



2. Piedmont's Rate Case filing requested that the Commission approve: (i) a general increase in and revisions to the rates and charges for customers served by the Company; (ii) revisions to Piedmont's Rate Schedules, Service Schedules and Service Regulations; (iii) revised depreciation rates; and (iv) amortization of certain deferred regulatory assets. Piedmont requested that its proposed rates go into effect on January 1, 2021.

3. On July 30, 2020, the Consumer Advocate Unit in the Financial Division of the Office of the Tennessee Attorney General ("Consumer Advocate") filed a Petition to Intervene in this proceeding. The Commission granted the Consumer Advocate's motion on August 24, 2020.

4. On August 25, 2020, the Hearing Officer established a Procedural Schedule for the orderly administration of this proceeding.

5. The Procedural Schedule established the Target Hearing Date for this matter to be the week of January 11, 2021 and, subject to transcript availability, the date for submission of post-hearing briefs to be February 1, 2021.

6. Tenn. Code Ann. § 65-5-103(b)(1), in reference to utility rate case procedures, provides that:

If the investigation has not been concluded and a final order made at the expiration of six (6) months from the date filed of any such increase, change or alteration, the utility may place the proposed increase, change or alteration, or any portion hereof, in effect at any time thereafter prior to the final commission decision thereon upon notifying the commission, in writing, of its intention so to do; provided, that the commission may require the utility to file with the commission a bond in an amount equal to the proposed annual increase conditioned upon making any refund ordered by the commission as provided in subdivision (b)(2).

7. As of January 2, 2021, six months will have passed since the date Piedmont filed its Rate Case Filing.

8. In light of the fact that the Target Hearing Date under the Procedural Schedule is not scheduled to begin until the week of January 11, 2021, and it is reasonable to assume that completion of the Commission's deliberations and issuance of a final order in this proceeding may take up to an additional month or two, it is clear that the Commission's investigation into Piedmont's Rate Case Filing will not be concluded by January 2, 2021.

9. Accordingly, and pursuant to Tenn. Code Ann. § 65-5-103(b)(1), Piedmont hereby notifies the Commission of its intent to implement the new tariff base rates set forth in Column <1> of Exhibit\_(KAC-4) of the prefiled direct testimony of Piedmont Witness Kally Couzens to be effective January 2, 2021, pending completion of this rate case proceeding and the effectiveness of new rates approved by the Commission in this docket.<sup>1</sup> A copy of these new tariff base rates is attached hereto as Appendix A.

10. The new tariff base rates implemented effective January 2, 2021 shall remain in effect until the effective date of new rates approved by the Commission in this proceeding and shall be subject to any refund obligation ultimately ordered by the Commission pursuant to the provisions of Tenn. Code Ann. § 65-5-103(b)(2). Piedmont shall maintain its books and records with regard to these new rates in such a manner that Piedmont and the Commission will be able to determine to whom and in what amount refunds should ultimately be made in this proceeding if they are ordered by the Commission.

11. Piedmont recognizes that the Commission is authorized to impose a bond obligation associated with Piedmont's implementation of new tariff base rates pending final resolution of this proceeding.

---

<sup>1</sup> Piedmont would note that the tariff base rate changes it intends to implement effective January 2, 2021 do not reflect the entirety of the requested changes to its rates and charges in this Rate Case filing. Specifically, the Company also proposed in its Rate Case filing new PGA demand rates, as shown in Column <2> of Exhibit\_(KAC-4) of the prefiled direct testimony of Piedmont Witness Kally Couzens. Piedmont intends to forego implementing new PGA demand rates until the issuance of the Commission's final order in this Rate Case.

12. In anticipation of the Commission's consideration of such an obligation, Piedmont would note several points relevant to the need for and propriety of such an obligation in this instance:

A. First, Piedmont's current credit ratings by Moody's and Standard & Poor's are A3 and A- respectively, indicating that these credit rating agencies assess Piedmont as being a credit-worthy entity with regard to its unsecured debt obligations.

B. Second, Piedmont is a subsidiary utility of Duke Energy Corporation, which is also rated as a creditworthy entity by Moody's and Standard and Poor's.

C. Third, Piedmont is wholly within the regulatory authority of this Commission with respect to the rates it may charge its customers in Tennessee and, within the limits of the laws applicable to the Commission's regulation of Piedmont, the Commission has complete control over such rates.

D. Fourth, any required refund will not exceed Piedmont's financial capability as the annual revenue amount of the tariff base rate increase to be implemented on January 2, 2021, is less than 20 percent of Piedmont's total annual revenue requirement in Tennessee. Further, the time period associated with any potential refund is practically limited as Piedmont anticipates the Commission's final order approving rates in this proceeding will be issued no later than April 2, 2021 pursuant to Tenn. Code Ann. § 65-5-103(a).

13. Based on these facts, Piedmont respectfully suggests that a bond is not reasonably required in this case to secure repayment of any refunds that ultimately may be owed to customers as a result of the Commission's final order in this proceeding and respectfully requests that the Commission waive any such bond requirement in this instance.

14. The Company has notified the Consumer Advocate regarding the Company's intention to make this filing.

WHEREFORE, Piedmont Natural Gas Company Inc. respectfully notifies the Commission of the Company's intent to place the tariff base rates set forth in Column <1> on Exhibit\_(KAC-4) to the prefiled direct testimony of Piedmont Witness Kally Couzens into effect beginning January 2, 2021, and requests that the Commission grant such other and further relief as it may deem necessary and appropriate under the circumstances.

This the 6th day of November, 2020.

**PIEDMONT NATURAL GAS COMPANY, INC.**

/s/ Paul S. Davidson  
Paul S. Davidson  
Waller Lansden Dortch & Davis, LLP  
511 Union Street, Suite 2700  
Nashville, Tennessee 37219  
Telephone: 615-244-6380  
Email: [paul.davidson@wallerlaw.com](mailto:paul.davidson@wallerlaw.com)

/s/ James H. Jeffries IV  
James H. Jeffries IV  
McGuireWoods LLP  
201 North Tryon Street, Suite 3000  
Charlotte, NC 28202  
Telephone: 704-343-2348  
Email: [jjeffries@mcguirewoods.com](mailto:jjeffries@mcguirewoods.com)

/s/ Brian S. Heslin  
Brian S. Heslin  
Deputy General Counsel  
Duke Energy Corporation  
550 S. Tryon Street  
Charlotte, NC 28202  
Telephone: 980-373-0550  
Email: [brian.heslin@duke-energy.com](mailto:brian.heslin@duke-energy.com)

**Certificate of Service**

I hereby certify that a true and exact copy of the foregoing has been sent via email, and first class U.S. Mail, to the following:

Daniel P. Whitaker, III  
Assistant Attorney General  
Office of the Tennessee Attorney General  
Economic and Regulatory Section  
Financial Division Consumer Advocate Unit  
P.O. Box 20207  
Nashville, TN 37202-0207  
[daniel.whitaker@ag.tn.gov](mailto:daniel.whitaker@ag.tn.gov)

# APPENDIX A

**Piedmont Natural Gas Company, Inc.**  
**Proposed Tariff Base Rates**  
**Docket No. 20-00086**

<b>Rate Schedule</b>	<b>Proposed Tariff Base Rates</b>
<b>301 - Residential</b>	
Monthly Charge-Nov.-Mar.	\$17.45
Monthly Charge-Apr.-Oct.	\$13.45
Nov.- Mar. per TH	\$0.63264
Apr.- Oct. per TH	\$0.52360
<b>302 - Small General</b>	
Monthly Charge	\$44.00
Nov.- Mar. per TH	\$0.56988
Apr.- Oct. per TH	\$0.47602
<b>352 - Medium General</b>	
Monthly Charge	\$300.00
Nov.- Mar. per TH	\$0.50853
Apr.- Oct. per TH	\$0.42478
<b>343 - Motor Vehicle Fuel</b>	
Monthly Charge	<i>varies by customer per their corresponding rate schedule</i>
Nov.- Mar. per TH	<i>varies by customer per their corresponding rate schedule</i>
Apr.- Oct. per TH	<i>varies by customer per their corresponding rate schedule</i>
<b>303 - Firm General Sales</b>	
Monthly Charge	\$800.00
Demand Charge per TH	\$1.00000
First 15,000 TH/TH	\$0.17560
Next 25,000 TH/TH	\$0.16168
Next 50,000 TH/TH	\$0.11388
Over 90,000 TH/TH	\$0.04349
<b>304 - Interruptible General Sales</b>	
Monthly Charge	\$800.00
First 15,000 TH/TH	\$0.14579
Next 25,000 TH/TH	\$0.13423
Next 50,000 TH/TH	\$0.09454
Over 90,000 TH/TH	\$0.03610
<b>313 - Firm Transportation</b>	
Monthly Charge	\$800.00
Demand Charge per TH	\$1.00000
First 15,000 TH/TH	\$0.17560
Next 25,000 TH/TH	\$0.16168
Next 50,000 TH/TH	\$0.11388
Over 90,000 TH/TH	\$0.04349
<b>314 - Interruptible Transportation</b>	
Monthly Charge	\$800.00
First 15,000 TH/TH	\$0.14579
Next 25,000 TH/TH	\$0.13423
Next 50,000 TH/TH	\$0.09454
Over 90,000 TH/TH	\$0.03610
<b>310 - Resale Service</b>	
Demand Charge per TH	\$0.96000
Commodity Charge	\$0.47742