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Piedmont Natural Gas



Piedmont
Natural Gas

February 14, 2018

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 December 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 December 31, 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,

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 6			All Vintage Years
Line No.		December 2017 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of December 2017 ³	Cumulative Capital Expenditure as of December 2017 ⁶
<i>TN Direct</i>					
1	Corrosion Control	\$ 5,096.88	\$ 18,795.93	\$ 23,892.81	\$ 5,797,542.62
2	Casing Remediation	\$ -	\$ 36,484.24	\$ 36,484.24	\$ 848,689.17
3	Distribution Integrity	\$ 1,953,490.10	\$ 3,241,458.43	\$ 5,194,948.53	\$ 59,263,416.32
4	Transmission Integrity	\$ 1,103,298.89	\$ 439,201.49	\$ 1,542,500.38	\$ 181,712,510.38
5	Total	\$ 3,061,885.87	\$ 3,735,940.09	\$ 6,797,825.96	\$ 247,622,158.49
<i>Joint Property: CO3-State</i>					
6	OASIS Project (Work & Asset Management System)	\$ 1,095,148.22	\$ 295,369.55	\$ 1,390,517.77	\$ 132,720,921.22
7	TN % of CO-3 for Current Month ⁴	16.30%			
8	Total Allocated to TN	\$ 178,509.16	\$ 48,145.24	\$ 226,654.40	\$ 23,346,147.82
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 3,240,395.03	\$ 3,784,085.33	\$ 7,024,480.36	\$ 270,968,306.31
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 3,240,395.03	\$ 3,784,085.33	\$ 7,024,480.36	\$ 238,068,306.31

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	December 2017
1	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	\$ 193.81
2	CORR-Corrosion Control	FP1734388	17	Nashville MAG Anode 2017	4,903.07
3	DIMP-Distribution Integrity	FP1733763	17	Harding Place	312,368.31
4	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	103,144.68
5	DIMP-Distribution Integrity	FP1733767	17	Fesslers LN	281,185.76
6	DIMP-Distribution Integrity	FP1733885	17	2nd Ave North 14" Replacement	(7,324.57)
7	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	126,943.17
8	DIMP-Distribution Integrity	FP1734408	17	3rd and Hart Station Valves	14,626.76
9	DIMP-Distribution Integrity	FP17334410	17	Georgia Ave Renewal	1,078.22
10	DIMP-Distribution Integrity	FP1734411	17	Knapp Blvd	44,443.85
11	DIMP-Distribution Integrity	FP17334413	17	McMurray Blvd Royal Elm Circle	157,103.59
12	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	596,800.53
13	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	27,161.51
14	DIMP-Distribution Integrity	FP1734420	17	Snyder Street @ Lovell Street	31,872.08
15	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	47,100.08
16	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd _ DIM	37,361.72
17	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Road at ForestVie	12,560.56
18	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Lane	(104,237.87)
19	DIMP-Distribution Integrity	FP1734614	17	Loretta Drive Replacement	1,043.43
20	DIMP-Distribution Integrity	FP1734672	17	12th Ave N at Grundy St.	241,636.54
21	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	0.62
22	DIMP-Distribution Integrity	FP1734770	17	Ash Street and 2nd Ave S DIMP	11,815.32
23	DIMP-Distribution Integrity	FP1734808	17	Regulator Install for Shelby S	3,105.46
24	DIMP-Distribution Integrity	FP1734812	17	Haverford Ave.	7,027.50
25	DIMP-Distribution Integrity	FP1734823	17	240 Blackman Rd DIMP	6,672.85
26	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	16,538.37
27	TIMP-Transmission Integrity	FP1733989	17	Line 310 T Cut Out R1	(4,568.44)
28	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	630,606.00
29	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	460,722.96
30	ISENP-Information Serv Enterprise	FP0026658	17	Work & Asset Management (OASIS)	1,095,148.22

Total (unallocated)

\$ 4,157,034.09

31 subtotal: TN Direct (unallocated)

\$ 3,061,885.87

32 subtotal: CO-3 (unallocated)

\$ 1,095,148.22

\$ 4,157,034.09

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>Dec-17</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 6,697,119.67
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	3,187,226.34
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(3,469,548.38)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	6,414,797.63
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	6,555,958.65
6	Accrued Interest	<i>Line 5 * Line 9</i>	22,998.30
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 6,437,795.93
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>	\$ 6,437,795.93
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	3,187,226.34
01 01 48010 3 17 6220 489	(1,900,989.28)
01 01 48110 3 17 6220 489	(994,414.62)
01 01 48120 3 17 6220 489	(42,995.68)
01 01 48300 3 17 6220 489	(892.42)
01 01 48900 3 17 6220 489	(247,934.34)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	22,998.30
01 01 43101 3 17 6220 626	(22,998.30)

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		December 2017			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.13124		16,119,598	2,115,536.04
2	Small General Sales (302)	0.11465		6,830,906	783,163.37
3	Medium General Sales (352)	0.11465		2,313,325	265,222.71
4	Experimental Motor Vehicle Fuel (343/352)	0.11465		1,432	164.18
5	Firm Lg General Sales (303)	0.05092		1,013,265	51,595.45
6	Experimental Motor Vehicle Fuel (343/303)	0.05092		29,097	1,481.62
7	Firm Lg General Transportation (313)	0.05092		2,408,475	122,639.55
8	Experimental Motor Vehicle Fuel (343/313)	0.05092		122,696	6,247.68
9	Firm Resale (310)	0.05092		2,928	149.09
10	Interruptible Lg General Sales (304)	0.01273		41,307	525.84
11	Interruptible Lg General Transportation (314)	0.01273		9,648,299	122,822.85
12	Total				\$ 3,469,548.38

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	2,115,536.04
01 01 48110 3 17 6220 489	783,163.37
01 01 48110 3 17 6220 489	265,386.89
01 01 48120 3 17 6220 489	53,077.07
01 01 48900 3 17 6220 489	128,887.23
01 01 48300 3 17 6220 489	149.09
01 01 48120 3 17 6220 489	525.84
01 01 48900 3 17 6220 489	122,822.85
01 01 25351 3 17 6250 489	(3,469,548.38)