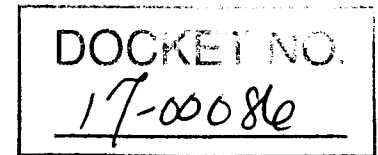


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T.N.P.U.C. DOCKET ROOM



August 29, 2017

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



Re: Piedmont Natural Gas Company, Inc., Performance Incentive Plan Report for the period July 1, 2016 – June 30, 2017

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, 2016 through June 30, 2017.

As the enclosed Gain/Loss Summary page indicates the annual accumulated total gains and savings under the Plan total \$2,959,878. Under the Plan's sharing formula, \$2,219,909 of these gains and savings is allocated to the Company's Tennessee ratepayers. The remaining \$739,969 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.

Please note the revision to Off System Sales volumes in the month of April 2017, which was previously filed on June 30, 2017.

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
Pia Powers
Bruce Barkley

P.O. Box 33068 • Charlotte, North Carolina 28233
piedmontng.com

Piedmont Natural Gas Company, Inc.
Gain / Loss Summary
Report on Performance Incentive Plan
July 2016 - June 2017

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	2016	\$ 14,421	\$ 3,605	\$ 10,815	\$ 95,833	\$ 23,958	\$ 71,875	\$ 110,254	\$ 27,563	\$ 82,690
August	2016	\$ 21,681	\$ 5,420	\$ 16,261	\$ 95,833	\$ 23,958	\$ 71,875	\$ 117,514	\$ 29,379	\$ 88,136
September	2016	\$ 24,517	\$ 6,129	\$ 18,388	\$ 95,833	\$ 23,958	\$ 71,875	\$ 120,350	\$ 30,088	\$ 90,263
October	2016	\$ 49,886	\$ 12,472	\$ 37,415	\$ 95,833	\$ 23,958	\$ 71,875	\$ 145,720	\$ 36,430	\$ 109,290
November	2016	\$ 158,969	\$ 39,742	\$ 119,227	\$ 158,333	\$ 39,583	\$ 118,750	\$ 317,302	\$ 79,326	\$ 237,977
December	2016	\$ 197,530	\$ 49,382	\$ 148,147	\$ 158,333	\$ 39,583	\$ 118,750	\$ 355,863	\$ 88,966	\$ 266,897
January	2017	\$ 337,840	\$ 84,460	\$ 253,380	\$ 159,514	\$ 39,879	\$ 119,636	\$ 497,354	\$ 124,339	\$ 373,016
February	2017	\$ 185,501	\$ 46,375	\$ 139,125	\$ 158,333	\$ 39,583	\$ 118,750	\$ 343,834	\$ 85,958	\$ 257,875
March	2017	\$ 153,942	\$ 38,485	\$ 115,456	\$ 192,082	\$ 48,020	\$ 144,061	\$ 346,024	\$ 86,506	\$ 259,518
April	2017	\$ 46,713	\$ 11,678	\$ 35,035	\$ 158,333	\$ 39,583	\$ 118,750	\$ 205,047	\$ 51,262	\$ 153,785
May	2017	\$ 50,248	\$ 12,562	\$ 37,686	\$ 158,333	\$ 39,583	\$ 118,750	\$ 208,581	\$ 52,145	\$ 156,436
June	2017	\$ 33,702	\$ 8,425	\$ 25,276	\$ 158,333	\$ 39,583	\$ 118,750	\$ 192,035	\$ 48,009	\$ 144,026
		<u>\$ 1,274,949</u>	<u>\$ 318,737</u>	<u>\$ 956,211</u>	<u>\$ 1,684,929</u>	<u>\$ 421,232</u>	<u>\$ 1,263,697</u>	<u>\$ 2,959,878</u>	<u>\$ 739,970</u>	<u>\$ 2,219,909</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.