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December 16, 2020

Via Email and U.S. Mail

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 please find for filing the original and four copies of the following documents:

Rebuttal testimony and exhibits of:

- a. Pia Powers
- b. Kally Couzens
- c. Quynh Bowman
- d. Dylan D'Ascendis
- e. Paul Normand

This material is also being filed today by way of email to the Tennessee Public Utility Commission docket manager, Ectory Lawless. Please file the original and provide a "filed" stamped copy of the same via email to my assistant, at denise.guye@wallerlaw.com.

Please do not hesitate to call me if you have any questions.

Very truly yours,

Paul S. Davidson

PSD:cdg

Enclosures

cc: Daniel Whitaker
Bruce Barkley
Pia Powers
James Jeffries

**Before the
Tennessee Public Utility Commission
Docket No. 20-00086**

**Piedmont Natural Gas Company, Inc. Petition for an
Adjustment of Rates, Charges, and Tariffs Applicable to
Service in Tennessee**

**Rebuttal Testimony of
Kally A. Couzens**

**On Behalf of
Piedmont Natural Gas Company, Inc.**



December 16, 2020

1 **Q. Please state your name and business address.**

2 A. My name is Kally Couzens. My business address is 4720 Piedmont Row
3 Drive, Charlotte, North Carolina.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am employed by Piedmont Natural Gas Company, Inc., (“Piedmont” or “the
6 Company”) as the Manager of Rates & Regulatory Strategy.

7 **Q. Have you previously testified in this proceeding?**

8 A. Yes. I filed Direct Testimony in this proceeding on July 2, 2020.

9 **Q. What is the purpose of your Rebuttal Testimony in this proceeding?**

10 A. The purpose of my Rebuttal Testimony is to respond to the matters raised in the
11 Direct Testimony of Consumer Advocate witness Novak filed in this
12 proceeding on November 30, 2020.

13 **Q. What matters raised in witness Novak’s testimony would you like to**
14 **respond to?**

15 A. Specifically, I would like to respond to the concerns and recommendations
16 related to the following topics raised by witness Novak in his testimony:

17 (1) Piedmont’s Computation and Level of its Attrition Period Sales and
18 Transportation Revenues;

19 (2) Piedmont’s Computation and Level of its Attrition Period Other Revenues
20 and;

21 (3) Piedmont’s revised rate design for Cost of Gas (“COG”) demand rates.

1 **Q. Are there any adjustments suggested by Consumer Advocate witness**
2 **Novak related to Piedmont's computation and level of Attrition Period**
3 **Sales and Transportation Revenues that you agree with?**

4 A. Yes. Piedmont agrees with the witness Novak's calculation of the 30-year
5 average Normal Heating Degree Days ("NHDD") of 3,407 (Novak Direct
6 Testimony, Attachment WHN-4, Schedule 5). This calculation is slightly
7 different than Piedmont's corresponding calculation of 3,424 utilized in its
8 application – due primarily to differences in how leap years were included in
9 the calculation, the utilization by witness Novak of 30-year daily averages
10 ending March 31, 2020 (which aligns precisely with the Test Period in this
11 proceeding), and rounding differences. Piedmont accepts witness Novak's
12 calculation of average weather for purposes of this proceeding.

13 **Q. Are there any other adjustments suggested by Consumer Advocate witness**
14 **Novak related to Piedmont's computation and level of its Attrition Period**
15 **Sales and Transportation Revenues that you agree with?**

16 A. Yes. Piedmont agrees with witness Novak's recommendation to remove from
17 consideration in this proceeding the Attrition Period revenues and Attrition
18 Period tax expense credits associated with Piedmont's existing, and ongoing,
19 Unprotected Excess ADIT Rider which was put in place previously in Docket
20 No. 18-00040 for the purpose of returning to customers over-collected
21 Unprotected Excess ADIT.

1 In its initial filing in this docket, Piedmont intended to include in its
2 Attrition Period both the refunds and the offsetting tax expense credits
3 associated with those refunds on an income neutral basis. Piedmont also
4 intended that the existing Unprotected Excess ADIT Rider continue in effect
5 going forward. After reviewing witness Novak's testimony (Novak Direct
6 Testimony, Page 15, Lines 12-19 and Page 16 Lines 1-12), Piedmont realized
7 that its intent that the Unprotected Excess ADIT Rider would continue to
8 operate was not as clear as it would have liked and also realized that the
9 manner in which it had calculated customer refunds and the corresponding tax
10 expense credit entries for purposes of calculating Attrition Period revenues was
11 not entirely revenue neutral. This latter point was a mistake in the Company's
12 original filing, which I acknowledge. The combination of these two factors
13 appears to have confused the issue of Piedmont's intent regarding the
14 ratemaking treatment of these refunds.

15 As I mentioned above, our intent is and always has been that the
16 accounting for Excess ADIT refunds and the corresponding tax expense credits
17 be neutral for ratemaking and Attrition Period revenue purposes. While we
18 could recalculate Attrition Period revenues including the correct numbers, we
19 are satisfied with witness Novak's recommended solution to simply exclude
20 this amount from Attrition Period revenues (Novak Direct Testimony, Page 8,

1 Table 2). Piedmont regrets the initial error in its calculations that caused the
2 confusion over this issue.

3 **Q. Are there any adjustments suggested by Consumer Advocate witness**
4 **Novak related to Piedmont's revised rate design for Cost of Gas ("COG")**
5 **demand rates that you agree with?**

6 A. Yes. Piedmont does not oppose witness Novak's recommendation to entirely
7 remove from consideration in this proceeding Piedmont's proposed
8 adjustments to its Cost of Gas ("COG") demand rates (Novak Direct
9 Testimony, Page 20, Lines 6-16 and Page 21, Lines 1-2). Historically, in other
10 jurisdictions, Piedmont has routinely modified its demand rates in the context
11 of general rate case proceedings simply as a matter of convenience, even
12 though the demand rates relate to the recovery of gas costs and not to recovery
13 of the Company's margin. Having said that, Piedmont has no objection to
14 removing its proposed adjustment to its COG demand rates from consideration
15 in this proceeding. Accordingly, Piedmont agrees to withdraw its request to
16 change its COG demand rates in this proceeding and, on a going forward basis,
17 will propose any such adjustments to its COG rates through the Purchased Gas
18 Adjustment ("PGA") Rider mechanism.

19 **Q. Do you agree with the Consumer Advocate's recommendation that**
20 **Piedmont eliminate the Integrity Management Rider ("IMR") surcharge**
21 **and file a final true-up filing to reconcile the difference between IMR costs**

1 **and collections? (Novak Direct Testimony, Page 14, Lines 8-20 and Page**
2 **15, Lines 1-10)**

3 A. Not precisely, but perhaps in effect.

4 **Q. Please explain.**

5 A. To the extent witness Novak is suggesting that the ongoing revenue
6 requirement associated with previous IMR eligible plant investments should be
7 included in the base rate calculations in this docket (which would effectively
8 “roll-in” all prior IMR eligible plant into Piedmont’s rate base), we agree. To
9 the extent that witness Novak is suggesting that the IMR tariff itself, as
10 reflected in Piedmont’s Service Schedule No. 317, should be withdrawn and
11 the IMR mechanism should be eliminated on a going forward basis, we
12 strongly disagree.

13 **Q. Could you elaborate on the distinction you just made?**

14 A. Yes. The IMR was always intended to operate on an intra-rate case basis and to
15 provide an opportunity for Piedmont to reduce regulatory lag associated with
16 federally mandated transmission and distribution integrity projects by allowing
17 Piedmont to begin recovery, on an interim basis and subject to true-up, of the
18 revenue requirement associated with such investments. Given this intent, it
19 makes perfect sense that the mechanism would effectively be reset to zero in a
20 general rate case such as this one. This is accomplished by including all IMR
21 plant (and projected plant investment through the end of the Attrition Period) in

1 the Company's rate base. Our understanding is that witness Novak is
2 proposing this treatment and, if we are correct in that understanding, we agree
3 with that approach. We do not agree that this "reset" of the IMR means that the
4 mechanism should be eliminated on a going forward basis because the same
5 factors that prompted its initial adoption – the ongoing investment of
6 significant capital in federally mandated integrity activities and the resulting
7 impairment of the Company's reasonable ability to earn its allowed return –
8 will continue past this rate case.

9 **Q. Does this mean that the IMR will pick right back up recording new**
10 **integrity investment after the effective date of rates in this case?**

11 A. No. Because Tennessee utilizes an Attrition Period approach to setting rates,
12 Piedmont's proposed revenue requirement includes all projected investment
13 (including IMR investment) through the end of the Attrition Period. Therefore,
14 no additional capital will be added to the IMR until we reach the end of the
15 Attrition Period. This means that the IMR surcharge will remain at \$0 through
16 the end of the IMR annual period (December 31) next year. This is explained
17 in the annual IMR report and accompanying testimony filed on November 30,
18 2020 in Docket No. 20-00130 in which Piedmont includes a reset of the IMR
19 Revenue Requirement to zero.

20 In addition, if Piedmont files for and the Commission approves
21 Piedmont's anticipated request to implement an Annual Review Mechanism

1 (“ARM”) in 2021 – then Piedmont will withdraw the IMR tariff in its entirety
2 as it would no longer be needed to mitigate regulatory lag associated with
3 federal integrity management compliance investment. If the ARM were not
4 approved for some reason, then the need for the IMR would still exist after the
5 end of the Attrition Period.

6 **Q. What about the existing balance in the IMR deferred account?**

7 A. As reported in the annual IMR Report filing, as of October 31, 2020, that
8 balance was (\$6.9) million owed to customers. Piedmont’s proposal in the
9 IMR filing is to follow normal IMR procedures and refund that to Customers
10 through a decrement to rates during the current IMR period. This will
11 commence on January 2, 2021 as ordered by the TPUC on December 14, 2020
12 at its monthly agenda conference.

13 **Q. What is the quantitative impact of the treatment Piedmont is proposing for**
14 **the existing IMR surcharge and deferred account balance?**

15 A. The net impact is to reduce the current IMR rates paid by customers by \$28.8
16 million as shown on Page 7 of the testimony of Piedmont witness Pia Powers
17 as filed in Docket No. 20-00130 on November 30, 2020.

18 **Q. Are there any issues raised by witness Novak related to the computation**
19 **and level of Attrition Period Sales and Transportation Revenues that**
20 **Piedmont disagrees with?**

1 A. Yes. We believe that witness Novak's methodology for growing customer bills
2 during the Attrition Period is flawed because 1) it is based entirely on historical
3 customer bills within each rate schedule without consideration of other relevant
4 factors, and 2) it ignores the significant impacts of customer reclassifications
5 that occur regularly between the Small, Medium, and Large General Service
6 rate classes.

7 Witness Novak's projected customer bill growth for Residential,
8 Small, and Medium General Service was developed from the Test Period and
9 the prior 12-month period actual number of billed customers under each rate
10 schedule (Novak Direct Testimony, Page 13, Lines 4-9 and WHN Revenue
11 Workpapers, R-10-1.05, R-15-1.05 and R-20-1.05). Such a historic view,
12 which is inherently backward looking, fails to recognize that there are
13 underlying factors influencing future growth (e.g. local and regional economic
14 development, policy changes, customer preferences, builder choice and
15 incentives) within each of Piedmont's customer classes/rate schedules, and that
16 historic trends are not always indicative of the future. Piedmont routinely
17 evaluates the separate factors identified above when estimating customer
18 growth in each of the jurisdictions in which it operates and believes that an
19 estimation methodology which ignores these factors in favor of sole reliance on
20 historical activity, does not provide a comprehensive evaluation of anticipated
21 future growth.

1 Witness Novak's development of projected customer bills is also
2 flawed because it does not recognize that general service customers are
3 reclassified annually in June based on usage and the provisions of Piedmont's
4 applicable service schedules between Small, Medium and Large General
5 Service. In June 2019, during the Test Period, there was a large net
6 reclassification of approximately 100 existing general service customers into
7 Medium General Service. In June 2018, approximately 5 existing general
8 service customers were reclassified out of Medium General Service, and
9 approximately 80 customers were reclassified out of Medium General Service in
10 2017. In reviewing six years of actual data, witness Novak selects two-year
11 average historical growth in customer bills as the most representative growth to
12 be used for developing the Attrition Period determinants for Residential, Small
13 and Medium General Service. Witness Novak's selected methodology most
14 notably distorts the expectations of customer additions in the Medium General
15 Service rate class. The impact of rate reclassifications within rate classes can
16 vary significantly from one year to the next. In one year, a rate class could
17 reflect an increase in customers as a result of the Annual Review Process and
18 then the next year experience a decrease in customers from the Annual Review
19 Process. Witness Novak's methodology assumes that the Medium General
20 Service rate class will continuously increase year-over-year at a substantial rate.
21 Absent a rate reclassification, Piedmont is not likely to add more than 10 new

1 customers per year for Medium General Service. Witness Novak's
2 methodology adds 37 customers per year for Medium General Service, which is
3 extremely unlikely, and is compounded when computed using the 21 months
4 from the end of the Test Period to the end of the Attrition Period. While the
5 most notable impact to customer bills is reflected in Medium General Service,
6 there is also some offsetting impact to customer bills in the Small General
7 Service rate class. Since the majority of customers that were reclassified to
8 Medium General Service in June 2019 came from Small General Service,
9 witness Novak's methodology of taking a two-year historical average for Small
10 General Service does incorporate the decline in customer bills from that rate
11 class due to the Annual Review Process. However, this offset in customer bills
12 between the rate classes does not result in equally offsetting volumes. This is
13 because normalized usage, derived from Test Period regression analysis, is
14 applied to the projected customer bills. The normalized usage computed by
15 witness Novak for a Medium General Service customer bill is 3,279 therms
16 compared to the normalized usage for a Small General Service bill of 280
17 therms. The application of normalized usage to the excessive number of
18 Attrition Period bills in the Medium General Service rate class is only slightly
19 offset by the decrease in customer bills in the Small General Service rate class
20 resulting in overstated volumes used for the computation of Attrition Period
21 revenues.

1 Piedmont's methodology of computing Attrition Period bills for the
2 Small and Medium General Service rate classes avoids unknown future rate
3 reclassifications. The number of Attrition Period bills were developed by using
4 actual monthly Test Period bills and applying a projected net customer growth
5 rate for new customer additions.

6 Witness Novak is also in error with regard to how he applies his
7 growth in customer bills to calculate the ultimate number of projected bills to
8 be rendered in each rate schedule during the Attrition Period (WHN Revenue
9 Workpapers, R-10-1.04, R-15-1.04 and R-20-1.04). Witness Novak projects
10 the number of customer bills in each rate schedule as of December 2021 – the
11 last month of the Attrition Period. He then uses his December 2021 projected
12 customer count in each rate schedule and claims it to be the proxy number of
13 customer bills in each rate schedule during each month throughout the entire
14 Attrition Period (i.e. from Jan 2021-Dec 2021). It is not reasonable to project
15 that Piedmont's customer count in any of its rate schedules in January 2021 will
16 be the same as Piedmont's calculated customer count in the same rate schedule
17 11 months later. That is not how growth occurs on Piedmont's system and by
18 calculating customer growth in this way, witness Novak has significantly
19 overstated Attrition Period revenues.

20 Piedmont believes that witness Novak's Attrition Period customer
21 usage is overstated because normalized usage per bill developed through his

1 regression analysis is applied to the over-stated number of customer bills by
2 rate schedule each month during the Attrition Period.

3 **Q. What problem is created by over-stating Attrition Period customer usage?**

4 A. The problem created is that projected usage is the denominator in allocating the
5 per customer class revenue requirement and by overstating usage, as witness
6 Novak does, the effect is to create “phantom revenues” that will never be
7 collected and guarantee under-recovery of the Commission-approved revenue
8 requirement. This is why it is very important to correctly estimate customer
9 usage and to rely on all relevant evidence probative of customer growth.

10 **Q. Does the Company agree with witness Novak’s calculation of Attrition**
11 **Period base margin revenues for each of Piedmont’s customer classes?**

12 A. No. The overstatement of Attrition Period customer growth and customer class
13 projected billing determinants described above flows through directly into the
14 calculation of customer class Attrition Period base margin revenues. This is
15 most evident in the Medium General Service projected base margin revenues,
16 which are significantly overstated because of witness Novak’s flawed
17 projection of customer bills under that service schedule. It is also present in
18 witness Novak’s calculation of base margin revenues for each of Piedmont’s
19 other service schedules as well.

20 **Q. Does witness Novak’s over-estimated billing determinants impact any**
21 **other aspect of the Company Attrition Period revenues?**

1 A. Yes. The over-estimated customer usage directly impacts (and overstates)
2 Attrition Period revenues associated with fixed and commodity gas costs and
3 will result in materially under-recovered gas costs during the Attrition Period.

4 **Q. Does the Company agree with normalizing Attrition Period billing**
5 **determinants for Large General Customers for weather as proposed by**
6 **witness Novak (Novak Direct Testimony, Page 10, Lines 15-22, Page 11,**
7 **Lines 1-17 and Page 12 Lines 1-7)?**

8 A. We do not. We know from long experience in multiple jurisdictions that our
9 largest customer class uses natural gas primarily for process purposes, not space
10 heating. As such, variations in their usage patterns are not driven primarily by
11 weather but instead are based upon the requirements of their business processes
12 and demand for their products.

13 I utilized witness Novak's own large volume regression statistics
14 (WHN Revenue Workpapers, R-42-3.06, R-43-3.06 and R-45-3.06), to derive
15 the portion of volumes for tariff large general service that is baseload usage
16 versus heat sensitive usage. Of the normalized volumes computed by witness
17 Novak, 79% were baseload usage compared to 21% heat sensitive usage. This
18 is a stark contrast to the pattern of usage reflected in the weather normalized
19 rate classes for Residential, Small General and Medium General Service.
20 Overall, Piedmont's normalized volumes for these rate classes is 27% baseload
21 usage compared to 73% heat sensitive usage. Based upon this large percentage

1 of base load usage that does not vary based upon weather, it is inappropriate to
2 adjust large general service volumes for weather.

3 I would also note that if witness Novak truly believed that large
4 general customer rates should be normalized for weather, then he would have
5 also suggested that the Weather Normalization Adjustment mechanism be
6 applied to their rates. That adjustment does not cover large general customers
7 currently, precisely because of the common understanding their usage is not
8 weather dependent to a significant degree.

9 **Q. Are there any issues raised by witness Novak related to the computation**
10 **and level of Piedmont's Attrition Period forfeited discounts with which the**
11 **Company disagrees (Novak Direct Testimony, Page 17, Line 9-17 and Page**
12 **18, Line 1-6)?**

13 A. Yes. In this case, Piedmont has proposed to extend the period in which
14 customers may pay bills without forfeiting discounts an additional 13 days.
15 This is clearly a significant benefit to customers. Witness Novak accepts this
16 proposed change but then ignores the predictable results of such a change by
17 arguing that the level of Attrition Period forfeited discounts should not be
18 adjusted for this change. Piedmont believes that this position is unreasonable
19 and logically unsupportable.

20 Under a 12-day payment regimen like Piedmont is currently operating
21 under, a meaningful percentage of its customers will not be able to make

1 payment during the discount period and will incur higher charges as a result.
2 These higher charges equate to revenue to Piedmont. Witness Novak is
3 agreeable to more than doubling the discount period for customers in this rate
4 case but somehow believes that Piedmont should expect the same level of tardy
5 payments and, therefore, the same level of forfeited discount revenues during
6 the Attrition Period.

7 Piedmont should experience fewer late payments with a 25-day
8 discount period than was the case with a 12-day discount period and, therefore,
9 Piedmont should include a lower amount of forfeited discount revenues during
10 the Attrition Period. Witness Novak rejects the notion that Piedmont will
11 experience reduced forfeited discount revenues as a result of its extended
12 discount period and asserts essentially that Piedmont's customers will simply
13 automatically add 13 days to their payment schedules and that Piedmont will
14 experience the same levels of late payments as they did in the test year. This
15 position is unsupported by evidence and contrary to common sense.

16 Piedmont currently records late payment revenue associated with a
17 customer's failure to remit payment of bills within the first 12 days after the bill
18 is rendered. With more than a doubling of the period of time for customers to
19 pay their bills before the late payment charge is assessed, it is reasonable for the
20 Company to project that its late payment revenues will decrease by roughly
21 half.

1 **Q. Does the Company agree with witness Novak's adjustment to include**
2 **revenues associated with the HomeServe Warranty program in Attrition**
3 **Period Other Revenues (Novak Direct Testimony, Page 14, Lines 4-6)?**

4 A. No. The HomeServe Warranty program is a service that is not regulated by the
5 TPUC. In fact, in none of Piedmont's prior proceedings before the TPUC was
6 it found appropriate to include these unregulated revenues for ratemaking
7 purposes. The nature of the service provided by HomeServe does not implicate
8 this Commission's jurisdiction and cannot be reasonably used to set rates for
9 jurisdictional service. Accordingly, in this proceeding Piedmont's Test Period
10 does not reflect any expenses or revenues related to program. As stated by
11 witness Dittemore in his Direct Testimony, Piedmont has committed no
12 violations associated with providing customer names to HomeServe (Dittemore
13 Direct Testimony, Page 18, Line 3 and Page 28, Line 19). As no cost has been
14 charged to customers in either the Test Period or Attrition Period associated
15 with this activity, no revenue is appropriately due to customers as
16 recommended by witness Dittemore. While we believe the appropriate revenue
17 credit is \$0 as proposed in our filing, I also point out that the \$2,617,065
18 included by witness Novak in his revenue computations (Novak Table 2, Page
19 8 of his Direct Testimony) is reflective of Piedmont's total company Test
20 Period unregulated revenues associated with HomeServe, not an amount that
21 received in its Tennessee service territory.

1 **Q. Have you calculated the impacts on the Company's projected Attrition**
2 **Period revenues that result from Piedmont's acceptance of several of the**
3 **adjustments proposed by witness Novak and discussed at the beginning of**
4 **your Rebuttal Testimony?**

5 A. Yes. I have calculated the adjustments to our Attrition Period revenues that
6 result from our agreements with witness Novak's proposed adjustments. These
7 are reflected in the following exhibits included with my Rebuttal Testimony:

8 Rebuttal Exhibit_(KAC-1) Attrition Period Revenue Summary

9 Rebuttal Exhibit_(KAC-2) Pro Forma Revenues for the Sale and
10 Transportation of Gas

11 Rebuttal Exhibit_(KAC-3) Components of Pro Forma Revenues

12 **Q. Has Piedmont prepared the Company's proposed billing rates based on**
13 **the adjustments reflected in your Rebuttal Testimony and that of**
14 **Piedmont witness Quynh Bowman?**

15 A. Yes. The Company's proposed billing rates and the Weather Normalization
16 Adjustment ("WNA") billing factors are reflected in following exhibits
17 included with my Rebuttal Testimony:

18 Rebuttal Exhibit_(KAC-4) Proposed Billing Rates

19 Rebuttal Exhibit_(KAC-5) Proposed Factors for WNA

20 **Q. Does this conclude your Rebuttal Testimony?**

21 A. Yes, it does.

Rebuttal Exhibit_(KAC-1)

Piedmont Natural Gas Company, Inc.
Tennessee Operations
Test Period: 12-months ending 3/31/2020
Attrition Period: 12-months ended 12/31/2021

Attrition Period Revenue Summary				
Line No.	Revenue Category	Direct Testimony Consumer Advocate	Direct Testimony Piedmont Natural Gas	Rebuttal Testimony Piedmont Natural Gas
1	Sales & Transportation Base Rate Margin:			
2	301 - Residential	\$68,157,846	\$68,020,492	\$67,883,267
3	302 - Small General	27,936,438	27,918,496	27,865,410
4	352 - Medium General	9,172,391	8,499,034	8,478,174
5	303 - Large General Sales	1,958,724	1,870,648	1,870,648
6	304 - Interruptible General Sales	43,682	42,011	42,011
7	313 - Firm Transportation	3,966,693	3,996,638	3,996,638
8	314 - Interruptible Transportation	4,384,195	4,306,604	4,306,604
9	310 - Resale Service	17,105	16,734	16,734
10	Special Contract	266,705	259,159	259,159
11	Total Base Rate Margin	\$115,903,779	\$114,929,817	\$114,718,645
12	Integrity Management Rider	35,853,030	35,853,030	35,853,030
13	Cost of Gas	62,349,477	61,472,261	61,273,479
14	Unprotected Excess ADIT Give-back	-	(9,333,186)	-
15	Sales & Transportation Sub-Total	\$214,106,286	\$202,921,922	\$211,845,155
16	Other Revenue:			
17	Other Revenue - Forfeited Discounts	1,747,193	816,982	816,982
18	Other Revenue - Miscellaneous	305,309	303,294	303,294
19	Warranty Revenues	2,617,065	-	-
20	Other Revenue Sub-Total	\$4,669,567	\$1,120,276	\$1,120,276
21	Total Revenue	\$218,775,853	\$204,042,198	\$212,965,431

Rebuttal Exhibit_(KAC-2)

[illegible]

Piedmont Natural Gas Company, Inc.
Tennessee Operations
Sales and Transportation Pro Forma Revenue Calculation
Test Period = 12-months ending 3/31/2020
Attrition Period = 12-months ended 12/31/2021

Rebuttal Exhibit_(KAC-2)

Page 2 of 3

Pro forma Revenues for the Sale and Transportation of Gas		Test Period	Normalized	Normalized	Growth Adj	Attrition Period	"Clean"	Attrition Period
Line		Actual Billing	Adjustment	Dekatherms	Thru Attrition	Billing	Total	Revenues
No.	Rate Schedule	Determinants	(A)	(B)	Period	Determinants	Rate	Before Unprotected
				(C)	(D)	(E)	(F)	Excess ADIT Refund
								(G)
45	303 - Large General Sales Service							
46	Bills - Annual	607			-	607	\$800.00	\$485,600
47	DTs - Demand	79,641		79,641	598	80,238	\$16.2829	\$1,306,509
48	DTs - First 1,500	548,791	-	548,791	8,928	557,719	\$2.8912	\$1,612,478
49	DTs - Next 2,500	192,787	-	192,787	24,938	217,725	\$2.8183	\$613,613
50	DTs - Next 5,000	5,263	-	5,263	3,500	8,763	\$2.5680	\$22,504
51	DTs - Over 9,000	-	-	-	-	-	\$2.1994	\$0
52	Integrity Management Rider Revenues							\$478,997
53	Minimum Margin Agreement Revenues							\$13,505
54	303 / 343 - Large General Sales Service							
55	Motor Vehicle Fuel							
56	Bills - Annual	12			-	12	\$800.00	\$9,600
57	DTs - Demand	1,448		1,448	(728)	720	\$16.2829	\$11,724
58	DTs - First 1,500	18,000	-	18,000	(5,054)	12,946	\$2.8912	\$37,430
59	DTs - Next 2,500	20,878	-	20,878	(20,878)	0	\$2.8183	\$0
60	DTs - Next 5,000	-	-	-	-	-	\$2.5680	\$0
61	DTs - Over 9,000	-	-	-	-	-	\$2.1994	\$0
62	304 - Interruptible General Sales Service							
63	Bills - Annual	24			-	24	\$800.00	\$19,200
64	DTs - First 1,500	18,010	-	18,010	-	18,010	\$2.8912	\$52,069
65	DTs - Next 2,500	7,384	-	7,384	-	7,384	\$2.8183	\$20,811
66	DTs - Next 5,000	-	-	-	-	-	\$2.5680	\$0
67	DTs - Over 9,000	-	-	-	-	-	\$2.1994	\$0
68	Integrity Management Rider Revenues							\$4,661
69	304 / 343 - Interruptible General Sales Service							
70	Motor Vehicle Fuel							
71	Bills - Annual	-			-	-	\$800.00	\$0
72	DTs - First 1,500	-	-	-	-	-	\$2.8912	\$0
73	DTs - Next 2,500	-	-	-	-	-	\$2.8183	\$0
74	DTs - Next 5,000	-	-	-	-	-	\$2.5680	\$0
75	DTs - Over 9,000	-	-	-	-	-	\$2.1994	\$0
76	313 - Firm Transportation Service							
77	Bills - Annual	892			-	892	\$800.00	\$713,600
78	DTs - Demand	150,547		150,547	-	150,547	\$16.2829	\$2,451,347
79	DTs - First 1,500	1,021,090	-	1,021,090	-	1,021,090	\$0.9195	\$938,892
80	DTs - Next 2,500	603,062	-	603,062	-	603,062	\$0.8466	\$510,552
81	DTs - Next 5,000	245,047	-	245,047	-	245,047	\$0.5963	\$146,121
82	DTs - Over 9,000	26,964	-	26,964	-	26,964	\$0.2277	\$6,140
83	Integrity Management Rider Revenues							\$1,284,614
84	Minimum Margin Agreement Revenues							238,800
85	313 / 343 - Firm Transportation Service							
86	Motor Vehicle Fuel							
87	Bills - Annual	24			12	36	\$800.00	\$28,800
88	DTs - Demand	8,915		8,915	819	9,734	\$16.2829	\$158,498
89	DTs - First 1,500	27,944	-	27,944	26,056	54,000	\$0.9195	\$49,653
90	DTs - Next 2,500	30,000	-	30,000	10,200	40,200	\$0.8466	\$34,033
91	DTs - Next 5,000	60,000	-	60,000	-	60,000	\$0.5963	\$35,778
92	DTs - Over 9,000	52,780	-	52,780	-	52,780	\$0.2277	\$12,018

Piedmont Natural Gas Company, Inc.
Tennessee Operations
Sales and Transportation Pro Forma Revenue Calculation
Test Period = 12-months ending 3/31/2020
Attrition Period = 12-months ended 12/31/2021

Rebuttal Exhibit_(KAC-2)

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Pro forma Revenues for the Sale and Transportation of Gas		Test Period	Normalized	Normalized	Growth Adj	Attrition Period	"Clean"	Attrition Period
Line	Rate Schedule	Actual Billing	Adjustment	Dekatherms	Thru Attrition	Billing	Total	Revenues
No.		Determinants	(B)	(C)	Period	Determinants	Rate	Before Unprotected
		(A)			(D)	(E)	(F)	Excess ADIT Refund
								(G)
93	314 - Interruptible Transportation Service							
94	Bills - Annual	588			-	588	\$800.00	\$470,400
95	DTs - First 1,500	828,004	-	828,004	-	828,004	\$0.9195	\$761,349
96	DTs - Next 2,500	1,092,995	-	1,092,995	-	1,092,995	\$0.8466	\$925,330
97	DTs - Next 5,000	1,156,793	-	1,156,793	25,405	1,182,198.0	\$0.5963	\$704,945
98	DTs - Over 9,000	6,239,649	-	6,239,649	104,577	6,344,226	\$0.2277	\$1,444,580
99	Integrity Management Rider Revenues							\$1,504,393
100	314 / 343 - Interruptible Transportation Service							
101	Motor Vehicle Fuel							
102	Bills - Annual	-			-	-	\$800.00	\$0
103	DTs - First 1,500	-	-	-	-	-	\$0.9195	\$0
104	DTs - Next 2,500	-	-	-	-	-	\$0.8466	\$0
105	DTs - Next 5,000	-	-	-	-	-	\$0.5963	\$0
106	DTs - Over 9,000	-	-	-	-	-	\$0.2277	\$0
107	310 - Resale Service							
108	Bills - Annual	24				24		
109	DTs - Demand	1,800	-	1,800	-	1,800	\$16.2829	\$29,309
110	DTs - Annual	3,105	-	3,105	-	3,105	\$2.7235	\$8,456
111	Integrity Management Rider Revenues							\$ 10,039
112	310 / 343- Resale Service							
113	Motor Vehicle Fuel							
114	Bills - Annual					-		
115	DTs - Demand	-	-	-	-	-	\$16.2829	\$0
116	DTs - Annual	-	-	-	-	-	\$2.7235	\$0
117	TOTAL TARIFF LARGE VOLUME							
118	Bills - Annual	2,171	-	-	12	2,183		
119	DTs - Demand	242,351	-	242,351	689	243,039		
120	DTs - Annual	12,198,543	-	12,198,543	177,673	12,376,216		
121	Revenues							\$17,156,348
122	Special Contracts							
123	Bills - Annual	12				12		
124	DTs - Annual	603,311	-	603,311	-	603,311		\$259,159
125	GRAND TOTAL - ALL TARIFF & SPECIAL CONTRACT							
126	Bills - Annual	2,263,006	0	0	63,213	2,326,219		
127	DTs - Demand	242,351	0	242,351	689	243,039		
128	DTs - Annual	31,412,310	2,065,796	33,478,107	616,856	34,094,962		
129	Revenues							\$211,845,155
		-	-	-	-	-		
130	SALES AND TRANSPORTATION	<i>Dts</i>	<i>Dts</i>	<i>Dts</i>	<i>Dts</i>	<i>Dts</i>		
131	Total Sales	19,424,673	2,065,796	21,490,470	450,618	21,941,088		199,166,152
132	Total Transportation	11,987,637	0	11,987,637	166,238	12,153,875		12,679,002
133	Total Annual	31,412,310	2,065,796	33,478,107	616,856	34,094,962		\$211,845,155

Rebuttal Exhibit_(KAC-3)

Piedmont Natural Gas Company, Inc.
Tennessee Operations
Sales and Transportation Pro Forma Revenue Calculation
Test Period = 12-months ending 3/31/2020
Attrition Period = 12-months ended 12/31/2021

Rebuttal Exhibit_(KAC-3)

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Components of Pro forma Revenues		Attrition Period	Current	Attrition Period	Current	Attrition Period	Current	Attrition Period
Line	Rate Schedule	Billing	Base Margin	Margin	COG Demand	COG Demand	COG Commodity	COG Commodity
No.		Determinants	Rate Component	Revenues	Rate Component	Revenues	Rate Component	Revenues
		(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	301 - Residential Service							
2	Bills - Winter	879,725	\$17.45	\$15,351,201				
3	Bills - Summer	1,224,674	\$13.45	\$16,471,865				
4	DTs - Winter	10,020,795	\$2.9009	\$29,069,325	\$0.7577	\$7,592,757	\$1.9717	\$19,758,002
5	DTs - Summer	2,911,773	\$2.4009	\$6,990,875	\$0.7577	\$2,206,250	\$1.9717	\$5,741,142
6	Integrity Management Rider Revenues			\$21,384,181				
7	301 / 343 - Residential Service							
8	Motor Vehicle Fuel							
9	Bills - Winter	-	\$17.45	\$0				
10	Bills - Summer	-	\$13.45	\$0				
11	DTs - Winter	-	\$2.9009	\$0	\$0.7577	\$0	\$1.9717	\$0
12	DTs - Summer	-	\$2.4009	\$0	\$0.7577	\$0	\$1.9717	\$0
13	<u>TOTAL RESIDENTIAL SERVICE</u>							
14	Bills - Annual	2,104,399						
15	DTs - Winter	10,020,795						
16	DTs - Summer	2,911,773						
17	DTs - Annual	12,932,568						
18	Revenues			\$89,267,448		\$9,799,007		\$25,499,145
19	302 - Small General Service							
20	Bills - Annual	212,805	\$44.00	\$9,363,420				
21	DTs - Winter	4,068,817	\$3.2787	\$13,340,431	\$0.7577	\$3,082,943	\$1.9717	\$8,022,487
22	DTs - Summer	1,884,675	\$2.7387	\$5,161,559	\$0.7577	\$1,428,018	\$1.9717	\$3,716,014
23	Integrity Management Rider Revenues			\$8,970,428				
24	302 / 343 - Small General Service							
25	Motor Vehicle Fuel							
26	Bills - Annual	-	\$44.00	-				
27	DTs - Winter	-	\$3.2787	-	\$0.7577	-	\$1.9717	-
28	DTs - Summer	-	\$2.7387	-	\$0.7577	-	\$1.9717	-
29	352 - Medium General Service							
30	Bills - Annual	6,808	\$225.00	\$1,531,800				
31	DTs - Winter	1,551,739	\$3.2787	\$5,087,685	\$0.7577	\$1,175,752	\$1.9717	\$3,059,563
32	DTs - Summer	675,133	\$2.7387	\$1,848,986	\$0.7577	\$511,548	\$1.9717	\$1,331,160
33	Integrity Management Rider Revenues			\$2,215,717				
34	352 / 343 - Medium General Service							
35	Motor Vehicle Fuel							
36	Bills - Annual	12	\$225.00	\$2,700				
37	DTs - Winter	268	\$3.2787	\$880	\$0.7577	\$203	\$1.9717	\$529
38	DTs - Summer	2,236	\$2.7387	\$6,122	\$0.7577	\$1,694	\$1.9717	\$4,408
39	<u>TOTAL SMALL & MEDIUM GENERAL SERVICE</u>							
40	Bills - Annual	219,625						
41	DTs - Winter	5,620,824						
42	DTs - Summer	2,562,043						
43	DTs - Annual	8,182,867						
44	Revenues			\$47,529,729		\$6,200,159		\$16,134,160

Piedmont Natural Gas Company, Inc.
Tennessee Operations
Sales and Transportation Pro Forma Revenue Calculation
Test Period = 12-months ending 3/31/2020
Attrition Period = 12-months ended 12/31/2021

Rebuttal Exhibit_(KAC-3)

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Components of Pro forma Revenues		Attrition Period	Current	Attrition Period	Current	Attrition Period	Current	Attrition Period
Line		Billing	Base Margin	Margin	COG Demand	COG Demand	COG Commodity	COG Commodity
No.	Rate Schedule	Determinants	Rate Component	Revenues	Rate Component	Revenues	Rate Component	Revenues
		(A)	(B)	(C)	(D)	(E)	(F)	(G)
45	303 - Large General Sales Service							
46	Bills - Annual	607	\$800.00	\$485,600				
47	DTs - Demand	80,238	\$8.0000	\$641,905	8.28290	\$664,604		
48	DTs - First 1,500	557,719	\$0.9195	\$512,823			\$1.9717	\$1,099,655
49	DTs - Next 2,500	217,725	\$0.8466	\$184,326			\$1.9717	\$429,288
50	DTs - Next 5,000	8,763	\$0.5963	\$5,226			\$1.9717	\$17,279
51	DTs - Over 9,000	-	\$0.2277	\$0			\$1.9717	\$0
52	Integrity Management Rider Revenues			\$478,997				
53	Minimum Margin Agreement Revenues			\$13,505				
54	303 / 343 - Large General Sales Service							
55	Motor Vehicle Fuel							
56	Bills - Annual	12	\$800.00	\$9,600				
57	DTs - Demand	720	\$8.0000	\$5,760	8.28290	\$5,964		
58	DTs - First 1,500	12,946	\$0.9195	\$11,904			\$1.9717	\$25,526
59	DTs - Next 2,500	0	\$0.8466	\$0			\$1.9717	\$0
60	DTs - Next 5,000	-	\$0.5963	\$0			\$1.9717	\$0
61	DTs - Over 9,000	-	\$0.2277	\$0			\$1.9717	\$0
62	304 - Interruptible General Sales Service							
63	Bills - Annual	24	\$800.00	\$19,200				
64	DTs - First 1,500	18,010	\$0.9195	\$16,560			\$1.9717	\$35,509
65	DTs - Next 2,500	7,384	\$0.8466	\$6,251			\$1.9717	\$14,559
66	DTs - Next 5,000	-	\$0.5963	\$0			\$1.9717	\$0
67	DTs - Over 9,000	-	\$0.2277	\$0			\$1.9717	\$0
68	Integrity Management Rider Revenues			\$4,661				
69	304 / 343 - Interruptible General Sales Service							
70	Motor Vehicle Fuel							
71	Bills - Annual	-	\$800.00	\$0				
72	DTs - First 1,500	-	\$0.9195	\$0			\$1.9717	\$0
73	DTs - Next 2,500	-	\$0.8466	\$0			\$1.9717	\$0
74	DTs - Next 5,000	-	\$0.5963	\$0			\$1.9717	\$0
75	DTs - Over 9,000	-	\$0.2277	\$0			\$1.9717	\$0
76	313 - Firm Transportation Service							
77	Bills - Annual	892	\$800.00	\$713,600				
78	DTs - Demand	150,547	\$8.0000	\$1,204,378	8.28290	\$1,246,968		
79	DTs - First 1,500	1,021,090	\$0.9195	\$938,892			-	\$0
80	DTs - Next 2,500	603,062	\$0.8466	\$510,552			-	\$0
81	DTs - Next 5,000	245,047	\$0.5963	\$146,121			-	\$0
82	DTs - Over 9,000	26,964	\$0.2277	\$6,140			-	\$0
83	Integrity Management Rider Revenues			\$1,284,614				
84	Minimum Margin Agreement Revenues			\$238,800				
85	313 / 343 - Firm Transportation Service							
86	Motor Vehicle Fuel							
87	Bills - Annual	36	\$800.00	\$28,800				
88	DTs - Demand	9,734	\$8.0000	\$77,872	8.28290	\$80,626		
89	DTs - First 1,500	54,000	\$0.9195	\$49,653			-	\$0
90	DTs - Next 2,500	40,200	\$0.8466	\$34,033			-	\$0
91	DTs - Next 5,000	60,000	\$0.5963	\$35,778			-	\$0
92	DTs - Over 9,000	52,780	\$0.2277	\$12,018			-	\$0

Piedmont Natural Gas Company, Inc.
Tennessee Operations
Sales and Transportation Pro Forma Revenue Calculation
Test Period = 12-months ending 3/31/2020
Attrition Period = 12-months ended 12/31/2021

Rebuttal Exhibit_(KAC-3)

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Components of Pro forma Revenues		Attrition Period	Current	Attrition Period	Current	Attrition Period	Current	Attrition Period
Line	Rate Schedule	Billing	Base Margin	Margin	COG Demand	COG Demand	COG Commodity	COG Commodity
No.		Determinants	Rate Component	Revenues	Rate Component	Revenues	Rate Component	Revenues
		(A)	(B)	(C)	(D)	(E)	(F)	(G)
93	314 - Interruptible Transportation Service							
94	Bills - Annual	588	\$800.00	\$470,400				
95	DTs - First 1,500	828,004	\$0.9195	\$761,349			-	\$0
96	DTs - Next 2,500	1,092,995	\$0.8466	\$925,330			-	\$0
97	DTs - Next 5,000	1,182,198.0	\$0.5963	\$704,945			-	\$0
98	DTs - Over 9,000	6,344,226	\$0.2277	\$1,444,580			-	\$0
99	Integrity Management Rider Revenues			\$1,504,393				
100	314 / 343 - Interruptible Transportation Service							
101	Motor Vehicle Fuel							
102	Bills - Annual	-	\$800.00	\$0				
103	DTs - First 1,500	-	\$0.9195	\$0			-	\$0
104	DTs - Next 2,500	-	\$0.8466	\$0			-	\$0
105	DTs - Next 5,000	-	\$0.5963	\$0			-	\$0
106	DTs - Over 9,000	-	\$0.2277	\$0			-	\$0
107	310 - Resale Service							
108	Bills - Annual	24						
109	DTs - Demand	1,800	8.0000	\$14,400	8.2829	\$14,909		
110	DTs - Annual	3,105	0.7518	\$2,334			1.97170	\$6,122
111	Integrity Management Rider Revenues			\$10,039				
112	310 / 343- Resale Service							
113	Motor Vehicle Fuel							
114	Bills - Annual	-						
115	DTs - Demand	-	8.0000	\$0	8.2829	\$0		
116	DTs - Annual	-	0.7518	\$0			1.97170	\$0
117	TOTAL TARIFF LARGE VOLUME							
118	Bills - Annual	2,183						
119	DTs - Demand	243,039						
120	DTs - Annual	12,376,216						
121	Revenues			\$13,515,339		\$2,013,071		\$1,627,938
122	Special Contracts							
123	Bills - Annual	12						
124	DTs - Annual	603,311		\$259,159		0		0
125	GRAND TOTAL - ALL TARIFF & SPECIAL CONTRACT							
126	Bills - Annual	2,326,219						
127	DTs - Demand	243,039						
128	DTs - Annual	34,094,962						
129	Revenues			\$150,571,675		\$18,012,237		\$43,261,242
130	SALES AND TRANSPORTATION	<i>Dts</i>						
131	Total Sales	21,941,088		139,220,267		16,684,643		43,261,242
132	Total Transportation	12,153,875		11,351,408		1,327,594		-
133	Total Annual	34,094,962		\$150,571,675		\$18,012,237		\$43,261,242

Rebuttal Exhibit_(KAC-4)

Sixty-Ninth Revised Sheet No. 1

PIEDMONT NATURAL GAS COMPANY, INC.
Tennessee Service Territory
Billing Rates Effective: January 2, 2021

Rate Schedule	Description	Tariff Base Rate Docket No. 20-00086 <1>	-----Cumulative PGA-----		-----Current ACA-----		Current IPA <5>	Current IM Adjustment <6>	Temporary Decrements Approved in Docket No.18-00040		Total Adj. Factor (Sum Col.2 thru Col.8) <9>	Billing Rate (Col.1+Col.9) <10>
			Demand <2>	Commodity <3>	Demand <4a>	Commodity <4b>			Deferred Base Revenue Refund <7>	Unprotected Excess ADIT Refund <8>		
Residential	Monthly Charge-Nov.-Mar.	\$17.45										\$17.45
301	Monthly Charge-Apr.-Oct.	\$13.45										\$13.45
301	Nov.- Mar. per TH	0.60883	0.07577	0.19717	(0.01181)	(0.01044)	0.00830	(0.03699)	(0.01958)	(0.04211)	0.16031	0.76914
	Apr.- Oct. per TH	0.50389	0.07577	0.19717	(0.01181)	(0.01044)	0.00830	(0.03699)	(0.01958)	(0.04211)	0.16031	0.66420
Small General	Monthly Charge	\$44.00										\$44.00
302	Nov.- Mar. per TH	0.55836	0.07577	0.19717	(0.01181)	(0.01044)	0.00830	(0.03231)	(0.01710)	(0.03678)	0.17280	0.73116
302	Apr.- Oct. per TH	0.46640	0.07577	0.19717	(0.01181)	(0.01044)	0.00830	(0.03231)	(0.01710)	(0.03678)	0.17280	0.63920
Medium General	Monthly Charge	\$300.00										\$300.00
352	Nov.- Mar. per TH	0.49431	0.07577	0.19717	(0.01181)	(0.01044)	0.00830	(0.03231)	(0.01710)	(0.03678)	0.17280	0.66711
352	Apr.- Oct. per TH	0.41290	0.07577	0.19717	(0.01181)	(0.01044)	0.00830	(0.03231)	(0.01710)	(0.03678)	0.17280	0.58570
Motor Vehicle Fuel	Monthly Charge	varies by customer per their corresponding rate schedule										
343	Nov.- Mar. per TH	varies by customer per their corresponding rate schedule										
343	Apr.- Oct. per TH	varies by customer per their corresponding rate schedule										
303	Monthly Charge	\$800.00										\$800.00
Firm	Demand Charge per TH	1.00000	0.82829		(0.18957)						0.63872	1.63872
General Sales	First 15,000 TH/TH	0.17045		0.19717		(0.01044)	0.00830	(0.01435)	(0.00319)	(0.00685)	0.17064	0.34109
	Next 25,000 TH/TH	0.15694		0.19717		(0.01044)	0.00830	(0.01435)	(0.00319)	(0.00685)	0.17064	0.32758
	Next 50,000 TH/TH	0.11054		0.19717		(0.01044)	0.00830	(0.01435)	(0.00319)	(0.00685)	0.17064	0.28118
	Over 90,000 TH/TH	0.04221		0.19717		(0.01044)	0.00830	(0.01435)	(0.00319)	(0.00685)	0.17064	0.21285
304	Monthly Charge	\$800.00										\$800.00
Interruptible	First 15,000 TH/TH	0.14320		0.19717		(0.01044)	0.00830	(0.00359)	(0.00319)	(0.00685)	0.18140	0.32460
	Next 25,000 TH/TH	0.13185		0.19717		(0.01044)	0.00830	(0.00359)	(0.00319)	(0.00685)	0.18140	0.31325
	Next 50,000 TH/TH	0.09287		0.19717		(0.01044)	0.00830	(0.00359)	(0.00319)	(0.00685)	0.18140	0.27427
	Over 90,000 TH/TH	0.03546		0.19717		(0.01044)	0.00830	(0.00359)	(0.00319)	(0.00685)	0.18140	0.21686
313	Monthly Charge	\$800.00										\$800.00
Firm Transportation	Demand Charge per TH	1.00000	0.82829		(0.18957)						0.63872	1.63872
	First 15,000 TH/TH	0.17045						(0.01435)	(0.00319)	(0.00685)	(0.02439)	0.14606
	Next 25,000 TH/TH	0.15694						(0.01435)	(0.00319)	(0.00685)	(0.02439)	0.13255
	Next 50,000 TH/TH	0.11054						(0.01435)	(0.00319)	(0.00685)	(0.02439)	0.08615
	Over 90,000 TH/TH	0.04221						(0.01435)	(0.00319)	(0.00685)	(0.02439)	0.01782
314	Monthly Charge	\$800.00										\$800.00
Interruptible Transportation	First 15,000 TH/TH	0.14320						(0.00359)	(0.00319)	(0.00685)	(0.01363)	0.12957
	Next 25,000 TH/TH	0.13185						(0.00359)	(0.00319)	(0.00685)	(0.01363)	0.11822
	Next 50,000 TH/TH	0.09287						(0.00359)	(0.00319)	(0.00685)	(0.01363)	0.07924
	Over 90,000 TH/TH	0.03546						(0.00359)	(0.00319)	(0.00685)	(0.01363)	0.02183
310	Demand Charge per TH	0.96000	0.82829		(0.18957)						0.63872	1.59872
Resale Service	Commodity Charge	0.45255		0.19717		(0.01044)	0.00830	(0.01435)	(0.00970)	(0.02086)	0.15012	0.60267

NOTES:

1/ In accordance with the Tennessee Public Service Commission order in Docket U-7074 customers metered inside Davidson County are required to pay an additional 6.25% for collection of the Metro Franchise Fee. Customers served by the Ashlar City, Fairview, Franklin, Greenbrier, Hartsville, Mt. Juliet and White House systems are required to pay 5.0%. Customers served by the Nolensville system are required to pay 3%.

Rebuttal Exhibit_(KAC-5)

Piedmont Natural Gas Company, Inc.
Tennessee Operations
Test Period: 12-months ending 3/31/2020
Attrition Period: 12-months ended 12/31/2021

FACTORS FOR WEATHER NORMALIZATION ADJUSTMENT (WNA)

Line No.	Rate Schedule	(A) November thru March "R" Value (\$ / therm)	(B) October & April "R" Value (\$ / therm)	(C) Heat Sensitive Factor (HSF) (therms / HDD)	(D) Base Load Factor (BL) (therms / mth)
1	301 - Residential Service	0.60883	0.50389	0.17420	11.85981
2	302 - Small General Service	0.55836	0.46640	0.58534	112.36283
3	352 - Medium General Service	0.49431	0.41290	7.18985	1,214.27255
4	Normal Heating Degree Days	<u>15 - 15</u>			
5	January	749			
6	February	780			
7	March	510			
8	April	302			
9	May	99			
10	June	14			
11	July	0			
12	August	0			
13	September	1			
14	October	60			
15	November	322			
16	December	570			
17	Winter	2,930			
18	Summer	477			
19	Annual	<u>3,407</u>			