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Piedmont Natural Gas

August 27, 2015

Mr. Herbert Hillard, Chairman
c/o Sharla Dillon – Docket Room
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, TN 37243

15-00079

Re: Piedmont Natural Gas Company, Inc., Performance Incentive Plan Report for the period July 1, 2014 – June 30, 2015

Dear Chairman Hillard:

In accordance with the reporting provisions of Service Schedule No. 316, Performance Incentive Plan, ("Plan"), Piedmont Natural Gas Company, Inc. ("Company"), submits the accompanying annual report of shared gas cost savings for the period July 1, 2014 through June 30, 2015. April 2015 pages have been revised since the previous filing.

As the enclosed Gain/Loss Summary page indicates the annual accumulated total gains and savings under the Plan total \$5,013,030. Under the Plan's sharing formula, \$3,759,773 of these gains and savings is allocated to the Company's Tennessee ratepayers. The remaining \$1,253,258 is reflected as the Company's share. Detailed calculations supporting the amounts shown on the Gain/Loss Summary page are provided in this filing. Please note that all enclosures provided in this filing, with the exception of the Gain/Loss Summary page itself, contain CONFIDENTIAL INFORMATION.

Should you need any additional information or have any questions please contact me at (704) 731-4560.

Sincerely,

Jenny Furr

Jenny Furr
Manager, Regulatory Reporting

cc: Michelle Ramsey
Tiffany Underwood

Piedmont Natural Gas Company, Inc.

Gain / Loss Summary

Report on Performance Incentive Plan

July 2014 - June 2015

Month	Year	Gas Procurement Incentive Mechanism Gain/(Loss) 1/	25% Company GPI Sharing Gain/(Loss) 2/	75% TN Ratepayer GPI Sharing Gain/(Loss)	Capacity Management Incentive Mechanism Gain/(Loss)	25% Company CMI Sharing Gain/(Loss)	75% TN Ratepayer CMI Sharing Gain/(Loss)	Total Gain/(Loss)	25% Total Company Gain/(Loss) 3/	75% Total TN Ratepayer Gain/(Loss) 3/
July	2014	$ 65,153	$ 16,288	$ 48,865	$ 33,333	$ 8,333	$ 25,000	$ 98,487	$ 24,622	$ 73,865
August	2014	$ 56,184	$ 14,046	$ 42,138	$ 33,333	$ 8,333	$ 25,000	$ 89,517	$ 22,379	$ 67,138
September	2014	$ 65,242	$ 16,310	$ 48,931	$ 33,333	$ 8,333	$ 25,000	$ 98,575	$ 24,644	$ 73,931
October	2014	$ 112,093	$ 28,023	$ 84,070	$ 33,883	$ 8,471	$ 25,413	$ 145,976	$ 36,494	$ 109,482
November	2014	$ 277,765	$ 69,441	$ 208,324	$ 58,333	$ 14,583	$ 43,750	$ 336,098	$ 84,025	$ 252,074
December	2014	$ 1,232,432	$ 308,108	$ 924,324	$ 58,333	$ 14,583	$ 43,750	$ 1,290,765	$ 322,691	$ 968,074
January	2015	$ 709,932	$ 177,483	$ 532,449	$ 58,333	$ 14,583	$ 43,750	$ 768,266	$ 192,066	$ 576,199
February	2015	$ 1,017,734	$ 254,433	$ 763,300	$ 58,333	$ 14,583	$ 43,750	$ 1,076,067	$ 269,017	$ 807,050
March	2015	$ 708,125	$ 177,031	$ 531,093	$ 58,333	$ 14,583	$ 43,750	$ 766,458	$ 191,614	$ 574,843
April	2015	$ 67,564	$ 16,891	$ 50,673	$ 58,397	$ 14,599	$ 43,798	$ 125,961	$ 31,490	$ 94,471
May	2015	$ 45,441	$ 11,360	$ 34,081	$ 58,333	$ 14,583	$ 43,750	$ 103,775	$ 25,944	$ 77,831
June	2015	$ 54,752	$ 13,688	$ 41,064	$ 58,333	$ 14,583	$ 43,750	$ 113,085	$ 28,271	$ 84,814
		$ 4,412,416	$ 1,103,104	$ 3,309,312	$ 600,614	$ 150,153	$ 450,461	$ 5,013,030	$ 1,253,258	$ 3,759,773

1/ The monthly gain or loss set forth in this column reflects total gains or losses calculated under the gas procurement mechanism.

2/ Company GPI sharing reflects 25% of gains or losses calculated under the gas procurement mechanism.

3/ The Company is subject to a cap on overall gains or losses of $1.6 million annually. Any gains above this cap will be reflected in the Total TN Ratepayer Gain/(Loss) column.

Summary of Capacity Incentive Mechanism Gain/Loss July 2014 - June 2015

Month	Monthly Capacity Release $	Monthly Offsystem Sales $	Total $	Cumulative Total $	25% Total Company Gain/(Loss)	75% Total TN Ratepayer Gain/(Loss)
Jul-2014	$ 33,333	$ -	$ 33,333	$ 33,333	$ 8,333	$ 25,000
Aug-2014	$ 33,333	$ -	$ 33,333	$ 66,667	$ 8,333	$ 25,000
Sep-2014	$ 33,333	$ -	$ 33,333	$ 100,000	$ 8,333	$ 25,000
Oct-2014	$ 33,333	$ 550	$ 33,883	$ 133,883	$ 8,471	$ 25,413
Nov-2014	$ 58,333	$ -	$ 58,333	$ 192,217	$ 14,583	$ 43,750
Dec-2014	$ 58,333	$ -	$ 58,333	$ 250,550	$ 14,583	$ 43,750
Jan-2015	$ 58,333	$ -	$ 58,333	$ 308,883	$ 14,583	$ 43,750
Feb-2015	$ 58,333	$ -	$ 58,333	$ 367,217	$ 14,583	$ 43,750
Mar-2015	$ 58,333	$ -	$ 58,333	$ 425,550	$ 14,583	$ 43,750
Apr-2015	$ 58,333	$ 64	$ 58,397	$ 483,947	$ 14,599	$ 43,798
May-2015	$ 58,333	$ -	$ 58,333	$ 542,281	$ 14,583	$ 43,750
Jun-2015	$ 58,333	$ -	$ 58,333	$ 600,614	$ 14,583	$ 43,750
	$ 600,000	$ 614	$ 600,614		$ 150,153	$ 450,461