



October 15, 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 August 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 August 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](mailto:laura.hager@duke-energy.com).

Sincerely,

A handwritten signature in dark 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**

		Current Vintage Year: Vintage Year 6		All Vintage Years	
Line No.		August 2018 Capital Expenditure <sup>1</sup>	Prior Cumulative Capital Expenditure <sup>2</sup>	Cumulative Capital Expenditure as of August 2018 <sup>3</sup>	Cumulative Capital Expenditure as of August 2018 <sup>6</sup>
<i>TN Direct</i>					
1	Corrosion Control	\$ 225,388.22	\$ 1,230,209.05	\$ 1,455,597.27	\$ 7,229,247.08
2	Casing Remediation	\$ 14,884.32	\$ 36,484.24	\$ 51,368.56	\$ 863,573.49
3	Distribution Integrity	\$ 1,280,688.97	\$ 11,652,054.47	\$ 12,932,743.44	\$ 67,001,211.23
4	Transmission Integrity	\$ 619,369.88	\$ 4,506,914.05	\$ 5,126,283.93	\$ 185,296,293.93
5	Total	\$ 2,140,331.39	\$ 17,425,661.81	\$ 19,565,993.20	\$ 260,390,325.73
<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 <sup>4</sup>	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]	\$ 2,140,331.39	\$ 17,849,234.85	\$ 19,989,566.24	\$ 283,933,392.19
10	Less: Amount Included in the Attrition Period <sup>5</sup>	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	<b>Total Integrity Management Investment</b>	<b>\$ 2,140,331.39</b>	<b>\$ 17,849,234.85</b>	<b>\$ 19,989,566.24</b>	<b>\$ 251,033,392.19</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	August 2018
1	DIMP-Distribution Integrity	F0215066	17	Maplewood Rd Valve	2.91
2	DIMP-Distribution Integrity	F0216309	17	Baxter Ln	45.37
3	DIMP-Distribution Integrity	F0221329	17	10th Ave N Valve Replacement	2,601.47
4	DIMP-Distribution Integrity	F0222124	17	Harding Pl & Granny White Pk Valve	2,298.85
5	DIMP-Distribution Integrity	F0222311	17	2658 Hwy 41 South Greenbrier	73,067.37
6	DIMP-Distribution Integrity	F0222670	17	Donelso Plaza Regulator Removal	943.21
7	DIMP-Distribution Integrity	FP1733755	17	Wheeler Ave and Hewlett Dr	(5,904.25)
8	DIMP-Distribution Integrity	FP1733763	17	Harding Place	282,913.11
9	DIMP-Distribution Integrity	FP1733767	17	Fessler's/Murfreesboro Rd	(6,073.75)
10	DIMP-Distribution Integrity	FP1734414	17	Dreamland Drive, Greenbrier TN	(8,249.00)
11	DIMP-Distribution Integrity	FP1734415	17	Foster Ave at Thompson Lane	38,630.15
12	DIMP-Distribution Integrity	FP1734417	17	Rayon Dr (Bridgeway Ave & Ensely)	(4,604.75)
13	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	29,459.94
14	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd/Tyne Blvd DIM	140,117.64
15	DIMP-Distribution Integrity	FP1734430	17	Keaton Ave	19,352.05
16	DIMP-Distribution Integrity	FP1734432	17	Visco Dt	268,417.18
17	DIMP-Distribution Integrity	FP1734690	17	Belmont Pit Regulator Replacement	45,500.22
18	DIMP-Distribution Integrity	FP1734692	17	California Ave at Centennial	43.34
19	DIMP-Distribution Integrity	FP1734693	17	Cliff Dr Main replacement	127,955.14
20	DIMP-Distribution Integrity	FP1734696	17	West Tyne & Old Harding Place	11.08
21	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	6,595.17
22	DIMP-Distribution Integrity	FP1734799	17	Nashville Bridge Attachments	264,144.08
23	DIMP-Distribution Integrity	FP1734812	17	Haverford Ave.	90.69
24	DIMP-Distribution Integrity	FP1734818	17	Bryan St #1852	3,331.75
25	CORR-Corrosion Control	FP1734721	17	Nashville Trans Remediation	464.91
26	CORR-Corrosion Control	FP1734720	17	Nashville HP Dist Remediation	4,957.10
27	CORR-Corrosion Control	F0214409	17	Nashville Rectifier (REM MON)	3,378.97
28	CORR-Corrosion Control	F0214742	17	Dickerson Rd @ Shevel St	16,327.01
29	CORR-Corrosion Control	F0214467	17	Nashville Bridge New Coating	193,216.11
30	CORR-Corrosion Control	FP1734718	17	Nashville Galvanic Anode	7,044.12
31	CSNG-Casing & Remediation	FP1734395	17	Casing 2704 East RR Xing Wilson	19,489.07
32	CSNG-Casing & Remediation	FP1734373	17	Casing at 204 Broadway in Hartsville	(4,604.75)
33	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	15,577.14
34	TIMP-Transmission Integrity	FP1734120	17	Line 431 Replacement	600,725.99
35	TIMP-Transmission Integrity	FP1734394	17	Line 431 Ph II 20 & 12" Transmission	3,066.75

**Total (unallocated)**

**\$ 2,140,331.39**

36 subtotal: TN Direct (unallocated)

\$ 2,140,331.39

37 subtotal: CO-3 (unallocated)

\$ -

**\$ 2,140,331.39**

**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>Aug-18</u>
1	Beginning Balance	\$ 1,429,202.96
2	IMR Revenue Recognition	786,802.54
3	(Collections from IM Adjustment)	(820,974.34)
4	Ending Balance Before Interest	1,395,031.16
5	Average Balance	1,412,117.06
6	Accrued Interest	5,518.55
7	Ending Balance After Interest	\$ 1,400,549.71
8	Applicable Annual Interest Rate	0.04690
9	Monthly Interest Rate	0.003908
10	Actual GL #0253139 EOM Balance	\$ 1,400,549.71
11	Variance	\$ -

**Journal Entry: To Record Revenue**

47136 0253139 GA489 PTOP	786,802.54
47136 0480000 GA489 PTOP 0526 RESVAL	(469,280.51)
47136 0481200 GA489 PTOP 0526 COMSTD	(245,482.40)
47136 0481000 GA489 PTOP 0526 INDSLS	(10,613.96)
47136 0483011 GA489 PTOP 0526 GASRSL	(220.30)
47136 0489000 GA489 PTOP 0526 BOTHRV	(61,205.37)

**Journal Entry: To Record Interest**

47136 0253139 GA626 PTOP	5,518.55
47136 0431150 GA626 PTOP 0526	(5,518.55)

**General Ledger Support**

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

Calculation of the IM Adjustment Collections:

		August 2018			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.16057		1,719,601	276,116.33
2	Small General Sales (302)	0.14027		1,833,630	257,203.28
3	Medium General Sales (352)	0.14027		540,639	75,835.43
4	Experimental Motor Vehicle Fuel (343/352)	0.14027		32	4.49
5	Firm Lg General Sales (303)	0.06230		312,321	19,457.60
6	Experimental Motor Vehicle Fuel (343/303)	0.06230		35,921	2,237.88
7	Firm Lg General Transportation (313)	0.06230		1,206,953	75,193.17
8	Experimental Motor Vehicle Fuel (343/313)	0.06230		146,932	9,153.86
9	Firm Resale (310)	0.06230		297	18.50
10	Interruptible Lg General Sales (304)	0.01557		8,988	139.94
11	Interruptible Lg General Transportation (314)	0.01557		6,783,164	105,613.86
12	<b>Total</b>				<b>\$ 820,974.34</b>

Journal Entry: To Record Collections

47136 0480000 GA489 PTOP 0526 RESVAL	276,116.33
47136 0481200 GA489 PTOP 0526 COMSTD	257,203.28
47136 0481200 GA489 PTOP 0526 COMSTD	75,839.92
47136 0481000 GA489 PTOP 0526 INDSLS	21,695.48
47136 0489000 GA489 PTOP 0526 BOTHRV	84,347.03
47136 0483011 GA489 PTOP 0526 GASRSL	18.50
47136 0481000 GA489 PTOP 0526 INDSLS	139.94
47136 0489000 GA489 PTOP 0526 BOTHRV	105,613.86
47136 0253139 GA489 PTOP	(820,974.34)
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