

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION**

**NASHVILLE, TENNESSEE**

**May 14, 2018**

**IN 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**

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**ORDER REMOVING EXPERIMENTAL DESIGNATION AND APPROVING TARIFF**

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This matter came before Chairman David F. Jones, Commissioner Herbert H. Hilliard and Commissioner Kenneth C. Hill of the Tennessee Public Utility Commission (“Commission” or “TPUC”), the voting panel assigned to this docket, at a regularly scheduled Commission Conference held on February 26, 2018, for the consideration of the *Rate Schedule 343 Financial and Operational Activity Report of Piedmont Natural Gas Company, Inc.* (“Report”).

**BACKGROUND**

Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”) is a public utility subject to TPUC jurisdiction that is engaged in the business of transporting, distributing, and selling, natural gas in Tennessee. On August 29, 2014, Piedmont filed a *Petition* seeking approval of a Compressed Natural Gas (“CNG”) Infrastructure Rider to recover capital costs and expenses related to the construction and expansion of CNG infrastructure and equipment to offer and provide CNG as an alternative motor vehicle transportation fuel.<sup>1</sup> Included in the *Petition*, the Company submitted Rate Schedule 343 as an experimental platform intended to determine the need for Natural Gas Vehicle (“NGV”) fuel. According to the Company, the tariff is designed to

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<sup>1</sup> *Petition*, p. 3 (August 29, 2014).

determine the relative need for sales/transportation service to meet the NGV fuel needs and whether the Company's existing facilities can accommodate such need.<sup>2</sup>

The Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General and Reporter and the Tennessee Fuel and Convenience Store Association intervened and contested the bulk of the *Petition*. Following a hearing on January 12, 2015, concerning the *Petition*, the Commission deliberated on February 9, 2015, and approved Rate Schedule 343 for an experimental period of three (3) years.<sup>3</sup> The Commission required a report to be filed by the Company shortly before the end of the experimental period with a report on financial and operational activity under the tariff and to provide a recommendation regarding whether Rate Schedule 343 should be discontinued, extended, or modified.<sup>4</sup>

The Company filed the *Report* on November 9, 2017.<sup>5</sup> The *Report* provided a summary of the customers served and revenues generated pursuant to Rate Schedule 343. During the experimental period, the *Report* stated that four customers used a total of 4.0 million therms. During the period of March 2015 through September of 2017, \$1.8 million in revenues were generated. For the twelve months ended September 2017, \$700,000 in revenues were generated. These amounts demonstrate a need for motor vehicle natural gas fuel service within Piedmont's service area.<sup>6</sup> The Company requested the tariff be allowed to continue going forward with the removal of the experimental designation.<sup>7</sup> On February 9, 2018, the Company filed the pre-filed direct testimony of Pia K. Powers in support of the request of Piedmont to continue to operate on a going forward basis the Rate Schedule 343 in its current form and to remove its experimental

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<sup>2</sup> Rate Schedule 343, *Applicability and Character of Service*, p. 1.

<sup>3</sup> *Order Granting, In Part, And Denying, In Part Petition*, p. 17 (October 5, 2015).

<sup>4</sup> *Id.*

<sup>5</sup> *Report* (November 9, 2017).

<sup>6</sup> *Id.* at 3.

<sup>7</sup> *Id.*

designation.<sup>8</sup> No party filed any response or comments with respect to Piedmont's request to remove the experimental designation from Rate Schedule 343.

#### **FEBRUARY 26, 2018 HEARING**

A Hearing in this matter was held before the voting panel on February 26, 2018, as noticed by the Commission on February 16, 2018. The Company and its counsel were the only party participating:

**Piedmont Natural Gas Company, Inc.** – Paul S. Davidson, IV, Esq., Waller, Lansden, Dortch & Davis, LLP, 511 Union Street, Suite 2700, Nashville, TN 37219.

Pia Powers appeared as a witnesses for Piedmont. The witness provided a summary of her pre-filed testimony and was available for questions from the panel. No other party to the docket sought recognition. Members of the public were given an opportunity to present comments to the panel, but no one came forward to comment.

#### **FINDINGS AND CONCLUSIONS**

At the regularly scheduled Commission Conference held on February 26, 2018, the panel considered Piedmont's *Report* and the request to continue Rate Schedule 343 and remove the tariff's experimental designation. The panel found that approving Rate Schedule 343 at this time is in the public interest and will allow Piedmont to continue offering CNG to customers and further promote the development of the retail CNG vehicle fuel market. Upon consideration of the record, the panel voted unanimously to approve Piedmont's request with respect to Rate Schedule 343 and remove the experimental designation from the tariff.

#### **IT IS THEREFORE ORDERED THAT:**

1. Piedmont Natural Gas Company Inc.'s Rate Schedule 343 is approved without an experimental designation.

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<sup>8</sup> Pia K. Powers, Pre-filed Direct Testimony Regarding Rate Schedule 343, p. 5 (February 9, 2018).

2. Any person who is aggrieved by the Tennessee Public Utility Commission's decision in this matter may file a Petition for Reconsideration with the Tennessee Public Utility Commission within fifteen days from the date of this Order.
3. Any person who is aggrieved by the Tennessee Public Utility Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty days from the date of this Order.

**Chairman David F. Jones, Commissioner Herbert H. Hilliard and Commissioner Kenneth C. Hill concur.**

**Attest:**



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**Earl R. Taylor, Executive Director**