



July 14, 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 July 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 July 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,

A handwritten signature in black ink, appearing to read "Laura Hager".

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.		July 2017 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of July 2017 ³	Cumulative Capital Expenditure as of July 2017 ⁶
<i>TN Direct</i>					
1	Corrosion Control	\$ 27,681.61	\$ 476,036.87	\$ 503,718.48	\$ 5,700,682.37
2	Casing Remediation	\$ 52,455.19	\$ 17,971.95	\$ 70,427.14	\$ 813,230.27
3	Distribution Integrity	\$ 3,009,963.29	\$ 16,238,953.24	\$ 19,248,916.53	\$ 48,226,650.70
4	Transmission Integrity	\$ 3,131,914.52	\$ 3,766,629.64	\$ 6,898,544.16	\$ 177,737,703.23
5	Total	\$ 6,222,014.61	\$ 20,499,591.70	\$ 26,721,606.31	\$ 232,478,266.57
<i>Joint Property: CO3-State</i>					
6	OASIS Project (Work & Asset Management System)	\$ 1,468,126.26	\$ 14,489,813.01	\$ 15,957,939.27	\$ 127,897,864.80
7	TN % of CO-3 for Current Month ⁴	16.30%			
8	Total Allocated to TN	\$ 239,304.58	\$ 2,377,772.52	\$ 2,617,077.10	\$ 22,559,989.61
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 6,461,319.19	\$ 22,877,364.22	\$ 29,338,683.41	\$ 255,038,256.18
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 6,461,319.19	\$ 22,877,364.22	\$ 29,338,683.41	\$ 222,138,256.18

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	July 2017
1	CORR-Corrosion Control	FP1734388	17	Nashville MAG Anode 2017	\$ 26,297.08
2	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	1,384.53
3	CSNG-Casing & Remediation	FP1734373	17	Hartsville Casing Removal Proj	52,455.19
4	DIMP-Distribution Integrity	FP1734629	17	3914 Cross Creek Rd	3,904.77
5	DIMP-Distribution Integrity	FP1734408	17	3rd and Hart Station Valves	2.73
6	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	702.95
7	DIMP-Distribution Integrity	FP1734653	17	Blue Hole Rd HDD	337,872.96
8	DIMP-Distribution Integrity	FP1734414	17	Dreamland Drive Greenbrier Tn.	2,865.61
9	DIMP-Distribution Integrity	FP1734592	17	Elm Hill Pk Ext	47,677.56
10	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Ln	4,935.75
11	DIMP-Distribution Integrity	FP1734569	17	Enviro Science DIMP Project	4,474.62
12	DIMP-Distribution Integrity	FP1733767	17	Fesslers LN	82,968.95
13	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	118,556.93
14	DIMP-Distribution Integrity	FP1734647	17	Grassmere Park Road	65,564.27
15	DIMP-Distribution Integrity	FP1733763	17	Harding Place	102,075.52
16	DIMP-Distribution Integrity	FP1734411	17	Knapp Blvd	102.53
17	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd _ DIM	81,466.46
18	DIMP-Distribution Integrity	FP1734413	17	McMurray Blvd Royal Elm Circle	2,259.37
19	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Road at ForestVie	998.36
20	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd. Over RR S of I-440	1,176.86
21	DIMP-Distribution Integrity	FP1733768	17	Raymond ST	68,363.71
22	DIMP-Distribution Integrity	FP1734417	17	Rayon Drive Renewal	37,303.71
23	DIMP-Distribution Integrity	FP1734656	17	Richard Jones Rd @ Hillsboro P	101,667.60
24	DIMP-Distribution Integrity	FP1734419	17	Rosedale Ave	6,432.94
25	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	70,570.02
26	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	1,799,642.60
27	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	1.85
28	DIMP-Distribution Integrity	FP1734418	17	Turner St Renewal	8,406.20
29	DIMP-Distribution Integrity	FP1734412	17	Vine Ridge Drive	59,968.46
30	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	3,022,638.83
31	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	80,105.62
32	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	29,067.65
33	TIMP-Transmission Integrity	FP1733929	17	White Bridge Road @ Post Rd. r	102.42
34	ISENP-Information Serv Enterprise	FP0026658	17	Work & Asset Management (OASIS)	1,468,126.26

Total (unallocated)

\$ 7,690,140.87

35 subtotal: TN Direct (unallocated)

\$ 6,222,014.61

36 subtotal: CO-3 (unallocated)

\$ 1,468,126.26

\$ 7,690,140.87

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>Jul-17</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 5,968,422.37
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	769,291.10
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(698,262.51)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	6,039,450.96
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	6,003,936.67
6	Accrued Interest	<i>Line 5 * Line 9</i>	19,812.99
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 6,059,263.95
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.039600
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.003300
10	Actual GL #25351 EOM Balance	<i>per GL</i>	\$ 6,059,263.95
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	769,291.10
01 01 48010 3 17 6220 489	(458,835.98)
01 01 48110 3 17 6220 489	(240,018.82)
01 01 48120 3 17 6220 489	(10,377.74)
01 01 48300 3 17 6220 489	(215.40)
01 01 48900 3 17 6220 489	(59,843.16)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	19,812.99
01 01 43101 3 17 6220 626	(19,812.99)

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		July - 2017			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.13124		1,969,111	258,426.13
2	Small Commerical (302)	0.11465		1,869,594	214,348.95
3	Medium Commerical (352)	0.11465		584,172	66,975.32
4	Experimental Motor Vehicle Fuel (343/352)	0.11465		6,287	720.80
5	Firm Lg General Sales (303)	0.05092		273,835	13,943.68
6	Experimental Motor Vehicle Fuel (343/303)	0.05092		35,613	1,813.41
7	Firm Lg General Transportation (313)	0.05092		1,055,750	53,758.79
8	Experimental Motor Vehicle Fuel (343/313)	0.05092		126,344	6,433.44
9	Firm Resale (310)	0.05092		121	6.16
10	Interruptible Lg General Sales (304)	0.01273		4,265	54.29
11	Interruptible Lg General Transportation (314)	0.01273		6,424,316	81,781.54
12	Total				\$ 698,262.51

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	258,426.13
01 01 48110 3 17 6220 489	214,348.95
01 01 48110 3 17 6220 489	67,696.12
01 01 48120 3 17 6220 489	15,757.09
01 01 48900 3 17 6220 489	60,192.23
01 01 48300 3 17 6220 489	6.16
01 01 48120 3 17 6220 489	54.29
01 01 48900 3 17 6220 489	81,781.54
01 01 25351 3 17 6250 489	(698,262.51)