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June 30, 2014

Via Hand-Delivery

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

Re: ***Petition of Piedmont Natural Gas Company, Inc. for Authorization to Amortize and Refund to Customers Excess Accumulated Deferred Income Taxes***
Docket No. 14-00017

Dear Mr. Taylor:

Enclosed please find an original and five (5) copies of the parties' Joint Status Report in the above referenced docket, submitted pursuant to the Authority's Notice of Filing Joint Status Report, filed May 28, 2014.

This material is also being filed by way of email to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon. Please file the original and four copies of this filing and stamp the additional copy as "filed". Then please return the stamped copy to me by way of our courier.

Should you have any questions concerning this matter, please do not hesitate to contact me at the email address or telephone number listed above.

With kindest regards, I remain

Very truly yours,

R. D. Grimes

R. Dale Grimes

Enclosures

13251941.1

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE:	)	
	)	
PETITION OF PIEDMONT NATURAL GAS COMPANY,	)	
INC. FOR AUTHORIZATION TO AMORTIZE AND	)	Docket No. 14-00017
REFUND TO CUSTOMERS EXCESS ACCUMULATED	)	
DEFERRED INCOME TAXES	)	

JOINT STATUS REPORT

Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company") and the Consumer Advocate and Protection Division of the Office of Tennessee Attorney General ("Consumer Advocate") (collectively the "Parties"), through counsel, respectfully submit this Joint Status Report. The Authority's Notice of Filing Joint Status Report issued May 28, 2014 in the above-named docket requires that the Parties file a joint status report on the progress of their discussions by June 30, 2014.

Since the last Joint Status Report in this proceeding the Consumer Advocate has issued a second set of informal data requests to Piedmont (attached hereto as Attachment A) seeking detailed back-up information for issues related to Piedmont's filing in this docket. Piedmont has been working on these requests but due, in part, to the press of other business in which Piedmont's tax accountants have been involved, Piedmont has not yet responded to these requests. Piedmont hopes to be able to do so in the near future. At this time, the Parties desire to continue informal discussions and sharing of information. Accordingly, the Parties propose the filing of another Joint Status Report on or before July 31, 2014 regarding the progress of discussions.

Respectfully submitted, this the 30th day of June, 2014.

Piedmont Natural Gas Company, Inc.

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Consumer Advocate and Protection Division
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ATTACHMENT A

STATE OF TENNESSEE
OFFICE OF THE ATTORNEY GENERAL
CONSUMER ADVOCATE & PROTECTION DIVISION

**INFORMAL DATA REQUEST / CONFERENCE CALL AGENDA
FOR PIEDMONT NATURAL GAS COMPANY, INC. ("COMPANY")
TRA DOCKET 14-00017
CONCERNING ITS 2014 ADIT CASE**

June 2, 2014

1. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide an Excel spreadsheet for Columns H through V with formulas intact.

2. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column J labeled "10.31.12 Accumulated M-1 Adjustment".

3. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column K labeled "10.31.12 Adjustments to Beginning Balance M-1 Adjustment".

4. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column L labeled "Deferred Tax True Up for 10.31.12".

5. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column M labeled "Carryback NOL Adjustments".

6. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column N labeled "162(m) LTIP".

7. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column O labeled "M1 from Taxable Income 10/31/2013".

8. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Specifically refer to Column P labelled "Adjusted 10/31/2013 Accumulated Schedule M-1" for the Deferred COG & Revenue Section of the Current Assets. It appears that the Company has changed the formula for this portion of the worksheet to, at times, exclude Column K ("10.31.12 Adjustments to Beginning Bal M-1

Adjustment"). Please provide an explanation for the formula change in this section of the worksheet.

9. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Specifically refer to Cell Q46 of this worksheet. It appears that the Company has changed the formula for this portion of the worksheet from the standard tax rates applied elsewhere. In addition, the Company has also omitted the calculation for state taxes in cell R46. Please provide an explanation for the formula change and omission in this section of the worksheet.

10. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Specifically refer to Cell V180 of this worksheet. It appears that the Company has excluded the amount from Column N ("162m LTIP") in this cell. Please provide an explanation for the formula change in this section of the worksheet.

11. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Specifically refer to Cells J229 through S229 that provide the "Total Non-Current Liabilities" on this worksheet. It appears that the Company has excluded the Asset Retirement Obligation in cells J199 through S199 in the Total Non-Current Liabilities on row 229. Please provide an explanation for the omission in this section of the worksheet.

12. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Specifically refer to Cell Q8 of this worksheet that provides the effective Federal Tax Rate of 32.62%. Provide the source and support for the Company's effective Federal Tax Rate of 32.62% used on this worksheet. In addition provide the source and support for the 32.55% Federal Tax Rate shown in Cell Q4 of this same schedule.

13. Refer to the "TN FAS 109" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Specifically refer to Cell R8 of this worksheet that provides the effective State Tax Rate of 6.80%. Provide the source and support for the Company's effective state Tax Rate of 6.80% used on this worksheet.

14. Provide the Tennessee FAS 109 and APB 11 Deferred Tax Balances (Federal and State) at each fiscal year end by category from 2003 through 2013.

15. Provide a copy of the Company's ledgers supporting the FAS 109 and APB 11 Balances at October 31, 2012 and October 31, 2013.

16. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide an Excel spreadsheet for Columns H through AY with formulas intact.

17. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column I labeled "10.31.12 Deferred Tax Balance Federal".

18. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column J labeled "10.31.12 Deferred Tax Balance State".

19. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column K labeled "Beginning Balance Adj. Carryback Claim Adj.".

20. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column O labeled "M1 from Taxable Income 10/31/2013 Activity".

21. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column R labeled "2012 True Up Deferred Tax Effect".

22. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column U labeled "NOL".

23. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column X labeled "Adjustment".

24. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Provide the source and support for Column AA labeled "Valuation Allowance 162(m)".

25. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Specifically refer to columns AH and AI that are labeled as the Adjusted DIT Balances for 10/31/2009. Explain how these columns are representative of 2009 balances since they are based on data from 2012 and 2013.

26. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Specifically refer to columns AH and AI that are labeled as the Adjusted DIT Balances for 10/31/2009. It appears that the data in these two columns is based on formulas that are constantly changing in different rows of the worksheet. Explain the Company's rationale for how these two columns are calculated.

27. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Specifically refer

to cell V54 that contains the value of $2,877,770 for the Federal Deferral for the NOL of $8,222,200. Provide the details of how the $2,877,770 amount was calculated. In addition, explain why no amount is calculated for the state deferral.

28. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Specifically refer to cell P249 that contains the value of $32,068 for the Federal Deferral for the TRA-86 Amortization of Excess Deferred. Provide the details of how the $32,068 amount was calculated. In addition, explain why no amount is calculated for the state deferral.

29. Refer to the "Schedule" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Specifically refer to cell B39 that contains the value of $-329,745.10 for the Federal Deferral and is labeled "Reverse via Weighted Average Rate Assumption". Explain the Company's rationale as to why this reversal is required by the Internal Revenue Code. In addition, explain why no amount is calculated for the state deferral.

30. Refer to the "Schedule" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Explain why the Company chose to exclude ARO, ITC, NOL, Tax Basis Balance Sheet, and Warranty from the Category List.

31. Refer to the "TN APB 11" tab of the Company's Confidential Worksheet responding to the Consumer Advocate's Informal Request. Explain why ITC does not appear at all in the APB 11 worksheet, but does appear in the FAS 109 Worksheet.

32. Provide all communication with the Company's independent auditor regarding ADIT from January 1, 2010 through May 30, 2014.