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July 16, 2018

13-00118

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 May 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 May 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 that reads "Laura M. Hager".

Laura Hager
Regulatory Analyst

cc: Pia Powers
Bruce Barkley
James Jeffries
Michelle Ramsey
Tricia Hicks
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.		May 2018 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of May 2018 ³	Cumulative Capital Expenditure as of May 2018 ⁶
<i>TN Direct</i>					
1	Corrosion Control	\$ 4,538.58	\$ 142,383.38	\$ 146,921.96	\$ 5,920,571.77
2	Casing Remediation	\$ -	\$ 36,484.24	\$ 36,484.24	\$ 848,689.17
3	Distribution Integrity	\$ 634,453.19	\$ 8,621,381.35	\$ 9,255,834.54	\$ 63,324,302.33
4	Transmission Integrity	\$ 321,670.42	\$ 3,129,076.21	\$ 3,450,746.63	\$ 183,620,756.63
5	Total	\$ 960,662.19	\$ 11,929,325.18	\$ 12,889,987.37	\$ 253,714,319.90
<i>Joint Property: CO3-State</i>					
6	OASIS Project (Work & Asset Management System)	\$ 7,520.01	\$ 2,557,961.82	\$ 2,565,481.83	\$ 133,895,885.28
7	TN % of CO-3 for Current Month ⁴	16.33%			
8	Total Allocated to TN	\$ 1,228.02	\$ 417,298.02	\$ 418,526.04	\$ 23,538,019.46
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 961,890.21	\$ 12,346,623.20	\$ 13,308,513.41	\$ 277,252,339.36
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 961,890.21	\$ 12,346,623.20	\$ 13,308,513.41	\$ 244,352,339.36

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 Year 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	May 2018
1	DIMP-Distribution Integrity	FP1733763	17	Harding Place	\$ 204,810.00
2	DIMP-Distribution Integrity	FP1733763	17	Harding Place	4,094.33
3	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	25,380.53
4	DIMP-Distribution Integrity	FP1734408	17	3rd and Hart Station Valves	356.85
5	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	3,803.06
6	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	2,580.69
7	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	14,456.71
8	DIMP-Distribution Integrity	FP1734799	17	Nashville Bridge Attachments	0.83
9	DIMP-Distribution Integrity	FP1734812	17	Haverford Ave.	130,533.22
10	DIMP-Distribution Integrity	FP1734818	17	Bryan St #1852	116,156.31
11	DIMP-Distribution Integrity	FP1734824	17	Childrens Way	91,077.52
12	DIMP-Distribution Integrity	FP1734432	17	Visco Dt	10.16
13	DIMP-Distribution Integrity	FP1734430	17	Keaton Ave	3,174.76
14	DIMP-Distribution Integrity	F0216309	17	Baxter Ln	2,356.93
15	DIMP-Distribution Integrity	FP1734693	17	Cliff Dr Main replacement	395.07
16	DIMP-Distribution Integrity	FP1734690	17	Belmont Pit Regulator Replacement	4,271.34
17	DIMP-Distribution Integrity	FP1734692	17	California Ave #1817	30,994.88
18	CORR-Corrosion Control	FP1734721	17	Nashville Trans Remediation	4,276.16
19	CORR-Corrosion Control	FP1734721	17	Nashville Trans Remediation	117.12
20	CORR-Corrosion Control	FP1734720	17	Nashville HP Dist Remediation	(43,929.84)
21	CORR-Corrosion Control	F0214409	17	Nashville Rectifier (REM MON)	216.50
22	CORR-Corrosion Control	F0214742	17	Dickerson Rd @ Shevel St	1,474.84
23	CORR-Corrosion Control	F0214467	17	Nashville Bridge New Coating	35,465.40
24	CORR-Corrosion Control	FP1734718	17	Nashville Galvanic Anode	6,918.40
25	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	13,960.87
26	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	4,137.28
27	TIMP-Transmission Integrity	FP1734120	17	Line 431 Replacement	253,110.05
28	TIMP-Transmission Integrity	FP1734120	17	Line 431 Replacement	31,136.65
29	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	19,325.57
30	ISENP-Information Serv Enterprise	FP0026658	17	OASIS: Distribution for Ventyx	7,520.01

Total (unallocated)

\$ 968,182.20

31 subtotal: TN Direct (unallocated)

\$ 960,662.19

32 subtotal: CO-3 (unallocated)

\$ 7,520.01

\$ 968,182.20

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. 0253139

<u>Line No.</u>			<u>May-18</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 1,901,867.38
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	1,184,101.61
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(1,508,001.70)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	1,577,967.29
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	1,739,917.34
6	Accrued Interest	<i>Line 5 * Line 9</i>	6,481.19
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 1,584,448.48
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.044700
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.003725
10	Actual GL #0253139 EOM Balance	<i>per GL</i>	\$ 1,584,448.48
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

47136 0253139 GA489 PTOPTOP	1,184,101.61
47136 0480000 GA489 PTOPTOP 0526 RESVAL	(706,245.56)
47136 0481200 GA489 PTOPTOP 0526 COMSTD	(369,439.71)
47136 0481000 GA489 PTOPTOP 0526 INDSLS	(15,973.53)
47136 0483011 GA489 PTOPTOP 0526 GASRSL	(331.55)
47136 0489000 GA489 PTOPTOP 0526 BOTHRV	(92,111.26)

Journal Entry: To Record Interest

47136 0253139 GA626 PTOPTOP	6,481.19
47136 0431150 GA626 PTOPTOP 0526	(6,481.19)

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		May 2018			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.13124		6,268,071	822,621.64
2	Small General Sales (302)	0.11465		3,315,230	380,091.12
3	Medium General Sales (352)	0.11465		1,076,675	123,440.79
4	Experimental Motor Vehicle Fuel (343/352)	0.11465		1,306	149.73
5	Firm Lg General Sales (303)	0.05092		316,655	16,124.07
6	Experimental Motor Vehicle Fuel (343/303)	0.05092		33,444	1,702.97
7	Firm Lg General Transportation (313)	0.05092		1,267,172	64,524.40
8	Experimental Motor Vehicle Fuel (343/313)	0.05092		142,995	7,281.31
9	Firm Resale (310)	0.05092		431	21.95
10	Interruptible Lg General Sales (304)	0.01273		20,600	262.24
11	Interruptible Lg General Transportation (314)	0.01273		7,209,857	91,781.48
12	Total				\$ 1,508,001.70

Journal Entry: To Record Collections

47136 0480000 GA489 PTOP 0526 RESVAL	822,621.64
47136 0481200 GA489 PTOP 0526 COMSTD	380,091.12
47136 0481200 GA489 PTOP 0526 COMSTD	123,590.52
47136 0481000 GA489 PTOP 0526 INDSLS	17,827.04
47136 0489000 GA489 PTOP 0526 BOTHRV	71,805.71
47136 0483011 GA489 PTOP 0526 GASRSL	21.95
47136 0481000 GA489 PTOP 0526 INDSLS	262.24
47136 0489000 GA489 PTOP 0526 BOTHRV	91,781.48
47136 0253139 GA489 PTOP	(1,508,001.70)