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January 29, 2018

Via Hand Delivery

The Honorable Earl Taylor
Tennessee Public Utility Commission
c/o Sharla Dillon
502 Deaderick Street, Fourth Floor
Nashville, TN 37423

Re: Petition of Piedmont Natural Gas Company, for Approval of an Integrity Management
Rider to its Approved Rate Schedules and Service Regulations
Docket No. 18-00126

Dear Mr. Taylor:

Please find enclosed an original and five (5) copies of Piedmont Natural Gas Company, Inc.'s ("Piedmont") responses to the Consumer Protection and Advocate Division's first set of discovery requests dated January 18, 2019 in the above-captioned docket. Please file the original and four copies which were also filed electronically this morning, and stamp the additional copy as "filed."

Please note that several of the attachments have been marked CONFIDENTIAL. Piedmont requests that these be treated as such pursuant to the September 27, 2013 Protective Order filed in Docket No. 13-00118. I would appreciate you also stamping the additional set of confidential documents as "filed." Then please return the stamped copies to me by way of our courier.

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,

A handwritten signature in blue ink, appearing to read "Paul S. Davidson". The signature is fluid and cursive.

Paul S. Davidson

PSD:ss
Attachments

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 18-00126
IMR Annual Report
FIRST DATA REQUEST
Issued: January 18, 2019

1. Provide the monthly IMR reports in Excel format, with working cells for the period November 2017 through October 2018.

Response: See attachments.

Name and title of responsible person: Pia Powers, Director – Gas Rates & Regulatory Affairs

Name and title of preparer: Pia Powers, Director – Gas Rates & Regulatory Affairs

Response provided by Piedmont Natural Gas on January 25, 2019.

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2. Confirm whether Piedmont's IMR computes the IMR-related Income Tax Expense using a Tennessee-specific tax rate, but computes IMR-ADIT using a composite-state income tax rate. Notwithstanding the historic treatment of these items within the IMR calculation, provide a detailed discussion of Piedmont's rationale for using differing state tax rates within these two IMR revenue requirement components.

Response: Within the IMR, the statutory 6.5% state rate is used for the computation of the IMR Revenue Requirement; it is applied in the calculation of tax expense and in the calculation of the ADIT offset to rate base for each vintage of IMR-eligible capital investment. This methodology was adopted pursuant to the commission-approved settlement agreement between Piedmont and the Consumer Advocate in Docket No. 13-00118.

Name and title of responsible person: Pia Powers, Director – Gas Rates & Regulatory Affairs

Name and title of preparer: Pia Powers, Director – Gas Rates & Regulatory Affairs

Response provided by Piedmont Natural Gas on January 25, 2019.

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3. Refer to the following Consumer Advocate discovery requests provided by Piedmont in TPUC Docket No. 17-00138. Confirm that each response reflects accurate, complete, and up-to-date information. If the response needs to be updated to reflect accurate, complete, and up-to-date information, provide such an update:

- a. Response No. 1-26
- b. Response No. 1-29
- c. Response No. 1-51
- d. Response No. 1-57
- e. Response No. 1-61
- f. Response No. 1-63
- g. Supplemental Response No. 14 (issued 2/1/18 regarding OASIS Ad-Valorem)

Response:

- a. The response to CPAD DR 1-26 in TPUC Docket No. 17-00138 reflects accurate, complete, and up-to-date information.
- b. The response to CPAD DR 1-29 in TPUC Docket No. 17-00138 reflects accurate, complete, and up-to-date information.
- g. \$127.2 million of unallocated OASIS cost was treated as exempt property for ad valorem purposes in North Carolina in the 2018 North Carolina Ad Valorem tax return. The remaining unallocated OASIS cost was treated as taxable property for ad valorem purposes in North Carolina. See CONFIDENTIAL attachments.

Name and title of responsible person: John Panizza, Director Tax Operations

Name and title of preparer: Chris Nelson, Tax Manager and Brian Neiheisel, Senior Tax Manager

- c. The response to CPAD DR 1-51 in TPUC Docket No. 17-00138 reflects accurate, complete, and up-to-date information through 2017. See the response provided in Item 1-7 of this data request for updated information through October 2018.

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Name and title of responsible person: Melton Huey, Director Gas Asset Risk Management

Name and title of preparer: Melton Huey, Director Gas Asset Risk Management

d. The response to CPAD DR 1-57 in TPUC Docket No. 17-00138 reflects accurate, complete, and up-to-date information.

Name and title of responsible person: David Dye, Manager Labor/Benefits Accounting

Name and title of preparer: David Dye, Manager Labor/Benefits Accounting

e. The response to CPAD DR 1-61 in TPUC Docket No. 17-00138 reflects accurate, complete, and up-to-date information through October 2017. See the CONFIDENTIAL 1-8 Attachment for updated information through October 2018.

f. The response to CPAD DR 1-63 in TPUC Docket No. 17-00138 reflects accurate, complete and up-to-date information.

Name and title of responsible person: Pia Powers, Director – Gas Rates & Regulatory Affairs

Name and title of preparer: Pia Powers, Director – Gas Rates & Regulatory Affairs

Response provided by Piedmont Natural Gas on January 25, 2019.

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4. If new Transmission and/or Distribution Integrity Management plans have been complied since the May 2017 reports provided in Piedmont's Confidential Response No. 1-19, provide a copy of the 2018 plan(s).

Response: See CONFIDENTIAL attachments.

Name and title of responsible person: Melton Huey, Director Gas Asset Risk Management

Name and title of preparer: Melton Huey, Director Gas Asset Risk Management

Response provided by Piedmont Natural Gas on January 25, 2019.

PIEDMONT NATURAL GAS COMPANY, INC.
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5. Confirm that appropriate plant retirements associated with new IMR plant placed in service for the period November 1, 2017 through October 31, 2018 have been recorded and properly reflected within this filing. For all retirements during this period, identify the project giving rise to the retirement, the date of the retirement, the dollar amount of plant retired, and the associated FERC plant account(s) in which Piedmont recorded the retirement.

Response: Asset retirements which may arise with integrity management projects are not addressed in the IMR.

For integrity management projects that went into service between November 2017 and October 2018, approximately \$7,100 of existing assets were retired. See attachment for detail.

Name and title of responsible person: Pia Powers, Director – Gas Rates & Regulatory Affairs

Name and title of preparer: Pia Powers, Director – Gas Rates & Regulatory Affairs

Response provided by Piedmont Natural Gas on January 25, 2019.

PIEDMONT NATURAL GAS COMPANY, INC.
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6. Provide the capital expenditure budget by state and by year for the period 2019-2021. For purposes of this request, exclude the capital associated with common assets that are appropriately allocated among the Piedmont states.

Response: Per Piedmont's request emailed on 1/22/2019, this Consumer Advocate agreed to accept a response limited to the provision of Piedmont's capital budget for its Tennessee operations.

See the CONFIDENTIAL attachment showing the capital expenditures for Piedmont's Tennessee operations.

Name and title of responsible person: John Robson, Director Gas Distribution Finance

Name and title of preparer: John Robson, Director Gas Distribution Finance

Response provided by Piedmont Natural Gas on January 25, 2019.

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7. Provide the average installation cost-per-mile of main for the twelve-month period ending October 31, 2018.

Response:

November 1, 2017 – October 31, 2018:

\$15,161,109.80 spent on distribution main replacement
16.04 miles replaced
\$945,085.83 per mile of pipe replaced

Name and title of responsible person: Melton Huey, Director Gas Asset Risk Management

Name and title of preparer: Melton Huey, Director Gas Asset Risk Management

Response provided by Piedmont Natural Gas on January 25, 2019.

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8. Provide the ratio of capitalized labor applicable to Piedmont-Tennessee operations to total labor, including the allocable portion of indirect labor for the period November 2017 through October 2018.

Response: See CONFIDENTIAL attachment.

Name and title of responsible person: Pia Powers, Director – Gas Rates & Regulatory Affairs

Name and title of preparer: Pia Powers, Director – Gas Rates & Regulatory Affairs

Response provided by Piedmont Natural Gas on January 25, 2019.

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9. Provide a comprehensive discussion supporting the use of a 35% federal tax rate in the computation of the NOL within the tab identified as "Annual Rpt-NOL Summary Sch 12". Within this response, confirm or deny whether all ADIT, including total Piedmont NOL, was recast at the post-Tax Cuts and Jobs Act composite tax rate in the determination of Excess ADIT.

Response: All ADIT, including ADIT on the total Piedmont NOL, related to the regulated utility was recast at the post-Tax Cuts and Jobs Act composite tax rate in the determination of Excess ADIT. Note that there is not a state rate component when valuing the ADIT on the Federal NOL, which is why 35% and not 39.23% is used for the NOL.

The 35% rate represents the rates in place at the time that the NOL was generated. Post-TCJA tax reform, on the balance sheet, deferred taxes that were at 35% can be broken out as Accumulated Deferred Income Taxes (ADIT) at the 'new' 21% federal tax rate and as Excess Deferred Income Taxes (EDIT), which nets to a Regulatory Liability that was established when the rate was reduced 14%, from 35% to 21%. Both the ADIT (21%) and EDIT (14%), which total 35%, should be included for the NOL in determining the NOL's deferred amount for rate making. This is consistent with the treatment for integrity management-related plant that was put in service while the federal rate was 35%, there is federal ADIT at 21% and EDIT at 14%, resulting in a deferred federal balance at 35% (state rates are ignored for the sake of this explanation). The NOL adjustment is in effect an offset to the integrity management-related plant deferred balances and therefore should also be captured at the cumulative deferred federal rate of 35%.

Name and title of responsible person: John Panizza, Director Tax Operations

Name and title of preparer: Chris Nelson, Tax Manager and Brian Neiheisel, Senior Tax Manager

Response provided by Piedmont Natural Gas on January 25, 2019.

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10. Provide a comprehensive discussion supporting Piedmont's rationale in using the 39.23% composite tax rate within the computation of ADIT found within the Annual Rpt-Vintage tabs on row 154.

Response: The 39.23% composite tax rate is the rate calculated with a federal rate of 35% and a state tax rate of 6.5%. $39.23\% = .35 + (.065 \times (1 - .35))$. Piedmont's rationale in using the 39.23% composite tax rate within the computation of ADIT found within the Annual Rpt-Vintage tabs on row 154 is to reflect the composite tax rate at the time that integrity management-related plant was placed in service in the IMR Model.

Similar to the Company's response to data request item 1-9 above, for integrity management-related plant that was placed in service before the Tax Cuts and Jobs Act (TCJA), the Deferred Income Tax in the IMR Model is reflected at a federal rate of 35% (state rates are ignored for the sake of this explanation). Post-TCJA tax reform, on the balance sheet, deferred taxes that were at 35% can be broken out as Accumulated Deferred Income Taxes (ADIT) at the 'new' 21% federal tax rate and as Excess Deferred Income Taxes (EDIT), which nets to a Regulatory Liability that was established when the rate was reduced 14% from 35% to 21%. Both the ADIT (21%) and EDIT (14%), which total 35%, should be included in determining rate base for assets placed in service and book-tax timing differences recognized Pre-TCJA.

On the Annual Rpt-Vintage tabs, lines 153 and 154 reflect the pre-TCJA Accumulated Deferred Tax balances at 35%, which, post-TCJA, are 21% ADIT and 14% EDIT on Piedmont's books. Lines 155 and 156 were added to the model to capture post-TCJA Deferred Income Tax, which has a federal rate of 21% and captures any Deferred Income Tax on prospective changes in the gross timing differences incurred after TCJA and reflects it at the new Post-TCJA tax rate of 21% (26.14% composite rate when including the state rate as reflected in the model).

Name and title of responsible person: John Panizza, Director Tax Operations

Name and title of preparer: Chris Nelson, Tax Manager and Brian Neiheisel, Senior Tax Manager

Response provided by Piedmont Natural Gas on January 25, 2019.

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11. Refer to the following projects (with respect to the funding project numbers, along with each referenced month), and provide a comprehensive discussion identifying how the project is required pursuant to DOT regulations. This response should contain all source and support used in the internal review and approval of the project:

- a. FPI 733931 Shelby Park RR Bridge (November)
- b. FP 1734415 Foster Ave (December)
- c. FPI 734120 Line 431 Replacement (February)
- d. FPI 734119 Line 307 Replacement (April)
- e. FP 1733763 Harding Place (April).

Response:

- a. FP 1733931 Shelby Park RR Bridge (November):

This project is for high risk bridge pipe. The pipe was welded directly to the bridge, increasing its natural forces and other outside forces risk. Since the pipe is on a bridge, it has no cathodic protection and was shorted by the bridge which gives it an increased corrosion risk.

- b. FP 1734415 Foster Ave (December):

This project is for pipe corrosion risk. It was installed in the 1950s and poor coating was identified.

- c. FP 1734120 Line 431 Replacement (February):

This project is for replacement of Line 311 -- a 12" steel transmission line that was installed in 1958. The pipeline was not piggable. There were multiple records gaps in the pipeline installation records which does not allow us to validate the MAOP.

- d. FP 1734119 Line 307 Replacement (April):

This project is for replacement of Line 307 -- a 12" steel transmission line that was installed in 1997 and 1999. The pipeline was not piggable. There were multiple records gaps in the pipeline installation records which does not allow us to validate the MAOP.

- e. FP 1733763 Harding Place (April):

This project is for replacement of 7,400' of 4" and 2" high-pressure steel distribution main by installing 7,400' of 6" high pressure steel distribution main and 650' of 2" high pressure steel distribution main. Also to retire 7400' of 4" high pressure steel and to retire 650' 2" high pressure steel main. The purpose of this project was to remove older steel pipe from

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the system which had corrosion issues. The original main was laid in 1953 and 1955. The coating was in poor condition and had pipe had many CP issues.

Name and title of responsible person: Melton Huey, Director Gas Asset Risk Management

Name and title of preparer: Melton Huey, Director Gas Asset Risk Management

Response provided by Piedmont Natural Gas on January 25, 2019.

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12. Provide copies of the following work orders, along with the initial projection of costs and documentation provided internally to gain project approval. If not contained in the work order, provide a summary of charges, with references to the support for the costs:

- a. FPI 734720;
- b. FP 1734138; and
- c. FPI 734120.

Response:

a. The initial projection of costs for this project was \$304,690.27. See CONFIDENTIAL 1-12 Attachment 1 of 6 for a summary of all the charges to this project since inception through 10/31/18. See CONFIDENTIAL 1-12 Attachment 2 of 6 for the purchase order with Mears Construction Group for this project.

b. The initial projection of costs for this project was \$490,644.70. See CONFIDENTIAL 1-12 Attachment 3 of 6 for a summary of all the charges to this project since inception through 10/31/18. See CONFIDENTIAL 1-12 Attachment 4 of 6 for the blanket contract for several Tennessee distribution projects with Team Construction. This project is covered under this contract.

c. The initial projection of costs for this project was \$25,430,877.04. See CONFIDENTIAL 1-12 Attachment 5 of 6 for a summary of all the charges to this project since inception through 10/31/18. See CONFIDENTIAL 1-12 Attachment 6 of 6 for the contract with Energy Land & Infrastructure for this project.

Name and title of responsible person: John Robson, Director Gas Distribution Finance and Melissa Abernathy, Manager Accounting II

Name and title of preparer: John Robson, Director Gas Distribution Finance and Dale Graham, Senior Accounting Analyst

Response provided by Piedmont Natural Gas on January 25, 2019.

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13. Identify the amount of Ad-Valorem tax incorporated into the IMR request associated with the tax-exempt OASIS project.

Response: The annual property tax expense associated with the OASIS project, as included in the IMR Revenue Requirement shown in the Company's 2018 IMR Annual Report, is approximately \$170k. This amount is the product of items A and B listed below:

A = Total OASIS project capital investment in the IMR of \$23.5 million

B = 0.73 % rate in the IMR calculation, representing property tax as a percentage of gross plant per the last commission rate order

Name and title of responsible person: Pia Powers, Director – Gas Rates & Regulatory Affairs

Name and title of preparer: Pia Powers, Director – Gas Rates & Regulatory Affairs

Response provided by Piedmont Natural Gas on January 25, 2019.

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14. Provide the following Tennessee operational metrics for calendar year 2016-2017 along with the most recent year-to-date information available for 2018:

- a. Average Age of Leaks;
- b. Number of Leaks by PHMSA category (grade);
- c. Emergency Response Time;
- d. Quantity of Pipe in the following categories:
 - i. Bare Steel Service Lines (end of period# of lines);
 - ii. Aldyl-A Service lines (end of period# of lines);
 - iii. Bare Steel Unprotected Main (end of period Miles);
 - iv. Cast Iron Main (end of period Miles);
- e. Number of Estimated Bills Issued;
- f. Number of Formal Complaints (legislative, regulatory);
- g. Answered call rate within a specified time period;
- h. Number of disconnects for non-payment; and
- i. Average cost of installed service lines.

Response:

a. The average age of leaks for 2016 was 138.24 days, for 2017 was 195.57 days and for 2018 was 104.41 days.

b. The number of Leaks by PHMSA category for 2016 is as follows: Grade 1 = 427; Grade 2 = 137; Grade 3 = 935. The number of Leaks by PHMSA category for 2017 is as follows: Grade 1 = 405; Grade 2 = 238; Grade 3 = 1,457. The number of Leaks by PHMSA category for 2018 is as follows: Grade 1 = 405; Grade 2 = 362; Grade 3 = 2,211.

c. The average emergency response time for 2016 was 35 minutes, for 2017 was 33 minutes and for 2018 was 34 minutes.

Name and title of responsible person: Lauren Crowe, Manager Continuous Improvement & Data Performance

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Name and title of preparer: Lauren Crowe, Manager Continuous Improvement & Data Performance

d. Quantity of Pipe in the following categories:

- i. Bare Steel Service Lines (end of period# of lines) = 0
- ii. Aldyl-A Service lines (end of period# of lines) = 0
- iii. Bare Steel Unprotected Main (end of period Miles) = 0
- iv. Cast Iron Main (end of period Miles) = 0

Name and title of responsible person: Melton Huey, Director Gas Asset Risk Management

Name and title of preparer: Melton Huey, Director Gas Asset Risk Management

e. Number of Estimated Bills: See 1-14 Attachment 1 of 3.

Name and title of responsible person: Deborah White, Manager Revenue Services

Name and title of preparer: Deborah White, Manager Revenue Services

f. Number of Formal Complaints = 0

Name and title of responsible person: Cathy Pritchard, Manager Consumer Affairs

Name and title of preparer: Cathy Pritchard, Manager Consumer Affairs

g. Answered call rate = See 1-14 Attachment 2 of 3.

h. Number of disconnects for non-payment = 2016 was 4,495; 2017 was 4,338; 2018 was 4,504.

Name and title of responsible person: German Fernandez, General Manager Regional Customer Care Operations

Name and title of preparer: German Fernandez, General Manager Regional Customer Care Operations

i. See 1-14 Attachment 3 of 3.

Name and title of responsible person: John Robson, Director Gas Distribution Finance

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Name and title of preparer: John Robson, Director Gas Distribution Finance

Response provided by Piedmont Natural Gas on January 25, 2019.

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15. Regarding Schedule 4 of the monthly reports, explain whether the identified usage refers to "billed" volumes or accrued volumes.

Response: The volumes shown in Schedule 4 of the monthly IMR reports reflect billed volumes.

Name and title of responsible person: Pia Powers, Director – Gas Rates & Regulatory Affairs

Name and title of preparer: Pia Powers, Director – Gas Rates & Regulatory Affairs

Response provided by Piedmont Natural Gas on January 25, 2019.

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16. Provide a copy of internal sales summary reports identifying usage by customer class for the period (by month) of November 2017 through October 2018.

Response: See attachment.

Name and title of responsible person: Pia Powers, Director – Gas Rates & Regulatory Affairs

Name and title of preparer: Pia Powers, Director – Gas Rates & Regulatory Affairs

Response provided by Piedmont Natural Gas on January 25, 2019.

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17. Reconcile the volumes by class contained in the November 2017 form 303 reports, with the volumes included in the September monthly IMR report. In addition to the reconciliation, provide a comprehensive explanation for the difference in volumes.

Response: Per clarification from the Consumer Advocate emailed on 1/22/2019, this question was clarified to read: "Reconcile the volumes by class contained in the September 2018 form 303 report, with the volumes included in the September 2018 monthly IMR report. In addition to the reconciliation, provide a comprehensive explanation for the difference in volumes."

See attachment.

Name and title of responsible person: Pia Powers, Director – Gas Rates & Regulatory Affairs

Name and title of preparer: Pia Powers, Director – Gas Rates & Regulatory Affairs

Response provided by Piedmont Natural Gas on January 25, 2019.

Cumulative Integrity Management Investment Amount

Actual Integrity Management Investment, by Integrity Project Type

		Current Vintage Year: Vintage Year 6		All Vintage Years	
Line No.		November 2017 Capital Expenditure ¹	Prior Cumulative Capital Expenditure ²	Cumulative Capital Expenditure as of November 2017 ³	Cumulative Capital Expenditure as of November 2017 ⁶
<i>TN Direct</i>					
1	Corrosion Control	\$ 18,795.93		\$ 18,795.93	\$ 5,792,445.74
2	Casing Remediation	\$ 36,484.24		\$ 36,484.24	\$ 848,689.17
3	Distribution Integrity	\$ 3,241,458.43		\$ 3,241,458.43	\$ 57,309,926.22
4	Transmission Integrity	\$ 439,201.49		\$ 439,201.49	\$ 180,609,211.49
5	Total	\$ 3,735,940.09	\$ -	\$ 3,735,940.09	\$ 244,560,272.62
<i>Joint Property: CO3-State</i>					
6	OASIS Project (Work & Asset Management System)	\$ 295,369.55		\$ 295,369.55	\$ 131,625,773.00
7	TN % of CO-3 for Current Month ⁴	16.30%			
8	Total Allocated to TN	\$ 48,145.24		\$ 48,145.24	\$ 23,167,638.66
9	Total Capital Expenditures [Line 5 + Line 8]	\$ 3,784,085.33	\$ -	\$ 3,784,085.33	\$ 267,727,911.28
10	Less: Amount Included in the Attrition Period ⁵	\$ -	\$ -	\$ -	\$ 32,900,000.00
11	Total Integrity Management Investment	\$ 3,784,085.33	\$ -	\$ 3,784,085.33	\$ 234,827,911.28

1/ Represents, for the current month, the actual Integrity Management Investment that is subject to this Rider

2/ Represents, as of the prior month, the cumulative Integrity Management Investment for the current Vintage Year that is subject to this Rider; this amount is shown in the prior month's report

3/ Represents, for the current Vintage Year through the current month, the cumulative Integrity Management Investment that is subject to this Rider

4/ Represents the TN% of Total Company Gas Plant Excluding Joint Property , which is updated annually

5/ Amount being recovered in existing base rates, per the Relevant Rate Order in Docket 11-00144

6/ Represents, for all Vintage Years through the current month, the cumulative Integrity Management Investment that is subject to this Rider. The cumulative Integrity Management Investment for Vintage Years 1, 2, 3, 4 and 5, which captures amounts through 10/31/17, is \$231,043,825.95 (\$100,306,282.52 for Vintage Year 1, \$53,974,676.19 for Vintage Year 2, \$18,441,896.09 for Vintage Year 3, \$20,076,717.97 for Vintage Year 4 and \$38,244,253.18 for Vintage 5).

Detail of Current Month's Integrity Management Investment Amount
Actual Capital Investment for Current Month, by Capital Funding Project

Line No.	Capital Project Type	Funding Project Number	District	Funding Project Description	November 2017
1	CORR-Corrosion Control	FP1734186	17	Nashville New Rectifier & Ground Be	\$ 192.58
2	CORR-Corrosion Control	FP1734388	17	Nashville MAG Anode 2017	18,603.35
3	CSNG-Casing & Remediation	FP1734373	17	Hartsville Casing Removal	36,484.24
4	DIMP-Distribution Integrity	FP1733763	17	Harding Place	182,601.19
5	DIMP-Distribution Integrity	FP1733764	17	Sunnyside Drive	54,807.91
6	DIMP-Distribution Integrity	FP1733766	17	Overhill Circle	1,486.82
7	DIMP-Distribution Integrity	FP1733767	17	Fessler's LN	239.93
8	DIMP-Distribution Integrity	FP1733931	17	Shelby Park RR Bridge Project	1,147,137.21
9	DIMP-Distribution Integrity	FP1733947	17	Nolensville Rd Over RR S of I-440	2,650.64
10	DIMP-Distribution Integrity	FP1734408	17	3rd and Hart Station Valves	7,605.69
11	DIMP-Distribution Integrity	FP1734411	17	Knapp Blvd	21,824.82
12	DIMP-Distribution Integrity	FP1734415	17	Foster Ave	5,003.37
13	DIMP-Distribution Integrity	FP1734416	17	Sadler Ave and Fox Ave	4,053.84
14	DIMP-Distribution Integrity	FP1734418	17	Turner St Renewal	956,028.66
15	DIMP-Distribution Integrity	FP1734420	17	Snyder Street @ Lovell Street	1,441.09
16	DIMP-Distribution Integrity	FP1734421	17	4th Ave South Insertion	112,399.08
17	DIMP-Distribution Integrity	FP1734422	17	Lynwood Blvd / Tyne Blvd _ DIM	44,737.90
18	DIMP-Distribution Integrity	FP1734431	17	Murfreesboro Road at ForestVie	(186.83)
19	DIMP-Distribution Integrity	FP1734478	17	3rd Ave North Steel Replacement	20,428.85
20	DIMP-Distribution Integrity	FP1734480	17	Emergency Nesbit Lane	112,140.77
21	DIMP-Distribution Integrity	FP1734569	17	Enviro Science DIMP Project	244,853.97
22	DIMP-Distribution Integrity	FP1734592	17	Elm Hill Pk Ext	(23.01)
23	DIMP-Distribution Integrity	FP1734647	17	Grassmere Park Road	48,060.66
24	DIMP-Distribution Integrity	FP1734672	17	12th Ave N at Grundy St.	12,361.52
25	DIMP-Distribution Integrity	FP1734726	17	Cowan St HP Distribution Pipeline	0.62
26	DIMP-Distribution Integrity	FP1734749	17	2nd Ave N and Jefferson Leak	108,331.15
27	DIMP-Distribution Integrity	FP1734770	17	Ash Street and 2nd Ave S DIMP	96,327.90
28	DIMP-Distribution Integrity	FP1734808	17	Regulator Install for Shelby S	57,144.68
29	TIMP-Transmission Integrity	FP1733398	17	South Nashville 20"	6,426.17
30	TIMP-Transmission Integrity	FP1734119	17	Line 307 Replacement	196,054.01
31	TIMP-Transmission Integrity	FP1734120	17	Line 311 Replacement	236,721.31
32	ISENP-Information Serv Enterprise	FP0026658	17	Work & Asset Management (OASIS)	295,369.55

Total (unallocated)

\$ 4,031,309.64

33 subtotal: TN Direct (unallocated)

\$ 3,735,940.09

34 subtotal: CO-3 (unallocated)

\$ 295,369.55

\$ 4,031,309.64

Schedule Detailing the Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Deferred Account Balance

Amount Due From (To) Customers per GL Account No. 25351

<u>Line No.</u>			<u>Nov-17</u>
1	Beginning Balance	<i>Prior Month's IMR Report</i>	\$ 6,573,861.54
2	IMR Revenue Recognition	<i>Prior Annual IMR Report</i>	2,002,041.71
3	(Collections from IM Adjustment)	<i>see Separate Schedule</i>	(1,902,020.12)
4	Ending Balance Before Interest	<i>sum Lines 1 thru 3</i>	6,673,883.13
5	Average Balance	<i>(Line 1 + Line 4) /2</i>	6,623,872.34
6	Accrued Interest	<i>Line 5 * Line 9</i>	23,236.54
7	Ending Balance After Interest	<i>Line 4 + Line 6</i>	\$ 6,697,119.67
8	Applicable Annual Interest Rate	<i>same as for ACA</i>	0.042100
9	Monthly Interest Rate	<i>Line 8 / 12</i>	0.003508
10	Actual GL #25351 EOM Balance	<i>per GL</i>	\$ 6,697,119.67
11	Variance	<i>Line 7 - Line 10</i>	\$ -

Journal Entry: To Record Revenue

01 01 25351 3 17 6250 489	2,002,041.71
01 01 48010 3 17 6220 489	(1,194,097.76)
01 01 48110 3 17 6220 489	(624,637.01)
01 01 48120 3 17 6220 489	(27,007.55)
01 01 48300 3 17 6220 489	(560.57)
01 01 48900 3 17 6220 489	(155,738.82)

Journal Entry: To Record Interest

01 01 25351 3 17 6250 626	23,236.54
01 01 43101 3 17 6220 626	(23,236.54)

General Ledger Support

Integrity Management Deferred Account Adjustment Recorded for the Month

Calculation of the IM Adjustment Collections:

		November 2017			
Line No.		IM Adjustment (\$ per therm)	x	Usage (therms)	= Collections (\$)
1	Residential (301)	0.13124		7,769,511	1,019,670.62
2	Small General Sales (302)	0.11465		4,067,386	466,325.80
3	Medium General Sales (352)	0.11465		1,509,261	173,036.77
4	Experimental Motor Vehicle Fuel (343/352)	0.11465		2,359	270.46
5	Firm Lg General Sales (303)	0.05092		650,515	33,124.22
6	Experimental Motor Vehicle Fuel (343/303)	0.05092		28,710	1,461.91
7	Firm Lg General Transportation (313)	0.05092		1,891,428	96,311.51
8	Experimental Motor Vehicle Fuel (343/313)	0.05092		126,009	6,416.38
9	Firm Resale (310)	0.05092		1,525	77.65
10	Interruptible Lg General Sales (304)	0.01273		40,811	519.52
11	Interruptible Lg General Transportation (314)	0.01273		8,232,936	104,805.28
12	Total				\$ 1,902,020.12

Journal Entry: To Record Collections

01 01 48010 3 17 6220 489	1,019,670.62
01 01 48110 3 17 6220 489	466,325.80
01 01 48110 3 17 6220 489	173,307.23
01 01 48120 3 17 6220 489	34,586.13
01 01 48900 3 17 6220 489	102,727.89
01 01 48300 3 17 6220 489	77.65
01 01 48120 3 17 6220 489	519.52
01 01 48900 3 17 6220 489	104,805.28
01 01 25351 3 17 6250 489	(1,902,020.12)

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