



August 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 June 30, 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 June 30, 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](mailto:laura.hager@duke-energy.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  
      Tricia Hicks  
      Emily Knight

**Cumulative Integrity Management Investment Amount**

**Actual Integrity Management Investment, by Integrity Project Type**

Line No.		Current Vintage Year: Vintage Year 6			All Vintage Years
		June 2018 Capital Expenditure <sup>1</sup>	Prior Cumulative Capital Expenditure <sup>2</sup>	Cumulative Capital Expenditure as of June 2018 <sup>3</sup>	Cumulative Capital Expenditure as of June 2018 <sup>6</sup>
	<i>TN Direct</i>				
1	Corrosion Control	\$ 892,090.52	\$ 146,921.96	\$ 1,039,012.48	\$ 6,812,662.29
2	Casing Remediation	\$ -	\$ 36,484.24	\$ 36,484.24	\$ 848,689.17
3	Distribution Integrity	\$ 1,104,180.52	\$ 9,255,834.54	\$ 10,360,015.06	\$ 64,428,482.85
4	Transmission Integrity	\$ 1,284,388.80	\$ 3,450,746.63	\$ 4,735,135.43	\$ 184,905,145.43
5	Total	\$ 3,280,659.84	\$ 12,889,987.37	\$ 16,170,647.21	\$ 256,994,979.74
	<i>Joint Property: CO3-State</i>				
6	OASIS Project (Work & Asset Management System)	\$ 30,906.31	\$ 2,565,481.83	\$ 2,596,388.14	\$ 133,926,791.59
7	TN % of CO-3 for Current Month <sup>4</sup>	16.33%			
8	Total Allocated to TN	\$ 5,047.00	\$ 418,526.04	\$ 423,573.04	\$ 23,543,066.46
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 3,285,706.84	\$ 13,308,513.41	\$ 16,594,220.25	\$ 280,538,046.20
10	Less: Amount Included in the Attrition Period <sup>5</sup>	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	<b>Total Integrity Management Investment</b>	<b>\$ 3,285,706.84</b>	<b>\$ 13,308,513.41</b>	<b>\$ 16,594,220.25</b>	<b>\$ 247,638,046.20</b>

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	June 2018
1	DIMP-Distribution Integrity	FP1733763	17	Harding Place	\$ 479,796.56
2	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	1,320.83
3	DIMP-Distribution Integrity	FP1734408	17	3rd and Hart Station Valves	250.40
4	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	(6,333.65)
5	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	53.70
6	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	7,746.36
7	DIMP-Distribution Integrity	FP1734799	17	Nashville Bridge Attachments	31,707.28
8	DIMP-Distribution Integrity	FP1734812	17	Haverford Ave.	881.08
9	DIMP-Distribution Integrity	FP1734818	17	Bryan St #1852	343,330.75
10	DIMP-Distribution Integrity	FP1734824	17	Childrens Way	(383.40)
11	DIMP-Distribution Integrity	FP1734432	17	Visco Dt	853.15
12	DIMP-Distribution Integrity	FP1734430	17	Keaton Ave	92,896.03
13	DIMP-Distribution Integrity	F0215066	17	Maplewood Rd Valve	449.71
14	DIMP-Distribution Integrity	F0216309	17	Baxter Ln	45,242.36
15	DIMP-Distribution Integrity	FP1734653	17	Blue Hold Rd HDD	60,822.37
16	DIMP-Distribution Integrity	FP1734693	17	Cliff Dr Main replacement	2.54
17	DIMP-Distribution Integrity	FP1734690	17	Belmont Pit Regulator Replacement	28,467.74
18	DIMP-Distribution Integrity	FP1734692	17	California Ave #1817	17,076.71
19	CORR-Corrosion Control	FP1734721	17	Nashville Trans Remediation	51,468.29
20	CORR-Corrosion Control	FP1734720	17	Nashville HP Dist Remediation	766,826.58
21	CORR-Corrosion Control	F0214409	17	Nashville Rectifier (REM MON)	217.89
22	CORR-Corrosion Control	F0214742	17	Dickerson Rd @ Shevel St	14,145.46
23	CORR-Corrosion Control	F0214467	17	Nashville Bridge New Coating	57,893.85
24	CORR-Corrosion Control	FP1734718	17	Nashville Galvanic Anode	1,538.45
25	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	15,861.06
26	TIMP-Transmission Integrity	FP1734120	17	Line 431 Replacement	1,265,438.12
27	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	3,089.62
28	ISENP-Information Serv Enterprise	FP0026658	17	OASIS: Distribution for Ventyx	30,906.31

**Total (unallocated)**

**\$ 3,311,566.15**

29 subtotal: TN Direct (unallocated)

\$ 3,280,659.84

30 subtotal: CO-3 (unallocated)

\$ 30,906.31

**\$ 3,311,566.15**

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>Jun-18</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 1,584,448.48
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	838,476.73
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(957,799.88)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	1,465,125.33
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	1,524,786.91
6	Accrued Interest	<i>Line 5 * Line 9</i>	5,679.83
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 1,470,805.16
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>	\$ 1,470,805.16
11	Variance	<i>Line 7 - Line 10</i>	\$ -

**Journal Entry: To Record Revenue**

47136 0253139 GA489 PTOP	838,476.73
47136 0480000 GA489 PTOP 0526 RESVAL	(500,101.07)
47136 0481200 GA489 PTOP 0526 COMSTD	(261,604.74)
47136 0481000 GA489 PTOP 0526 INDSLS	(11,311.05)
47136 0483011 GA489 PTOP 0526 GASRSL	(234.77)
47136 0489000 GA489 PTOP 0526 BOTHRV	(65,225.10)

**Journal Entry: To Record Interest**

47136 0253139 GA626 PTOP	5,679.83
47136 0431150 GA626 PTOP 0526	(5,679.83)

**General Ledger Support**

**Integrity Management Deferred Account Adjustment Recorded for the Month**

Calculation of the IM Adjustment Collections:

		June 2018		
Line No.		IM Adjustment (\$ per therm)	x Usage (therms)	= Collections (\$)
1	Residential (301)	0.16057	2,290,562	367,795.54
2	Small General Sales (302)	0.14027	2,104,321	295,173.11
3	Medium General Sales (352)	0.14027	658,030	92,301.87
4	Experimental Motor Vehicle Fuel (343/352)	0.14027	-	-
5	Firm Lg General Sales (303)	0.06230	287,228	17,894.30
6	Experimental Motor Vehicle Fuel (343/303)	0.06230	33,652	2,096.52
7	Firm Lg General Transportation (313)	0.06230	1,153,627	71,870.96
8	Experimental Motor Vehicle Fuel (343/313)	0.06230	135,033	8,412.56
9	Firm Resale (310)	0.06230	274	17.07
10	Interruptible Lg General Sales (304)	0.01557	37,443	582.99
11	Interruptible Lg General Transportation (314)	0.01557	6,528,899	101,654.96
12	<b>Total</b>			<b>\$ 957,799.88</b>

**Journal Entry: To Record Collections**

47136 0480000 GA489 PTOP 0526 RESVAL	367,795.54
47136 0481200 GA489 PTOP 0526 COMSTD	295,173.11
47136 0481200 GA489 PTOP 0526 COMSTD	92,301.87
47136 0481000 GA489 PTOP 0526 INDSL	19,990.82
47136 0489000 GA489 PTOP 0526 BOTHRV	80,283.52
47136 0483011 GA489 PTOP 0526 GASRSL	17.07
47136 0481000 GA489 PTOP 0526 INDSL	582.99
47136 0489000 GA489 PTOP 0526 BOTHRV	101,654.96
47136 0253139 GA489 PTOP	(957,799.88)