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**Electronically Filed In TPUC Docket Room on June 24, 2019 at 1:20 p.m.**

June 24, 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: Docket to Examine Proposals Made by the Consumer Advocate to  
Modify Piedmont Natural Gas Company's Integrity Management  
Rider Tariff and Other Potential Issues Related to the IMR Tariff  
Docket No. 19-00007***

Dear Mr. Taylor:

Enclosed please find an original and five (5) copies Piedmont Natural Gas Company, Inc.'s ("Piedmont") responses to the Consumer Protection and Advocate Division's second set of discovery requests dated June 10, 2019 in the above-captioned docket.

Please note that one of the responses has 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.

This material is also being filed today by way of email to the Tennessee Public Utility Commission docket manager, Tory Lawless. Please file the original and four copies and stamp the additional copies as "filed." Then please return the stamped copy 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

Enclosure

cc: Pia Powers (Piedmont)  
Bruce Barkley (Piedmont)

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**DOCKET NO. 19-00007**  
**INVESTIGATION INTO PIEDMONT NATURAL GAS COMPANY, INC'S**  
**INTEGRITY MANAGEMENT RIDER**  
**Second DATA REQUEST**  
**Issued: June 10, 2019**

1. Regarding the response to Consumer Advocate Request No. 1-5, confirm that the annualized depreciation rate applied to the OASIS asset is approximately 8.9%, which equals the summation of the Life Rate values found within the Calculations tab of the attachment. If this is not accurate, provide the actual depreciation rate applied to this asset.

**Response:** For book purposes, the annualized depreciation rate applied to OASIS assets between May 2014 and October 2016 was 7.41% and the annualized depreciation rate applied to OASIS assets starting November 2016 is 7.49%. The Life Rate values found within the calculations tab of the attachment to the Company's response to request no. 1-5 are expressed as annual rates. The formula to calculate monthly depreciation expense divides this rate by 12.

**Name and title of responsible person: David Doss, Director - Asset Accounting**

**Name and title of preparer: Melissa Abernathy, Manager Accounting**

Response received from Piedmont Natural Gas on June 21, 2019.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**DOCKET NO. 19-00007**  
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2. Confirm that the depreciation rate applied to the OASIS asset as used in the IMR dockets is 1.45%.

**Response:** Yes. 1.45% is the depreciation rate used for determining IMR rates in the IMR dockets to-date. Hence, it was used for ratemaking for the OASIS assets and all other IMR-eligible assets in the IMR dockets..

**Name and title of responsible person: Pia Powers, Director - Gas Rates and Regulatory Affairs**

**Name and title of preparer: Laura Hager, Senior Rates and Regulatory Strategy Analyst**

Response received from Piedmont Natural Gas on June 21, 2019.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
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3. Identify the proposed depreciation rates related to the OASIS asset requested by the Company and proposed by any intervenors within Piedmont's currently pending North Carolina rate case.

**Response:** The OASIS assets are included within intangible plant in account 20310 – 10 year software. Assets in that account will amortize over 10 years and as such an annual depreciation rate of 10% for those assets is proposed in Piedmont's currently pending North Carolina general rate case.

**Name and title of responsible person:** David Doss, Director - Asset Accounting

**Name and title of preparer:** Melissa Abernathy, Manager - Accounting

Response received from Piedmont Natural Gas on June 21, 2019.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
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4. Regarding the response to Consumer Advocate Request No. 1-4 and Piedmont's ability to display the components of its rates on customer bills, including its IMR charges, provide a comprehensive explanation of Piedmont's ability to maintain the S2K billing system in the long-term, including its ability to attract and retain employees with expertise in COBOL.

**Response:** The Company employs outside contractors when necessary to supplement the current Piedmont IT workforce dedicated to maintaining the S2K billing system. Piedmont continuously evaluates these contractors to ensure they maintain personnel who possess the skill set necessary to work on S2K. On a macro level, the pool of Cobol-trained IT professionals is sufficient and will continue to be a source of talent for Piedmont to draw from in the maintenance of its billing system in the long-term.

**Name and title of responsible person: Bill Keck – Senior IT Manager**

**Name and title of preparer: Bill Keck – Senior IT Manager**

Response received from Piedmont Natural Gas on June 21, 2019.

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6. Regarding the Answered Call Rate data provided in response to Consumer Advocate Request No. 1-9, indicate whether the reports contain all Piedmont calls, or just those applicable to North Carolina customers.

**Response:** The reports contained in the Company's response to request no. 1-9 contain data pertaining to all calls received to Piedmont's customer contact centers, not just those calls from Piedmont's North Carolina customers. Piedmont's customer contact centers handle calls from its customers in North Carolina, South Carolina and Tennessee.

**Name and title of responsible person: Pia Powers, Director - Gas Rates and Regulatory Affairs**

**Name and title of preparer: Laura Hager, Senior Rates and Regulatory Strategy Analyst**

Response received from Piedmont Natural Gas on June 21, 2019.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
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7. To the extent Piedmont implements Tennessee IMR rates in advance of a Commission order authorizing such rate changes, provide copies of any documents, orders, rules, or any other authority relied upon by Piedmont which supports the implementation of such rates.

**Response:** Piedmont has not implemented Tennessee IMR rates in advance of a Commission ruling authorizing such rate changes.

**Name and title of responsible person:** Pia Powers, Director - Gas Rates and Regulatory Affairs

**Name and title of preparer:** Laura Hager, Senior Rates and Regulatory Strategy Analyst

Response received from Piedmont Natural Gas on June 21, 2019.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
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8. Regarding the response to Consumer Advocate Request No. 1-4, identify the fully loaded Operating and Maintenance cost allocated to Piedmont-Tennessee associated with maintaining the \$2K billing system in 2018. Provide a comprehensive explanation as to how this cost was determined.

**Response:** Piedmont employs a team of IT professionals whose primary focus is to maintain the S2K billing system. Tennessee's portion of their departmental costs related to S2K for 2018, which includes the cost of outside IT contractors when necessary, was \$248,000. S2K runs on a mainframe computer that also runs other software. The portion of the mainframe assigned to S2K based on MIPS (million instructions per second, a general measure of computing performance) is approximately 5.75%. Tennessee's portion of the mainframe maintenance costs for 2018 was \$84,000. The total costs charged to Tennessee operations associated with maintaining Piedmont's S2K billing system was approximately \$332,000.

**Name and title of responsible person: Pia Powers, Director - Gas Rates and Regulatory Affairs**

**Name and title of preparer: Laura Hager, Senior Rates and Regulatory Strategy Analyst**

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9. For each year the IMR has been in effect, provide the date that Piedmont began implementing its new rates in customer bills.

**Response:** Please see attachment.

**Name and title of responsible person:** Pia Powers, Director - Gas Rates and Regulatory Affairs

**Name and title of preparer:** Laura Hager, Senior Rates and Regulatory Strategy Analyst

Response received from Piedmont Natural Gas on June 21, 2019.

**Piedmont Natural Gas Company, Inc.**  
**Docket 19-0007**  
**Consumer Advocate Data Request #2**  
**Item 9**

<b>Year</b>	<b>Effective Date of Billing Rate Change</b>	<b>Date of TPUC Ruling</b>	<b>Docket Number</b>
2014	1/1/2014	12/18/2013	Docket 13-00118
2015	2/1/2015	1/12/2015	Docket 14-00147
2016	1/1/2016	12/14/2015	Docket 15-00116
2017	5/1/2017	4/10/2017	Docket 16-00140
2018	6/1/2018	5/14/2018	Docket 17-00138
2019	6/1/2019	5/20/2019	Docket 18-00126