



October 16, 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 August 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 August 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 that reads "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.		August 2017 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of August 2017 ³	Cumulative Capital Expenditure as of August 2017 ⁶
TN Direct					
1	Corrosion Control	\$ 38,525.03	\$ 503,718.48	\$ 542,243.51	\$ 5,739,207.40
2	Casing Remediation	\$ 36,092.60	\$ 70,427.14	\$ 106,519.74	\$ 849,322.87
3	Distribution Integrity	\$ 2,012,037.84	\$ 19,248,916.53	\$ 21,260,954.37	\$ 50,238,688.54
4	Transmission Integrity	\$ 868,007.09	\$ 6,898,544.16	\$ 7,766,551.25	\$ 178,605,710.32
5	Total	\$ 2,954,662.56	\$ 26,721,606.31	\$ 29,676,268.87	\$ 235,432,929.13
Joint Property: CO3-State					
6	OASIS Project (Work & Asset Management System)	\$ 854,133.36	\$ 15,957,939.27	\$ 16,812,072.63	\$ 128,751,998.16
7	TN % of CO-3 for Current Month ⁴	16.30%			
8	Total Allocated to TN	\$ 139,223.74	\$ 2,617,077.10	\$ 2,756,300.84	\$ 22,699,213.35
9	Total Capital Expenditures (Line 5 + Line 8)	\$ 3,093,886.30	\$ 29,338,683.41	\$ 32,432,569.71	\$ 258,132,142.48
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 3,093,886.30	\$ 29,338,683.41	\$ 32,432,569.71	\$ 225,232,142.48

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	August 2017
1	CORR-Corrosion Control	FP1734388	17	Nashville MAG Anode 2017	\$ 38,336.11
2	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	188.92
3	CSNG-Casing & Remediation	FP1734373	17	Hartsville Casing Removal Proj	36,092.60
4	DIMP-Distribution Integrity	FP1734629	17	3914 Cross Creek Rd	19,287.15
5	DIMP-Distribution Integrity	FP1734408	17	3rd and Hart Station Valves	2,139.73
6	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	2,187.55
7	DIMP-Distribution Integrity	FP1734653	17	Blue Hole Rd HDD	18,204.10
8	DIMP-Distribution Integrity	FP1734414	17	Dreamland Drive Greenbrier Tn.	46,685.58
9	DIMP-Distribution Integrity	FP1734592	17	Elm Hill Pk Ext	39,482.68
10	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Ln	594.32
11	DIMP-Distribution Integrity	FP1734569	17	Enviro Science DIMP Project	4,117.04
12	DIMP-Distribution Integrity	FP1733767	17	Fesslers LN	126,456.82
13	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	173,537.33
14	DIMP-Distribution Integrity	FP1734647	17	Grassmere Park Road	42,045.75
15	DIMP-Distribution Integrity	FP1733763	17	Harding Place	171,493.51
16	DIMP-Distribution Integrity	FP1734411	17	Knapp Blvd	151,836.78
17	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd _ DIM	53,104.62
18	DIMP-Distribution Integrity	FP1734413	17	McMurray Blvd Royal Elm Circle	161,071.70
19	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Road at ForestVie	13,358.29
20	DIMP-Distribution Integrity	FP1734417	17	Rayon Drive Renewal	14,649.30
21	DIMP-Distribution Integrity	FP1734656	17	Richard Jones Rd @ Hillsboro P	53,589.54
22	DIMP-Distribution Integrity	FP1734419	17	Rosedale Ave	8,431.10
23	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	52,294.58
24	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	206,483.93
25	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	735.48
26	DIMP-Distribution Integrity	FP1734418	17	Turner St Renewal	488,884.72
27	DIMP-Distribution Integrity	FP1734412	17	Vine Ridge Drive	27,181.92
28	DIMP-Distribution Integrity	FP1734420	17	Snyder Street @ Lovell Street	8,972.47
29	DIMP-Distribution Integrity	FP1734672	17	12th Ave N at Grundy St.	8,922.34
30	DIMP-Distribution Integrity	FP1734749	17	2nd Ave N and Jefferson Leak	116,289.51
31	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	741,992.59
32	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	116,918.07
33	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	8,007.18
34	TIMP-Transmission Integrity	FP1733929	17	White Bridge Road @ Post Rd. r	1,089.25
35	ISENP-Information Serv Enterprise	FP0026658	17	Work & Asset Management (OASIS)	854,133.36

Total (unallocated)

\$ 3,808,795.92

35 subtotal: TN Direct (unallocated)

\$ 2,954,662.56

37 subtotal: CO-3 (unallocated)

\$ 854,133.36

\$ 3,808,795.92

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>Aug-17</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 6,059,263.95
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	775,305.08
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(675,136.81)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	6,159,432.22
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	6,109,348.09
6	Accrued Interest	<i>Line 5 * Line 9</i>	20,160.85
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 6,179,593.07
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>	\$ 6,179,593.07
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	775,305.08
01 01 48010 3 17 6220 489	(462,422.96)
01 01 48110 3 17 6220 489	(241,895.18)
01 01 48120 3 17 6220 489	(10,458.87)
01 01 48300 3 17 6220 489	(217.09)
01 01 48900 3 17 6220 489	(60,310.98)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	20,160.85
01 01 43101 3 17 6220 626	(20,160.85)

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		August - 2017			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.13124		1,758,705	230,812.44
2	Small Commerical (302)	0.11465		1,913,710	219,406.85
3	Medium Commerical (352)	0.11465		546,834	62,694.52
4	Experimental Motor Vehicle Fuel (343/352)	0.11465		4,904	562.24
5	Firm Lg General Sales (303)	0.05092		313,810	15,979.21
6	Experimental Motor Vehicle Fuel (343/303)	0.05092		33,457	1,703.63
7	Firm Lg General Transportation (313)	0.05092		1,214,798	61,857.51
8	Experimental Motor Vehicle Fuel (343/313)	0.05092		138,574	7,056.19
9	Firm Resale (310)	0.05092		121	6.16
10	Interruptible Lg General Sales (304)	0.01273		9,408	119.76
11	Interruptible Lg General Transportation (314)	0.01273		5,886,748	74,938.30
12	Total				\$ 675,136.81

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	230,812.44
01 01 48110 3 17 6220 489	219,406.85
01 01 48110 3 17 6220 489	63,256.76
01 01 48120 3 17 6220 489	17,682.84
01 01 48900 3 17 6220 489	68,913.70
01 01 48300 3 17 6220 489	6.16
01 01 48120 3 17 6220 489	119.76
01 01 48900 3 17 6220 489	74,938.30
01 01 25351 3 17 6250 489	(675,136.81)