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Piedmont Natural Gas



April 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 February 28, 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 February 28, 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".

Laura Hager
Regulatory Analyst

cc: Pia Powers
Bruce Barkley
James Jeffries
Michelle Ramsey
Tricia Hicks
Emily Knight

P.O. Box 33068 • Charlotte, North Carolina 28233
piedmontng.com

Cumulative Integrity Management Investment Amount

Actual Integrity Management Investment, by Integrity Project Type

Line No.		Current Vintage Year: Vintage Year 6			All Vintage Years
		February 2018 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of February 2018 ³	Cumulative Capital Expenditure as of February 2018 ⁶
	<i>TN Direct</i>				
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	\$ 920,861.89	\$ 6,064,164.54	\$ 6,985,026.43	\$ 61,053,494.22
4	Transmission Integrity	\$ 1,048,913.42	\$ 1,868,664.41	\$ 2,917,577.83	\$ 183,087,587.83
5	Total	\$ 1,969,775.31	\$ 7,993,206.00	\$ 9,962,981.31	\$ 250,787,313.84
	<i>Joint Property: CO3-State</i>				
6	OASIS Project (Work & Asset Management System)	\$ 530,432.82	\$ 2,001,175.95	\$ 2,531,608.77	\$ 133,862,012.22
7	TN % of CO-3 for Current Month ⁴	16.33%			
8	Total Allocated to TN	\$ 86,619.68	\$ 326,374.88	\$ 412,994.56	\$ 23,532,487.98
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 2,056,394.99	\$ 8,319,580.88	\$ 10,375,975.87	\$ 274,319,801.82
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 2,056,394.99	\$ 8,319,580.88	\$ 10,375,975.87	\$ 241,419,801.82

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	February 2018
1	DIMP-Distribution Integrity	FP1733763	17	Harding Place	\$ 134,302.31
2	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	150.23
3	DIMP-Distribution Integrity	FP1733766	17	Overhill Circle	17,510.85
4	DIMP-Distribution Integrity	FP1733767	17	Fesslers LN	673.48
5	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	21,240.04
6	DIMP-Distribution Integrity	FP1734408	17	3rd and Hart Station Valves	21,283.39
7	DIMP-Distribution Integrity	FP1734412	17	Vine Ridge Drive	369,311.97
8	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	110.21
9	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	33,959.99
10	DIMP-Distribution Integrity	FP1734420	17	Synder Street @ Lovell Street	1,960.10
11	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	45,106.65
12	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd _ DIM	38,462.26
13	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Rd at Forest Vie	18.20
14	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Ln	49,268.19
15	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	18,728.72
16	DIMP-Distribution Integrity	FP1734770	17	Ash Street and 2nd Ave S DIMP	441.23
17	DIMP-Distribution Integrity	FP1734799	17	Nashville Bridge Attachments	428.08
18	DIMP-Distribution Integrity	FP1734807	17	Wingo Regulator Station Remova	8,479.28
19	DIMP-Distribution Integrity	FP1734808	17	Regulator Install for Shelby S	411.72
20	DIMP-Distribution Integrity	FP1734812	17	Haverford Ave.	1,661.23
21	DIMP-Distribution Integrity	FP1734818	17	Bryan St #1852	565.98
22	DIMP-Distribution Integrity	FP1734819	17	Shelby Railroad Tressell Retir	1,768.50
23	DIMP-Distribution Integrity	FP1734823	17	240 Blackman Rd DIMP	19,017.23
24	DIMP-Distribution Integrity	FP1734824	17	Childrens Way	136,002.05
25	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	377,114.43
26	TIMP-Transmission Integrity	FP1734120	17	Line 431 Replacement	671,798.99
27	ISENP-Information Serv Enterprise	FP0026658	17	Work & Asset Management (OASIS)	530,432.82

Total (unallocated)

\$ 2,500,208.13

28 subtotal: TN Direct (unallocated)

\$ 1,969,775.31

29 subtotal: CO-3 (unallocated)

\$ 530,432.82

\$ 2,500,208.13

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>Feb-18</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 3,845,304.42
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	3,776,922.54
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(4,960,934.66)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	2,661,292.30
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	3,253,298.36
6	Accrued Interest	<i>Line 5 * Line 9</i>	11,523.18
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 2,672,815.48
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 #0253139 EOM Balance	<i>per GL</i>	\$ 2,672,815.48
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	3,776,922.54
01 01 48010 3 17 6220 489	(2,252,707.68)
01 01 48110 3 17 6220 489	(1,178,399.83)
01 01 48120 3 17 6220 489	(50,950.69)
01 01 48300 3 17 6220 489	(1,057.54)
01 01 48900 3 17 6220 489	(293,806.80)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	11,523.18
01 01 43101 3 17 6220 626	(11,523.18)

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		February 2018		
Line No.		IM Adjustment (\$ per therm)	x Usage (therms)	= Collections (\$)
1	Residential (301)	0.13124	24,618,181	3,230,890.07
2	Small General Sales (302)	0.11465	9,943,883	1,140,066.19
3	Medium General Sales (352)	0.11465	2,924,912	335,341.16
4	Experimental Motor Vehicle Fuel (343/352)	0.11465	955	109.49
5	Firm Lg General Sales (303)	0.05092	732,136	37,280.37
6	Experimental Motor Vehicle Fuel (343/303)	0.05092	28,242	1,438.08
7	Firm Lg General Transportation (313)	0.05092	2,020,858	102,902.09
8	Experimental Motor Vehicle Fuel (343/313)	0.05092	117,006	5,957.95
9	Firm Resale (310)	0.05092	1,743	88.75
10	Interruptible Lg General Sales (304)	0.01273	16,603	211.36
11	Interruptible Lg General Transportation (314)	0.01273	8,377,781	106,649.15
12	Total			\$ 4,960,934.66

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	3,230,890.07
01 01 48110 3 17 6220 489	1,140,066.19
01 01 48110 3 17 6220 489	335,450.65
01 01 48120 3 17 6220 489	38,718.45
01 01 48900 3 17 6220 489	108,860.04
01 01 48300 3 17 6220 489	88.75
01 01 48120 3 17 6220 489	211.36
01 01 48900 3 17 6220 489	106,649.15
01 01 25351 3 17 6250 489	(4,960,934.66)