

February 9, 2018

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TN PUBLIC UTILITY COMMISSION
DOCKET # 14-00086
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The Honorable Earl Taylor
Tennessee Regulatory Authority
c/o Sharla Dillon
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37423

Re: *Petition of Piedmont Natural Gas Company, Inc. for Approval of a CNG Infrastructure Rider to its Approved Rate Schedules and Service Regulations*
Docket No. 14-00086

Dear Mr. Taylor:

Enclosed please find an original and five (5) copies of Piedmont Natural Gas Company Inc.'s ("Piedmont" or "Company") Testimony of Pia K. Powers in the above-captioned docket.

This material is also being filed today by way of email to the Tennessee Regulatory Authority docket manager, Sharla Dillon. Please file the original and four copies and stamp the additional copy as "filed." Then please return the additional 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.

Very truly yours,



Paul S. Davidson

Enclosure

cc: Dan Whitaker, III (CAPD)
Bruce Barkley
Pia Powers
Jim Jeffries, IV

**Before the
Tennessee Public Utility Commission**

Docket No. 14-00086

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**Petition of Piedmont Natural Gas Company, Inc.
for Approval of a CNG Infrastructure Rider to Its
Approved Rate Schedules and Service Regulations**

**Testimony
of
Pia K. Powers**

**On Behalf of
Piedmont Natural Gas Company, Inc.**



February 9, 2018

1 **Q. Please state your name and business address.**

2 A. My name is Pia K. Powers. My business address is 4720 Piedmont Row Drive,
3 Charlotte, North Carolina.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am the Director – Gas Rates & Regulatory Affairs for Piedmont Natural Gas
6 Company, Inc., (“Piedmont” or the “Company”).

7 **Q. Please briefly describe your educational and professional background.**

8 A. I have a Bachelor of Arts degree in economics from Fairfield University and a
9 Master of Science degree in environmental and resource economics from the
10 University College London. From 1999 through 2003, I was employed as an
11 Economist with the Energy Information Administration, the statistical agency
12 of the U.S. Department of Energy, where I focused on international energy
13 forecasting and environmental issues. I was hired by Piedmont as a Regulatory
14 Analyst in 2003, promoted to Supervisor – Federal Regulatory in 2005, and
15 promoted to Manager of Regulatory Affairs in 2006. In 2013, I was promoted
16 to my current position as a Director.

17 **Q. Have you previously testified before the Tennessee Public Utility
18 Commission or any other regulatory authority?**

19 A. Yes. I have presented testimony before the Tennessee Regulatory Authority
20 (“TRA”), now the Tennessee Public Utility Commission (“TPUC” or
21 “Commission”), the Public Service Commission of South Carolina, and the
22 North Carolina Utilities Commission on a number of occasions.

23 **Q. What is the purpose of your testimony in this proceeding?**

1 A. The purpose of my testimony in this proceeding is to support Piedmont's Rate
2 Schedule 343 Financial and Operational Activity Report ("Rate Schedule 343
3 Report") filed on November 9, 2017 in this Docket No. 14-00086.

4 **Q. Can you describe the background and basis for the filing of Piedmont's**
5 **Rate Schedule 343 Report?**

6 A. Yes. In the Commission's October 5, 2015 *Order Granting, In Part and*
7 *Denying, In Part Petition* in this docket, the Commission allowed Piedmont to
8 implement its Rate Schedule 343 on a three year experimental basis.¹
9 Piedmont's Rate Schedule 343 makes gas available to all customer classes for
10 use, after compression, as a motor vehicle fuel. This rate schedule was
11 proposed by Piedmont and approved by the Commission in order to promote
12 the development and expansion of retail compressed natural gas as a vehicular
13 fuel service within the greater Nashville area. In its October 5, 2015 Order, the
14 Commission directed Piedmont to file, at least ninety (90) days before the end
15 of the experimental three year period, a report on the financial and operational
16 activity under Rate Schedule 343 along with a recommendation whether Rate
17 Schedule 343 should be continued, discontinued, or modified.

18 **Q. Did Piedmont make the filing directed by the Commission?**

¹ The early orders and proceedings in this docket were conducted during the period the Commission was acting as the Tennessee Regulatory Authority; however, for ease and consistency of reference, this testimony will refer to the "Commission" throughout.

1 A. Yes. Piedmont filed its Rate Schedule 343 Report filing in this docket on
2 November 9, 2017.

3 **Q. Please briefly summarize what is reflected in the Rate Schedule 343 Report**
4 **filing with the Commission.**

5 A. In its Rate Schedule 343 Report, Piedmont describes the scope and scale of
6 customer usage of services provided under Rate Schedule 343 in the three years
7 since it was approved by the Commission on an experimental basis.
8 Specifically, Piedmont reported that four customers had utilized its Rate
9 Schedule 343 service during the experimental period it had been in effect. One
10 of those customers was a Medium General Service customer who was billed for
11 service under Rate Schedule 352, and the other three customers were Large
12 General Service customers who were billed under Rate Schedule 303 (sales
13 service) or Rate Schedule 313 (transportation service).

14 **Q. What quantities of natural gas were delivered to these customers pursuant**
15 **to Rate Schedule 343?**

16 A. As is reflected in the Rate Schedule 343 Report, the total quantity of natural gas
17 used by these 4 customers for motor vehicle fuel purposes during the period
18 March, 2015 through September, 2017 was 4.0 million therms. For the 12
19 months ended September, 2017 the metered usage for these customers was 1.7
20 million therms.

1 **Q. What contribution to Piedmont's revenues resulted from this usage under**
2 **Rate Schedule 343?**

3 A. Revenues generated from Rate Schedule 343 customers during the period
4 March, 2015 through September, 2017 totaled \$1.8 million and for the 12
5 months ended September, 2017, the revenues associated with Rate Schedule
6 343 usage totaled \$0.7 million.

7 **Q. What conclusions did Piedmont reach regarding its provision of natural**
8 **gas service for use as motor vehicle fuel under Rate Schedule 343 during**
9 **the initial experimental period authorized by the Commission's October 5,**
10 **2015 Order?**

11 A. Piedmont believes that the service provided under Rate Schedule 343 during
12 the experimental period served its intended purpose and demonstrated a market
13 need for the delivery of natural gas to customers for compression and ultimate
14 utilization as a motor vehicle fuel. It also established that Piedmont could meet
15 the market need for this service without the need for significant incremental
16 facilities or service structures.

17 **Q. Are you aware of any detrimental impacts from the provision of Rate**
18 **Schedule 343 service during the experimental period?**

19 A. No, I am not aware of any such impacts.

20 **Q. Do you have a recommendation to the Commission regarding whether rate**
21 **Schedule 343 service should be continued, discontinued, or modified?**

1 A. Yes. My recommendation, and the recommendation of the Company, is that
2 Rate Schedule 343 be allowed to continue to operate on a going forward basis,
3 in its current form and without its “experimental” designation, in order to
4 support the demonstrated market for natural gas as a motor vehicle fuel in the
5 greater Nashville area.

6 **Q. Does this conclude your pre-filed direct testimony?**

7 A. Yes.

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