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March 18, 2019

Docket No. 13-00118

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 Ms. Foster:

Enclosed is Piedmont Natural Gas Company, Inc.'s ("Piedmont" or the "Company") Integrity Management Rider ("IMR") Monthly Report for the month ending January 31, 2019.

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 ended January 31, 2019.

Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,

/s/ James H. Jeffries IV
James H. Jeffries IV

JHJ/rkg

cc: Pia Powers
Bruce Barkley
Michelle Mairs
Emily Knight

Cumulative Integrity Management Investment Amount
Actual Integrity Management Investment, by Integrity Project Type

		Current Vintage Year: Vintage Year 7			All Vintage Years
Line No.		January 2019 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of January 2019 ³	Cumulative Capital Expenditure as of January 2019 ⁶
<i>TN Direct</i>					
1	Corrosion Control	\$ 17,922.34	\$ 396,242.66	\$ 414,165.00	\$ 7,757,683.98
2	Casing Remediation	\$ (2,000.00)	\$ (2,789.54)	\$ (4,789.54)	\$ 877,274.85
3	Distribution Integrity	\$ 1,495,737.15	\$ 1,711,050.36	\$ 3,206,787.51	\$ 72,319,132.27
4	Transmission Integrity	\$ 1,286,806.91	\$ 2,430,977.99	\$ 3,717,784.90	\$ 194,352,485.50
5	Total	\$ 2,798,466.40	\$ 4,535,481.47	\$ 7,333,947.87	\$ 275,306,576.60
<i>Joint Property: CO3-State</i>					
6	OASIS Project (Work & Asset Management System)	\$ -	\$ -	\$ -	\$ 133,880,060.70
7	TN % of CO-3 for Current Month ⁴	15.80%			
8	Total Allocated to TN	\$ -	\$ -	\$ -	\$ 23,535,435.31
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 2,798,466.40	\$ 4,535,481.47	\$ 7,333,947.87	\$ 298,842,011.91
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 2,798,466.40	\$ 4,535,481.47	\$ 7,333,947.87	\$ 265,942,011.91

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, 5 and 6, which captures amounts through 10/31/18, is \$258,608,064.04 (\$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, \$38,244,253.18 for Vintage Year 5 and \$27,564,238.09 for Vintage Year 6).

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	January 2019
1	CORR-Corrosion Control	F0214467	17	Nashville Bridge New Coating	10,817.01
2	CORR-Corrosion Control	F0216211	17	Paint Main Shelby Pedestrian bridge	9,838.69
3	CORR-Corrosion Control	FP1734720	17	Nashville HP Dist Remediation	831.13
4	CORR-Corrosion Control	FP1734721	17	Nashville Trans Remediation	(3,564.49)
5	CSNG-Casing & Remediation	FP1734395	17	Wilson Pike Circle at CSX Crossing	(2,000.00)
6	DIMP-Distribution Integrity	F0215066	17	Maplewood Rd Valve	6.30
7	DIMP-Distribution Integrity	F0216582	17	Rural Hill Isolation Valve Removal	134.66
8	DIMP-Distribution Integrity	F0221329	17	10th Ave N Valve Replacement	57.63
9	DIMP-Distribution Integrity	F0221354	17	Davidson Drive @ Charlotte Pike Valve	3,822.42
10	DIMP-Distribution Integrity	F0222120	17	31st Ave @ West end Valve Replacement	9.88
11	DIMP-Distribution Integrity	F0222124	17	Harding Pl & Granny White Pk Valve	30.66
12	DIMP-Distribution Integrity	F0221351	17	E South St Main Relocate	290.65
13	DIMP-Distribution Integrity	F0222727	17	Brick Church Pike to West Trinity	7,994.26
14	DIMP-Distribution Integrity	F0223608	17	Old Hickory Blvd Replacement	30,074.56
15	DIMP-Distribution Integrity	F0225698	17	Centennial Blvd Main Replacement	9.56
16	DIMP-Distribution Integrity	F0225705	17	Old Harding Pike Insulator	50,194.32
17	DIMP-Distribution Integrity	F0225786	17	Woodcrest Leak Repair	28.22
18	DIMP-Distribution Integrity	F0227045	17	Highway 76 Valve Replacement	6,907.56
19	DIMP-Distribution Integrity	FP1733763	17	Harding Place	114,383.18
20	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	43,628.87
21	DIMP-Distribution Integrity	FP1734432	17	Visco Dt	60,633.36
22	DIMP-Distribution Integrity	FP1734688	17	Abbott Martin @ Walnut Dr.	346,350.48
23	DIMP-Distribution Integrity	FP1734693	17	Cliff Dr Main replacement	6,720.05
24	DIMP-Distribution Integrity	FP1734694	17	Forrest St.	816,971.16
25	DIMP-Distribution Integrity	FP1734696	17	West Tyne & Old Harding Place	4,868.37
26	DIMP-Distribution Integrity	FP1734799	17	Nashville Bridge Attachments	2,621.00
27	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	(5,634.81)
28	TIMP-Transmission Integrity	FP1734120	17	Line 431 Replacement	1,176,256.56
29	TIMP-Transmission Integrity	FP1734394	17	Line 431 Ph II Land	21,222.28
30	TIMP-Transmission Integrity	FP1734394	17	Line 431 Ph II Reg Station	94,962.88

Total (unallocated)

\$ 2,798,466.40

subtotal: TN Direct (unallocated)

\$ 2,798,466.40

subtotal: CO-3 (unallocated)

\$ -

\$ 2,798,466.40

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>Jan-19</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ (1,476,834.13)
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	4,027,846.21
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(5,504,963.90)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	(2,953,951.82)
5	Average Balance	<i>(Line 1 + Line 4) /2</i>	(2,215,392.98)
6	Accrued Interest	<i>Line 5 * Line 9</i>	(9,563.85)
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ (2,963,515.67)
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.051800
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.004317
10	Actual GL #0253139 EOM Balance	<i>per GL</i>	\$ (2,963,515.67)
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

47136 0253139 GA489 PTOP	4,027,846.21
47136 0480000 GA489 PTOP 0526 RESVAL	(2,402,368.59)
47136 0481200 GA489 PTOP 0526 COMSTD	(1,256,688.01)
47136 0481000 GA489 PTOP 0526 INDSLS	(54,335.65)
47136 0483011 GA489 PTOP 0526 GASRSL	(1,127.80)
47136 0489000 GA489 PTOP 0526 BOTHRV	(313,326.16)

Journal Entry: To Record Interest

47136 0253139 GA626 PTOP	(9,563.85)
47136 0431150 GA626 PTOP 0526	9,563.85

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		January 2019			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.16057		21,062,323	3,381,977.20
2	Small General Sales (302)	0.14027		9,393,889	1,317,680.81
3	Medium General Sales (352)	0.14027		2,835,519	397,738.25
4	Experimental Motor Vehicle Fuel (343/352)	0.14027		192	26.93
5	Firm Lg General Sales (303)	0.06230		1,121,675	69,880.35
6	Experimental Motor Vehicle Fuel (343/303)	0.06230		31,059	1,934.98
7	Firm Lg General Transportation (313)	0.06230		2,628,388	163,748.57
8	Experimental Motor Vehicle Fuel (343/313)	0.06230		149,980	9,343.75
9	Firm Resale (310)	0.06230		4,033	251.26
10	Interruptible Lg General Sales (304)	0.01557		26,745	416.42
11	Interruptible Lg General Transportation (314)	0.01557		10,402,401	161,965.38
12	Total				\$ 5,504,963.90

Journal Entry: To Record Collections

47136 0480000 GA489 PTOP 0526 RESVAL	3,381,977.20
47136 0481200 GA489 PTOP 0526 COMSTD	1,317,680.81
47136 0481200 GA489 PTOP 0526 COMSTD	397,765.18
47136 0481000 GA489 PTOP 0526 INDSLS	71,815.33
47136 0489000 GA489 PTOP 0526 BOTHRV	173,092.32
47136 0483011 GA489 PTOP 0526 GASRSL	251.26
47136 0481000 GA489 PTOP 0526 INDSLS	416.42
47136 0489000 GA489 PTOP 0526 BOTHRV	161,965.38
47136 0253139 GA489 PTOP	(5,504,963.90)

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