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May 15, 2019

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, Inc.'s ("Piedmont" or the "Company") Integrity Management Rider ("IMR") Monthly Report for the month ending March 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 March 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/sko

cc: Pia Powers
Bruce Barkley
Michelle Mairs
Terra Allen
Alex Bradley

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

		Current Vintage Year: Vintage Year 7			All Vintage Years
Line No.		March 2019 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of March 2019 ³	Cumulative Capital Expenditure as of March 2019 ⁶
<i>TN Direct</i>					
1	Corrosion Control	\$ 871.43	\$ 413,220.05	\$ 414,091.48	\$ 7,757,610.46
2	Casing Remediation	\$ -	\$ (4,789.54)	\$ (4,789.54)	\$ 877,274.85
3	Distribution Integrity	\$ 760,841.97	\$ 4,609,501.60	\$ 5,370,343.57	\$ 74,482,688.33
4	Transmission Integrity	\$ 2,693,529.00	\$ 5,894,173.02	\$ 8,587,702.02	\$ 199,222,402.62
5	Total	\$ 3,455,242.40	\$ 10,912,105.13	\$ 14,367,347.53	\$ 282,339,976.26
<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]	\$ 3,455,242.40	\$ 10,912,105.13	\$ 14,367,347.53	\$ 305,875,411.57
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 3,455,242.40	\$ 10,912,105.13	\$ 14,367,347.53	\$ 272,975,411.57

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	March 2019
1	CORR-Corrosion Control	F0216211	17	Paint Main Shelby Pedestrian bridge	871.43
2	DIMP-Distribution Integrity	F0216582	17	Rural Hill Isolation Valve Removal	1.75
3	DIMP-Distribution Integrity	F0221329	17	10th Ave N Valve Replacement	0.75
4	DIMP-Distribution Integrity	F0221351	17	314 E South St Main Relocate	45.00
5	DIMP-Distribution Integrity	F0221354	17	Davidson Drive @ Charlotte Pike Valve	25.47
6	DIMP-Distribution Integrity	F0222120	17	31st Ave @ West end Valve Replacement	0.13
7	DIMP-Distribution Integrity	F0222666	17	331006 - Stratford Avenue	102,220.40
8	DIMP-Distribution Integrity	F0222727	17	Brick Church Pike to West Trinity	195,074.88
9	DIMP-Distribution Integrity	F0223608	17	Old Hickory Blvd Replacement	193.02
10	DIMP-Distribution Integrity	F0225698	17	Centennial Blvd Main Replacement	1,275.19
11	DIMP-Distribution Integrity	F0225705	17	Old Harding Pike Insulator	350.58
12	DIMP-Distribution Integrity	F0225786	17	Woodcrest Leak Repair	0.37
13	DIMP-Distribution Integrity	F0227045	17	Highway 76 Valve Replacement	405.05
14	DIMP-Distribution Integrity	F0228432	17	21st and Jefferson	33,415.41
15	DIMP-Distribution Integrity	FP1733763	17	Harding Place	110,199.17
16	DIMP-Distribution Integrity	FP1734432	17	Visco Dt	17,182.85
17	DIMP-Distribution Integrity	FP1734688	17	Abbott Martin @ Walnut Dr.	34,363.54
18	DIMP-Distribution Integrity	FP1734694	17	Forrest St.	266,072.95
19	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	0.05
20	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	15.41
21	TIMP-Transmission Integrity	FP1734120	17	Line 431 Replacement	2,207,771.00
22	TIMP-Transmission Integrity	FP1734394	17	Line 431 Ph II Land	449,624.00
23	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	36,134.00

24	Total (unallocated)				\$ 3,455,242.40
	<i>subtotal: TN Direct (unallocated)</i>				\$ 3,455,242.40
	<i>subtotal: CO-3 (unallocated)</i>				\$ -
					\$ 3,455,242.40

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>Mar-19</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ (4,988,824.23)
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	2,894,145.82
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(4,673,440.27)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	(6,768,118.68)
5	Average Balance	<i>(Line 1 + Line 4) /2</i>	(5,878,471.46)
6	Accrued Interest	<i>Line 5 * Line 9</i>	(25,377.36)
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ (6,793,496.04)
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>	\$ (6,793,496.04)
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

47136 0253139 GA489 PTOP	2,894,145.82
47136 0480000 GA489 PTOP 0526 RESVAL	(1,726,184.34)
47136 0481200 GA489 PTOP 0526 COMSTD	(902,973.49)
47136 0481000 GA489 PTOP 0526 INDSLS	(39,042.03)
47136 0483011 GA489 PTOP 0526 GASRSL	(810.36)
47136 0489000 GA489 PTOP 0526 BOTHRV	(225,135.60)

Journal Entry: To Record Interest

47136 0253139 GA626 PTOP	(25,377.36)
47136 0431150 GA626 PTOP 0526	25,377.36

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		March 2019			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.16057		18,029,455	2,894,989.59
2	Small General Sales (302)	0.14027		7,854,945	1,101,813.14
3	Medium General Sales (352)	0.14027		2,353,642	330,145.36
4	Experimental Motor Vehicle Fuel (343/352)	0.14027		277	38.85
5	Firm Lg General Sales (303)	0.06230		882,280	54,966.04
6	Experimental Motor Vehicle Fuel (343/303)	0.06230		31,421	1,957.53
7	Firm Lg General Transportation (313)	0.06230		2,147,258	133,774.17
8	Experimental Motor Vehicle Fuel (343/313)	0.06230		138,055	8,600.83
9	Firm Resale (310)	0.06230		2,641	164.53
10	Interruptible Lg General Sales (304)	0.01557		17,383	270.65
11	Interruptible Lg General Transportation (314)	0.01557		9,423,223	146,719.58
12	Total				\$ 4,673,440.27

Journal Entry: To Record Collections

47136 0480000 GA489 PTOP 0526 RESVAL	2,894,989.59
47136 0481200 GA489 PTOP 0526 COMSTD	1,101,813.14
47136 0481200 GA489 PTOP 0526 COMSTD	330,184.21
47136 0481000 GA489 PTOP 0526 INDSLS	56,923.57
47136 0489000 GA489 PTOP 0526 BOTHRV	142,375.00
47136 0483011 GA489 PTOP 0526 GASRSL	164.53
47136 0481000 GA489 PTOP 0526 INDSLS	270.65
47136 0489000 GA489 PTOP 0526 BOTHRV	146,719.58
47136 0253139 GA489 PTOP	(4,673,440.27)
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