



Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
P.O. Box 208356
Nashville, TN 37219-8356

615 244.6380 man
615 244.6804 fax
wallerlaw.com

RECEIVED
2019 JUL -9 PM 12:11
Paul S. Davidson
511 Union Street, Suite 2700
paul.davidson@wallerlaw.com

T.P.U.C. DOCKET ROOM

July 9, 2019

Via Hand Delivery and Email

Executive Director Earl Taylor
c/o Tory Lawless
Tennessee Public Utility Commission
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

Re: *Compliance Filing of Piedmont Natural Gas Company, Inc. Regarding the Impact of Federal Tax Reform on Public Utility Revenue Requirements Docket No. 18-00040*

Dear Mr. Taylor:

Enclosed for filing please find an original and five (5) copies of a Motion for Clarification of Commission on behalf of Piedmont Natural Gas Company, Inc.

This material is also being filed by way of email to the Tennessee Public Utility Commission Docket Manager, Tory Lawless. Please file the original and four copies of this filing and stamp the additional copy as "filed." Then please return the stamped copies to me by way of our courier.

Thank you for your assistance with this matter. Should you have any questions concerning this matter, please do not hesitate to contact me at the email address or telephone number listed above.

Very truly yours,

Paul S. Davidson

PSD/ss

Enclosures

cc: Daniel P. Whitaker, III
James H. Jeffries, IV

IN RE:)	
)	
COMPLIANCE FILING OF PIEDMONT)	
NATURAL GAS COMPANY, INC.)	DOCKET NO. 18-00040
REGARDING THE IMPACT OF FEDERAL)	
TAX REFORM ON PUBLIC UTILITY)	
REVENUE REQUIREMENTS)	
)	

Piedmont Natural Gas Company, Inc. (“Piedmont” or “Company”), through counsel, respectfully moves for clarification of the ruling issued by the Tennessee Public Utility Commission (“TPUC” or the “Commission”) on May 20, 2019 regarding the manner in which certain temporary rate adjustments associated with the amortization of unprotected excess Accumulated Deferred Income Taxes (“ADIT”) are to be credited to Piedmont’s Tennessee customers.

1. Piedmont is a subsidiary of Duke Energy Corporation and is engaged in the business of transporting, distributing and selling natural gas in the States of Tennessee, North Carolina and South Carolina. Piedmont's principal office and place of business is located at 4720 Piedmont Row Drive, Charlotte, North Carolina.

1

3. On April 2, 2018, pursuant to the Commission's *Order Opening an Investigation and Requiring Deferred Accounting Treatment* in Docket No. 18-00001 ("Investigation and Deferral Order"), Piedmont made its compliance filing ("April 2 Filing") in the above-captioned docket showing the Commission its accounting data and providing Piedmont's comments and proposals relative to the impacts of the 2017 Tax Cuts and Jobs Act ("Tax Act").

4. On April 24, 2018, the Consumer Advocate filed a Petition to Intervene in this proceeding which was granted by the Commission's June 11, 2018 *Order Granting the Petition to Intervene Filed by the Consumer Advocate*.

5. On May 18, 2018, the Commission issued an Order Convening a Contested Case Proceeding and Appointing a Hearing Officer in this proceeding.

6. On October 5, 2018, Piedmont filed the Testimony and Exhibits of Pia K. Powers in support of Piedmont's April 2, 2018 Filing.

7. On October 25, 2018, the Commission issued its Order Establishing Procedural Schedule in this proceeding.

8. Throughout the months of October and November 2018, the Consumer Advocate engaged in discovery regarding the matters at issue in this docket as provided in the procedural schedule.

9. On January 15, 2019, the Consumer Advocate filed the testimony of David Dittmore in this proceeding in which the Consumer Advocate took issue with several aspects of Piedmont's proposed response to the Tax Act, as set forth in Piedmont's April 2, 2018 Filing and the Direct Testimony of Pia K. Powers.

10. Following the filing of Mr. Dittemore's testimony, the Parties engaged in substantive discussions regarding the differences in their respective positions on the impacts of the Tax Act and whether those differences, in whole or in part, might be resolvable through a settlement.

11. On February 27, 2019, as a result of these discussions, Piedmont and the Consumer Advocate filed a Stipulation and Partial Settlement Agreement ("Partial Settlement") to resolve several of the issues in this proceeding. One of those issues involved Mr. Dittemore's suggestion that tax refunds or credits adopted pursuant to this proceeding be reflected by a line item credit on Piedmont customer bills. The Partial Settlement resolved this issue by providing that Piedmont will notify customers of the credits to be received in this docket by bill notice but that a separate line item credit would not be shown on the bill. This issue was resolved in this manner after Piedmont advised the Consumer Advocate that Piedmont's billing system was not capable of showing the line item credit as initially recommended by Mr. Dittemore and that substantial computer programming costs and time would be required in order for Piedmont to modify its computerized billing system so as to allow such credit to be shown as a separate line item on individual customer bills.

12. On March 11, 2019, the Commission approved the Partial Settlement.

CLARIFICATION REQUEST

13. On May 20, 2019, a hearing was held in this docket in order to address remaining issues not resolved by the ("Partial Settlement"). One of those issues involved the appropriate method and time-period for amortization of unprotected excess ADIT amounts due to customers as a result of the Tax Act. In ruling on that issue Director Hill indicated in his motion that the

temporary adjustment of rates needed to return excess unprotected ADIT to customers over the three-year period ordered by the Commission:

Should begin with the effective date of the rate changes approved in Commission Docket No. 18-00126 and should be separate – should be a separate credit rider on the customer's bill as recommended by the Consumer Advocate.

14. In response to the Commission's ruling on this issue, Piedmont has established a separate credit rate rider mechanism to provide customers with the appropriate amortization and return of unprotected excess ADIT as directed by the Commission and will continue to implement such credit rate rider mechanism until all amounts due customers are amortized over the three (3) year period ordered by the Commission at the May 20, 2019 hearing in this docket. All of the rate changes approved in this docket, including the separate credit rate rider mechanism for unprotected excess ADIT, became effective June 1, 2019. Piedmont informed each customer in June 2019 of the total rate decrease ordered by the Commission in this docket by way of bill message, as agreed to with the Consumer Advocate in the Partial Settlement.

15. At present, Piedmont does not have the capability to show the credit rate rider as a separate line item on customer bills. It may be possible for Piedmont to seek modification of its computerized billing system to allow for the delineation of such credit on its customers' bills as a line item deduction but such modification would take several months to design and implement at substantial incremental cost.

16. Based on the foregoing, Piedmont respectfully seeks clarification of the Commission's May 20, 2019 ruling in this proceeding to allow Piedmont to provide notice to customers of the bill credit resulting from the Commission's ruling utilizing a bill message as

contemplated in the Partial Settlement without the necessity of revising its computerized billing systems in order to show a line item credit for unprotected ADIT on individual customer bills.

This the 9th day of July, 2019.

PIEDMONT NATURAL GAS COMPANY, INC.



Paul S. Davidson
Waller Landsden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Telephone: 615-244-6380

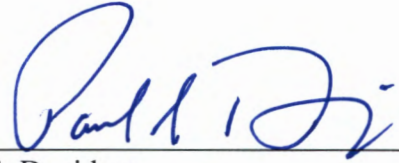


James H. Jeffries IV
McGuireWoods LLP
201 North Tryon Street, Suite 3000
Charlotte, NC 28202
Telephone: 704-343-2348

Certificate of Service

I hereby certify that a true and exact copy of the foregoing Motion for Clarification of Commission Ruling has been served via email transmittal, to the following individuals, this the 9th day of July, 2019:

Daniel P. Whitaker, III
daniel.whitaker@ag.tn.gov



Paul S. Davidson