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July 15, 2019

**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 May 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 May 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.		May 2019 Capital Expenditure <sup>1</sup>	Prior Cumulative Capital Expenditure <sup>2</sup>	Cumulative Capital Expenditure as of May 2019 <sup>3</sup>	Cumulative Capital Expenditure as of May 2019 <sup>6</sup>
<i>TN Direct</i>					
1	Corrosion Control	\$ 4,367.91	\$ 438,802.42	\$ 443,170.33	\$ 7,786,689.31
2	Casing Remediation	\$ -	\$ (4,789.54)	\$ (4,789.54)	\$ 877,274.85
3	Distribution Integrity	\$ 1,189,036.25	\$ 6,633,378.07	\$ 7,822,414.32	\$ 76,934,759.08
4	Transmission Integrity	\$ (781,754.87)	\$ 11,138,279.60	\$ 10,356,524.73	\$ 200,991,225.33
5	Total	\$ 411,649.29	\$ 18,205,670.55	\$ 18,617,319.84	\$ 286,589,948.57
<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 <sup>4</sup>	15.80%			
8	Total Allocated to TN	\$ -	\$ -	\$ -	\$ 23,535,435.31
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 411,649.29	\$ 18,205,670.55	\$ 18,617,319.84	\$ 310,125,383.88
10	Less: Amount Included in the Attrition Period <sup>5</sup>	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	<b>Total Integrity Management Investment</b>	<b>\$ 411,649.29</b>	<b>\$ 18,205,670.55</b>	<b>\$ 18,617,319.84</b>	<b>\$ 277,225,383.88</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, 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	May 2019
1	CORR-Corrosion Control	FP1734718	17	Nashville Galvonic Anode	3,485.04
2	CORR-Corrosion Control	F0216211	17	Paint Main Shelby Pedestrian bridge	882.87
3	DIMP-Distribution Integrity	F0221354	17	Davidson Drive @ Charlotte Pike Valve	26.10
4	DIMP-Distribution Integrity	F0222666	17	331006 - Stratford Avenue	88,832.45
5	DIMP-Distribution Integrity	F0222727	17	Brick Church Pike to West Trinity	267,917.33
6	DIMP-Distribution Integrity	F0223608	17	Old Hickory Blvd Replacement	9,680.70
7	DIMP-Distribution Integrity	F0224311	17	Hermitage Pressure Downgrade	529.36
8	DIMP-Distribution Integrity	F0224363	17	Maxon Ave Main Replacement	47,169.84
9	DIMP-Distribution Integrity	F0225698	17	Centennial Blvd Main Replacement	15,389.27
10	DIMP-Distribution Integrity	F0225705	17	Old Harding Pike Insulator	(4,617.72)
11	DIMP-Distribution Integrity	F0227045	17	Highway 76 Valve Replacement	(96.00)
12	DIMP-Distribution Integrity	F0228432	17	21st and Jefferson	419.99
13	DIMP-Distribution Integrity	F0228466	17	Dr. Walter S Davis Valve Removal	12,232.98
14	DIMP-Distribution Integrity	F0229053	17	Culvert Street Creek Bore	5,895.84
15	DIMP-Distribution Integrity	FP1733763	17	Harding Place	393,536.53
16	DIMP-Distribution Integrity	FP1734427	17	Grinstead Place	5,396.44
17	DIMP-Distribution Integrity	FP1734432	17	Visco Dt	115,237.95
18	DIMP-Distribution Integrity	FP1734688	17	Abbott Martin @ Walnut Dr.	25,692.19
19	DIMP-Distribution Integrity	FP1734694	17	Forrest St.	201,934.12
20	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	3,858.88
21	TIMP-Transmission Integrity	FP1734120	17	Line 431 Replacement	(861,593.75)
22	TIMP-Transmission Integrity	FP1734394	17	Line 431 Ph II Land	79,838.88

**Total (unallocated)**

**\$ 411,649.29**

*subtotal: TN Direct (unallocated)*

*\$ 411,649.29*

*subtotal: CO-3 (unallocated)*

*\$ -*

**\$ 411,649.29**

**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>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ (1,476,834.13)	\$ (2,533,874.91)	\$ (4,148,478.90)	\$ (5,640,811.30)	\$ (6,497,448.12)
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	4,456,561.59	4,240,902.01	3,202,192.54	2,069,310.80	1,310,134.87
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(5,504,963.90)	(5,841,113.21)	(4,673,440.27)	(2,898,444.09)	(1,395,524.46)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	(2,525,236.44)	(4,134,086.11)	(5,619,726.63)	(6,469,944.59)	(6,582,837.71)
5	Average Balance	<i>(Line 1 + Line 4) / 2</i>	(2,001,035.29)	(3,333,980.51)	(4,884,102.77)	(6,055,377.95)	(6,540,142.92)
6	Accrued Interest	<i>Line 5 * Line 9</i>	(8,638.47)	(14,392.79)	(21,084.67)	(27,503.53)	(29,705.33)
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ (2,533,874.91)	\$ (4,148,478.90)	\$ (5,640,811.30)	\$ (6,497,448.12)	\$ (6,612,543.04)
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.051800	0.051800	0.051800	0.054500	0.054500
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.004317	0.004317	0.004317	0.004542	0.004542
10	Actual GL #0253139 EOM Balance	<i>per GL</i>	<b>\$ (2,963,515.67)</b>	<b>\$ (4,988,824.23)</b>	<b>\$ (6,793,496.04)</b>	<b>\$ (7,854,885.41)</b>	<b>\$ (6,612,543.04)</b>
11	Variance	<i>Line 7 - Line 10</i>	\$ 429,640.76	\$ 840,345.33	\$ 1,152,684.74	\$ 1,357,437.29	\$ -

**Journal Entry: To Record Revenue**

47136 0253139 GA489 PTOP	4,456,561.59	3,832,932.80	2,894,145.82	1,870,245.82	1,310,134.87
47136 0480000 GA489 PTOP 0526 RESVAL	(2,402,368.59)	(2,286,114.44)	(1,726,184.34)	(1,115,489.42)	(781,416.85)
47136 0481200 GA489 PTOP 0526 COMSTD	(1,256,688.01)	(1,195,875.04)	(902,973.49)	(583,516.70)	(408,762.07)
47136 0481000 GA489 PTOP 0526 INDSLS	(54,335.65)	(51,706.26)	(39,042.03)	(25,229.61)	(17,673.72)
47136 0483011 GA489 PTOP 0526 GASRSL	(1,127.80)	(1,073.22)	(810.36)	(523.67)	(366.84)
47136 0489000 GA489 PTOP 0526 BOTHRV	(313,326.16)	(298,163.84)	(225,135.60)	(145,486.42)	(101,915.39)

**Journal Entry: To Record Interest**

47136 0253139 GA626 PTOP	(8,638.47)	(14,392.79)	(21,084.67)	(27,503.53)	(29,705.33)
47136 0431150 GA626 PTOP 0526	8,638.47	14,392.79	21,084.67	27,503.53	29,705.33

1/ Pursuant to the TPUC's May 20, 2019 ruling in Docket No. 18-00126, this schedule reflects the approved monthly amortization of the annual Integrity Management Revenue Requirement from Piedmont's 2018 Annual Integrity Management Rider Report, which was filed by the Company on November 30, 2018.

2/ Pursuant to the TPUC's ruling, Piedmont recorded the approved IM Revenue Requirement to its general ledger for January 2019 thru April 2019. It was recorded as a true-up adjustment in May 2019.

**General Ledger Support**

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

Calculation of the IM Adjustment Collections:

		May 2019			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.16057		4,180,337	671,236.71
2	Small General Sales (302)	0.14027		2,719,260	381,430.60
3	Medium General Sales (352)	0.14027		842,963	118,242.42
4	Experimental Motor Vehicle Fuel (343/352)	0.14027		3,172	444.94
5	Firm Lg General Sales (303)	0.06230		386,654	24,088.54
6	Experimental Motor Vehicle Fuel (343/303)	0.06230		33,612	2,094.03
7	Firm Lg General Transportation (313)	0.06230		1,301,710	81,096.53
8	Experimental Motor Vehicle Fuel (343/313)	0.06230		148,148	9,229.62
9	Firm Resale (310)	0.06230		553	34.45
10	Interruptible Lg General Sales (304)	0.01557		9,094	141.59
11	Interruptible Lg General Transportation (314)	0.01557		6,903,342	107,485.03
12	<b>Total</b>				<b>\$ 1,395,524.46</b>

**Journal Entry: To Record Collections**

47136 0480000 GA489 PTOP 0526 RESVAL	671,236.71
47136 0481200 GA489 PTOP 0526 COMSTD	381,430.60
47136 0481200 GA489 PTOP 0526 COMSTD	118,687.36
47136 0481000 GA489 PTOP 0526 INDSLS	26,182.57
47136 0489000 GA489 PTOP 0526 BOTHRV	90,326.15
47136 0483011 GA489 PTOP 0526 GASRSL	34.45
47136 0481000 GA489 PTOP 0526 INDSLS	141.59
47136 0489000 GA489 PTOP 0526 BOTHRV	107,485.03
47136 0253139 GA489 PTOP	(1,395,524.46)
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