



November 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 September 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 September 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.

Sincerely,

A handwritten signature in grey ink that reads "Laura M. Hager".

Laura M. Hager
Senior Regulatory Analyst

cc: Pia Powers
 Bruce Barkley
 James Jeffries
 Michelle Mairs
 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.		September 2018 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of September 2018 ³	Cumulative Capital Expenditure as of September 2018 ⁶
<i>TN Direct</i>					
1	Corrosion Control	\$ 33,167.59	\$ 1,455,597.27	\$ 1,488,764.86	\$ 7,262,414.67
2	Casing Remediation	\$ 18,313.49	\$ 51,368.56	\$ 69,682.05	\$ 881,886.98
3	Distribution Integrity	\$ 996,952.70	\$ 12,932,743.44	\$ 13,929,696.14	\$ 67,998,163.93
4	Transmission Integrity	\$ 1,619,863.39	\$ 5,126,283.93	\$ 6,746,147.32	\$ 186,916,157.32
5	Total	\$ 2,668,297.17	\$ 19,565,993.20	\$ 22,234,290.37	\$ 263,058,622.90
<i>Joint Property: CO3-State</i>					
6	OASIS Project (Work & Asset Management System)	\$ (46,730.89)	\$ 2,596,388.14	\$ 2,549,657.25	\$ 133,880,060.70
7	TN % of CO-3 for Current Month ⁴	16.33%			
8	Total Allocated to TN	\$ (7,631.15)	\$ 423,573.04	\$ 415,941.89	\$ 23,535,435.31
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 2,660,666.02	\$ 19,989,566.24	\$ 22,650,232.26	\$ 286,594,058.21
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 2,660,666.02	\$ 19,989,566.24	\$ 22,650,232.26	\$ 253,694,058.21

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	September 2018
1	DIMP-Distribution Integrity	FP1733763	17	Harding Place	414,820.33
2	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	(4,270.09)
3	DIMP-Distribution Integrity	FP1734408	17	3rd and Hart Station Valves	75.57
4	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	58.88
5	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	303.59
6	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	14,056.08
7	DIMP-Distribution Integrity	FP1734799	17	Nashville Bridge Attachments	82,979.29
8	DIMP-Distribution Integrity	FP1734812	17	Haverford Ave.	434.02
9	DIMP-Distribution Integrity	FP1734818	17	Bryan St #1852	157.08
10	DIMP-Distribution Integrity	FP1734824	17	Childrens Way	53.34
11	DIMP-Distribution Integrity	FP1734432	17	Visco Dt	148,583.05
12	DIMP-Distribution Integrity	FP1734430	17	Keaton Ave	23,672.12
13	DIMP-Distribution Integrity	F0216309	17	Baxter Ln	122.66
14	DIMP-Distribution Integrity	FP1734693	17	Cliff Dr Main replacement	97,285.33
15	DIMP-Distribution Integrity	FP1734690	17	Belmont Pit Regulator Replacement	34,968.29
16	DIMP-Distribution Integrity	F0215066	17	Maplewood Rd Valve	19.28
17	DIMP-Distribution Integrity	FP1734653	17	Blue Hole Rd HDD	48.22
18	DIMP-Distribution Integrity	FP1734807	17	Wingo Regulator Station Remova	85.72
19	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd/Tyne Blvd DIM	29.25
20	DIMP-Distribution Integrity	FP1734696	17	West Tyne & Old Harding Place	1,000.79
21	DIMP-Distribution Integrity	F0216582	17	Rural Hill Isolation Valve Removal	-
22	DIMP-Distribution Integrity	F0221329	17	10th Ave N Valve Replacement	5.79
23	DIMP-Distribution Integrity	F0222670	17	Donelso Plaza Regulator Removal	56,785.31
24	DIMP-Distribution Integrity	F0222311	17	2658 Hwy 41 South Greenbrier	13,236.66
25	DIMP-Distribution Integrity	F0222124	17	Harding Pl & Granny White Pk Valve	14.76
26	DIMP-Distribution Integrity	FP1734417	17	Rayon Dr (Bridgeway Ave & Ensely)	(4,604.75)
27	DIMP-Distribution Integrity	F0215064	17	Elizabethan Rd Valve Replacement	374.35
28	DIMP-Distribution Integrity	FP1734688	17	Abbott Martin @ Walnut Dr.	467.39
29	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	50.21
30	DIMP-Distribution Integrity	FP1734823	17	240 Blackman Rd DIMP	107.46
31	DIMP-Distribution Integrity	FP1733498	17	Clare Avenue - Insertion	(12,091.00)
32	DIMP-Distribution Integrity	FP1733516	17	Duling Ave - Main Replacement	(11,160.00)
33	DIMP-Distribution Integrity	FP1733524	17	16th and Horton	144.00
34	DIMP-Distribution Integrity	FP1733827	17	Elm Hill Pike Bridge Replaceme	(1,889.92)
35	DIMP-Distribution Integrity	FP1733886	17	Kermit Dr and Vultee Bv	(2,909.75)
36	DIMP-Distribution Integrity	FP1734692	17	California Ave at Centennial	65.12
37	DIMP-Distribution Integrity	FP1734694	17	Forrest St.	143,874.27
38	CORR-Corrosion Control	FP1734721	17	Nashville Trans Remediation	467.90
39	CORR-Corrosion Control	FP1734720	17	Nashville HP Dist Remediation	9,973.08
40	CORR-Corrosion Control	F0214409	17	Nashville Rectifier (REM MON)	87.28
41	CORR-Corrosion Control	F0214742	17	Dickerson Rd @ Shevel St	153.76
42	CORR-Corrosion Control	F0214467	17	Nashville Bridge New Coating	12,861.96
43	CORR-Corrosion Control	FP1734718	17	Nashville Galvanic Anode	9,623.61
44	CSNG-Casing & Remediation	FP1734395	17	Casing 2704 East RR Xing Wilson	18,313.49
45	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	775.74
46	TIMP-Transmission Integrity	FP1734120	17	Line 431 Replacement	1,614,780.35
47	TIMP-Transmission Integrity	FP1734394	17	Line 431 Ph II 20 & 12"Transmission	4,307.30
48	ISENP-Information Serv Enterprise	FP0026658	17	Work & Asset Management (OASIS)	(46,730.89)

Total (unallocated)

\$ 2,621,566.28

subtotal: TN Direct (unallocated)

\$ 2,668,297.17

subtotal: CO-3 (unallocated)

\$ (46,730.89)

\$ 2,621,566.28

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>Sep-18</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 1,400,549.71
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	787,626.60
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(878,303.09)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	1,309,873.22
5	Average Balance	<i>(Line 1 + Line 4) /2</i>	1,355,211.47
6	Accrued Interest	<i>Line 5 * Line 9</i>	5,296.17
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 1,315,169.39
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>	\$ 1,315,169.39
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

47136 0253139 GA489 PTOP	787,626.60
47136 0480000 GA489 PTOP 0526 RESVAL	(469,772.01)
47136 0481200 GA489 PTOP 0526 COMSTD	(245,739.50)
47136 0481000 GA489 PTOP 0526 INDSLS	(10,625.08)
47136 0483011 GA489 PTOP 0526 GASRSL	(220.54)
47136 0489000 GA489 PTOP 0526 BOTHRV	(61,269.47)

Journal Entry: To Record Interest

47136 0253139 GA626 PTOP	5,296.17
47136 0431150 GA626 PTOP 0526	(5,296.17)

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		September 2018			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.16057		1,950,336	313,165.45
2	Small General Sales (302)	0.14027		2,006,548	281,458.49
3	Medium General Sales (352)	0.14027		586,664	82,291.36
4	Experimental Motor Vehicle Fuel (343/352)	0.14027		32	4.49
5	Firm Lg General Sales (303)	0.06230		313,864	19,553.73
6	Experimental Motor Vehicle Fuel (343/303)	0.06230		34,507	2,149.79
7	Firm Lg General Transportation (313)	0.06230		1,149,609	71,620.64
8	Experimental Motor Vehicle Fuel (343/313)	0.06230		130,141	8,107.78
9	Firm Resale (310)	0.06230		349	21.74
10	Interruptible Lg General Sales (304)	0.01557		25,931	403.75
11	Interruptible Lg General Transportation (314)	0.01557		6,392,156	99,525.87
12	Total				\$ 878,303.09

Journal Entry: To Record Collections

47136 0480000 GA489 PTOP 0526 RESVAL	313,165.45
47136 0481200 GA489 PTOP 0526 COMSTD	281,458.49
47136 0481200 GA489 PTOP 0526 COMSTD	82,295.85
47136 0481000 GA489 PTOP 0526 INDSLS	21,703.52
47136 0489000 GA489 PTOP 0526 BOTHRV	79,728.42
47136 0483011 GA489 PTOP 0526 GASRSL	21.74
47136 0481000 GA489 PTOP 0526 INDSLS	403.75
47136 0489000 GA489 PTOP 0526 BOTHRV	99,525.87
47136 0253139 GA489 PTOP	(878,303.09)
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