



January 16, 2018

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 November 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 November 30, 2017.

Should you have any questions concerning this matter, please do not hesitate to contact me at 704-731-4356 or laura.hager@duke-energy.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 6			All Vintage Years
		November 2017 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of November 2017 ³	Cumulative Capital Expenditure as of November 2017 ⁶
	<i>TN Direct</i>				
1	Corrosion Control	\$ 18,795.93		\$ 18,795.93	\$ 5,792,445.74
2	Casing Remediation	\$ 36,484.24		\$ 36,484.24	\$ 848,689.17
3	Distribution Integrity	\$ 3,241,458.43		\$ 3,241,458.43	\$ 57,309,926.22
4	Transmission Integrity	\$ 439,201.49		\$ 439,201.49	\$ 180,609,211.49
5	Total	\$ 3,735,940.09	\$ -	\$ 3,735,940.09	\$ 244,560,272.62
	<i>Joint Property: CO3-State</i>				
6	OASIS Project (Work & Asset Management System)	\$ 295,369.55		\$ 295,369.55	\$ 131,625,773.00
7	TN % of CO-3 for Current Month ⁴	16.30%			
8	Total Allocated to TN	\$ 48,145.24		\$ 48,145.24	\$ 23,167,638.66
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 3,784,085.33	\$ -	\$ 3,784,085.33	\$ 267,727,911.28
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 3,784,085.33	\$ -	\$ 3,784,085.33	\$ 234,827,911.28
		\$ -			

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, 4 and 5, which captures amounts through 10/31/17, is \$231,043,825.95 (\$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 and \$38,244,253.18 for Vintage 5).

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	November 2017
1	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	\$ 192.58
2	CORR-Corrosion Control	FP1734388	17	Nashville MAG Anode 2017	18,603.35
3	CSNG-Casing & Remediation	FP1734373	17	Hartsville Casing Removal	36,484.24
4	DIMP-Distribution Integrity	FP1733763	17	Harding Place	182,601.19
5	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	54,807.91
6	DIMP-Distribution Integrity	FP1733766	17	Overhill Circle	1,486.82
7	DIMP-Distribution Integrity	FP1733767	17	Fessler's LN	239.93
8	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	1,147,137.21
9	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd Over RR S of I-440	2,650.64
10	DIMP-Distribution Integrity	FP1734408	17	3rd and Hart Station Valves	7,605.69
11	DIMP-Distribution Integrity	FP1734411	17	Knapp Blvd	21,824.82
12	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	5,003.37
13	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	4,053.84
14	DIMP-Distribution Integrity	FP1734418	17	Turner St Renewal	956,028.66
15	DIMP-Distribution Integrity	FP1734420	17	Snyder Street @ Lovell Street	1,441.09
16	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	112,399.08
17	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd _ DIM	44,737.90
18	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Road at ForestVie	(186.83)
19	DIMP-Distribution Integrity	FP1734478	17	3rd Ave North Steel Replacement	20,428.85
20	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Lane	112,140.77
21	DIMP-Distribution Integrity	FP1734569	17	Enviro Science DIMP Project	244,853.97
22	DIMP-Distribution Integrity	FP1734592	17	Elm Hill Pk Ext	(23.01)
23	DIMP-Distribution Integrity	FP1734647	17	Grassmere Park Road	48,060.66
24	DIMP-Distribution Integrity	FP1734672	17	12th Ave N at Grundy St.	12,361.52
25	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	0.62
26	DIMP-Distribution Integrity	FP1734749	17	2nd Ave N and Jefferson Leak	108,331.15
27	DIMP-Distribution Integrity	FP1734770	17	Ash Street and 2nd Ave S DIMP	96,327.90
28	DIMP-Distribution Integrity	FP1734808	17	Regulator Install for Shelby S	57,144.68
29	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	6,426.17
30	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	196,054.01
31	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	236,721.31
32	ISENP-Information Serv Enterprise	FP0026658	17	Work & Asset Management (OASIS)	295,369.55

Total (unallocated)

\$ 4,031,309.64

33 subtotal: TN Direct (unallocated)
34 subtotal: CO-3 (unallocated)

\$ 3,735,940.09
\$ 295,369.55
\$ 4,031,309.64

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

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

<u>Line No.</u>			<u>Nov-17</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 6,573,861.54
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	2,002,041.71
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(1,902,020.12)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	6,673,883.13
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	6,623,872.34
6	Accrued Interest	<i>Line 5 * Line 9</i>	23,236.54
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 6,697,119.67
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.042100
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.003508
10	Actual GL #25351 EOM Balance	<i>per GL</i>	\$ 6,697,119.67
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	2,002,041.71
01 01 48010 3 17 6220 489	(1,194,097.76)
01 01 48110 3 17 6220 489	(624,637.01)
01 01 48120 3 17 6220 489	(27,007.55)
01 01 48300 3 17 6220 489	(560.57)
01 01 48900 3 17 6220 489	(155,738.82)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	23,236.54
01 01 43101 3 17 6220 626	(23,236.54)

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		November 2017		
Line No.		IM Adjustment (\$ per therm)	x Usage (therms)	= Collections (\$)
1	Residential (301)	0.13124	7,769,511	1,019,670.62
2	Small General Sales (302)	0.11465	4,067,386	466,325.80
3	Medium General Sales (352)	0.11465	1,509,261	173,036.77
4	Experimental Motor Vehicle Fuel (343/352)	0.11465	2,359	270.46
5	Firm Lg General Sales (303)	0.05092	650,515	33,124.22
6	Experimental Motor Vehicle Fuel (343/303)	0.05092	28,710	1,461.91
7	Firm Lg General Transportation (313)	0.05092	1,891,428	96,311.51
8	Experimental Motor Vehicle Fuel (343/313)	0.05092	126,009	6,416.38
9	Firm Resale (310)	0.05092	1,525	77.65
10	Interruptible Lg General Sales (304)	0.01273	40,811	519.52
11	Interruptible Lg General Transportation (314)	0.01273	8,232,936	104,805.28
12	Total			\$ 1,902,020.12

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	1,019,670.62
01 01 48110 3 17 6220 489	466,325.80
01 01 48110 3 17 6220 489	173,307.23
01 01 48120 3 17 6220 489	34,586.13
01 01 48900 3 17 6220 489	102,727.89
01 01 48300 3 17 6220 489	77.65
01 01 48120 3 17 6220 489	519.52
01 01 48900 3 17 6220 489	104,805.28
01 01 25351 3 17 6250 489	(1,902,020.12)