



Waller Lansden Dortch & Davis, LLP  
511 Union Street, Suite 2700  
P.O. Box 198966  
Nashville, TN 37219-8966

615.244.6380 main  
615.244.6804 fax  
wallerlaw.com

Paul S. Davidson  
615.850.8942 direct  
paul.davidson@wallerlaw.com

**Electronically Filed in TPUC Docket Room on November 15, 2019 at 12:43 p.m.**

November 15, 2019

**Via Hand Delivery and Email**

The Honorable Earl Taylor  
Executive Director  
c/o Tory Lawless  
Tennessee Regulatory Authority  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

**Re: *Piedmont Natural Gas Company, Inc. Integrity Management Rider Monthly Report*  
*Docket No.: 13-00118***

Dear Mr. Foster:

Enclosed please find an original and five (5) copies of Piedmont Natural Gas Company, Inc.'s ("Piedmont") Integrity Management Rider ("IMR") Monthly Report for the month ending September 30, 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 September 30, 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.

Very truly yours,

Paul S. Davidson

PSD/srs

Enclosures

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.                         |  | September 2019<br>Capital Expenditure <sup>1</sup> | Prior Cumulative<br>Capital Expenditure <sup>2</sup> | Cumulative<br>Capital Expenditure<br>as of September 2019 <sup>3</sup> | Cumulative<br>Capital Expenditure<br>as of September 2019 <sup>6</sup> |
| <i>TN Direct</i>                 |  |  |  |  |  |
| 1                                | Corrosion Control  | \$ 76,094.27                                       | \$ 516,986.84  | \$ 593,081.11  | \$ 7,936,600.09  |
| 2                                | Casing Remediation   | \$ -   | \$ (4,789.54)  | \$ (4,789.54)  | \$ 877,274.85  |
| 3                                | Distribution Integrity                                     | \$ 1,140,950.84                                    | \$ 14,080,621.58                                     | \$ 15,221,572.42   | \$ 84,333,917.18   |
| 4                                | Transmission Integrity                                     | \$ 922,121.98                                      | \$ 15,505,763.51                                     | \$ 16,427,885.49   | \$ 207,062,586.09  |
| 5                                | Total  | \$ 2,139,167.09                                    | \$ 30,098,582.39                                     | \$ 32,237,749.48   | \$ 300,210,378.21  |
| <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]               | \$ 2,139,167.09                                    | \$ 30,098,582.39                                     | \$ 32,237,749.48   | \$ 323,745,813.52  |
| 10                               | Less: Amount Included in the Attrition Period <sup>5</sup> | \$ -   | \$ -   | \$ -   | \$ 32,900,000.00   |
| 11                               | <b>Total Integrity Management Investment</b>               | <b>\$ 2,139,167.09</b>                             | <b>\$ 30,098,582.39</b>                              | <b>\$ 32,237,749.48</b>  | <b>\$ 290,845,813.52</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         | September 2019 |
|----------|-----------------------------|------------------------|----------|-------------------------------------|----------------|
| 1        | CORR-Corrosion Control      | F0228699               | 17       | Nashville Anode Bed                 | 76,094.27      |
| 2        | DIMP-Distribution Integrity | F0216582               | 17       | Rural Hill Isolation Valve Removal  | 8,522.44       |
| 3        | DIMP-Distribution Integrity | F0222727               | 17       | Brick Church Pike to West Trinity   | 81,186.81      |
| 4        | DIMP-Distribution Integrity | F0224311               | 17       | Hermitage Pressure Downgrade        | 436,383.56     |
| 5        | DIMP-Distribution Integrity | F0224339               | 17       | Greenbrier Main Replacement         | 17,269.38      |
| 6        | DIMP-Distribution Integrity | F0224345               | 17       | 4934 Whites Creek Pk                | 3,754.12       |
| 7        | DIMP-Distribution Integrity | F0224363               | 17       | Maxon Ave Main Replacement          | 70,918.78      |
| 8        | DIMP-Distribution Integrity | F0225698               | 17       | Centennial Blvd Main Replacement    | 3,787.13       |
| 9        | DIMP-Distribution Integrity | F0226414               | 17       | Line 304 Convert to Dist (Station)  | 35,730.10      |
| 10       | DIMP-Distribution Integrity | F0228466               | 17       | Dr. Walter S Davis Valve Removal    | 7,722.99       |
| 11       | DIMP-Distribution Integrity | F0229053               | 17       | Culvert Street Creek Bore           | 7,899.55       |
| 12       | DIMP-Distribution Integrity | F0229092               | 17       | 39th Ave North                      | 12,298.45      |
| 13       | DIMP-Distribution Integrity | FP1733763              | 17       | Harding Place                       | 17,178.78      |
| 14       | DIMP-Distribution Integrity | FP1733931              | 17       | Shelby Park RR Bridge Project       | 541.32         |
| 15       | DIMP-Distribution Integrity | FP1734401              | 17       | Tallwood Dr. Across Briley Pkwy     | 95,733.04      |
| 16       | DIMP-Distribution Integrity | FP1734427              | 17       | Grinstead Place                     | 31,549.15      |
| 17       | DIMP-Distribution Integrity | FP1734428              | 17       | Broadmoor Drive                     | 128,200.55     |
| 18       | DIMP-Distribution Integrity | FP1734694              | 17       | Forrest St.                         | 176,992.17     |
| 19       | DIMP-Distribution Integrity | FP1734695              | 17       | Spence Lane                         | 15.17          |
| 20       | DIMP-Distribution Integrity | FP1734726              | 17       | Cowan St HP Distribution Pipeline   | 5,267.35       |
| 21       | TIMP-Transmission Integrity | F0228443               | 17       | Line ILI Retrofit                   | 58,676.42      |
| 22       | TIMP-Transmission Integrity | F0229405               | 17       | Line 203 Anomalies ILI Excavations  | 320,628.72     |
| 23       | TIMP-Transmission Integrity | F0231014               | 17       | ILI anomaly excavations on Line 307 | 7.62           |
| 24       | TIMP-Transmission Integrity | FP1734120              | 17       | Line 431 Replacement                | 153,353.21     |
| 25       | TIMP-Transmission Integrity | FP1734142              | 17       | Line 308 Replacement                | 9,385.09       |
| 26       | TIMP-Transmission Integrity | FP1734394              | 17       | Line 431 Ph II Land                 | 380,070.92     |

27 **Total (unallocated)** **\$ 2,139,167.09**

*subtotal: TN Direct (unallocated)* **\$ 2,139,167.09**

*subtotal: CO-3 (unallocated)* **\$ -**

**\$ 2,139,167.09**

**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-19</u>     |
|-----------------|----------------------------------|---------------------------------|-------------------|
| 1               | Beginning Balance                | <i>Prior Month's IMR Report</i> | \$ (6,560,239.87) |
| 2               | IMR Revenue Recognition          | <i>Prior Annual IMR Report</i>  | 871,459.90        |
| 3               | (Collections from IM Adjustment) | <i>see Separate Schedule</i>    | (796,930.14)      |
| 4               | Ending Balance Before Interest   | <i>sum Lines 1 thru 3</i>       | (6,485,710.11)    |
| 5               | Average Balance                  | <i>(Line 1 + Line 4) /2</i>     | (6,522,974.99)    |
| 6               | Accrued Interest                 | <i>Line 5 * Line 9</i>          | (29,894.79)       |
| 7               | Ending Balance After Interest    | <i>Line 4 + Line 6</i>          | \$ (6,515,604.90) |
| 8               | Applicable Annual Interest Rate  | <i>same as for ACA</i>          | 0.055000          |
| 9               | Monthly Interest Rate            | <i>Line 8 / 12</i>              | 0.004583          |
| 10              | Actual GL #0253139 EOM Balance   | <i>per GL</i>                   | \$ (6,515,604.90) |
| 11              | Variance                         | <i>Line 7 - Line 10</i>         | \$ -              |

|                                      |  |              |
|--------------------------------------|--|--------------|
| Journal Entry: To Record Revenue     |  |              |
| 47136 0253139 GA489 PTOP             |  | 871,459.90   |
| 47136 0480000 GA489 PTOP 0526 RESVAL |  | (519,773.54) |
| 47136 0481200 GA489 PTOP 0526 COMSTD |  | (271,895.49) |
| 47136 0481000 GA489 PTOP 0526 INDSLS |  | (11,755.99)  |
| 47136 0483011 GA489 PTOP 0526 GASRSL |  | (244.01)     |
| 47136 0489000 GA489 PTOP 0526 BOTHRV |  | (67,790.87)  |
| Journal Entry: To Record Interest    |  |              |
| 47136 0253139 GA626 PTOP             |  | (29,894.79)  |
| 47136 0431150 GA626 PTOP 0526        |  | 29,894.79    |

**General Ledger Support**

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

Calculation of the IM Adjustment Collections:

|          |   | Sep-19                          |   |                   |                       |
|----------|---|---------------------------------|---|-------------------|-----------------------|
| Line No. |   | IM Adjustment<br>(\$ per therm) | x | Usage<br>(therms) | = Collections<br>(\$) |
| 1        | Residential (301)                             | 0.14605                         |   | 1,957,164         | 285,843.80            |
| 2        | Small General Sales (302)                     | 0.12759                         |   | 1,934,048         | 246,765.18            |
| 3        | Medium General Sales (352)                    | 0.12759                         |   | 665,300           | 84,885.63             |
| 4        | Experimental Motor Vehicle Fuel (343/352)     | 0.12759                         |   | 3,210             | 409.56                |
| 5        | Firm Lg General Sales (303)                   | 0.05667                         |   | 346,308           | 19,625.27             |
| 6        | Experimental Motor Vehicle Fuel (343/303)     | 0.05667                         |   | 32,800            | 1,858.78              |
| 7        | Firm Lg General Transportation (313)          | 0.05667                         |   | 1,045,418         | 59,243.84             |
| 8        | Experimental Motor Vehicle Fuel (343/313)     | 0.05667                         |   | 147,727           | 8,371.69              |
| 9        | Firm Resale (310)                             | 0.05667                         |   | 762               | 43.18                 |
| 10       | Interruptible Lg General Sales (304)          | 0.01417                         |   | 29,494            | 417.93                |
| 11       | Interruptible Lg General Transportation (314) | 0.01417                         |   | 6,313,711         | 89,465.28             |
| 12       | <b>Total</b>                                  |                                 |   |                   | <b>\$ 796,930.14</b>  |

**Journal Entry: To Record Collections**

|                                      |              |
|--------------------------------------|--------------|
| 47136 0480000 GA489 PTOP 0526 RESVAL | 285,843.80   |
| 47136 0481200 GA489 PTOP 0526 COMSTD | 246,765.18   |
| 47136 0481200 GA489 PTOP 0526 COMSTD | 85,295.19    |
| 47136 0481000 GA489 PTOP 0526 INDSLS | 21,484.05    |
| 47136 0489000 GA489 PTOP 0526 BOTHRV | 67,615.53    |
| 47136 0483011 GA489 PTOP 0526 GASRSL | 43.18        |
| 47136 0481000 GA489 PTOP 0526 INDSLS | 417.93       |
| 47136 0489000 GA489 PTOP 0526 BOTHRV | 89,465.28    |
| 47136 0253139 GA489 PTOP             | (796,930.14) |
|                                      | -            |