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December 18, 2014

Via Hand-Delivery

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

***Re: Petition of Piedmont Natural Gas Company for Approval of an Integrity
Management Rider to its Approved Rate Schedules and Service Regulations
Docket No. 14-00147***

Dear Mr. Taylor:

On December 16, 2014, Piedmont Natural Gas Company, Inc. ("Piedmont") filed a request to revise the effective date of rates under its Integrity Management Rider ("IMR") mechanism from January 1, 2015 to February 1, 2015 in order to allow the Authority an opportunity to review and approve Piedmont's previously filed 2014 IMR Annual Report at the Authority's January 12, 2015 meeting. Upon further consideration of this request, as well as a review of both the content of its 2014 IMR Annual Report and the language of its Service Schedule 317, Piedmont believes it is appropriate to clarify the nature of the relief it seeks from the Authority in this regard.

Under Piedmont's Service Schedule No. 317, the 2014 Integrity Management Revenue Requirement is to be effective for accounting and rate adjustment purposes on January 1, 2015. Schedule 5 of Piedmont's 2014 IMR Annual Report, filed on December 1, 2014 in this docket, sets forth an amortization of the Integrity Management Revenue Requirement over a 12 month period beginning January 2015. Piedmont has proposed a one month delay in the effective date of rate changes to collect the 2014 IMR Revenue Requirement in order to allow the Authority to review these proposed rate changes at a regularly scheduled Authority meeting and because it is much more efficient for Piedmont to implement rate changes at the beginning of its monthly billing cycle – which would not be possible in January if Authority approval is not forthcoming until January 12, 2015. Piedmont is not, however, requesting any delay or change with respect to the January 2015 amortization of the IMR Revenue Requirement reflected on Schedule 5 to its 2014 IMR Annual Report. Consistent with that report and the provisions of Service Schedule No. 317, Piedmont intends to implement that amortization schedule upon approval of its 2014 IMR Report at the January 12, 2015 Authority Meeting.

We appreciate the Authority's consideration of this clarification and look forward to obtaining approval of the 2014 IMR Report at the Authority's meeting scheduled for January 12, 2015. Piedmont is filing an original and five (5) copies of this clarification letter and is also

The Honorable Earl Taylor
December 18, 2014
Page Two

filing this 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 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,

A handwritten signature in black ink, appearing to read "R. Dale Grimes". The signature is fluid and cursive, with the first name "R." and last name "Grimes" clearly distinguishable.

R. Dale Grimes

cc: Ms. Pia Powers
Mr. David Carpenter
Cynthia Kinser, Esq.
Ms. Emily Knight