

Nashville Office
150 Third Avenue South, Suite 2800
Nashville, TN 37201
(615) 742-6244

R. Dale Grimes
dgrimes@bassberry.com

Washington D.C. Office
1201 Pennsylvania Avenue NW, Suite 300
Washington, DC 20004
(202) 827-2961

September 29, 2017



Via Hand-Delivery

The Honorable Earl Taylor
c/o Sharla Dillon
Tennessee Public Utility Commission
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

**Re: *Petition of Piedmont Natural Gas Company, Inc. for
Approval of an Integrity Management Rider to Its Approved
Rate Schedules and Service Regulations***
Docket No. 13-00118

Dear Mr. Taylor:

Enclosed please find an original and five (5) copies of Piedmont Natural Gas Company, Inc.'s ("Piedmont") Responses to the Tennessee Public Utility Commission's ("TPUC") Discovery Requests dated September 13, 2017 in the above-captioned docket. Filed along with this material are four copies of the confidential material responsive to the Data Requests, submitted under seal.

Please file the original and four copies of the public version of this filing and stamp the additional copy as "filed." Then please return the stamped copy to me by way of our courier.

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: Emily Knight

**PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017**

1. Please reference your response to Item Number 1 of the data request dated August 8, 2017: provide workpapers detailing the amounts listed and how they were calculated for Taxes-General Payroll, Regular Payroll, Overtime Payroll, Administrative Overhead (1) and Administrative Overhead (2) and how it was determined they were attributable to VineRidge Rd. DIMP.

Response: See CONFIDENTIAL attachment.

Response provided by Piedmont Natural Gas on September 29, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017

2. Please reference your response to Item Number 1 of the data request dated August 8, 2017: explain how the \$542,628.92 and \$87,715.99 on Attachment No. 3 were determined and explain why they are attributable to VineRidge Rd. DIMP.

Response: See CONFIDENTIAL attachment.

\$542,628.92 represents the cumulative amount of all charges to this project since the beginning of the project up through April 30, 2017. The CONFIDENTIAL attachment provides a breakdown of these charges by cost type. \$87,715.99 represents 50% of the total May 2017 charges of \$175,431.97. Please see the CONFIDENTIAL attachment provided with Item #1 from the data request responses submitted on August 18, 2017 for a detailed breakdown of the May 2017 project charges.

All vendor invoices and employee timesheets that get charged to any capital project are reviewed and approved by the project manager to ensure that all costs charged to that project are applicable to that project. All charges incurred on this project to date are relevant to the scope of this project which is to replace a total of 4,131 feet of 2 inch high pressure steel main due to cathodic protection issues along Vine Ridge Drive (1,700 feet), Canebrake Drive (716 feet) and Neartop Drive (1,715 feet).

Response provided by Piedmont Natural Gas on September 29, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017

3. Please reference your response to Item Number 1 of the data request dated August 8, 2017: explain how the AFUDC Rate – May 2017 of 0.00641850 was determined.

Response: The AFUDC monthly rate for May 2017 of 0.00641850 uses the overall rate of return as authorized in the most recent Tennessee general rate case. As of March 1, 2012 (when the rates approved under Tennessee Docket No. 11-00144 took effect), the allowed overall rate of return is 7.98%. This rate is adjusted to negate the compounding effect of the systematic calculation using the formula below.

$$0.00641850 = (1 + 0.0798)^{1/12} - 1$$

Response provided by Piedmont Natural Gas on September 29, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017

4. Please reference your response to Item Number 1 of the data request dated August 8, 2017: explain why invoices for Canebrook Dr. and Kendall Dr. (Nos. 1, 2, 5, 6) were allocated to DIMP for VineRidge Rd.

Response: See CONFIDENTIAL attachment. The scope of this DIMP project is to replace a total of 4,131 feet of 2 inch high pressure steel main due to cathodic protection issues along Vine Ridge Drive (1,700 feet), Canebrake Drive (716 feet) and Neartop Drive (1,715 feet). It is represented by the green line on the map. Canebrake Drive intersects with Kendall Drive. The charges on the invoices listed above were for tie in work performed at Canebrake and Kendall. In summary, the scope of work for project FP1734412 covers the capital work performed in the vicinity of these streets among others in the neighborhood although the project short name only references Vine Ridge Drive.

Response provided by Piedmont Natural Gas on September 29, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017

5. Please reference your response to Item Number 1 of the data request dated August 8, 2017: explain why the total amount for invoices listed for VineRidge Rd. and Price Circle Rd. (Nos. 3, 4, 7, 8, 9, 10, 11, 15, 21, 22, 23, 25) were allocated to DIMP for VineRidge Rd.

Response: See CONFIDENTIAL attachment provided with Item #4 of this data request. The scope of this DIMP project is to replace a total of 4,131 feet of 2 inch high pressure steel main due to cathodic protection issues along Vine Ridge Drive (1,700 feet), Canebrake Drive (716 feet) and Neartop Drive (1,715 feet). It is represented by the green line on the map. Vine Ridge Dr. intersects with Price Circle Rd. The charges on the invoices listed above were for tie in work performed at Vine Ridge and Price Circle. In summary, the scope of work for project FP1734412 covers the capital work performed in the vicinity of these streets among others in the neighborhood although the project short name only references Vine Ridge Drive.

Response provided by Piedmont Natural Gas on September 29, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017

6. Please reference your response to Item Number 1 of the data request dated August 8, 2017: explain why an invoice doe River Rd. (No.12) was allocated to DIMP for VineRidge Rd.

Response: See CONFIDENTIAL attachment provided with Item #4 of this data request. The scope of this DIMP project is to replace a total of 4,131 feet of 2 inch high pressure steel main due to cathodic protection issues along Vine Ridge Drive (1,700 feet), Canebrake Drive (716 feet) and Neartop Drive (1,715 feet). It is represented by the green line on the map. Please note the ship to address on the invoice referenced above is 823 Neartop Drive which is part of the project scope. River Road is the location of the Vulcan Company rock quarry which delivered these materials. In summary, the scope of work for project FP1734412 covers the capital work performed in the vicinity of these streets among others in the neighborhood although the project short name only references Vine Ridge Drive.

The materials on the invoice are different grades of stone that are used in trenching and backfill for gas main. These materials are used when there are no suitable materials on site to put back in the ditch and in this case, rock is required by local government when the project is in paved areas.

Response provided by Piedmont Natural Gas on September 29, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017

7. Please reference your response to Item Number 1 of the data request dated August 8, 2017: explain why the total amount for an invoice listed for VineRidge Rd. and Brookwood Terrace (No. 16) was allocated to DIMP for VineRidge Rd.

Response: See CONFIDENTIAL attachment provided with Item #4 of this data request. The scope of this DIMP project is to replace a total of 4,131 feet of 2 inch high pressure steel main due to cathodic protection issues along Vine Ridge Drive (1,700 feet), Canebrake Drive (716 feet) and Neartop Drive (1,715 feet). It is represented by the green line on the map. Neartop Drive intersects with Brookwood Place. The charges on the invoice listed above were for tie in work performed at Neartop Drive and Brookwood Place. In summary, the scope of work for project FP1734412 covers the capital work performed in the vicinity of these streets among others in the neighborhood although the project short name only references Vine Ridge Drive.

Response provided by Piedmont Natural Gas on September 29, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017

8. Please reference your response to Item Number 1 of the data request dated August 8, 2017: explain why invoices for NearTop Dr. and Brookwood Terrace (Nos. 17, 19, 24) were allocated to DIMP for VineRidge Rd.

Response: See CONFIDENTIAL attachment provided with Item #4 of this data request. The scope of this DIMP project is to replace a total of 4,131 feet of 2 inch high pressure steel main due to cathodic protection issues along Vine Ridge Drive (1,700 feet), Canebrake Drive (716 feet) and Neartop Drive (1,715 feet). It is represented by the green line on the map. Neartop Drive intersects with Brookwood Place. The charges on the invoices listed above were for tie in work performed at Neartop Drive and Brookwood Place. In summary, the scope of work for project FP1734412 covers the capital work performed in the vicinity of these streets among others in the neighborhood although the project short name only references Vine Ridge Drive.

Response provided by Piedmont Natural Gas on September 29, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017

9. Please reference your response to Item Number 1 of the data request dated August 8, 2017: explain why the total amount for invoices listed for VineRidge Rd. and White Bridge Rd. (Nos. 20, 26, 27) were allocated to DIMP for VineRidge Rd.

Response: See CONFIDENTIAL attachment provided with Item #4 of this data request. The scope of this DIMP project is to replace a total of 4,131 feet of 2 inch high pressure steel main due to cathodic protection issues along Vine Ridge Drive (1,700 feet), Canebrake Drive (716 feet) and Neartop Drive (1,715 feet). It is represented by the green line on the map. Vine Ridge Drive intersects with White Bridge Pike. The charges on the invoices listed above were for tie in work performed at Vine Ridge and White Bridge Pike. In summary, the scope of work for project FP1734412 covers the capital work performed in the vicinity of these streets among others in the neighborhood although the project short name only references Vine Ridge Drive.

Response provided by Piedmont Natural Gas on September 29, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017

10. Please reference your response to Item Number 1 of the data request dated August 8, 2017: explain why an invoice for NearTop Rd. (No. 29) was allocated to DIMP for VineRidge Rd.

Response: See CONFIDENTIAL attachment provided with Item #4 of this data request. The scope of this DIMP project is to replace a total of 4,131 feet of 2 inch high pressure steel main due to cathodic protection issues along Vine Ridge Drive (1,700 feet), Canebrake Drive (716 feet) and Neartop Drive (1,715 feet). It is represented by the green line on the map. The charges on the invoice listed above were for tie in work performed at Neartop Drive and Vine Ridge. In summary, the scope of work for project FP1734412 covers the capital work performed in the vicinity of these streets among others in the neighborhood although the project short name only references Vine Ridge Drive.

Response provided by Piedmont Natural Gas on September 29, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017

11. Please reference your response to Item Number 1 of the data request dated August 8, 2017: explain why an invoice for Kendall Dr. (No. 30) was allocated to DIMP for VineRidge Rd.

Response: See CONFIDENTIAL attachment provided with Item #4 of this data request. The scope of this DIMP project is to replace a total of 4,131 feet of 2 inch high pressure steel main due to cathodic protection issues along Vine Ridge Drive (1,700 feet), Canebrake Drive (716 feet) and Neartop Drive (1,715 feet). It is represented by the green line on the map. Kendall Drive intersects with Canebrake Drive. The charges on the invoice listed above were for an ultrasonic inspection on Kendall Drive. Ultrasonic testing is a method used to establish the thickness of steel main. The thickness of steel main must be checked before any welding operations can be performed. There are minimum thickness requirements that must be met before any welding and attaching of fittings can be done. In summary, the scope of work for project FP1734412 covers the capital work performed in the vicinity of these streets among others in the neighborhood although the project short name only references Vine Ridge Drive.

Response provided by Piedmont Natural Gas on September 29, 2017.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 13-00118
INTEGRITY MANAGEMENT RIDER
DATA REQUEST
Issued: September 13, 2017

12. Please reference your response to Item Number 2 of the data request dated August 8, 2017: provide workpapers detailing the amounts listed and how they were calculated for Taxes-General Payroll, Regular Payroll, Overtime Payroll, Administrative Overhead (1) and Administrative Overhead (2) and how it was determined they were attributable to White Bridge at Post Rd.

Response: See CONFIDENTIAL attachment.

Response provided by Piedmont Natural Gas on September 29, 2017.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on September 29, 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


