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T.P.S.C. COUNCIL ROOM



March 15, 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 January 31, 2018.

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 January 31, 2018.

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

		Current Vintage Year: Vintage Year 6			All Vintage Years
Line No.		January 2018 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of January 2018 ³	Cumulative Capital Expenditure as of January 2018 ⁶
TN Direct					
1	Corrosion Control	\$ -	\$ 23,892.81	\$ 23,892.81	\$ 5,797,542.62
2	Casing Remediation	\$ -	\$ 36,484.24	\$ 36,484.24	\$ 848,689.17
3	Distribution Integrity	\$ 869,216.01	\$ 5,194,948.53	\$ 6,064,164.54	\$ 60,132,632.33
4	Transmission Integrity	\$ 326,164.03	\$ 1,542,500.38	\$ 1,868,664.41	\$ 182,038,674.41
5	Total	\$ 1,195,380.04	\$ 6,797,825.96	\$ 7,993,206.00	\$ 248,817,538.53
Joint Property: CO3-State					
6	OASIS Project (Work & Asset Management System)	\$ 610,658.18	\$ 1,390,517.77	\$ 2,001,175.95	\$ 133,331,579.40
7	TN % of CO-3 for Current Month ⁴	16.33%			
8	Total Allocated to TN	\$ 99,720.48	\$ 226,654.40	\$ 326,374.88	\$ 23,445,868.30
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 1,295,100.52	\$ 7,024,480.36	\$ 8,319,580.88	\$ 272,263,406.83
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 1,295,100.52	\$ 7,024,480.36	\$ 8,319,580.88	\$ 239,363,406.83

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	January 2018
1	DIMP-Distribution Integrity	FP1733763	17	Harding Place	\$ 139,254.15
2	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	(14.83)
3	DIMP-Distribution Integrity	FP1733767	17	Fessler's LN	26,299.89
4	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	1,239.88
5	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	198,260.70
6	TIMP-Transmission Integrity	FP1734120	17	Line 431 Replacement	127,903.33
7	DIMP-Distribution Integrity	FP1734408	17	3rd and Hart Station Valves	10,984.85
8	DIMP-Distribution Integrity	FP1734412	17	Vine Ridge Drive	16,128.58
9	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	(50,400.00)
10	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	127,075.14
11	DIMP-Distribution Integrity	FP1734420	17	Snyder Street @ Lovell Street	99,688.29
12	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	128,238.55
13	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd _ DIM	51,547.17
14	DIMP-Distribution Integrity	FP1734478	17	3rd Ave North Steel Replacment	10,170.30
15	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Ln	106,070.40
16	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	30,852.88
17	DIMP-Distribution Integrity	FP1734770	17	Ash Street and 2nd Ave S DIMP	3,770.00
18	DIMP-Distribution Integrity	FP1734799	17	Nashville Bridge Attachments	200.00
19	DIMP-Distribution Integrity	FP1734807	17	Wingo Regulator Station Remova	5,546.16
20	DIMP-Distribution Integrity	FP1734808	17	Regulator Install for Shelby S	246.90
21	DIMP-Distribution Integrity	FP1734812	17	Haverford Ave.	11,372.16
22	DIMP-Distribution Integrity	FP1734819	17	Shelby Railroad Tressell Retir	3,811.04
23	DIMP-Distribution Integrity	FP1734823	17	240 Blackman Rd DIMP	147,134.50
24	ISENP-Information Serv Enterprise	FP0026658	17	Work & Asset Management (OASIS)	610,658.18

Total (unallocated)

\$ 1,806,038.22

25 subtotal: TN Direct (unallocated)

\$ 1,195,380.04

26 subtotal: CO-3 (unallocated)

\$ 610,658.18

\$ 1,806,038.22

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>Jan-18</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 6,437,795.93
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	3,968,987.70
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(6,579,658.39)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	3,827,125.24
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	5,132,460.59
6	Accrued Interest	<i>Line 5 * Line 9</i>	18,179.18
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 3,845,304.42
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.042500
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.003542
10	Actual GL #25351 EOM Balance	<i>per GL</i>	\$ 3,845,304.42
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	3,968,987.70
01 01 48010 3 17 6220 489	(2,367,263.02)
01 01 48110 3 17 6220 489	(1,238,324.16)
01 01 48120 3 17 6220 489	(53,541.65)
01 01 48300 3 17 6220 489	(1,111.32)
01 01 48900 3 17 6220 489	(308,747.55)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	18,179.18
01 01 43101 3 17 6220 626	(18,179.18)

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		January 2018			
<u>Line No.</u>		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.13124		31,969,737	4,195,708.28
2	Small General Sales (302)	0.11465		13,600,104	1,559,251.92
3	Medium General Sales (352)	0.11465		4,153,038	476,145.81
4	Experimental Motor Vehicle Fuel (343/352)	0.11465		1,405	161.08
5	Firm Lg General Sales (303)	0.05092		1,211,038	61,666.05
6	Experimental Motor Vehicle Fuel (343/303)	0.05092		30,669	1,561.67
7	Firm Lg General Transportation (313)	0.05092		2,787,484	141,938.69
8	Experimental Motor Vehicle Fuel (343/313)	0.05092		126,560	6,444.44
9	Firm Resale (310)	0.05092		3,506	178.53
10	Interruptible Lg General Sales (304)	0.01273		32,497	413.69
11	Interruptible Lg General Transportation (314)	0.01273		10,698,211	136,188.23
12	Total				\$ 6,579,658.39

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	4,195,708.28
01 01 48110 3 17 6220 489	1,559,251.92
01 01 48110 3 17 6220 489	476,306.89
01 01 48120 3 17 6220 489	63,227.72
01 01 48900 3 17 6220 489	148,383.13
01 01 48300 3 17 6220 489	178.53
01 01 48120 3 17 6220 489	413.69
01 01 48900 3 17 6220 489	136,188.23
01 01 25351 3 17 6250 489	(6,579,658.39)