

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF PIEDMONT)	
NATURAL GAS COMPANY, INC.)	DOCKET NO. 14-00086
FOR APPROVAL OF A CNG)	
INFRASTRUCTURE RIDER TO ITS)	
APPROVED RATE SCHEDULES)	
AND SERVICE REGULATIONS)	

**SUPPLEMENTAL DISCOVERY REQUEST OF THE CONSUMER
ADVOCATE AND PROTECTION DIVISION TO PIEDMONT NATURAL GAS
COMPANY, INC.**

To: Jane Lewis-Raymond, Esq.
Senior Vice President and Chief Legal, Compliance, and External Relations
Officer
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
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This Discovery Request is hereby served upon Piedmont Natural Gas Company, Inc., ("Piedmont" or "Company"), pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. We request that full and complete responses be provided pursuant to the Tennessee

Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate and Protection Division, c/o Wayne Irvin, 425 Fifth Avenue North, Nashville, Tennessee 37243, on or before 2:00 p.m. (CST), November 14, 2014.

PRELIMINARY MATTERS AND DEFINITIONS

These Supplemental Discovery Requests incorporate the same Preliminary Matters And Definitions as set forth in the *First Discovery Request of the Consumer Advocate and Protection Division to Piedmont Natural Gas Company, Inc.*, filed October 15, 2014 and are to be considered continuing in nature, and are to be supplemented from time to time as information is received by Piedmont which would make a prior response inaccurate, incomplete, or incorrect.

SUPPLEMENTAL DISCOVERY REQUESTS

1. Refer to the Supplemental Testimony of Ken Valentine, page 2, lines 19-21. Provide any analyses, studies, reports or other documents, including websites, that demonstrate that, "high mileage and heavy fuel use vehicles currently render the best payback economics for users to recoup their incremental initial costs through the lower fuel cost of natural gas," alone or as compared to other types of vehicles.

RESPONSE:

2. Refer to the Supplemental Testimony of Ken Valentine, page 3, lines 19-21. Provide any analyses, studies, reports or other documents, including websites that support the statement that “CNG has 25% less CO₂ emissions than gasoline and diesel, 70% less carbon monoxide, and 87% less nitrogen oxides...”

RESPONSE:

3. Refer to the Supplemental Testimony of Ken Valentine, page 4, lines 1-2. Provide any analyses, studies, reports or other documents, including websites, that calculate a dollar value for, or otherwise quantify, “the great benefit to both the local environment and in curbing greenhouse gas emissions” as a result of using natural gas as a transportation fuel.

RESPONSE:

4. Refer to the Supplemental Testimony of Ken Valentine, page 5, line 6. Provide any analyses, studies, reports or other documents, including websites that identify the current “cost premium for NGVs.”

RESPONSE:

5. Refer to the Supplemental Testimony of Ken Valentine, page 2, lines 3-9. Explain whether it is the Company’s position, and provide any support for such position, that the megatrend described will consist of regulated entities providing

CNG to customers in such megatrend or will consist of non-regulated entities providing CNG to customers in such megatrend.

RESPONSE:

6. Refer to the Supplemental Testimony of Ken Valentine, page 2, line 6. Please provide (i) the percentage of the 1,440 CNG stations that are operated as regulated stations, as Piedmont proposes to do, and the percentage that are operated as non-regulated entities and (ii) the source(s) for the response provided in subpart (i) of this request.

RESPONSE:

7. Refer to the Supplemental Testimony of Ken Valentine, page 8, lines 6-12. Explain whether it is the Company's position, and provide any support for such position, that the provision of natural gas and/or CNG is a monopoly at the current stage of the CNG markets development.

RESPONSE:

8. Refer to the Supplemental Testimony of Ken Valentine, page 8, line 14 through page 9, line 10. Explain whether it is the Company's position, and provide any support for such position, that no other entity is authorized to provide natural gas and/or CNG in the Company's service territory in Tennessee.

RESPONSE:

9. Refer to the Supplemental Testimony of Ken Valentine, page 8, line 14 through page 9, line 10. Explain whether it is the Company's position, and provide any support for such position, that no other entity has the capability to provide natural gas and/or CNG in the Company's service territory in Tennessee.

RESPONSE:

10. Refer to the Supplemental Testimony of Ken Valentine, page 8, line 14 through page 9, line 10. Explain whether it is the Company's position, and provide any support for such position, that no other entity is authorized to provide natural gas and/or CNG as a wholesale provider in the Company's service territory in Tennessee.

RESPONSE:

11. Refer to the Supplemental Testimony of Ken Valentine, page 8, line 14 through page 9, line 10. Explain whether it is the Company's position, and provide any support for such position, that no other entity has the capability to provide natural gas and/or CNG as a wholesale provider in the Company's service territory in Tennessee.

RESPONSE:

12. Refer to the Supplemental Testimony of Ken Valentine, page 8, line 14 through page 9, line 10. Describe in detail the market conditions under which retail CNG service would be appropriately offered to the public as a non-regulated service.

RESPONSE:

13. Refer to the Supplemental Testimony of Ken Valentine, page 8, line 14 through page 9, line 10, and the Company's response to Item 46 and 47 of TFCSA's data requests. Explain in detail how ratepayers who do not use the Company's CNG service would be compensated for their payments for CNG infrastructure upon the conversion of the Company's CNG service business from a regulated to non-regulated status.

RESPONSE:

14. Refer to the Supplemental Testimony of Ken Valentine, page 8, line 6 through page 9, line 10, and the Company's response to Item 46 of TFCSA's data requests. Explain in detail why the state or stage of development of the CNG market is a determinate of whether the provision of CNG services is a regulated or non-regulated business. Further, in the context of the development of the CNG services market, explain in detail the distinguishing characteristics of a regulated CNG market and, separately, a non-regulated CNG market.

RESPONSE:

15. Refer to the Supplemental Testimony of Ken Valentine, page 9, lines 4-5. Is it the Company's position that Rate Schedule 342, as approved in 2012, establishes that the provision of CNG service is a regulated service? Please explain fully.

RESPONSE:

16. Refer to the Supplemental Testimony of Ken Valentine, page 9, lines 4-5. Provide any responses by Piedmont to data requests from the TRA staff, Consumer Advocate, or any other requestor related to or in connection with the provision of CNG service, whether or not in connection with any rate case or other proceeding, since 2010 (other than as provided in this TRA docket 14-00086, as consolidated with TRA docket 14-00087).

RESPONSE:

17. Refer to the Supplemental Testimony of Ken Valentine, page 10, lines 1-10. Describe the marketing and/or advertising efforts the Company plans or expects to undertake to develop or increase vehicle owners' perception that CNG fuel is increasingly available.

RESPONSE:

18. Refer to the Company's response to Item #20 of the TRA Staff's Data Request which states:

“Piedmont’s original CNG facilities at its Resource Center on Century Boulevard were placed into service in June 2010 for the purpose of fueling Piedmont service vehicles.”

Please provide a monthly schedule of CNG third-party customers, CNG total dkt volumes (split between company use and third-party customers), CNG third-party revenue, CNG company use gas cost, and CNG total gas cost from June 2010 through June 2014.

RESPONSE:

19. Refer to TRA Rule 1220-4-1-.01(1)(a) regarding capital additions budgets of utilities, which reads as follows:

(1) All public utilities operating in the State of Tennessee shall submit one (1) copy of the following information on an annual basis, to be filed no later than ninety (90) days after the beginning of the current fiscal year with the Chief, Utilities Division or as otherwise agreed upon.

(a) Projected expenditures on capital construction projects both routine and specific for the current year.

Please provide (A) a copy of the Piedmont capital budgets for 2012, 2013 and 2014 that specifically mention the cost for construction of CNG related expenditures and (B) each filing with the TRA in 2012, 2013 and 2014 satisfying the above-described required filing of projected expenditures on capital construction projects.

RESPONSE:

20. Refer to the Company's response to Item 1c of the CAPD's Data Request. The Company's answer to this request item is not responsive. Specifically, provide the exact statutory and regulatory basis for the Company's conclusion that the sale of CNG is a TRA rate regulated service.

RESPONSE:

21. Refer to Items 1 and 2 of the Company's reply to the TRA Data Request. The narrative response to both of these Items was missing in the Company's reply. Please provide a narrative response to both of these Items.

RESPONSE:

22. Refer to Item 8 of the Company's reply to the TFCSA Data Request. Please provide a copy of the Company's current CNG tariff for North Carolina and South Carolina.

RESPONSE:

RESPECTFULLY SUBMITTED,



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Dated: November 7th, 2014.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

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This the 7th day of November, 2014.


Wayne Irvin