hager
Regulatory Analyst

cc: Pia Powers
Bruce Barkley
James Jeffries
Michelle Ramsey
Emily Knight

Piedmont Natural Gas Company, Inc.
Integrity Management Rider
State of Tennessee

Schedule 1

Cumulative Integrity Management Investment Amount

Actual Integrity Management Investment, by Integrity Project Type

Line No.		Current Vintage Year: Vintage Year 5			All Vintage Years
		May 2017 Capital Expenditure [1]	Prior Cumulative Capital Expenditure [2]	Cumulative Capital Expenditure as of May 2017 [3]	Cumulative Capital Expenditure as of May 2017 [6]
	TN Direct				
1	Corrosion Control	$ 32,852.77	$ 405,203.83	$ 438,056.60	$ 5,635,020.49
2	Casing Remediation	$ 455.90	$ -	$ 455.90	$ 743,259.03
3	Distribution Integrity	$ 1,817,558.08	$ 13,083,266.17	$ 14,900,824.25	$ 43,878,558.42
4	Transmission Integrity	$ 786,535.98	$ 2,201,851.59	$ 2,988,387.57	$ 173,827,546.64
5	Total	$ 2,637,402.73	$ 15,690,321.59	$ 18,327,724.32	$ 224,084,384.58
	Joint Property: CO3-State				
6	OASIS Project (Work & Asset Management System)	$ 1,418,196.23	$ 11,955,148.79	$ 13,373,345.02	$ 125,313,270.55
7	TN % of CO-3 for Current Month [4]	16.30%			
8	Total Allocated to TN	$ 231,165.99	$ 1,964,622.25	$ 2,195,788.24	$ 22,138,700.75
9	Total Capital Expenditures [Line 5 + Line 8]	$ 2,868,568.72	$ 17,654,943.84	$ 20,523,512.56	$ 246,223,085.33
10	Less: Amount Included in the Attrition Period [5]	$ -	$ -	$ -	$ 32,900,000.00
11	**Total Integrity Management Investment**	**$ 2,868,568.72**	**$ 17,654,943.84**	**$ 20,523,512.56**	**$ 213,323,085.33**

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).

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Integrity Management Rider
State of Tennessee

Schedule 2

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	May 2017
1	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	3,519.08
2	CORR-Corrosion Control	FP1734289	17	Bridge Attachments Nashville	(0.86)
3	CORR-Corrosion Control	FP1734388	17	Nashville MAG Anode 2017	29,334.55
4	CSNG-Casing & Remediation	FP1734373	17	Hartsville Casing Removal Proj	455.90
5	DIMP-Distribution Integrity	FP1733763	17	Harding Place	61,707.37
6	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	1.62
7	DIMP-Distribution Integrity	FP1733765	17	McGavock Pike	(983.80)
8	DIMP-Distribution Integrity	FP1733767	17	Fesslers LN	116,743.65
9	DIMP-Distribution Integrity	FP1733768	17	Raymond ST	37,518.09
10	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	525,319.79
11	DIMP-Distribution Integrity	FP1733938	17	23rd Ave N @ Osage St	(11,589.17)
12	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd. Over RR S of I-440	52,848.42
13	DIMP-Distribution Integrity	FP1734378	17	Overton Lea DIMP	10,499.19
14	DIMP-Distribution Integrity	FP1734409	17	Monroe Harding Children's Home	150.02
15	DIMP-Distribution Integrity	FP1734027	17	Donelson St @ Robertson St	(8,460.68)
16	DIMP-Distribution Integrity	FP1734410	17	Georgia Ave Renewal	161,510.39
17	DIMP-Distribution Integrity	FP1734411	17	Knapp Blvd.	2,513.30
18	DIMP-Distribution Integrity	FP1734412	17	Vine Ridge Drive	175,431.97
19	DIMP-Distribution Integrity	FP1734413	17	McMurray Blvd Royal Elm Circle	14,785.04
20	DIMP-Distribution Integrity	FP1734414	17	Dreamland Drive Greenbrier Tn.	7,803.85
21	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	(5,648.16)
22	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	12,189.56
23	DIMP-Distribution Integrity	FP1734417	17	Rayon Drive Renewal	18,774.60
24	DIMP-Distribution Integrity	FP1734418	17	Turner St Renewal	80,750.05
25	DIMP-Distribution Integrity	FP1734419	17	Rosedale Ave	104,107.43
26	DIMP-Distribution Integrity	FP1734420	17	Snyder Street @ Lovell Street	34,001.53
27	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	1.72
28	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd _ DIM	125,293.25
29	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Road at ForestVie	613.94
30	DIMP-Distribution Integrity	FP1734478	17	3rd Ave North Steel Replacement	46,153.71
31	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Lane	12,992.90
32	DIMP-Distribution Integrity	FP1734569	17	Enviro Science DIMP Project	66,339.61
33	DIMP-Distribution Integrity	FP1734592	17	Elm Hill Park Ext	1.52
34	DIMP-Distribution Integrity	FP1734614	17	Loretta Drive Replacement	164,015.64
35	DIMP-Distribution Integrity	FP1734653	17	Blue Hole Rd HDD	11,341.58
36	DIMP-Distribution Integrity	FP1734656	17	Richard Jones Rd @ Hillsboro P	830.15
37	TIMP-Transmission Integrity	FP1733929	17	White Bridge Road @ Post Rd.	4,752.15
38	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	721,699.97
39	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	60,083.86
40	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	1,418,196.23

	Total (unallocated)	**$ 4,055,598.96**
41	*subtotal: TN Direct (unallocated)*	*$ 2,637,402.73*
42	*subtotal: CO-3 (unallocated)*	*$ 1,418,196.23*
		$ 4,055,598.96

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Integrity Management Rider
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Schedule 3

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

Line No.			May-17
1	Beginning Balance	*Prior Month's IMR Report*	$ 5,758,040.03
2	IMR Revenue Recognition	*Prior Annual IMR Report*	1,166,798.45
3	(Collections from IM Adjustment)	*see Separate Schedule*	(1,002,035.68)
4	Ending Balance Before Interest	*sum Lines 1 thru 3*	5,922,802.80
5	Average Balance	*(Line 1 + Line 4) /2*	5,840,421.42
6	Accrued Interest	*Line 5 * Line 9*	18,058.58
7	Ending Balance After Interest	*Line 4 + Line 6*	$ 5,940,861.38
8	Applicable Annual Interest Rate	*same as for ACA*	0.037100
9	Monthly Interest Rate	*Line 8 / 12*	0.003092
10	Actual GL #25351 EOM Balance	*per GL*	$ 5,940,861.38
11	Variance	*Line 7 - Line 10*	$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	1,166,798.45
01 01 48010 3 17 6220 489	(695,925.27)
01 01 48110 3 17 6220 489	(364,041.12)
01 01 48120 3 17 6220 489	(15,740.11)
01 01 48300 3 17 6220 489	(326.70)
01 01 48900 3 17 6220 489	(90,765.25)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	18,058.58
01 01 43101 3 17 6220 626	(18,058.58)

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Schedule 4

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		May - 2017				
		IM Adjustment ($ per therm)	x	Usage (therms)	=	Collections ($)
Line No.						
1	Residential (301)	0.13124		3,466,722		454,972.60
2	Small Commerical (302)	0.11465		2,321,793		266,193.57
3	Medium Commerical (352)	0.11465		857,790		98,345.62
4	Experimental Motor Vehicle Fuel (343/352)	0.11465		4,184		479.70
5	Firm Lg General Sales (303)	0.05092		351,076		17,876.79
6	Experimental Motor Vehicle Fuel (343/303)	0.05092		150,061		7,641.11
7	Firm Lg General Transportation (313)	0.05092		1,229,665		62,614.54
8	Experimental Motor Vehicle Fuel (343/313)	0.05092		7,418		377.72
9	Firm Resale (310)	0.05092		11		0.56
10	Interruptible Lg General Sales (304)	0.01273		12,983		165.27
11	Interruptible Lg General Transportation (314)	0.01273		7,334,501		93,368.20
12	**Total**					**$ 1,002,035.68**

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	454,972.60
01 01 48110 3 17 6220 489	266,193.57
01 01 48110 3 17 6220 489	98,825.32
01 01 48120 3 17 6220 489	25,517.90
01 01 48900 3 17 6220 489	62,992.26
01 01 48300 3 17 6220 489	0.56
01 01 48110 3 17 6220 489	165.27
01 01 48900 3 17 6220 489	93,368.20
01 01 25351 3 17 6250 489	(1,002,035.68)