

September 17, 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**

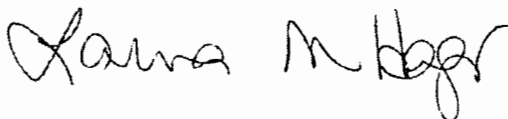
Dear Mr. Foster:

Enclosed is Piedmont Natural Gas Company's ("Piedmont" or "Company") Integrity Management Rider ("IMR") Monthly Report for the month ending July 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 July 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,



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
		July 2018 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of July 2018 ³	Cumulative Capital Expenditure as of July 2018 ⁶
	<i>TN Direct</i>				
1	Corrosion Control	\$ 191,196.57	\$ 1,039,012.48	\$ 1,230,209.05	\$ 7,003,858.86
2	Casing Remediation	\$ -	\$ 36,484.24	\$ 36,484.24	\$ 848,689.17
3	Distribution Integrity	\$ 1,292,039.41	\$ 10,360,015.06	\$ 11,652,054.47	\$ 65,720,522.26
4	Transmission Integrity	\$ (228,221.38)	\$ 4,735,135.43	\$ 4,506,914.05	\$ 184,676,924.05
5	Total	\$ 1,255,014.60	\$ 16,170,647.21	\$ 17,425,661.81	\$ 258,249,994.34
	<i>Joint Property: CO3-State</i>				
6	OASIS Project (Work & Asset Management System)	\$ -	\$ 2,596,388.14	\$ 2,596,388.14	\$ 133,926,791.59
7	TN % of CO-3 for Current Month ⁴	16.33%			
8	Total Allocated to TN	\$ -	\$ 423,573.04	\$ 423,573.04	\$ 23,543,066.46
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 1,255,014.60	\$ 16,594,220.25	\$ 17,849,234.85	\$ 281,793,060.80
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 1,255,014.60	\$ 16,594,220.25	\$ 17,849,234.85	\$ 248,893,060.80

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	July 2018
1	DIMP-Distribution Integrity	F0215066	17	Maplewood Rd Valve	2.89
2	DIMP-Distribution Integrity	F0216582	17	Rural Hill Isolation Valve Removal	9,360.12
3	DIMP-Distribution Integrity	F0221329	17	10th Ave N Valve Replacement	822.36
4	DIMP-Distribution Integrity	FP1733749	17	North 1st St-Replacement	(35,595.00)
5	DIMP-Distribution Integrity	FP1733756	17	Foster Ave Murfreesboro Rd	(30,254.62)
6	DIMP-Distribution Integrity	FP1733763	17	Harding Place	580,098.97
7	DIMP-Distribution Integrity	FP1733766	17	Overhill Circle	(26,981.00)
8	DIMP-Distribution Integrity	FP1733947	17	Noblesville Rd Over RR of I-440	(42,798.00)
9	DIMP-Distribution Integrity	FP1734138	17	Electric Avenue Project	466,370.15
10	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	8,841.21
11	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd/Tyne Blvd DIM	6,692.12
12	DIMP-Distribution Integrity	FP1734430	17	Keaton Ave	22,568.35
13	DIMP-Distribution Integrity	FP1734432	17	Visco Dt	204,564.21
14	DIMP-Distribution Integrity	FP1734478	17	3rd Ave North Steel Replacement	(4,604.75)
15	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Lane	(36,212.00)
16	DIMP-Distribution Integrity	FP1734653	17	Blue Hold Rd HDD	3,052.08
17	DIMP-Distribution Integrity	FP1734690	17	Belmont Pit Regulator Replacement	44906.56
18	DIMP-Distribution Integrity	FP1734693	17	Cliff Dr Main replacement	10,334.51
19	DIMP-Distribution Integrity	FP1734696	17	West Tyne & Old Harding Place	1,726.67
20	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	6,429.24
21	DIMP-Distribution Integrity	FP1734799	17	Nashville Bridge Attachments	61,956.70
22	DIMP-Distribution Integrity	FP1734807	17	Wingo Regulator Station Removal	99.93
23	DIMP-Distribution Integrity	FP1734812	17	Haverford Ave.	(191.70)
24	DIMP-Distribution Integrity	FP1734818	17	Bryan St #1852	40,850.41
25	CORR-Corrosion Control	FP1734721	17	Nashville Trans Remediation	461.95
26	CORR-Corrosion Control	FP1734720	17	Nashville HP Dist Remediation	6,759.35
27	CORR-Corrosion Control	F0214409	17	Nashville Rectifier (REM MON)	3,249.94
28	CORR-Corrosion Control	F0214742	17	Dickerson Rd @ Shevel St	63,204.76
29	CORR-Corrosion Control	F0214467	17	Nashville Bridge New Coating	117,466.29
30	CORR-Corrosion Control	FP1734718	17	Nashville Galvanic Anode	54.28
31	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	8,358.50
32	TIMP-Transmission Integrity	FP1734120	17	Line 431 Replacement	(236,579.88)

Total (unallocated)

\$ 1,255,014.60

33 subtotal: TN Direct (unallocated)

\$ 1,255,014.60

34 subtotal: CO-3 (unallocated)

\$ -

\$ 1,255,014.60

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>Jul-18</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 1,470,805.16
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	780,699.38
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(827,957.14)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	1,423,547.40
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	1,447,176.28
6	Accrued Interest	<i>Line 5 * Line 9</i>	5,655.56
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 1,429,202.96
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.04690
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.003908
10	Actual GL #0253139 EOM Balance	<i>per GL</i>	\$ 1,429,202.96
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

47136 0253139 GA489 PTOP	780,699.38
47136 0480000 GA489 PTOP 0526 RESVAL	(465,640.34)
47136 0481200 GA489 PTOP 0526 COMSTD	(243,578.20)
47136 0481000 GA489 PTOP 0526 INDSLS	(10,531.63)
47136 0483011 GA489 PTOP 0526 GASRSL	(218.60)
47136 0489000 GA489 PTOP 0526 BOTHRV	(60,730.61)

Journal Entry: To Record Interest

47136 0253139 GA626 PTOP	5,655.56
47136 0431150 GA626 PTOP 0526	(5,655.56)

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		July 2018		
Line No.		IM Adjustment (\$ per therm)	x Usage (therms)	= Collections (\$)
1	Residential (301)	0.16057	1,827,276	293,405.71
2	Small General Sales (302)	0.14027	1,821,263	255,468.56
3	Medium General Sales (352)	0.14027	558,641	78,360.57
4	Experimental Motor Vehicle Fuel (343/352)	0.14027	32	4.49
5	Firm Lg General Sales (303)	0.06230	284,094	17,699.06
6	Experimental Motor Vehicle Fuel (343/303)	0.06230	35,833	2,232.40
7	Firm Lg General Transportation (313)	0.06230	1,074,579	66,946.27
8	Experimental Motor Vehicle Fuel (343/313)	0.06230	139,783	8,708.48
9	Firm Resale (310)	0.06230	264	16.45
10	Interruptible Lg General Sales (304)	0.01557	5,241	81.60
11	Interruptible Lg General Transportation (314)	0.01557	6,745,893	105,033.55
12	Total			\$ 827,957.14

Journal Entry: To Record Collections

47136 0480000 GA489 PTOP 0526 RESVAL	293,405.71
47136 0481200 GA489 PTOP 0526 COMSTD	255,468.56
47136 0481200 GA489 PTOP 0526 COMSTD	78,365.06
47136 0481000 GA489 PTOP 0526 INDSLS	19,931.46
47136 0489000 GA489 PTOP 0526 BOTHRV	75,654.75
47136 0483011 GA489 PTOP 0526 GASRSL	16.45
47136 0481000 GA489 PTOP 0526 INDSLS	81.60
47136 0489000 GA489 PTOP 0526 BOTHRV	105,033.55
47136 0253139 GA489 PTOP	(827,957.14)