



Waller Lansden Dortch & Davis, LLP  
511 Union Street, Suite 2700  
P.O. Box 198966  
Nashville, TN 37219-8966

615.244.6380 main  
615.244.6804 fax  
wallerlaw.com

Paul S. Davidson  
615.850.8942 direct  
paul.davidson@wallerlaw.com

October 21, 2022

Mr. Herbert H. Hilliard, Chairman  
c/o Ectory Lawless  
Tennessee Public Utility Commission  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

Electronically Filed in TPUC Docket  
Room on October 21, 2022 at 12:42 p.m.

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

Dear Chairman Hilliard:

Pursuant to the Tennessee Public Utility Commission ("Commission") Order dated August 6, 2019 ("August 6 Order") in Docket No. 18-00040, Piedmont Natural Gas Company, Inc. ("Piedmont") hereby notifies the Commission of the results of its refund to customers of deferred base revenues and excess Unprotected Accumulated Deferred Income Taxes ("excess Unprotected ADIT").

Pursuant to Ordering Paragraph 1 of the August 6 Order, Piedmont implemented Deferred Base Revenue Rate Decrements effective with its June 2019 billing rates. The purpose of the decrement rates was to refund to customers, over a period of three years, the previously deferred base revenues recorded to Piedmont's books as a result of the change in the federal income tax rate from 35% to 21% under the 2017 Tax Cuts and Jobs Act. The actual deferred base revenues recorded to Piedmont's books from January 1, 2018 through May 31, 2019 was \$10,989,898. The actual amount refunded to customers beginning with June 2019 billing and ending with May 2022 billing was \$12,042,872. In compliance with the August 6 Order, Piedmont recorded a journal entry in June 2022 to debit its Actual Cost Adjustment general ledger account for the amount over-refunded to customers of \$1,052,976 ( $\$12,042,872 - \$10,989,896 = \$1,052,976$ ).

In addition to refunding deferred base revenues, pursuant to Ordering Paragraph 2 of the August 6 Order, Piedmont also implemented rate decrements to refund to customers excess Unprotected ADIT. The excess Unprotected ADIT resulting from the federal income tax rate change was to be refunded over a three-year period totaling \$23,571,958. The actual amount refunded to customers beginning with June 2019 billing and ending with May 2022 billing was \$25,897,047. In compliance with the August 6 Order, Piedmont recorded a journal entry in June 2022 to debit its Actual Cost Adjustment general ledger account for the amount over-refunded to customers of \$2,325,089 ( $\$25,897,047 - \$23,571,958 = \$2,325,089$ ).

This filing is for informational purposes only and does not require any action by the Commission.

If you have any questions about this filing, you may reach me at the number shown above.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Paul S. Davidson". The signature is fluid and cursive, with the first name "Paul" being the most prominent.

Paul S. Davidson

PSD:cdg

cc: David Foster  
Michelle Mairs  
Bruce Barkley  
Pia Powers  
James H. Jeffries IV