



August 29, 2016

Docket No. 16-00101

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

Re: Piedmont Natural Gas Company, Inc., Performance Incentive Plan Report for the period July 1, 2015 – June 30, 2016

Dear Chairman Jones:

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, 2015 through June 30, 2016.

As the enclosed Gain/Loss Summary page indicates the annual accumulated total gains and savings under the Plan total \$2,391,556. Under the Plan's sharing formula, \$1,793,667 of these gains and savings is allocated to the Company's Tennessee ratepayers. The remaining \$597,889 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,

A handwritten signature in black ink, appearing to read "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 2015 - June 2016

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	2015	\$ 50,454	\$ 12,613	\$ 37,840	\$ 58,333	\$ 14,583	\$ 43,750	\$ 108,787	\$ 27,197	\$ 81,590
August	2015	\$ 48,203	\$ 12,051	\$ 36,152	\$ 58,333	\$ 14,583	\$ 43,750	\$ 106,536	\$ 26,634	\$ 79,902
September	2015	\$ 85,728	\$ 21,432	\$ 64,296	\$ 58,333	\$ 14,583	\$ 43,750	\$ 144,061	\$ 36,015	\$ 108,046
October	2015	\$ 129,368	\$ 32,342	\$ 97,026	\$ 58,333	\$ 14,583	\$ 43,750	\$ 187,702	\$ 46,925	\$ 140,776
November	2015	\$ 150,002	\$ 37,501	\$ 112,502	\$ 99,483	\$ 24,871	\$ 74,613	\$ 249,485	\$ 62,371	\$ 187,114
December	2015	\$ 177,628	\$ 44,407	\$ 133,221	\$ 101,793	\$ 25,448	\$ 76,345	\$ 279,421	\$ 69,855	\$ 209,566
January	2016	\$ 323,924	\$ 80,981	\$ 242,943	\$ 95,833	\$ 23,958	\$ 71,875	\$ 419,757	\$ 104,939	\$ 314,818
February	2016	\$ 241,028	\$ 60,257	\$ 180,771	\$ 96,333	\$ 24,083	\$ 72,250	\$ 337,361	\$ 84,340	\$ 253,021
March	2016	\$ 100,624	\$ 25,156	\$ 75,468	\$ 97,148	\$ 24,287	\$ 72,861	\$ 197,772	\$ 49,443	\$ 148,329
April	2016	\$ 52,939	\$ 13,235	\$ 39,704	\$ 97,836	\$ 24,459	\$ 73,377	\$ 150,775	\$ 37,694	\$ 113,081
May	2016	\$ 10,792	\$ 2,698	\$ 8,094	\$ 95,833	\$ 23,958	\$ 71,875	\$ 106,625	\$ 26,656	\$ 79,969
June	2016	\$ 7,440	\$ 1,860	\$ 5,580	\$ 95,833	\$ 23,958	\$ 71,875	\$ 103,273	\$ 25,818	\$ 77,455
		<u>\$ 1,378,129</u>	<u>\$ 344,532</u>	<u>\$ 1,033,597</u>	<u>\$ 1,013,427</u>	<u>\$ 253,357</u>	<u>\$ 760,070</u>	<u>\$ 2,391,556</u>	<u>\$ 597,889</u>	<u>\$ 1,793,667</u>

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.