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November 11, 2020

VIA E-MAIL & FEDERAL EXPRESS
Executive Director Earl Taylor
c/o Ectory Lawless
Tennessee Public Utility Commission
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

Re: Piedmont Natural Gas Company, Inc. Petition for an Adjustment of Rates, Charges, and Tariffs Applicable to Service in Tennessee; Docket No.: 20-00086

Dear Mr. Taylor:

Enclosed for filing Piedmont Natural Gas Company's ("Piedmont") responses to the Consumer Advocate's *Third Discovery Request* in the above-referenced docket. In addition to the tabbed and bound copy of the responses, you will find 1 flash drive which contains all public responses and attachments in native format. The confidential responses and attachments are on a separate flash drive to be filed under seal.

Some of the materials provided are confidential and proprietary trade secrets of Piedmont. Therefore, Piedmont respectfully requests that the Tennessee Public Utility Commission treat those materials in a manner consistent with that designation.

A PDF of the public responses has also been provided to the TPUC Docket Room for electronic filing. Thank you for your assistance with this matter. If you have any questions about this filing, you may reach me at the number shown above.

Sincerely,

/s/ James H. Jeffries IV
James H. Jeffries IV

JHJ/bms

Enclosures

cc: Paul Davidson
David Foster
Michelle Mairs
Vance Broemel
Daniel Whitaker
Karen Stachowski
Bruce Barkley

Pia Powers
Melinda McGrath

PIEDMONT NATURAL GAS COMPANY, INC.
Docket No. 20-00086
Consumer Advocate's Third Discovery Request
Date Issued: October 21, 2020
Date Due: November 6, 2020

3-1. Refer to the Company's response to CA 1-28 regarding historic monthly plant additions from May 2011 through December 2016, split between normal and special projects. The Company's response to this request refers to the separate response to CA 1-4(b). However, the data included in CA 1-4(b) only includes data for "Total Piedmont" instead of separate amounts for Tennessee and Piedmont common plant as provided in MFR 51. The Consumer Advocate needs the historic monthly plant additions for Tennessee and Piedmont common plant split normal additions and special projects in order to adequately gauge the Company's proposed attrition year forecast of plant in service. Therefore, provide the historic monthly plant additions for Tennessee and Piedmont common plant split normal additions and special projects from May 2011 through December 2016 in the same format as MFR 51.

RESPONSE: Piedmont is unable to provide this older historical information by month due to system limitations as a result of an IT conversion from the legacy Piedmont's PowerPlan system to Duke's PowerPlan system. The attachment provided herein is a copy of the attachment provided by the Company in response to CA DR 1-4b with a column added to each tab to identify the state/jurisdiction applicable to each project. This file provides annual plant additions for Piedmont-TN Direct assets and Piedmont 3-State assets (as well as North Carolina, South Carolina and 2-State assets) broken down between normal and special additions for the legacy Piedmont fiscal years of 2011-2016.

Name and Title of Preparer: Rolanda Williams, Senior Financial Analyst
Name and Title of Responsible Party: John Robson, Director - Gas Distribution Finance

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-1 Attachment:

Attachment Provided on USB

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3-2. Refer to the "TN Direct Adds" and the "3 State Adds" tabs of the spreadsheet included in the Company's response to MFR 52 that provides the projected additions from April 2020 to December 2021. Is the Company forecasting that these specific amounts will be actually closed to plant in service during the designated time periods or will these amounts instead be a component to Construction Work in Progress to be closed to plant in service when each specific project is completed?

RESPONSE: The amounts reflected in the Company's response to MFR 52 represent Piedmont's projection of capital expenditures that will be closed to UPIS, by month, from April 2020 thru December 2021.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-3. Refer to the Company's response to MFR 51 and MFR 52 that provides the historic and forecasted monthly Tennessee plant additions split between normal plant additions and special projects. Specifically refer to **normal** Tennessee historic and projected amounts for Account 26700 – Transmission Mains in these two spreadsheets which indicate the following balances.

Account 26700 -Transmission Mains -Tennessee Normal Plant Additions	
Additions for the 12 Months Ended 3-31-2018	$8,791,503
Additions for the 12 Months Ended 3-31-2019	974,264
Additions for the 12 Months Ended 3-31-2020	23,610,462
3-Year Average Historic Additions 4/17 – 3/20	**$11,125,409**
Projected Additions for the Stub Period 4/20 – 12/20	$53,814,813
Projected Additions for the Attrition Year 1/21 – 12/21	30,936,195
Total Projected Additions	**$84,751,008**

Provide the Company's support for the projected material increase in Tennessee normal additions for Account 26700 – Transmission Mains during the attrition year.

RESPONSE: The increase in projected plant additions to account 26700 is mainly a result of two transmission projects. Both projects are driven by compliance with the requirements of federal pipeline safety regulations promulgated by the Pipeline and Hazardous Materials Safety Administration ("PHMSA"):

- Line 431 Ph II (FP1734394) which started in July 2018 is a $53.9M (with $52M charged to account 26700) 5 mile 20" transmission pipeline and a 1 mile 12" pipeline.
- Line 469 (FP1734142) which started in March 2019 is a $29.2M ($26M charged to account 26700) 4 mile 12" transmission pipeline.

These projects are expected to be placed into service during the attrition period.

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See attachment herein for full project descriptions.

Name and Title of Preparer: Rolanda Williams, Senior Financial Analyst

Name and Title of Responsible Party: John Robson, Director - Gas Distribution Finance

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

3-3 Attachment:

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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3-4. Refer to the Company's response to MFR 51 and MFR 52 that provides the historic and forecasted monthly Tennessee plant additions split between normal plant additions and special projects. Specifically refer to **normal** Tennessee historic and projected amounts for Account 26502 – Depreciable Land Rights in these two spreadsheets which indicate the following balances.

Account 26502 – Depreciable Land Rights – Tennessee Normal Plant Additions	
Additions for the 12 Months Ended 3-31-2018	$0
Additions for the 12 Months Ended 3-31-2019	0
Additions for the 12 Months Ended 3-31-2020 0	0
3-Year Average Historic Additions 4/17 – 3/20	**$0**
Projected Additions for the Stub Period 4/20 – 12/20	$5,997,527
Projected Additions for the Attrition Year 1/21 – 12/21	3,102,960
Total Projected Additions	**$9,100,486**

Provide the Company's support for the projected material increase in Tennessee normal additions for Account 26502 – Depreciable Land Rights during the attrition year.

RESPONSE: Accounts 26510 and 26520 were used prior to the Duke acquisition to record depreciable land rights on transmission mains. As seen in MFR 51 there was a total of $514K recorded to these two accounts during the period 1/17 - 3/20. The significant increase in projected additions is related to two capital projects - FP0232110 and FP1734142.

The increase in account 26502 related to FP1734142 Line 469 Replacement is $2.9M. See the attachment provided in the Company's response to CA DR 3-3 for a description of this project.

A portion of this response has been filed as CONFIDENTIAL.

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Name and Title of Preparer: Rolanda Williams, Senior Financial Analyst

Name and Title of Responsible Party: John Robson, Director - Gas Distribution Finance

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3-5. Refer to the Company's response to MFR 51 and MFR 2 that provides the historic and forecasted monthly Tennessee plant additions split between normal plant additions and special projects. Specifically refer to **normal** Tennessee historic and projected amounts for Account 27600 – Distribution Mains in these two spreadsheets which indicate the following balances.

Account 27600 – Distribution Mains – Tennessee Normal Plant Additions	
Additions for the 12 Months Ended 3-31-2018	$30,712,970
Additions for the 12 Months Ended 3-31-2019	7,022,476
Additions for the 12 Months Ended 3-31-2020	17,044,969
3-Year Average Historic Additions 4/17 – 3/20	**$18,260,138**
Projected Additions for the Stub Period 4/20 – 12/20	$21,563,535
Projected Additions for the Attrition Year 1/21-12/21	7,243,175
Total Projected Additions	**$28,806,709**

Provide the Company's support for the projected material increase in Tennessee normal additions for Account 27600 – Distribution Mains during the attrition year.

RESPONSE: The total projected additions to account 27600 of $28,806,709 is for a 21-month period, whereas the totals referred to for historical plant additions to account 27600 are for 12-month periods. Therefore, this is not a valid comparison to make. Piedmont believes it to be more accurate to analyze and compare plant additions to account 27600 as a monthly average. The total normal plant additions to account 27600 during the 39-month period from January 2017 - March 2020 was $57,806,578, as seen in Excel cell DP 19 on the first tab of the attachment provided herein. The monthly average for this 39-month period was $1,482,220.

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The total projected normal plant additions to account 27600 during the 21-month stub plus attrition period (April 2020 - December 2021) is $28,806,709, as seen in Excel cell AP 55 on the second tab of the attachment provided herein. The monthly average for this 21-month period is $1,371,748, which is a slight decrease from the historical activity.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-5 Attachment:

Attachment Provided on USB

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3-6. Refer to the Company's response to M R 51 and MFR 52 that provides the historic and forecasted monthly 3-State Common plant additions split between normal plant additions and special projects. Specifically, refer to **normal** 3-State Common historic and projected amounts for Account 29000 – Structures & Improvements in these two spreadsheets which indicate the following balances.

Account 29000 – Structures & Improvements – 3-State Normal Plant Additions	
Additions for the 12 Months Ended 3-31-2018	$-1,161,108
Additions for the 12 Months Ended 3-31-2019	235,644
Additions for the 12 Months Ended 3-31-2020	1,952,364
3-Year Average Historic Additions 4/17 – 3/20	**$342,233**
Projected Additions for the Stub Period 4/20 – 12/20	$5,784,119
Projected Additions for the Attrition Year 1/21 – 12/21	3,800,998
Total Projected Additions	**$9,585,117**

Provide the Company's support for the projected material increase in 3-State Common normal additions for Account 29000 -· Structures & Improvements during the attrition year.

RESPONSE: The increase is related to projected capital projects for renovations to several floors at Piedmont's corporate headquarters in Charlotte, NC.

Name and Title of Preparer: Rolanda Williams, Senior Financial Analyst
Name and Title of Responsible Party: John Robson, Director - Gas Distribution Finance

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-7. Refer to the Company's response to MFR 51 and MFR 52 that provides the historic and forecasted monthly 3-State Common plant retirements. Specifically refer to the **total** 3-State Common historic and projected retirements in these two spreadsheets which indicate the following balances.

Total Retirements – 3-State Common Plant Retirements	
Additions for the 12 Months Ended 3-31-2018	$-8,592,082
Additions for the 12 Months Ended 3-31-2019	-33,483,147
Additions for the 12 Months Ended 3-31-2020	-11,688,925
3-Year Average Historic Additions 4/17 – 3/20	**$-16,433,857**
Projected Additions for the Stub Period 4/20 – 12/20	$-54,782
Projected Additions for the Attrition Year 1 /21 – 12/21	0
Total Projected Additions	**$-54,782**

Provide the Company's support for the projected material decrease in total 3-State Common plant retirements during the attrition year.

RESPONSE: The Company does not generally include asset retirements in its capital budget related to 3-State common plant. The Company does not have further detail to provide in support of its attrition period retirements for its 3-state assets.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-8. Refer to the Company's response to CA 1-36 regarding cost allocations from Duke Energy Business Services (DEBS) to Tennessee. The Consumer Advocate has concerns over the make-up of these allocated costs in part because it is the first time that these costs have been considered in a rate case for Piedmont. In connection with these concerns, provide the following information:

a. Indicate the location and amounts within the Company's rate case filing, for all components of the cost allocations (returns and expenses) from DEBS for both the test period and the attrition period.
b. Provide a copy of the monthly DEBS Balance Sheet from January 2017 through March 2020.
c. Provide a copy of the monthly DEBS Income Statement from January 2017 through March 2020.
d. Identify the nature of the DEBS "inventory" charged to Piedmont and allocated to Tennessee.
e. Refer to the Company's response to CA 1-36(£) regarding the monthly return on DEBS assets, which reads as follows:

The return on DEBS assets is based on a monthly calculation of DEBS assets. These assets include PP&E, prepaid pension assets and inventory. The PP&E is determined based on NET PP&E less CWIP less associated deferred taxes. Prepaid pension assets are determined by taking the prepaid qualified pension, less the non-qualified pension and OPEB liabilities and decreasing by a deferred tax amount. The inventory amount is the amount reflected on the balance sheet for DEBS. The total allocated amount of assets assigned to the Regulated Utility is multiplied by a revenue requirement percentage to achieve the allowed rate of return in the jurisdiction (Rate). The amount allocated to the utility is based on a 3-factor a/location for PP&E and inventory assets. The pension assets are allocated based on DEBS labor usage [c}harged to account 0931008.

Provide a copy of the monthly return on DEBS assets calculation from January 2017 through March 2020 and also the forecasted monthly return from April 2020 through December 2021 along with a clear audit trail to all supporting information.

f. Refer to the Company's response to CA l-36(a), which shows the Return on DEBS assets for 2017 to 2020 and contains the following Tennessee allocation factors.

2017	17.26%
2018	17.24%
2019	16.85%
2020	17.00%

Provide the calculations for the 2017 to 2020 Tennessee allocation factors along with a clear audit trail to all supporting information.

g. Refer to the Company's response to CA 1-36(b), which shows the monthly depreciation expense on DEBS assets for 2017 to 2020 and contains the following gross amounts.

2017	$0
2018	$8,205,973
2019	$9,786,783
2020	$2,503,352

Provide the calculation of the DEBS depreciation expense for 2017 to 2020 showing the assets by subaccount (that tie to the supporting balances sheet) along with the depreciation rate used for each subaccount.

h. Refer to the Company's response to CA 1-36(e), regarding the authority for the depreciation rates used on DEBS assets which reads as follows:

"DEBS is a Service Co. and is not a regulated entity, therefore there are no commission orders related to DEBS for Tennessee, North Carolina or South Carolina."

Provide the source and support from the depreciation study used by the Company to establish depreciation rates for DEBS assets. If no depreciation study was conducted, then so state and provide the origin of the depreciation rates that are used.

i. Refer to the Company's response to CA 1-36(d), regarding the allocation of expenses to Tennessee which reads as follows:

> *"DEBS depreciation is allocated to BU 47158 (a Piedmont 3-state BU) using OU DDEP [] [T]he basis for this allocation is [a] 3 Factor Formula (Gross Margin, PPE & Labor) from the Cost Allocation Manual (CAM). It is charged out to account 0921980. See below for the 2020 CAM allocation percentage. Amounts recorded to Piedmont 3-state Bus are then allocated to NT, SC and NC for jurisdictional reporting purposes only."*

Provide the following information related to this response:

(1) Provide a definition of the term "OU DDEP" and explain further how it is used in connection with these allocated costs.

(2) Provide a legend for the color coding on the chart contained within this response.

(3) Provide a description the PNG account numbers from the 2020 CAM allocation percentage (47150, 47151, 47156, 47157, 47158).

(4) The total allocations in the chart contained with this response do not appear to total to 100%. If there are allocations of these costs to other entities, then provide an expanded chart showing the complete allocation.

(5) Provide a calculation of the individual allocation factors to Piedmont in the chart contained with the response along with a clear audit trail to supporting documents.

(6) Provide a calculation showing the DEBS expenses allocated to Piedmont and then to Tennessee using the allocation factors shown on the chart contained within this response.

(7) Provide a copy of the chart contained within this response for 2017, 2018 and 2019 along with a clear audit trail to all supporting documents.

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RESPONSE:

a. See attachment for DEBS Allocations Included in Test Period and Attrition Period O&M. A discussion is included below to provide further clarity regarding cost allocations from Duke Energy Business Services (DEBS) to "Piedmont – Total Company". Costs are allocated for regulatory reporting purposes from "Piedmont – Total Company" to "Piedmont – TN" following a similar process as before the Duke acquisition of Piedmont.

The Cost Allocation Manual (CAM) documents the corporate guidelines and procedures for allocating costs for services or goods between the different business units including Piedmont -Total Company. The guidelines are intended to provide the foundation for proper identification and recording of transactions involving the exchange of services or goods between Duke Affiliates. The CAM describes the allocation methods that are consistent with cost causation principles to ensure one Duke Energy entity does not subsidize another. The CAM was provided in the Company's response to CA DR 1-57.

To the maximum extent practicable, all costs of Affiliate transactions shall be directly charged. When not practicable, such costs shall be assigned in proportion to the direct charges. If such costs are of a nature that direct charging and direct assignment are not practicable, they shall be allocated in accordance with appropriate allocation methods.

"Piedmont- Total Company" and Piedmont's affiliates operate under a shared services model that uses joint corporate oversight governance, corporate support and utility support systems and personnel. These shared services are provided by DEBS under the Service Company Utility Service Agreement.

Costs for shared services are distributed to affiliates within Duke Energy through (i) direct charges (ii) distribution or (iii) allocation. Costs are direct charged to the extent possible. Costs that cannot be direct charged can be distributed to the applicable business units using specific percentages if known. Costs that cannot be direct charged or distributed are allocated to the business units receiving the benefit using reasonable allocation methods as described in the "Shared Services Cost Distribution Details" section of the CAM. The Share Services Cost Distribution matrix for 2019 and 2020 was provided in the Company's response to CA DR 1-57.

Services are charged to affiliates on a fully distributed cost basis and include labor and non-labor costs. As part of a fully distributed cost, an overhead component is charged to affiliates as a percentage of Service Company labor costs, whether direct charged, distributed or allocated. This overhead represents the cost of shared series provided by shared service employees. This methodology does not change from year to year.

The actual calculation of the factors have been audited and verified numerous times over the years during the various affiliate audits performed by external parties, year-end SEC audits (Deloitte), and annually by Corporate Audit Services (internal audit). The most recent State Affiliate Code of Conduct internal audit report is dated April 28, 2020 covering the period January 1, 2019 – December 31, 2019. This audit report was submitted as part of the Company's response to CA DR 2-3.

b. This information was provided in the Company's response to CA DR 1-2.
c. This information was provided in the Company's response to CA DR 1-2.
d. See attachment herein for detail for March 2020, which shows that the nature of inventory is primarily related to fleet and telecom.
e. See attachment. The attrition period return on DEBS Return on Assets is provided in CA DR 3-8a as well as the file named 5G Rent Adj submitted in response to

MFR 12. See Excel cell AE46 on the tab labelled AC 931008 with the 5G file for the calculation.

f. See the information provided in the Company's response to CA DR 1-46.

g. As stated in the response to CA DR 3-8h, monthly depreciation expense for DEBS assets is calculated on an individual asset basis, not using a group depreciation approach. PowerPlan is programmed to calculate depreciation expense each month on each asset based on the life of that asset. PowerPlan then aggregates the total amount calculated for all DEBS assets and posts a journal entry to record depreciation expense. The system cannot be queried to retrieve depreciation expense by asset by month.

   The attachment included herein provides the calculation for the amount of DEBS depreciation expense allocated to Piedmont and then further allocated to Tennessee operations on a monthly basis for January 2018 – March 2020. Piedmont was not charged for any DEBS depreciation expense in 2017.

h. A depreciation study for DEBS assets has not been conducted. The depreciable lives of Service Company assets are developed on a case-by-case basis based on input from various parties, including engineering estimates, tax lives, manufacturer's warranties, etc. Depreciation and amortization on Service Company assets is automatically calculated and recorded each month by PowerPlan on an individual asset basis as opposed to using a group depreciation approach.

i.

   (1) The term "OU DDEP" stands for the Operating Unit DEBS Depreciation, which is used to allocation depreciation of DEBS assets to the jurisdictions. It is based on the 3 Factor formula:
   Weighted average of the Gross Margin Ratio (33%), Labor Dollars Ratio (33%), and Total Property, Plant and Equipment Ratio (34%)

(2) There is no legend for the color coding. The coloring is not intended to communicate any meaning to the end user of the CAM, nor does it have any meaning for purposes of the calculations.

(3) See the information provided in the Company's response to CA DR 2-5.

(4) The chart provided in CA DR 1-36 d was a section of the CAM matrix for 2020. The complete CAM matrix for 2020 was provided in the Company's response to CA DR 1-57. See Excel rows 166-180 to find the section of the CAM that was provided in CA DR 1-36 d.

(5) See attachment.

(6) See CONFIDENTIAL attachment.

(7) The chart provided in CA DR 1-36 d is a section of the CAM matrix for 2020. The complete CAM matrix for 2019 and 2020 were provided in the Company's response to CA DR 1-57. See the two attachments herein for the CAM matrix for 2017 and 2018. Refer to Excel column B in each matrix and find the Function "Accounting" to see this same section for each year.

Name and Title of Preparer:

a. Laura Hager, Lead Rates & Regulatory Strategy Analyst
b. Laura Hager, Lead Rates & Regulatory Strategy Analyst
c. Laura Hager, Lead Rates & Regulatory Strategy Analyst
d. Jeff (TJ) Masucci, Senior Financial Analyst
e. Laura Hager, Lead Rates & Regulatory Strategy Analyst
f. Laura Hager, Lead Rates & Regulatory Strategy Analyst
g. Laura Hager, Lead Rates & Regulatory Strategy Analyst
h. Denise Lepisto, Lead Accounting Analyst
i.
    (1) Jeff (TJ) Masucci, Senior Accounting Analyst
    (2) Jeff (TJ) Masucci, Senior Accounting Analyst

(3) Laura Hager, Lead Rates & Regulatory Strategy Analyst

(4) Laura Hager, Lead Rates & Regulatory Strategy Analyst

(5) Jeff (TJ) Masucci, Senior Financial Analyst

(6) Jeff (TJ) Masucci, Senior Financial Analyst

(7) Laura Hager, Lead Rates & Regulatory Strategy Analyst

Name and Title of Responsible Party:

a. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

b. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

c. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

d. Jeff Setser, Director – Allocations & Reporting

e. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

f. Quynh Bowman, Director Gas Rates & Regulatory Strategy

g. Quynh Bowman, Director Gas Rates & Regulatory Strategy

h. David Raiford, Accounting Manager I

i.

(1) Jeff Setser, Director – Allocations & Reporting

(2) Jeff Setser, Director – Allocations & Reporting

(3) Quynh Bowman, Director – Gas Rates & Regulatory Strategy

(4) Quynh Bowman, Director – Gas Rates & Regulatory Strategy

(5) Jeff Setser, Director – Allocations & Reporting

(6) Jeff Setser, Director – Allocations & Reporting

(7) Quynh Bowman, Director – Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

3-8a Attachment:

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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3-8d Attachment:

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3-8g Attachment:

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3-9. Refer to the Company's response to CA 1-33 (Supplemental) regarding the Company's forecasted plant additions by month from April 2020 through December 2021 for both Tennessee plant and joint plant (Piedmont and DEBS). In order to corroborate the Company's forecasted attrition year plant additions, the Consumer Advocate needs to confirm their source and support beyond a PowerPlan query. Therefore, provide a copy of the individual project sheets (132 TN Direct, 9 Piedmont common plant, and DEBS) that make up the Company's forecasted plant additions showing project approvals and projected expenditures by month and by account.

RESPONSE: Individual project sheets reflecting the Company's forecasted plant additions showing project approvals and projected expenditures by month and by account do not exist. Individual projects are approved on a total basis, not on a month by month by account basis.

See the attachment provided herein. The first tab reflects a summary of the projects included in the Company's response to MFR 52. The projects are ranked by dollar value, highest to lowest. Piedmont selected the top 10 projects for review as noted below. The selected population provides approximately 76% coverage while the remaining 124 projects represents approximately 24% of the remaining additions.

Of the top ten additions, certain budget categories such as New Services, Revenue Producing and Government Relocation are determined as a lump sum by category, not by individual project.

The tabs following the Summary tab include an image of the screen within PowerPlan that reflects the required approvals based on the total dollar value of the project. As stated in the Company's response to CA DR 1-33, there is no report, other than that provided in the Company's response to MFR 52, that shows the forecasted plant expenditures and additions by month, project and account. Piedmont has included in the attachment herein an image of the approval screen for the 10 highest individual funding projects reflected in MFR 52 ranked by dollar value.

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Name and Title of Preparer: Rolanda Williams, Senior Financial Analyst

Name and Title of Responsible Party: John Robson, Director - Gas Distribution Finance

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

PIEDMONT NATURAL GAS COMPANY, INC.
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3-10. Refer to the "Net Plant Factor Actual" tab of the "Working Capital Adj" spreadsheet included with the Company's filing that provides the 2019 and 2020 allocation factor calculations for 3-State common Piedmont rate base and provide the following information:

a. Provide the source and support for the Plant in Service and CWIP amounts included on this spreadsheet at December 31, 2018 and December 31, 2019 for North Carolina, South Carolina and Tennessee.
b. Provide the Plant in Service and CWIP amounts, along with their source and support, at December 31, 2015, December 31, 2016 and December 31, 2017 for North Carolina, South Carolina and Tennessee.
c. Provide the Accumulated Depreciation and Contributions in Aid of Construction amounts, along with their source and support, at December 31, 2015, December 31, 2016, December 31, 2017, December 31, 2018 and December 31, 2019 for North Carolina, South Carolina and Tennessee.

RESPONSE:

a. Please see the Company's response to CA DR 1-46.
b. Please see the Company's response to CA DR 1-46 for December 2016 and December 2017. Please see attachment herein for December 2015.
c. For Accumulated Depreciation, please see the Company's response to CA DR 1-46 for December 2016 - December 31, 2019. Please see response to part b above for December 2015.
   For CIAC balances, please see the Company's responses/supplemental responses to CA DR 1-45 and CA DR 1-39.

Name and Title of Preparer: Ellen V Digh, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

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Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

3-10b Attachment:

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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3-11. Refer to the "Tab K TN Direct CWIP" tab of the "6 Detail Plant in Service and Depr Exp" spreadsheet included with the Company's filing. Specifically refer to Cell B98 that includes a CWIP balance at March 31, 2020 of $34,750,063. Provide a reconciliation of this amount with the balance of $45,688,559 in Cell Cl0 on "Tab C Summary CWIP" of this same spreadsheet and with the $45,130,556 balance for Tennessee in Cell E1900 of the "2020" tab of the spreadsheet attachment provided in Company's response to CA 1-40.

RESPONSE: Refer to Cell B120 in the referenced file which has a grand total CWIP balance at 3/31/20 of $44,694,244, not $34,750,063. This is the subtotal before adding in the pool projects. Refer to the Company's response to CA DR 2-78f for an explanation of the difference between $44,694,244 and $45,688,559.

The actual balance at 3/31/20 for TN direct CWIP projects was $45,688,559. This balance as reflected in the attachment provided in the Company's response to CA DR 1-40 is $45,130,556. The report that was provided in the Company's response to CA DR 1-40 reflects Piedmont's CWIP balance as of that point in time. Certain project costs that were included in the CWIP balance as of 3/31/20 have since closed to plant in service. The main difference between these two amounts is PNG-TN Direct project 1733418, which is identified in Excel cell E1997 in the attachment provided in the Company's response to CA DR 1-40.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-12. Refer to the "Tab L 3-State CWIP" tab of the "6 Detail Plant in Service and Depr Exp" spreadsheet included with the Company's filing. Specifically refer to Cell B40 that includes a CWIP balance at March 31, 2020 of $43,067,314. Provide a reconciliation of this amount with the balances for 3-State CWIP included the "2020" tab of the spreadsheet attachment provided in Company's response to CA 1-40.

RESPONSE: The actual balance at 3/31/20 for Piedmont 3-state CWIP projects was $43,067,314. This balance, as reflected in the attachment provided by the Company in response to CA DR 1-40, is $15,430,331. The main difference is the portion of the CWIP balance at 3/31/20 which is recorded to Account 0170004 CWIP Software. As of 3/31/20, the balance in this account was $29,293,098. Piedmont began using account 0170004 in 2018. The CWIP roll-forward report provided in the Company's response to CA DR 1-40 is an automated system report that was written prior to 2018 and is not easily modified to add this account number.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

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3-13. Refer to the Attachment provided with the Company's response to CA 1-10. Specifically refer to Cells A5 to D22 of the "13-Month Rate Base" tab of this spreadsheet that provides the Tennessee-Direct and Joint-Allocated monthly values for Plant in Service from March 2019 to March 2020. Provide the following information related to this data:

a. Provide the source and support for the monthly Tennessee and Joint Allocated Plant in Service data included here.
b. Provide this same Tennessee and Joint Allocated Plant in Service data from May 2011 (the end of the last rate case) through February 2019.

RESPONSE:

a. See the Company's response to CA DR 1-3.
b. See the Company's response to CA DR 1-3.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

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3-14. Refer to the Attachment provided with the Company's response to CA 1-10. Specifically refer to Cells A24 to D41 of the "13-Month Rate Base" tab of this spreadsheet that provides the Tennessee-Direct and Joint-Allocated monthly values for CWIP from March 2019 to March 2020. Provide the following information related to this data:

a. Provide the source and support for the monthly Tennessee and Joint Allocated CWIP data included here.
b. Provide this same Tennessee and Joint Allocated CWIP data from May 2011 (the end of the last rate case) through February 2019.

REPSONSE:

a. See the Company's response to CA DR 2-80.
b. See the Company's response to CA DR 2-80.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-15. Refer to the Attachment provided with the Company's response to CA 1-10. Specifically refer to Cells A43 to D60 of the "13-Month Rate Base" tab of this spreadsheet that provides the Tennessee-Direct and Joint-Allocated monthly values for Accumulated Depreciation from March 2019 to March 2020. Provide the following information related to this data:

a. Provide the source and support for the monthly Tennessee and Joint Allocated Accumulated Depreciation data included here.
b. Provide this same Tennessee and Joint Allocated Accumulated Depreciation data from May 2011 (the end of the last rate case) through February 2019.

RESPONSE:

a. See the Company's response to CA DR 1-37.
b. See the Company's response to CA DR 1-37.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

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3-16. Refer to the Attachment provided with the Company's response to CA 1-10. Specifically refer to Cells A62 to B80 of the "13-Month Rate Base" tab of this spreadsheet that provides the monthly values for Accumulated Deferred FIT from March 2019 to March 2020. Provide the following information related to this data:

a. Provide the source and support for the monthly Accumulated Deferred FIT data included here by account before any state allocations.
b. Provide this same Accumulated Deferred FIT data from May 2011 (the end of the last rate case) through February 2019.

RESPONSE:

a. Please see attachment.
b. See the Company's response provided to DR 1-45 tab labelled Def FIT.

Name and Title of Preparer:

a. Quynh Bowman, Director – Gas Rates & Regulatory Strategy
b. Laura Hager, Lead Rates & Regulatory Strategy Analyst

Name and Title of Responsible Party:

a. Quynh Bowman, Director – Gas Rates & Regulatory Strategy
b. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

3-16a Attachment:

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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3-17. Refer to the balance sheets provided in the Company's responses to CA 1-1 and MFR 10 regarding Account 271000 – Contributions in Aid of Construction which shows the following balances at December 31st for multiple years.

December 31, 2014	$5,268,401
December 31, 2015	$5,389,278
December 31, 2016	$5,659,387
December 31, 2017	$5,828,754
December 31, 2018	$5,828,754
December 31, 2019	$5,828,754
March 31, 2020	$5,828,754

Provide the following information related to this data:

a. From the data above, it appears that the Company has changed its accounting policy for recording Contributions in Aid of Construction resulting in a static balance of $5,828,754 from December 31, 2017 for all months going forward. Provide a description of the reason for this change.

b. Provide a description of the Company's current accounting policy for recording Contributions in Aid of Construction.

c. Provide a description of the Company's accounting policy (current and previous) for recording Customer Advances.

d. Provide a description of any other accounting policy changes taking place since December 2017.

RESPONSE:

a. See the Company's response to CA DR 3-17b for current accounting policy for recording CIAC. For Piedmont Tennessee, CIAC was recorded to account 27100 through 12/31/2017. Beginning 1/1/18, CIAC has been recorded as a reduction of UPIS for TN, per guidance herein and for consistent systematic per books treatment on CIAC across the Company's jurisdictions.

b. See CONFIDENTIAL attachment herein for an excerpt from Duke Energy Corporation's Electric and Gas Capitalization policy.

c. Duke Energy follows FERC Balance Sheet Chart of Accounts guidance for account 252 which reads as follows:

   FERC CFR-Balance Sheet Chart of Accounts

   252 Customer advances for construction.

   This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to the respective plant account.

d. There are no other accounting policies related to CIAC. Duke recognized a new revenue recognition policy with the adoption of ASC 606, a new lease policy with the adoption of ASC 842, and policy changes as a result of adoption of current credit losses. None of these items had a material impact on Duke. Revenue recognition changed disclosures for Duke and the new lease accounting standard required recognition of operating leases on the balances sheet, but did not change the income profile of the leases. The current expected credit losses required inclusion of a reserve for unbilled revenues.

Name and Title of Preparer:

a. Quynh Bowman, Director - Gas Rates & Regulatory Strategy
b. Huyen Dang, Manager - Accounting II
c. Huyen Dang, Manager - Accounting II
d. Kate Passarelli, Director - Accounting & Technical Research

Name and Title of Responsible Party:

a. Quynh Bowman, Director - Gas Rates & Regulatory Strategy
b. David Doss, Director - Asset Accounting
c. David Doss, Director - Asset Accounting

d. Kate Passarelli, Director - Accounting & Technical Research

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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CONFIDENTIAL 3-17b Attachment:

Confidential Attachment Filed Under Seal

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3-18. Refer to the balance sheets provided in the Company's responses to CA 1-1 and MFR 10 regarding Account 235140 – Customer Deposits. Does the Company also record the liability associated with accrued interest on customers deposits but not yet paid? If so, provide the account number where accrued interest on these amounts are recorded. If not, explain why.

RESPONSE: The Company records the liability associated with accrued interest on customer deposits to account 0237220. The monthly balance in this account from May 2011 – March 2020 was provided in the Company's response to CA DR 1-45 on the tab labelled Int.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director – Gas Rates & Regulatory Strategy

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3-19. Refer to the Company's response to CA 1-37 that provide the accumulated depreciation detail for Tennessee and Piedmont common plant. Provide this same monthly accumulated depreciation information for DEBS from October 2016 through March 2020.

RESPONSE: This information was provided in the Company's response to CA DR 1-3.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director – Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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3-20. Refer to the Company's response to CA 1-93 regarding Piedmont monthly Consolidated Balance Sheets (expanded) from January 2019 through July 2020. Provide a copy of these balance sheets in this same format from May 2011 (the date of the last rate case) through December 2018.

RESPONSE: Balance Sheets for May 2011-2017 were included in the Company's response to CA DR 1-1. These Balance Sheets were not in the same format as CA DR 1-93 because they were prior to Piedmont's transition to Duke's financial systems after the acquisition. See the attachment herein for the monthly Balance Sheets for 2018 in the same format as CA DR 1-93.

Name and Title of Preparer: Jenny Furr, Rates and Regulatory Strategy Manager
Name and Title of Responsible Party: Quynh Bowman, Director – Rates and Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

PIEDMONT NATURAL GAS COMPANY, INC.
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3-20 Attachment:

Attachment Provided on USB

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3-21. Refer to the "Summary" tab of the "SE Incentive Comp Adj" spreadsheet included with the Company's filing regarding incentive compensation. Provide the Company's monthly historical short-term incentive compensation expense by account, and segregated between Tennessee direct labor, common total labor, common Tennessee allocated labor, and any other relevant classification from May 2011 (the date of the last rate case) through March 31, 2020.

RESPONSE: See the attachment provided in the Company's response to CA DR 2-118 for the transaction level detail for all STIP and LTIP charged to O&M expense by year from May 2011 - March 2019. The transaction level detail for STIP and LTIP charged to O&M expense during the test period is included in the file named 5E Incentive Comp Adj.

For the fiscal years 2011 - 2017, please follow these guidelines:

- Filter on Cost Type to separate the charges between STIP and LTIP. Cost Types 110 through 112 are STIP. Cost Types 113-116 are LTIP.
- Filter on St Cd to separate charges between jurisdictions. State Code 3 is Tennessee direct and State Code 00 is 3 State.
- Column Z on each of those tabs represents the amount that was charged to Tennessee operations for that period.

For fiscal years 2018 - 2020 please follow these guidelines:

- Filter on Resource Type to separate the charges between STIP and LTIP. Resource Types 18400, 18401 and 1E002 are STIP. Resource types 1E200 and 1E202 are LTIP.
- Filter on Bus Unit to separate charges between jurisdictions. Business Units 4713X are Tennessee direct and Business Units 4715X are 3 state. All other business units reflect charges that are not allocated to Tennessee operations.
- Column AG on the 2018 and 2019 tabs within the attachment provided in CA DR 2-118 represents the amount that was charged to Tennessee operations for that period.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst

PIEDMONT NATURAL GAS COMPANY, INC.
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Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-22. Refer to the "Summary" tab of the "SE Incentive Comp Adj" spreadsheet included with the Company's filing regarding incentive compensation. Provide the Company's monthly historical long-term incentive compensation expense by account, and segregated between Tennessee direct labor, common total labor, common Tennessee allocated labor and any other relevant classification from May 2011 (the date of the last rate case) through March 31,2020.

RESPONSE: Please see the Company's response to CA DR 3-21.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-23. Refer to the "Summary" tab of the "5H Uncollectibles Adj" spreadsheet included with the Company's filing regarding uncollectible write-offs ($596,479) for the test period. Provide the Company's monthly historical uncollectible write-offs for Tennessee utility service from May 2011 (the date of the last rate case) through March 31, 2020.

RESPONSE: Detail of uncollectible write-offs was provided in the Company's response to CA DR 2-103. Please see attachment for a summary of write-offs by month.

Name and Title of Preparer: Jenny Furr, Rates and Regulatory Strategy Manager
Name and Title of Responsible Party: Quynh Bowman, Director – Rates and Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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3-23 Attachment:

Attachment Provided on USB

3-24. Refer to the "Summary" tab of the "5J TransDist Adj" spreadsheet included with the Company's filing regarding forecasted transmission and distribution expenses. Specifically refer to Row 13 of this spreadsheet which has zero ($0) value for "Non-Applicable Test Period Expenses." Is it the Company's intent to include Account 889001-Maintenance of CNG Fuel Stations within its transmission and distribution expense forecast even though this category has been considered to be an unregulated activity? If so, explain the Company's rationale for including these amounts.

RESPONSE: See the Company's response to CA DR 1-37.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-25. Refer to the "January 2017 – December 2017" tab of the "Attachment 1" spreadsheet included with the Company's response to CA 2-159 regarding historical amounts charged to Other Taxes. This spreadsheet appears to be missing data for January 2017 through May 2017. Please confirm that this is correct.

RESPONSE: The Company inadvertently omitted the data for January 2017 through May 2017 from the attachment provided in response to CA DR 2-159. See the attachment provided herein for this data.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-25 Attachment:

Attachment Provided on USB

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3-26. The net monthly balances of accounts 0 182498, 0186004, and 0228280 identified within the Balance Sheets provided in Company's response to CA 1-93 do not match corresponding balances contained in the DefEnv as well as the WorkingCapital_Adj file. Please reconcile he balances contained in the General Ledger accounts identified above with the environmental balances claimed for Rate Base as reflected in the WorkingCapital_Adj file.

RESPONSE: The DefEnv workpaper is rolled forward from the approved deferred environmental regulatory asset from the last rate case, less approved amortization amounts, plus any incremental cash payments for environmental expenses.

The general ledger balances follow an accrual basis of accounting. The difference in DefEnv workpaper and G/L balances are the increases/decreases during periodic evaluation for the liability.

See attachment for reconciliation.

Name and Title of Preparer: Quynh Bowman, Director - Gas Rates & Regulatory Strategy
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-26 Attachment:

Attachment Provided on USB

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3-27. Regarding the September 2019 balance in account 0228280 as contained in the Company's response to CA 1-93, provide a copy of all internal support, including but not limited to legal analysis, engineering studies and environmental studies which support the recording of nearly $4 million to the environmental reserve in September 2019.

RESPONSE: Please see CONFIDENTIAL attachment herein for internal evaluation for September 2019 liability.

See the Company's response to CA DR 2-49 for environmental reports associated with sites.

Name and Title of Preparer: Quynh Bowman, Director - Gas Rates & Regulatory Strategy
Name and Title of Responsible Party: Wyatt Grant, Manager - Environmental Services

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

CONFIDENTIAL 3-27 Attachment:

Confidential Attachment Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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3-28. Please explain the accounting flow for environmental-related asset accounts 182498 and 186004, along with liability account 228280. As part of your discussion, please explain the circumstances that drive debits and credits to each of these three accounts.

RESPONSE: See attachment.

Name and Title of Preparer: Quynh Bowman, Director - Gas Rates & Regulatory Strategy
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-28 Attachment:

Attachment Provided on USB

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3-29. Regarding the Balance Summary tab within workpaper 5B_DefEnvAdj, footnote b references the sale of an MGP site that was previously sold to the City of Nashville. With respect to this sale provide the following information:

a. Summary of the asset or property sold
b. Date of the Sale
c. Proceeds from the Sale
d. Net Book Value of the Property Sold

RESPONSE:

a. Summary of the asset or property sold:
    - "Former Nashville Gas Company Office and Warehouse Property" located 800 2nd Ave North, Nashville
    - Approximately 5 acres of property and improvements thereon

b. Date of the Sale:
    - Approximately July/August 1989

c. Proceeds from the Sale: $1,950,000

d. Net Book Value of the Property Sold:
    - Given the date of the sale (over 30 years ago), Piedmont is unable to determine from its records the net book value of the property sold at that time.

Name and Title of Preparer: Stephen Barrick, Lead Environmental Specialist
Name and Title of Responsible Party: Wyatt Grant, Manager – Environmental Services

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-30. Provide the support and calculation for the installed cost of Piedmont-Tennessee's distribution main on a per mile basis for 2019 and 2020 year to date.

RESPONSE: See attachment.

Name and Title of Preparer: John Robson, Director – Gas Distribution Finance
Name and Title of Responsible Party: John Robson, Director – Gas Distribution Finance

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

3-30 Attachment:

Attachment Provided on USB

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3-31. Regarding the Company's response to CA 2-45, provide a comprehensive explanation for the significant increase in costs per service line in the 2020 year to date data, compared with 2019 data. Include within this discussion all steps taken by the Company to minimize the costs of service installations, while adhering to necessary safety protocols.

RESPONSE: The demand for housing in and around Nashville continues to rise and the locations of some of the new housing developments has led to more challenging and higher cost installs. Installations around existing utilities, limited right of way, obstructions in accessing mains, curb-to-curb paving, longer bores, traffic control and in certain instances, required night work are the primary drivers behind the increased costs for services installation projects in CY2020. This work is performed by Piedmont's contractors under existing blanket contracts and is supervised by Piedmont's project managers to ensure compliance with Piedmont's policies and procedures. Certain activities, such as those described above, and forced delays in installations generally incur higher costs than standard installation activities.

Name and Title of Preparer: Rolanda Williams, Senior Financial Analyst
Name and Title of Responsible Party: John Robson, Director – Gas Distribution Finance

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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3-32. Regarding OPEB costs, identify the Company's position indicating whether OPEB costs embedded in base rates should be based upon accrued OPEB costs or on a cash basis.

RESPONSE: Consistent with the ratemaking treatment authorized for Piedmont in its prior general rate cases before this Commission, OPEB costs reflected on an accrual basis were included in the Company's proposed base rates in this general rate case.

Name and Title of Preparer: Quynh Bowman, Director - Gas Rates & Regulatory Strategy
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

PIEDMONT NATURAL GAS COMPANY, INC.
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3-33. Regarding the Company's response to CA 2-1, provide the following:

a. All available evidence supporting the reasonableness of the 2019 Repair Deduction estimate that is $2.5 million less than the 2018 actual Repair Deduction.

b. Reconciliation between the estimated level of Repairs Deduction tied to projected plant additions contained in the Company's response to CA 2-65. If such a reconciliation is not possible, provide a comprehensive explanation supporting how the estimated Repair Deduction is consistent with the corresponding forecast of plant additions.

RESPONSE:

a. & b. Tax repairs related to linear work orders are taken when the work orders are unitized. Linear work orders are those that are pipe related. Tax repairs related to non-linear work orders are taken when the work orders are completed. Non-linear work orders are those related to M&R stations and replacements of items at the LNG plants. As such, most of the tax repairs, roughly 95%, is linear for Piedmont. The forecast for linear tax repairs is not based upon the prior year actual amount or directly associated with the forecast of plant additions. It is a function of the work orders that will be unitized during the year. An estimate of the work orders to be unitized is obtained from Asset Accounting to provide the basis for the tax repairs forecast. This unitization estimate can vary from year to year which will impact the tax repairs forecast.

Name and Title of Preparer: Matt Gordon, Senior Tax Services Manager
Name and Title of Responsible Party: John Panizza, Director - Tax Operations

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-34. The Company's response to CA 2-18 refers to the amortization of Settlement charges and expense recognition of such charges over a period of approximately 9.75 years. To the extent such costs are incorporated into this filing identify such costs for the twelve-month period ending March 31, 2020 and identify the account(s) charged.

RESPONSE: These costs were not included in the filing. Only cash contributions recorded to the PNG TN pension deferred account were recognized as expenses in the filing.

Name and Title of Preparer: Quynh Bowman, Director - Gas Rates & Regulatory Strategy
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-35. Regarding Attachment 1 within the Company's response to CA 2-15, the information provided within WKTB (A Al) appears to be truncated and additionally there are no headers contained listed within the response. Provide the appropriate column titles for all three columns within this tab.

RESPONSE: The column headers are as follows:

- Account/Description
- December 2019
- December 2018
- Variance

Name and Title of Preparer: Jeff (TJ) Masucci, Senior Financial Analyst
Name and Title of Responsible Party: Jeff Setser, Director – Allocations & Reporting

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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3-36. Regarding the following confidential attachment to the Company's response to CA 1-71; CAD DRl-71 Item 5_3 5 REFUNDS INC_l9101701A_Complete_ 0015069894 CONFIDENTIAL, provide the following regarding the invoiced services from 3 :5:

a. Provide a comprehensive discussion of the nature of the services provided which are represented by this invoice.
b. Identify the Duke entities covered by this tax investigation.
c. Provide a comprehensive explanation identifying the results of the tax review and underlying accounting entries recorded by business unit.
d. Confirm that the vendor, 3 :5 was compensated on a commission basis.
e. Indicate whether this cost was included within column D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment.

RESPONSE:

a. The services provided by ThreeFive were to complete statistical sampling analysis for all individual expenses on the general ledger that make up the meals & entertainment line item on the tax return to determine the deductibility of such expenses on the consolidated federal tax return and if any limitations or deductibility exceptions exist.
b. The Duke entities covered by this tax investigation would be every entity included in the Duke consolidated federal tax return that had meals & entertainment expense for each respective year covered by the study (2013-2016). Piedmont was included in Duke's 2016 consolidated return for the period 10/4/16 – 12/31/16.
c. This meals and entertainment study resulted in a smaller meals and entertainment limitation, which resulted in higher deductibility of meals & entertainment than would have occurred had a study not existed. From an accounting perspective, since Duke was in an NOL for all periods under this study, the Consolidated Duke NOL would have been increased for each vintage impacted by this study. The additional deductions resulting from the study and any NOL adjustments would then have been adjusted on individual companies' books to capture the changes. If

an accounting journal entry was made as a result of the study, the following journal entry would be recorded

Accounting entries:

Additional M&E Deduction

Dr. Account 236, Income Tax Payable

Cr. Account 409, Current Income Tax Expense

Additional NOL as a result of M&E Deduction

Dr. Account 409, Current Income Tax Expense

Cr. Account 236, Income Tax Payable

Dr. Account 190, Accumulated Deferred Income Taxes

Cr. Account 410, Deferred Income Tax Expense

d. Yes, the vendor was compensated based on a percentage of the benefit realized by the study.
e. The cost was included within the column labelled D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment. See the notes in the CONFIDENTIAL attachment provided herein.

Name and Title of Preparer:

a. Chris Nelson, Tax Services Manager; and Brian Neiheisel, Senior Tax Services Manager
b. Chris Nelson, Tax Services Manager; and Brian Neiheisel, Senior Tax Services Manager
c. Chris Nelson, Tax Services Manager; and Brian Neiheisel, Senior Tax Services Manager
d. Chris Nelson, Tax Services Manager; and Brian Neiheisel, Senior Tax Services Manager
e. Laura Hager, Lead Rates & Regulatory Strategy Analyst

Name and Title of Responsible Party:

a. John Panizza, Director – Tax Operations

b. John Panizza, Director – Tax Operations

c. John Panizza, Director – Tax Operations

d. John Panizza, Director – Tax Operations

e. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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CONFIDENTIAL 3-36e Attachment:

Confidential Attachment Filed Under Seal

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3-37. Regarding the following confidential attachment to the Company's response to CA 1-71; CAD DRl-71 Item S_ERNST & YOUNG LLP _US01U000169118_ Complete_ 0014962453 CONFIDENTIAL, provide the following:

a. A copy of the Statement of Work dated November 28, 2019 referenced in this invoice.
b. A comprehensive discussion how such work effort benefits Tennessee ratepayers.
c. Identify the portion of these invoiced costs assigned to Piedmont-Tennessee operations and provide the allocation factors used to arrive at this total.
d. Indicate whether this cost was included within column D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment.

RESPONSE:

a. See CONFIDENTIAL attachment.
b. This invoice was inadvertently charged to a DEBS operating unit that is subsequently allocated as a service company cost pursuant to the Cost Allocation Manual (CAM). This invoice should have been directly charged to the appropriate Duke affiliate which would have resulted in no charge allocated to Piedmont-TN.
c. See CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.
d. This cost was included within the column labeled D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment. See the notes in the CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.

Name and Title of Preparer:

a. Scott Stewart, Tax Forecasting Director
b. Scott Stewart, Tax Forecasting Director
c. Laura Hager, Lead Rates & Regulatory Strategy Analyst
d. Laura Hager, Lead Rates & Regulatory Strategy Analyst

PIEDMONT NATURAL GAS COMPANY, INC.
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Name and Title of Responsible Party:

a. Cooper Monroe, Director – Tax
b. Cooper Monroe, Director – Tax
c. Quynh Bowman, Director – Gas Rates & Regulatory Strategy
d. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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CONFIDENTIAL 3-37a Attachment:

Confidential Attachment Filed Under Seal

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3-38. Regarding the following confidential attachment to the Company's response to CA 1-71; CAD DRl-71 Item 5_ ERNST & YOUNG LLP_US01U000169119_ Complete_ 0014962492 CONFIDENTIAL, provide the following:

a. Provide a copy of the Statement of Work dated May 7, 2019.
b. A comprehensive discussion how such work effort benefits Tennessee ratepayers.
c. Identify the portion of these invoiced costs assigned to Piedmont-Tennessee operations and provide the allocation factors used to arrive at this total.
d. Indicate whether this cost was included within column D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment.

RESPONSE:

a. See CONFIDENTIAL attachment.
b. This invoice was inadvertently charged to a DEBS operating unit that is subsequently allocated as a service company cost pursuant to the Cost Allocation Manual (CAM). This invoice should have been directly charged to the appropriate Duke affiliate which would have resulted in no charge allocated to Piedmont-TN.
c. See CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.
d. This cost was included within the column labelled D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment. See the notes in the CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.

Name and Title of Preparer:

a. Scott Stewart, Tax Forecasting Director
b. Scott Stewart, Tax Forecasting Director
c. Laura Hager, Lead Rates & Regulatory Strategy Analyst
d. Laura Hager, Lead Rates & Regulatory Strategy Analyst

Name and Title of Responsible Party:

a. Cooper Monroe, Director – Tax
b. Cooper Monroe, Director – Tax
c. Quynh Bowman, Director – Gas Rates & Regulatory Strategy
d. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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CONFIDENTIAL 3-38a Attachment:

Confidential Attachment Filed Under Seal

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3-39. Regarding the following confidential attachment to the Company's response to CA 1-71; CAD DRl-71 Item 5 ERNST & YOUNG LLP_ US01U000209579_ Complete_ 00149627222 CONFIDENTIAL, provide the following:

a. Statement of Work No. 1 dated August 3, 2018.
b. A comprehensive discussion how such work effort benefits Tennessee rat~payers.
c. Identify the portion of these invoiced costs assigned to Piedmont-Tennessee operations and provide the allocation factors used to arrive at this total.
d. Indicate whether this cost was included within cohJmn D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment.

RESPONSE:

a. See CONFIDENTIAL attachment.
b. In August 2018, Duke Energy entered into an agreement with Ernst & Young (EY), whereby EY would become the ongoing Tax Operations office for Duke Energy. Under this agreement, all daily operations related to tax accounting, tax compliance, indirect taxes, etc. would be performed by EY at the direction of the retained Duke tax team. The work performed benefits all Duke entities and therefore is appropriately charged through DEBS allocation methods to the entities benefitted.
c. See CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.
d. This cost was included within the column labelled D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment. See the notes in the CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.

Name and Title of Preparer:

a. Scott Stewart, Tax Forecasting Director
b. Scott Stewart, Tax Forecasting Director

c. Laura Hager, Lead Rates & Regulatory Strategy Analyst

d. Laura Hager, Lead Rates & Regulatory Strategy Analyst

Name and Title of Responsible Party:

a. Cooper Monroe, Director – Tax

b. Cooper Monroe, Director – Tax

c. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

d. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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CONFIDENTIAL 3-39a Attachment:

Confidential Attachment Filed Under Seal

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3-40. Regarding the following confidential attachments to the Company's response to CA 1-71; CAD DRl-71 Item S_ERNST & YOUNG LLP_US0IU000216189_Complete_0015022744 CONFIDENTIAL, and CAD DRl-71 Item 5 ERNST & YOUNG LLP_US01U00216245_Complete_0015022711 CONFIDENTIAL, provide the following:

a. Provide a copy of the Statement of Work referenced within this invoice, A-2019-06.
b. A comprehensive discussion how such work effort benefits Tennessee ratepayers.
c. Identify the portion of these invoiced costs assigned to Piedmont-Tennessee operations and provide the allocation factors used to arrive at this total.
d. Indicate whether this cost was included within column D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment.

RESPONSE:

a. See CONFIDENTIAL attachment
b. This invoice was inadvertently charged to a DEBS operating unit that is subsequently allocated as a service company cost pursuant to the Cost Allocation Manual (CAM). This invoice should have been directly charged to the appropriate Duke affiliate which would have resulted in no charge allocated to Piedmont-TN.
c. See CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.
d. This cost was included within the column labelled D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment. See the notes in the CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.

Name and Title of Preparer:

a. Scott Stewart, Tax Forecasting Director
b. Scott Stewart, Tax Forecasting Director

c. Laura Hager, Lead Rates & Regulatory Strategy Analyst

d. Laura Hager, Lead Rates & Regulatory Strategy Analyst

Name and Title of Responsible Party:

a. Cooper Monroe, Director – Tax

b. Cooper Monroe, Director – Tax

c. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

d. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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CONFIDENTIAL 3-40a Attachment:

Confidential Attachment Filed Under Seal

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3-41. Regarding the following confidential attachment to the Company's response to CA 1-71; CAD DRl-71 Item S_ERNST & YOUNG LLP_US01U00216293_Complete_0015022326 CONFIDENTIAL, provide the following:

a. Provide a copy of the Statement of Work A-2017-20 referenced within this invoice.
b. A comprehensive discussion how such work effort benefits Tennessee ratepayers.
c. Identify the portion of these invoiced costs assigned to Piedmont-Tennessee operations and provide the allocation factors used to arrive at this total.
d. Indicate whether this cost was included within column D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment.

RESPONSE:

a. See CONFIDENTIAL attachment.
b. This invoice was inadvertently charged to a DEBS operating unit that is subsequently allocated as a service company cost pursuant to the Cost Allocation Manual (CAM). This invoice should have been directly charged to the appropriate Duke affiliate which would have resulted in no charge allocated to Piedmont-TN.
c. See CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.
d. This cost was included within the column labelled D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment. See the notes in the CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.

Name and Title of Preparer:

a. Scott Stewart, Tax Forecasting Director
b. Scott Stewart, Tax Forecasting Director
c. Laura Hager, Lead Rates & Regulatory Strategy Analyst
d. Laura Hager, Lead Rates & Regulatory Strategy Analyst

Name and Title of Responsible Party:

PIEDMONT NATURAL GAS COMPANY, INC.
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a. Cooper Monroe, Director – Tax
b. Cooper Monroe, Director – Tax
c. Quynh Bowman, Director – Gas Rates & Regulatory Strategy
d. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

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CONFIDENTIAL 3-41a Attachment:

Confidential Attachment Filed Under Seal

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3-42. Regarding the following confidential attachment to the Company's response to CA 1-71; CAD DR l-71 Item S_ERNST & YOUNG LLP_US01U000216299_Complete_0015022934 CONFIDENTIAL, provide the following:

a. Provide a copy of Statement of Work 2019-07.
b. A comprehensive discussion how such work effort benefits Tennessee ratepayers.
c. Identify the portion of these invoiced costs assigned to Piedmont-Tennessee operations and provide the allocation factors used to arrive at this total.
d. Indicate whether this cost was included within column D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment.

RESPONSE:

a. See CONFIDENTIAL attachment.
b. This invoice was inadvertently charged to a DEBS operating unit that is subsequently allocated as a service company cost pursuant to the Cost Allocation Manual (CAM). This invoice should have been directly charged to the appropriate Duke affiliate which would have resulted in no charge allocated to Piedmont-TN.
c. See CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.
d. This cost was included within the column labelled D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment. See the notes in the CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.

Name and Title of Preparer:

a. Scott Stewart, Tax Forecasting Director
b. Scott Stewart, Tax Forecasting Director
c. Laura Hager, Lead Rates & Regulatory Strategy Analyst
d. Laura Hager, Lead Rates & Regulatory Strategy Analyst

Name and Title of Responsible Party:

a. Cooper Monroe, Director – Tax

b. Cooper Monroe, Director – Tax

c. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

d. Quynh Bowman, Director – Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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CONFIDENTIAL 3-42a Attachment:

Confidential Attachment Filed Under Seal

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3-43. Regarding the following confidential attachment to the Company's response to CA 1-71; CAD DR l-71 Item S_ERNST & YOUNG LLP US01U000216580_ Complete_0015022890 CONFIDENTIAL, provide the following:

a. Provide a copy of Statement of Work 2019-09.
b. A comprehensive discussion how such work effort benefits Tennessee ratepayers.
c. Identify the portion of these invoiced costs assigned to Piedmont-Tennessee operations and provide the allocation factors used to arrive at this total.
d. Indicate whether this cost was included within column D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment.
e. If operating savings were achieved as a result of this engagement, provide a comprehensive explanation of the accounting underlying the achieved savings, including the Piedmont-Tennessee portion of such savings, including the month(s) and account(s) credited.

RESPONSE:

a. See CONFIDENTIAL attachment.
b. This invoice was inadvertently charged to a DEBS operating unit that is subsequently allocated as a service company cost pursuant to the Cost Allocation Manual (CAM). This invoice should have been directly charged to the appropriate Duke affiliate which would have resulted in no charge allocated to Piedmont-TN.
c. See CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.
d. This cost was included within the column labelled D, Service Company Charges as reflected in the applicable monthly tab within the MFR 43 Attachment. See the notes in the CONFIDENTIAL attachment provided in the Company's response to CA DR 3-36e.
e. This invoice was inadvertently charged to a DEBS operating unit that is subsequently allocated as a service company cost pursuant to the Cost Allocation Manual (CAM). This invoice should have been directly charged to the appropriate Duke affiliate which would have resulted in no charge allocated to Piedmont-TN.

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Name and Title of Preparer:

a. Scott Stewart, Tax Forecasting Director
b. Scott Stewart, Tax Forecasting Director
c. Laura Hager, Lead Rates & Regulatory Strategy Analyst
d. Laura Hager, Lead Rates & Regulatory Strategy Analyst
e. Scott Stewart, Tax Forecasting Director

Name and Title of Responsible Party:

a. Cooper Monroe, Director – Tax
b. Cooper Monroe, Director – Tax
c. Quynh Bowman, Director – Gas Rates & Regulatory Strategy
d. Quynh Bowman, Director – Gas Rates & Regulatory Strategy
e. Cooper Monroe, Director – Tax

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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CONFIDENTIAL 3-43a Attachment:

Confidential Attachment Filed Under Seal

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3-44. Regarding the Company's response to CA 1-71, Attachment 1, Item 4 is described as a reclassification entry between Business Units 47141 and 47156. The Company's response to CA 1-5 indicates that the title of the two are PNG RU Gas Gov Special- 3 State and PNG Deliver – 3 State, respectively. Provide a thorough explanation of the distinction between these two business units.

RESPONSE: Business Unit 47151 (used for Piedmont 3-state charges) and Business Unit 47141 (used for Piedmont 2-state charges) are two of the Business Units established to capture "special governance" items. Business Unit 47156 (used for Piedmont 3-state charges) is one of the Business Units used to capture "delivery" items. The distinction between "special governance" and "delivery" is for internal reporting purposes only and allows Duke Energy to perform internal reporting based on certain consistent categories.

See the Company's response to CA DR 2-5 for Business Unit identification for Piedmont 3-State and Piedmont Tennessee Direct.

Name and Title of Preparer: Nicole Aquilina, Accounting Manager II
Name and Title of Responsible Party: Bryan Manges, Director – Gas Utility & Infrastructure

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

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3-45. Provide the calculation of the Tennessee portion of the return on DEBS assets associated with corporate aircraft by month for the period April 2019 through the most recent month available. The calculation should incorporate the original cost of corporate aircraft, the associated Accumulated Depreciation and Accumulated Deferred Income Tax Liability and the net balance upon which a return is calculated as well as the applicable allocation ratios to arrive at the Piedmont-Tennessee portion of such costs.

RESPONSE: See attachment.

Name and Title of Preparer: Jeff Masucci, Senior Financial Analyst
Name and Title of Responsible Party: Jeff Setser, Director – Allocations & Reporting

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

3-45 Attachment:

Attachment Provided on USB

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3-46. Refer to the Company's response to CA 2-24, Attachment 1 of 5. In Attachment 1, it states that it is the "Third Amendment" to the agreement between HomeServe and Piedmont dated September 28, 2009.

a. Provide all copies of amendments prior to the Third Amendment.
b. Provide all copies of amendments subsequent to the Third Amendment.

RESPONSE:

a. See CONFIDENTIAL attachment herein for the First and Second Amendment.
b. Piedmont has not entered into any subsequent agreements with HomeServe to date.

Name and Title of Preparer: Kyle Watford, Manager - Unregulated Services
Name and Title of Responsible Party: Ron Mays, VP - Gas Sales & Delivery

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

PIEDMONT NATURAL GAS COMPANY, INC.
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CONFIDENTIAL 3-46 Attachment:

Confidential Attachment Filed Under Seal

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3-47. Refer to the Company's responses to CA 2-24, Attachment 2 of 51 and to CA 2-28. According to the definition section of Attachment 2, "Customer Data" is defined as "name and postal address" of Piedmont's customers. However, in the Company's response to CA 2-28, it states:

RESPONSE: Piedmont shares the following basic customer information with HomeServe: Account number, name, secondary name, mailing address, city, state, mailing zip, service address, service city, service state, service zip code, phone number. Additionally, after a customer has signed up for a repair plan from HomeServe. if the customer has a need for a covered service, information would be shared in order for a contractor to perform service to the customer's equipment.

a. Provide the rationale for Piedmont sharing information beyond the "name and postal address" of its customers with HomeServe. Provide documentation to support your response.
b. Pursuant to Attachment 2, "Cold Calling" is defined as "contacting a homeowner or tenant of a residential property by telephone where such call is not in response to a prior action on the part of the Customer." HomeServe is prohibited from "Cold Calling" Piedmont's Customers under the agreement provided in Attachment 2, correct?
c. If HomeServe is prohibited from "Cold Calling" Piedmont Customers, provide an explanation of why Piedmont provides its Customers' telephone numbers to HomeServe.
d. Since a customer can provide his/her information to HomeServe when he/she makes initial contact with HomeServe regarding its Home Warranty Program, provide an explanation of why Piedmont provided its customers' telephone numbers to HomeServe.

RESPONSE:

a. Since inception of the partnership, the information shared between the parties has included the fields detailed in the response from CA 2-24. Account number and phone number can be useful in confirming the correct account is enrolled into a HomeServe plan and as a means to contact a customer if for some reason an enrollment did not process correctly.
b. Cold calling is prohibited as stated in Section 5.4 of the agreement.
c. When available, telephone numbers have been included in the shared information and have been useful when an enrollment did not process correctly.
d. Since there are multiple channels for enrolling into a HomeServe plan, in the event something causes an enrollment to not process as designed, having a phone number enables the ability to follow up with those customers.

Name and Title of Preparer: Kyle Watford, Manager - Unregulated Services
Name and Title of Responsible Party: Ron Mays, VP - Gas Sales & Delivery

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-48. Refer to the Company's responses to CA 2-24, Attachment 2 of 5. Pursuant to §4.4, HomeServe is required to provide a Performance Management Summary on a monthly basis. Provide copies of the most recent 12 months of Performance Management Summaries from HomeServe.

RESPONSE: See CONFIDENTIAL attachment.

Name and Title of Preparer: Kyle Watford, Manager - Unregulated Services
Name and Title of Responsible Party: Ron Mays, VP - Gas Sales & Delivery

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

PIEDMONT NATURAL GAS COMPANY, INC.
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Date Issued: October 21, 2020
Date Due: November 6, 2020

CONFIDENTIAL 3-48 Attachment:

Confidential Attachment Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
Docket No. 20-00086
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Date Issued: October 21, 2020
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3-49. Refer to the Company's response to CA 2-24, Attachment 2 of 5. Pursuant to §5.8, HomeServe is required to promptly report "in writing every instance of identity theft, and every pattern, practice, and specific activity that indicates the possible or actual existence of identity theft, in connection with Home Service's activities and Piedmont's customer account information. How many times has HomeServe provided written notice to Piedmont under this section of the agreement between the two parties since September 28, 2009? Provide copies of such written notices of HomeServe to Piedmont as a result of customer identify theft.

RESPONSE: To date, there have been no instances of HomeServe making Piedmont aware of any possible or actual instances of identity theft related to Piedmont customers.

Name and Title of Preparer: Kyle Watford, Manager - Unregulated Services
Name and Title of Responsible Party: Ron Mays, VP - Gas Sales & Delivery

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

PIEDMONT NATURAL GAS COMPANY, INC.
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3-50. Refer to the Company's response to CA 2-24, Attachment 2 of 5. Pursuant to §7.1, Piedmont is required to provide HomeServe a statement regarding the service agreements, fees due for each active service agreement, the aggregate of the fees collected, amounts due to HomeServe, and amounts retained by Piedmont. Provide copies of the most recent twelve months of statements provided by Piedmont to HomeServe.

RESPONSE: See CONFIDENTIAL attachment.

Name and Title of Preparer: Kyle Watford, Manager - Unregulated Services
Name and Title of Responsible Party: Ron Mays, VP - Gas Sales & Delivery

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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CONFIDENTIAL 3-50 Attachment:

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PIEDMONT NATURAL GAS COMPANY, INC.
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3-51. Refer to the Company's response to CA 2-24, Attachment 2 of 5. "Customer Data" is defined as "name and postal address" of Piedmont's customers. "Member Data" is defined as all data of a person who has entered into a service agreement with HomeServe. However, under §9.1, Piedmont shall provide Customer Data to HomeServe, and HomeServe may use the Customer Data to carry out the Program and to advertise, market, sell and promote the Products. It appears by the language of the agreement, that HomeServe may utilize Piedmont's Customer Data prior to a Piedmont Customer entering into a service agreement with HomeServe and the data becoming HomeServe's Member Data.

a. Identify Piedmont's Customer Data that HomeServe is using for its Program under this section.
b. Identify the advertising, marketing, selling, and promoting by HomeServe under this section using Piedmont's Customer Data.
c. Identify the Products being promoted, advertised, marketed and sold by HomeServe using Piedmont's Customer Data under this section.

RESPONSE:

a. HomeServe uses name and address as part of the program.
b. HomeServe uses name and address for the purpose of mailing "marketing" letters to customers.
c. Products offered by Home Serve include Gas Line and Water Heater coverage (2 different water heater plans).

Name and Title of Preparer: Kyle Watford, Manager - Unregulated Services
Name and Title of Responsible Party: Ron Mays, VP - Gas Sales & Delivery

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-52. Refer to the Commission's *Order Granting Petition for Approval of Home Warranty Programs,* TPUC Docket No. 15-00064 and the Company's response to CA 2-24, Attachment 2 of 5 (p 3, §3 Piedmont's Responsibilities). Did Piedmont petition and receive approval from the Commission before entering into the agreement with HomeServe for facilitating HomeServe's program and for promoting, marketing and the sale of Home Serve's products to Piedmont's customers? If yes, provide copies of the petition and approval.

RESPONSE: No.

Name and Title of Preparer: Pia Powers, Managing Director - Gas Rates & Regulatory
Name and Title of Responsible Party: Pia Powers, Managing Director - Gas Rates & Regulatory

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

3-53. Refer the Commission's *Order Granting Petition for Approval of Home Warranty Programs,* TPUC Docket No. 15-00064 (p. 5, No. 1.d.) and the Company's response to CA 1-112. In its Order, the Commission directed the utility on its billing regarding the HomeServe Warranty Program:

d. Kingsport Power Company shall include a message on customers' bills stating that the HomeServe warranty programs are optional and do not have to be purchased in order to receive electric service; that HomeServe is not affiliated with Kingsport Power Company; that HomeServe is not regulated by the Tennessee Regulatory Authority; and that failure to pay the nonregulated charges for the HomeServe warranty programs will not affect the customer's electric service or cause the customer's electric service to be terminated.

The Commission states that a customer's electric service will not be disconnected or terminated due to the failure to pay non-regulated charges. With Piedmont's oldest balance first policy, which does not first distinguish between the balance being for a regulated or unregulated services, has Piedmont disconnected or terminated a customer's service because the customer's partial payments were first applied to older past due balance on unregulated services? Provide documentation to support your response.

RESPONSE: Piedmont recently identified that its original response to CA DR 1-112 was partially incorrect, and has now provided a revised response to CA DR 1-112 correcting the prior error.

It is not Piedmont's practice to disconnect a customer's natural gas service due to any full or partial non-payment of amounts due for non-utility services provided such as the HomeServe plan. See attachment 1 herein for additional details on how Piedmont applies payments to its customers' accounts.

Also, note that the following two messages appear on the regular monthly utility bills for customers who are in jeopardy of disconnection service due to non-payment of bills:

- "If the utility past-due balance of $XXX.XX is not paid by Month/Day/Year, your account will be subject for disconnection. This does not include non-utility charges. Please refer to the enclosed important notice for further information."
- Important Notice for Tennessee Customers: "As of XX/XX/XX, our records indicate that you have a utility past due balance on your account of $XXX.XX. If you feel this information is in error, please call Customer Service at 1-800-752-7504. If this is a result of an oversight, please make your payment now and accept our thanks. NO OTHER NOTICE WILL BE MAILED. To avoid interruption of gas service, the past due amount must be paid or deferred arrangements made by 5:00 p.m. on the payment date specified above. IF IT BECOMES NECESSARY TO DISCONNECT YOUR SERVICE, A RECONNECTION FEE WILL BE CHARGED AND YOU WILL BE REQUIRED TO PAY A SECURITY DEPOSIT OR INCREASE AN EXISTING DEPOSIT AMOUNT. To avoid delay, immediate payment can be made over the phone by calling Speedpay toll free at 866-316-3356 or by using customer self-service on our website www.piedmontng.com."

Lastly, see attachment 2 herein for an example of other written communication provided to Piedmont's customers regarding the optional, non-utility nature of HomeServe plans, as well the messaging to customers when they have past due balances on such.

Name and Title of Preparer: Preparer: Melissa Churchill, Manager - Revenue Services
Name and Title of Responsible Party: Jared Lawrence, VP - Revenue Services & Metering

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

3-53 Attachment 1 of 2:

Attachment Provided on USB

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3-53 Attachment 2 of 2:

Attachment Provided on USB

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3-54. Refer to the Company's response to CA 1-112. In light of Piedmont's oldest balance first policy, provide the total number of customer shutoffs by month from January 2018 through the most recent month of data. Of the customers whose service has been shutoff, provide the number of customers who had an outstanding balance for HomeServe's warranty program, again by month from January 2018 through the most recent data.

RESPONSE: See attachment. Please note that Piedmont does not disconnect gas service to customers for Homeserve-related amounts in arrears.

Name and Title of Preparer: Melissa Churchill, Manger - Revenue Services
Name and Title of Responsible Party: Jared Lawrence, VP - Revenue Services & Metering

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

3-54 Attachment:

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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3-55. Refer to the Company's responses to CA 2-39 and 2-203. Provide answers to the following:

a. Is it the Company's contention that the employees shown in the attachment 2-39 and 2-203 are the only employees engaged in lobbying activity, or support those engaged in lobbying activities, whose labor expense is charged to Piedmont-Tennessee?
   1. If not, provide the information provided in 2-203 for each employee who supports those employees engaged in lobbying.

b. For the employees identified in 2-203 (and in subpart a section i. of this request), provide the following:
   1. Company
      i. Benefit by type and month for the period January 2019 through March 2020.
      ii. Any At-Risk compensation for Test Period.
         (a). Separated by type (STI, LTI, and RSUs).

c. Provide the TN portion of Test Period departmental costs for the employees identified in 2-203.

RESPONSE:

a. Yes. The employee identified in CA DR 2-39 is a full time employee in Nashville who charged 100% of his time to account 0920000 TN direct during the test period. Therefore, Piedmont made an adjustment to test period labor and benefits expense to remove $58,557.85, as shown in the Company's response to CA DR 2-39.
   The employees identified in the Company's response to CA DR 2-203 are DEBS employees who perform both lobbying and non-lobbying activities. The time spent on lobbying activities is charged to account 0426400, which is a non-regulated account. These costs flow through the service company allocations and are included in account 0426400 on the PNG- TN allocated income statement.

b. See CONFIDENTIAL attachment.

c. See attachment.

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Name and Title of Preparer:

a. Laura Hager, Lead Rates & Regulatory Strategy Analyst
b. Ally Byrd, Senior Financial Analyst
c. Ally Byrd, Senior Financial Analyst

Name and Title of Responsible Party:

a. Quynh Bowman, Director – Gas Rates & Regulatory Strategy
b. Nick Giamo, Director - Carolinas Utilities & CAO Support
c. Nick Giamo, Director – Carolinas Utilities & CAO Support

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

CONFIDENTIAL 3-55b Attachment:

Confidential Attachment Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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3-55c Attachment:

Attachment Provided on USB

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3-56. Refer to the Company's response to CA 2-213 along with "5k_ Other A&G Adj.xlsx", tab "Other A&G Detail." The Advocate notes that 'System Integrity' charges are grouped into the following regions: Central, East, Midwest, and West. Provide a comprehensive explanation how each of the regions supports Piedmont-Tennessee operations. Within this response, provide a clear distinction between the types of costs incurred within each region and why all four regions incorporate charges to Piedmont-Tennessee.

RESPONSE: System Integrity Responsibility Centers (RC) are broken down regionally for organizational/department structure only, with each having a supervisor and individual contributors. Responsibility Center is similar to Department in this context. The Midwest RC's generally focus on Ohio, Kentucky and Tennessee work. However, that is not a strict rule and depending on workload and employee development opportunities, employees from other RC's may provide support across the gas jurisdictions. The Operating Unit (OU) is the driver of "where" the work is performed and the RC is "who" in the organization is doing the work. The OU derives the Business Unit (BU) for any given charge to Piedmont's financial statements. The BU determines how the charge flows to each jurisdictional financial statement.

Name and Title of Preparer: Jaime Reynolds, Manager - FP&A
Name and Title of Responsible Party: Joel Rutledge, Director - Finance Gas Segment

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-57. Refer to CA DR3-57 Attachment 1. The source information in this file is from "5k Other A&G Adj.xlsx", tab "Other A&G Detail." The information presented in Attachment 1 shows a variety of "Tennessee Amt" for Other Admin and General expenses by 'Allocation Pool ID" followed by "RC long Descr CB". Provide a detailed description of the 'Allocation Pool ID' shown in this file (including those with 'blanks' for' Allocation Pool ID'). Additionally, provide the Company's reasoning on how these charges relate to the provision of natural gas service in Tennessee.

RESPONSE: Please see the Company's response to CA DR 3-3a for an explanation of the shared services model. The Allocation Pools are noted in the CAM provided in the Company's response to CA DR 1-57. See attachment herein for function and operating unit to which the allocation pool relates.

Charges without an Allocation Pool are direct charged to one of Piedmont's business units. See Piedmont's 3-State and TN business units as provided in the Company's response to CA DR 2-5. The nature of the expenses incurred in Other A&G expenses are considered normal and reasonable expenses to be incurred in the provision of regulated utility service.

Name and Title of Preparer: Quynh Bowman, Director - Gas Rates & Regulatory Strategy
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

3-57 Attachment:

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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3-58. Refer to the Company's response to CA 2-212. Answer the following:

a. Confirm NERC refers to the North American Electric Reliability Corporation in the context of the charges.
b. Confirm that the charges relate to ensuring the reliability of the nation's electric transmission grid. If not, provide the Company's reasoning for the use of NERC in the description.

RESPONSE:

a. NERC stands for North American Electric Reliability Corporation.
b. The charges relate to costs associated with compliance, training, tracking, etc. as it pertains to facilities, tools, equipment, etc. that are identified as NERC CIP (Critical Infrastructure Protection) assets. Some assets identified as NERC CIP assets are used by both electric and natural gas business units such as password management tools, identity and access management tools. To have access to the tools, NGBU employees are required to maintain compliance with NERC CIP standards which is considered best practice.

Name and Title of Preparer: Jeff (TJ) Masucci, Senior Financial Analyst
Name and Title of Responsible Party: Chad Cowan, Managing Director - NERC CIP; and Jeff Setser, Director - Allocations & Reporting

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-59. Refer to the Company's response to CA 2-210. Provide the following:

a. Number of flights taken by Piedmont-Tennessee employees.

b. Number of flights taken by Piedmont employees.

c. Total number of passenger flights.

RESPONSE:

a. "Piedmont-TN employees" are defined as those who charge 100% of their time to Tennessee direct operations. There were no Piedmont-TN employees on any of the flights taken by corporate aircraft during the test period.

b. "Piedmont employees" are defined as those who charge some or all of their time to a Piedmont Business Unit. There were 32 flights taken by Piedmont employees on corporate aircraft during the test period

c. The total number of passenger flights taken during the test period by corporate aircraft was 1,042.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director – Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

PIEDMONT NATURAL GAS COMPANY, INC.
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3-60. Refer to the Company's responses to CA 2-153 and 2-204. Provide the following:

a. A detailed description of what the Company is totaling in cells B42-45 on tab 'Pivot' of the file "5I_Insurance Adj.xlsx". Additionally, provide how the Company determined these amounts.

b. Separate the amounts by the following:

1. Lobbying
2. Incentive Compensation

RESPONSE: The amounts shown in cells B42-45 on tab Pivot of the file named "5I Insurance Adj" represent the labor and incentive charges included in the general ledger accounts reflected in Excel rows 4 through 12 on the same tab. The total labor and incentive charges included in the insurance general ledger accounts during the test period was $3,926.65. This amount was deducted from the test period insurance expense to arrive at the attrition period insurance expense since attrition period labor and incentive compensation are calculated in separate adjustments.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-61. Refer to the Company's responses to CA 2-153, 2-203, and 2-204. Provide the amount of 'Other Benefits' provided to the employees referenced in CA 2-203 (at both parent and Piedmont-Tennessee levels).

RESPONSE: Please see the Company's response to CA DR 3-55 b.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-62. Refer to "5k_ Other A&G Adj.xlsx", tab "Other A&G Detail." Specifically, refer to the charges to FERC account 923 – Outside Services. Identify all firms employed by any Duke Company that engage in lobbying activities on behalf of any Duke Company. For any firm identified provide the test period amount of expenses (before and after allocation) included within the Company's calculation of expenses. Additionally, provide a copy of the contract for services of the identified firms.

RESPONSE: The charges identified in "5k_Other A&G Adj.xlsx." for Account 923 are related to non-lobbying Outside Service costs. Outside Service costs related to lobbying are charged to Account 0426400, which is a non-regulated account. Neither the test period nor the attrition period charges to Account 0426400 were included in the Company's rate request in this proceeding.

Name and Title of Preparer: Ally Byrd, Senior Financial Analyst
Name and Title of Responsible Party: Nick Giamo, Director - Carolinas Utilities & CAO Support

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-63. Refer to various files provided by the Company in its initial filing. Provide a description for each of the Responsibility Center IDs and Resource Type ID's used by the Company in its Accounting Records.

RESPONSE: See attachment.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director – Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

PIEDMONT NATURAL GAS COMPANY, INC.
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3-63 Attachment:

Attachment Provided on USB

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3-64. Refer to *Piedmont's October 21 st Additional Responses to TRA Data Request No. 1,* Staff DRl-10 (Oct. 21, 2011). Provide an unredacted copy of Piedmont's Response to Staff DR 1-10, which reads as follows:

> *10. Does Piedmont receive any royalties from HomeServe related to the sale or provision of Interior Gas Line Coverage in Tennessee (royalties related to the benefit derived from the use of Piedmont's name, vice-president's signature, logo, reputation, goodwill and corporate image, etc.)? If so, please provide the amount received for the twelve months ending May 31, 2011. Please provide detailed justification if no royalties were assessed or received.*

RESPONSE: See CONFIDENTIAL attachment.

Name and Title of Preparer: Quynh Bowman, Director - Gas Rates & Regulatory Strategy
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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CONFIDENTIAL 3-64 Attachment:

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3-65. Refer to the Company's response to CA 2-54. The request asked for an explanation as well as the analytical support for the $3,095,060 line item balance. Provide the accounting support and underlying calculations supporting this amount.

RESPONSE: The ADIT reflect on 'T20A41 - Rate Refunds' is determined by activity on account '0229010 - Accm Prv-Rate Refnd-Tax Ref'.

<u>Account Balances – 0229010 – Accm Prv-Rate Refnd-Tax Ref</u>
12/31/18 Account 0229010 TN Balance – (7,284,131)
3/31/19 Account 0229010 TN Balance – (10,379,191)
2019 Q1 Account 0229010 TN Change: (3,095,060)

In June 2019, when TPUC approval was received to refund the tax rate differential to customers, tax started following the book deferral and any corresponding refunds. Prior to that approval, tax was reversing the book deferral to accelerate this taxable income, because from a tax perspective, sufficient authority to defer this income did not exist. Since the test period splits two calendar years, the $3,095,060 established in Q1 2019 gets reversed as ($3,095,060) in Q2 2019 to result in a zero book-tax adjustment for calendar 2019 because the Commission approval in June 2019 allowed tax to start following books from a deferral perspective.

Name and Title of Preparer: Chris Nelson, Tax Services Manager; and Brian Neiheisel, Senior Tax Services Manager
Name and Title of Responsible Party: John Panizza, Director - Tax Operations

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-66. Refer to the Company's response to CA 2-58(d). Provide a comprehensive explanation of the nature of Piedmont/Duke operations residing in West Virginia and their nexus to Piedmont-Tennessee operations and why such tax/timing differences should be assigned to Tennessee. This response should include an identification of assets providing service to Tennessee.

RESPONSE: Piedmont maintains storage with Hardy Storage Company, LLC as well as other storage contracts in WV. Because of that storage inventory, Piedmont has nexus within the state. In addition, Piedmont owns a partnership interest in Hardy Storage Company which also creates nexus from a state income tax perspective in WV.

For state tax depreciation modification purposes, TNJ010 – NJ-Bonus Depreciation Adj, represents the West Virginia pre apportionment state tax depreciation modification. The amount is a pre apportioned amount and is used to calculate the state adjustment for each states return in which Piedmont files income tax returns. This amount is included in each state's taxable income base (prior to apportionment) where Piedmont files, including West Virginia, and then is apportioned to that state using Piedmont's apportionment for that particular state. Therefore, all of Piedmont's plant is captured on each state income tax return where Piedmont files and the corresponding ADIT is represented accordingly on each respective state's tax depreciation modification.

Piedmont Tennessee Plant is included on all other state income tax returns, so Tennessee will have a portion of all state depreciation modifications included in its ADIT balances. The state modifications TBS010, TNC010, TSC010, TNJ010 and TTN010 all represent the state modifications from TN's and TN's allocated portion of 3-state Plant on the various state income tax returns.

Said more simply, TN plant results in a book-tax difference on the West Virginia Tax return, which is what is being captured on the TNJ010 code. This does not represent West Virginia Property being assigned to Tennessee.

Name and Title of Preparer: Chris Nelson, Tax Services Manager; and Brian Neiheisel, Senior Tax Services Manager
Name and Title of Responsible Party: John Panizza, Director - Tax Operations

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-67. Refer to the Company's response to CA 2-58(d). This response implies that some level of costs associated with physical assets residing in West Virginia are allocated to Piedmont Tennessee operations. With respect to this response provide the following:

a. Quantify the allocated expenses incurred by month during the test period associated with either (1) assets and (2) employees physically located in West Virginia that are allocated to Piedmont-Tennessee operations.
b. Provide the rationale for such cost allocations and why such costs should be included within Piedmont-Tennessee's revenue requirement.

RESPONSE: The Company does not have physical assets located in West Virginia other than gas inventory (gas supply purchased and stored for Piedmont by FERC-regulated pipeline/storage operators). For further explanation, see the Company's response to CA DR 3-66.

Name and Title of Preparer: Chris Nelson, Tax Services Manager; and Brian Neiheisel, Senior Tax Services Manager
Name and Title of Responsible Party: John Panizza, Director - Tax Operations

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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3-68. Refer to the Company's response to CA 2-60. Provide the following information:

a. Provide a comprehensive explanation of the work provided by Accenture LLP during the test period.
b. Provide a copy of the Statement of Work under which such work is performed.
c. Provide the date by which these contracted costs are expected to terminate.
d. Provide a copy of all documentation, including memos and cost benefit analysis provided to executive management supporting the hiring of Accenture LLP for the project.

RESPONSE:

a. The work provided was related to five IT system integration projects. Please see Statement of Work (CONFIDENTIAL Attachment 1) pages 2-9 for scope of work.
b. Please see CONFIDENTIAL Attachment 1.
c. Work was performed through 1/31/2020 with trailing charges.
d. Accenture was selected by Duke Energy as a Strategic Supplier as part of a multi-year, single source supplier relationship for IT system integration. A Strategic Supplier works closely with Duke Energy in managing costs, improving efficiencies and maintaining or improving quality. Due to Accenture's established relationship, experience with Duke's systems/processes and understanding of natural gas requirements, Accenture went through a single-source bid for Piedmont IT system integration projects because no other vendors would have a similar level of understanding of requirements and internal systems.

Name and Title of Preparer: Jenny Furr, Rates and Regulatory Strategy Manager
Name and Title of Responsible Party: Quynh Bowman, Director - Rates and Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

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CONFIDENTIAL 3-68 Attachment:

Confidential Attachment Filed Under Seal

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3-69. Refer to the Company's response to CA 2-57. With respect to the Tennessee NOL provide the following:

a. Provide the Tennessee NOL and explain how such amount was determined.
b. Reconcile the Tennessee NOL balance back to the attachment contained in response 2-57.

RESPONSE:

a. The Total Gross Tennessee NOL as of 12/31/19, which is the period reported in the Company's response to CA DR 1-99, is 28,560,904. This is comprised of the NOL on the 2018 Tennessee Tax Return, which was 16,404,788, and the 2019 Provision TN NOL estimate, which was 12,156,166 as calculated by the Tax Provision system.
b. The tax effect of the TN State NOL is 1,466,603, calculated below.

   28,560,904*.065*(-.065*.21) = 1,466,603.
   .065 is the TN Excise Tax Rate
   (-.065*.21) is the Federal Benefit of the State Adjustment.
   TN's allocated portion of 1,466,603 is 231,723 (1,466,603*15.8%)
   15.8% is the Piedmont 3-state allocation percentage allocated to TN, as used the Company's response to CA DR 1-99.
   231,723 is the amount of the TN NOL reflected in the Company's response to CA DR 1-99.

Name and Title of Preparer: Chris Nelson, Tax Services Manager; and Brian Neiheisel, Senior Tax Services Manager
Name and Title of Responsible Party: John Panizza, Director - Tax Operations

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

PIEDMONT NATURAL GAS COMPANY, INC.
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3-70. Refer to the Company's response to 2-21. Please reconcile invoice MF2KVN in the amount of $844,091 with the amount of $104,599 included in Normand's cash working capital exhibit.

RESPONSE: See attachment.

Name and Title of Preparer: Laura Hager, Lead Rates & Regulatory Strategy Analyst
Name and Title of Responsible Party: Quynh Bowman, Director - Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on November 6, 2020.

PIEDMONT NATURAL GAS COMPANY, INC.
Docket No. 20-00086
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3-70 Attachment:

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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Date Issued: October 21, 2020
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3-71. Refer to the Company's response to 1-71, attachment 1. Notwithstanding the notation that the selected item in the amount of $2,412,274 represents a reclassification entry, confirm that such entry was originally charged to account 923 within the Operating Unit PN G Special Gov 3 state during the test period. If confirmed, provide the original invoices supporting the $1,439,992 amount contained within a line item within Attachment 5.

RESPONSE: The entry was originally charged to account 923 Business Unit 47151. See the two CONFIDENTIAL attachments provided herein for the invoice copy and original general ledger coding of that invoice.

Name and Title of Preparer: Jaime Reynolds, Manager – Finance I
Name and Title of Responsible Party: Joel Rutledge, Director – Finance Gas & Support
Response provided by Piedmont Natural Gas Company, Inc. on November 4, 2020.

PIEDMONT NATURAL GAS COMPANY, INC.
Docket No. 20-00086
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CONFIDENTIAL 3-71 Attachment 1 of 2:

Confidential Attachment Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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CONFIDENTIAL 3-71 Attachment 2 of 2:

Confidential Attachment Filed Under Seal