



August 14, 2017

Via Email

David Foster  
Chief, Utility Division  
Tennessee Public Utility 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 June 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 June 30, 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](mailto:laura.hager@piedmontng.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Hager", written over a horizontal line.

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**

Line No.		Current Vintage Year: Vintage Year 5			All Vintage Years
		June 2017 Capital Expenditure <sup>1</sup>	Prior Cumulative Capital Expenditure <sup>2</sup>	Cumulative Capital Expenditure as of June 2017 <sup>3</sup>	Cumulative Capital Expenditure as of June 2017 <sup>6</sup>
	<i>TN Direct</i>				
1	Corrosion Control	\$ 37,980.27	\$ 438,056.60	\$ 476,036.87	\$ 5,673,000.76
2	Casing Remediation	\$ 17,516.05	\$ 455.90	\$ 17,971.95	\$ 760,775.08
3	Distribution Integrity	\$ 1,338,128.99	\$ 14,900,824.25	\$ 16,238,953.24	\$ 45,216,687.41
4	Transmission Integrity	\$ 778,242.07	\$ 2,988,387.57	\$ 3,766,629.64	\$ 174,605,788.71
5	Total	\$ 2,171,867.38	\$ 18,327,724.32	\$ 20,499,591.70	\$ 226,256,251.96
	<i>Joint Property: CO3-State</i>				
6	OASIS Project (Work & Asset Management System)	\$ 1,116,467.99	\$ 13,373,345.02	\$ 14,489,813.01	\$ 126,429,738.54
7	TN % of CO-3 for Current Month <sup>4</sup>	16.30%			
8	Total Allocated to TN	\$ 181,984.28	\$ 2,195,788.24	\$ 2,377,772.52	\$ 22,320,685.03
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 2,353,851.66	\$ 20,523,512.56	\$ 22,877,364.22	\$ 248,576,936.99
10	Less: Amount Included in the Attrition Period <sup>5</sup>	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	<b>Total Integrity Management Investment</b>	<b>\$ 2,353,851.66</b>	<b>\$ 20,523,512.56</b>	<b>\$ 22,877,364.22</b>	<b>\$ 215,676,936.99</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	June 2017
1	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	\$ 239.55
2	CORR-Corrosion Control	FP1734289	17	Bridge Attachments Nashville	829.97
3	CORR-Corrosion Control	FP1734388	17	Nashville MAG Anode 2017	36,910.75
4	CSNG-Casing & Remediation	FP1734373	17	Hartsville Casing Removal Proj	17,516.05
5	DIMP-Distribution Integrity	FP1733763	17	Harding Place	28,431.61
6	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	34.08
7	DIMP-Distribution Integrity	FP1733766	17	Overhill Circle	(203.68)
8	DIMP-Distribution Integrity	FP1733767	17	Fesslers LN	63,022.19
9	DIMP-Distribution Integrity	FP1733768	17	Raymond ST	31,028.92
10	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	497,431.46
11	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd. Over RR 5 of I-440	7,340.16
12	DIMP-Distribution Integrity	FP1734408	17	3rd and Hart Station Valves	425.67
13	DIMP-Distribution Integrity	FP1734411	17	Knapp Blvd	3,742.30
14	DIMP-Distribution Integrity	FP1734412	17	Vine Ridge Drive	126,640.77
15	DIMP-Distribution Integrity	FP1734413	17	McMurray Blvd Royal Elm Circle	14,445.92
16	DIMP-Distribution Integrity	FP1734414	17	Dreamland Drive Greenbrier Tn.	4,048.05
17	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	129,403.37
18	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	54,486.71
19	DIMP-Distribution Integrity	FP1734417	17	Rayon Drive Renewal	45,136.65
20	DIMP-Distribution Integrity	FP1734418	17	Turner St Renewal	8,070.32
21	DIMP-Distribution Integrity	FP1734419	17	Rosedale Ave	104,670.69
22	DIMP-Distribution Integrity	FP1734420	17	Synder Street @ Lovell Street	555.16
23	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	1.73
24	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd = DIM	174,017.21
25	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Road at ForestVie	9,701.94
26	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Ln	7,254.78
27	DIMP-Distribution Integrity	FP1734569	17	Enviro Science DIMP Project	9,402.66
28	DIMP-Distribution Integrity	FP1734592	17	Elm Hill Pk Ext	2,998.45
29	DIMP-Distribution Integrity	FP1734614	17	Loretta Drive Replacement	5,877.11
30	DIMP-Distribution Integrity	FP1734653	17	Blue Hole Rd HDD	10,159.43
31	DIMP-Distribution Integrity	FP1734656	17	Richard Jones Rd @ Hillsboro P	5.33
32	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	(13,481.06)
33	TIMP-Transmission Integrity	FP1733929	17	White Bridge Road @ Post Rd. r	1,865.98
34	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	716,740.94
35	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	73,116.21
36	ISENP-Information Serv Enterprise	FP0026658	00	Work & Asset Management (OASIS)	1,116,467.99

Total (unallocated)

\$ 3,288,335.37

37 subtotal: TN Direct (unallocated)

\$ 2,171,867.38

38 subtotal: CO-3 (unallocated)

\$ 1,116,467.99

\$ 3,288,335.37

**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>Jun-17</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i> \$ 5,940,861.38
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i> 826,224.16
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i> (817,046.50)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i> 5,950,039.04
5	Average Balance	<i>(Line 1 + Line 4) / 2</i> 5,945,450.21
6	Accrued Interest	<i>Line 5 * Line 9</i> 18,383.33
7	Ending Balance After Interest	<i>Line 4 + Line 6</i> \$ 5,968,422.37
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> \$ 5,968,422.37
11	Variance	<i>Line 7 - Line 10</i> \$ -

**Journal Entry: To Record Revenue**

01 01 25351 3 17 6250 489	826,224.16
01 01 48010 3 17 6220 489	(492,793.14)
01 01 48110 3 17 6220 489	(257,781.94)
01 01 48120 3 17 6220 489	(11,145.76)
01 01 48300 3 17 6220 489	(231.34)
01 01 48900 3 17 6220 489	(64,271.98)

**Journal Entry: To Record Interest**

01 01 25351 3 17 6250 626	18,383.33
01 01 43101 3 17 6220 626	(18,383.33)

**General Ledger Support**

**Integrity Management Deferred Account Adjustment Recorded for the Month**

Calculation of the IM Adjustment Collections:

		June - 2017			
<u>Line No.</u>		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.13124		2,536,235	332,855.48
2	Small Commerical (302)	0.11465		2,133,039	244,552.92
3	Medium Commerical (352)	0.11465		651,111	74,649.88
4	Experimental Motor Vehicle Fuel (343/352)	0.11465		5,732	657.17
5	Firm Lg General Sales (303)	0.05092		297,734	15,160.62
6	Experimental Motor Vehicle Fuel (343/303)	0.05092		33,544	1,708.06
7	Firm Lg General Transportation (313)	0.05092		1,113,928	56,721.21
8	Experimental Motor Vehicle Fuel (343/313)	0.05092		132,954	6,770.02
9	Firm Resale (310)	0.05092		44	2.24
10	Interruptible Lg General Sales (304)	0.01273		35,179	447.83
11	Interruptible Lg General Transportation (314)	0.01273		6,560,964	83,521.07
12	<b>Total</b>				<b>\$ 817,046.50</b>

**Journal Entry: To Record Collections**

01 01 48010 3 17 6220 489	332,855.48
01 01 48110 3 17 6220 489	244,552.92
01 01 48110 3 17 6220 489	75,307.05
01 01 48120 3 17 6220 489	16,868.68
01 01 48900 3 17 6220 489	63,491.23
01 01 48300 3 17 6220 489	2.24
01 01 48120 3 17 6220 489	447.83
01 01 48900 3 17 6220 489	83,521.07
01 01 25351 3 17 6250 489	(817,046.50)

-