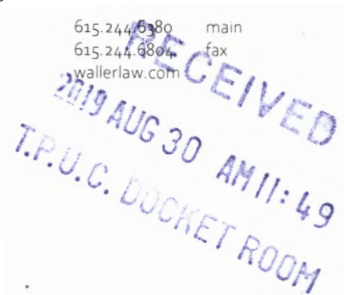




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August 30, 2019

**Via Hand Delivery and Email**

Robin Morrison, Chairman  
c/o Tory Lawless  
Tennessee Public Utility Commission  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

**19-00080**

**Re: Piedmont Natural Gas Company, Inc., Performance Incentive Plan Report  
for the period July 1, 2018 - June 30,**

Dear Chairman Morrison:

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, 2018 through June 30, 2019.

As the enclosed Gain/Loss Summary page indicates, the annual accumulated total gains and savings under the Plan total \$6,506,638. Under the Plan's sharing formula, \$4,906,638 of these gains and savings is allocated to the Company's Tennessee ratepayers. The remaining \$1,600,000 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 and are being submitted UNDER SEAL.

Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Very truly yours,

Paul S. Davidson

PSD/ss

Enclosures

cc: Michelle Mairs  
Pia Powers  
Bruce Barkley  
Dan Ray

**Piedmont Natural Gas Company, Inc.**  
**Gain / Loss Summary**  
**Report on Performance Incentive Plan**  
**July 2018 - June 2019**

Month	Year	Gas Procurement Incentive Mechanism		25% Company GPI Sharing		75% TN Ratepayer GPI Sharing		Capacity Management Incentive Mechanism		25% Company CMI Sharing		75% TN Ratepayer CMI Sharing		Total		25% Total Company		75% Total TN Ratepayer	
		Gain/(Loss) 1/		Gain/(Loss) 2/		Gain/(Loss)		Gain/(Loss)		Gain/(Loss)		Gain/(Loss)		Gain/(Loss)		Gain/(Loss) 3/		Gain/(Loss) 3/	
July	2018	\$ 14,320	\$	3,580	\$	10,740	\$	375,833	\$	93,958	\$	281,875	\$	390,154	\$	97,538	\$	292,615	\$
August	2018	\$ 44,028	\$	11,007	\$	33,021	\$	375,833	\$	93,958	\$	281,875	\$	419,861	\$	104,965	\$	314,896	\$
September	2018	\$ 25,732	\$	6,433	\$	19,299	\$	378,613	\$	94,653	\$	283,960	\$	404,345	\$	101,086	\$	303,259	\$
October	2018	\$ 34,885	\$	8,721	\$	26,164	\$	375,833	\$	93,958	\$	281,875	\$	410,719	\$	102,680	\$	308,039	\$
November	2018	\$ 87,577	\$	21,894	\$	65,683	\$	525,000	\$	131,250	\$	393,750	\$	612,577	\$	153,144	\$	459,433	\$
December	2018	\$ 75,211	\$	18,803	\$	56,408	\$	525,000	\$	131,250	\$	393,750	\$	600,211	\$	150,053	\$	450,158	\$
January	2019	\$ 194,827	\$	48,707	\$	146,120	\$	525,000	\$	131,250	\$	393,750	\$	719,827	\$	179,957	\$	539,870	\$
February	2019	\$ 87,018	\$	21,754	\$	65,263	\$	525,000	\$	131,250	\$	393,750	\$	612,018	\$	153,004	\$	459,013	\$
March	2019	\$ 93,711	\$	23,428	\$	70,283	\$	525,000	\$	131,250	\$	393,750	\$	618,711	\$	154,678	\$	464,033	\$
April	2019	\$ 55,979	\$	13,995	\$	41,984	\$	525,000	\$	131,250	\$	393,750	\$	580,979	\$	145,245	\$	435,734	\$
May	2019	\$ 43,312	\$	10,828	\$	32,484	\$	526,115	\$	131,529	\$	394,586	\$	569,427	\$	142,357	\$	427,070	\$
June	2019	\$ 42,809	\$	10,702	\$	32,107	\$	525,000	\$	131,250	\$	393,750	\$	567,809	\$	115,293	\$	452,516	\$
		\$ 799,409	\$	199,852	\$	599,557	\$	5,707,228	\$	1,426,807	\$	4,280,421	\$	6,506,638	\$	1,600,000	\$	4,906,638	\$

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.