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July 2, 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:

1. Petition;
2. Direct testimony and exhibits of:
   a. Sasha Weintraub
   b. John Sullivan
   c. Brian Weisker
   d. Pia Powers
   e. Kally Couzens
   f. Quynh Bowman
   g. Dylan D'Ascendis
   h. Dane Watson
   i. Paul Normand (Cash Working Capital)
   j. Paul Normand (Cost of Service)
3. Redline of Revised Tariff included as Exhibit_(PKP-2) to the testimony of Pia K. Powers;
4. Minimum Filing Guidelines (some of which are being filed under seal); and
5. Proposed Procedural Schedule.

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 our office courier.

A courtesy copy of this filing is being provided to the Consumer Advocate and Protection Division of the Office of the Attorney General and Reporter. Please be advised that Piedmont has

reached out to the Consumer Advocate's representatives and is working collaboratively with them on a proposed Protective Order for this proceeding which we hope to file with the Commission shortly.

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

Very truly yours,

Paul S. Davidson

PSD:cdg
Enclosures

cc: David Foster
Michelle Mairs
Vance Broemel
Daniel Whitaker
Bruce Barkley
Pia Powers
James Jeffries
Melinda McGrath

Before the
Tennessee Public Utility Commission

Docket No. 20- 00086

General Rate Case

Direct Testimony & Exhibits
of
Brian R. Weisker

On Behalf Of
Piedmont Natural Gas Company, Inc.

Piedmont Natural Gas

July 2, 2020

Q. Mr. Weisker, please state your name and business address.

A. My name is Brian R. Weisker. My business address is 4720 Piedmont Row Drive, Charlotte, North Carolina.

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

A. I am a Senior Vice President and Chief Operations Officer, Natural Gas Business for Duke Energy Corporation ("Duke Energy"). In this capacity, I am responsible for the operation of Piedmont Natural Gas Company Inc.'s ("Piedmont" or "Company") natural gas system.

Q. Please describe your educational and professional background.

A. I received a Bachelor of Sciences degree from the United States Naval Academy in 1994 and an MBA degree from Tulane University in 2001. From 1996 through 2002, I worked in the United States Navy as a Division Officer, an Assistant Professor of Naval Science and as a Navigation/Operations Department Head. From 2002 through 2006, I worked at Cinergy as a Manager. In 2006, I joined Duke Energy as a Station Manager. In 2014, I became General Manager of Carolina West Outages & Maintenance Services. In 2015, I became Vice President of Coal Combustion Products Operations & Maintenance. In 2018, I became Vice President of Natural Gas Operational Excellence within Duke Energy's Natural Gas Business Unit. In January 2020, I assumed my current role as Senior Vice President and Chief Operating Officer of Duke Energy's Natural Gas Business Unit.

Q. Have you previously testified before this Commission or any other regulatory authority?

A. I have not previously testified before the Tennessee Public Utility Commission but have presented testimony to the Indiana Utility Regulatory Commission.

Q. What is the purpose of your testimony in this proceeding?

A. My testimony in this proceeding will address: (1) Piedmont's efforts and activities undertaken in compliance with the requirements of federal pipeline safety regulations promulgated by the Pipeline and Hazardous Materials Safety Administration ("PHMSA") since Piedmont's last general rate case in Tennessee; (2) Piedmont's projected spending on PHMSA compliance and other capital projects; and (3) the significant support that Piedmont's Integrity Management Rider ("IMR") mechanism has provided to Piedmont's PHMSA compliance efforts and the need for a similar mechanism in the future such as the Annual Review Mechanism ("ARM") being evaluated by the Company.

Q. Are you sponsoring any exhibits to your testimony?

A. Yes. I am sponsoring two exhibits labeled Exhibit_(BRW-1) and Exhibit_(BRW-2).

Q. Were these exhibits prepared by you or under your direction?

A. Yes.

PHMSA Compliance Activities Since Piedmont's Last General Rate Case

Q. Please provide an overview of Piedmont's PHMSA compliance activities since Piedmont's last general rate case.

A. As the Commission is aware, Piedmont is subject to expansive regulatory requirements imposed by PHMSA under its Transmission Integrity Management Program ("TIMP") and Distribution Integrity Management Program ("DIMP") regulations. These regulations are issued under the authority of Subparts O and P of Part 192 of the regulations of the United States Department of Transportation and are fully binding on Piedmont as a provider of natural gas transmission and distribution services. These regulations require that Piedmont engage in extensive assessment, testing, planning, verification, record-keeping, documentation, inspection, and quality assurance activities with respect to its 61 miles of transmission main (and appurtenant facilities) and its 3,499 miles of distribution main (and appurtenant facilities) located in Tennessee. In compliance with these regulations, Piedmont has engaged in a broad range of compliance activities with respect to its transmission and distribution facilities since its last general rate case.

Q. Please provide a summary of these activities.

A. As of March 31, 2020, Piedmont has expended more than $316 million since its prior general rate case in compliance with PHMSA integrity regulations on a wide variety of capital projects designed to ensure that its system remained safe and fully compliant with applicable regulatory requirements. A summary of these projects is attached hereto as

Exhibit_(BRW-1). The activities associated with these capital and related O&M expenditures include:

(1) the analysis and designation of High Consequence Areas ("HCAs") within Piedmont's service territory;[1]

(2) the gathering and review of Piedmont's archived engineering files on its transmission and distribution facilities;

(3) the development of a new, integrated electronic system ("OASIS") designed to provide a centralized platform on which integrity management data can be stored and queried and which is also capable of managing and documenting ongoing integrity management compliance;

(4) retrofitting significant portions of Piedmont's transmission system to facilitate inspection of those facilities using smart-pig technology;[2]

(5) the actual survey and inspection of Piedmont's transmission lines using smart-pig technology;

(6) the mitigation or repair of flaws and defects detected through smart-pig inspections;

(7) the removal, repair, replacement, and/or upgrade of certain pipeline segments where necessary to comply with PHMSA regulations either because of administrative documentation

[1] Piedmont has 22 miles of HCAs in Tennessee.

2 Smart-pig is an industry term for inspection devices that are inserted into pipelines to record information about the condition of a pipeline. They are used to detect conditions such as corrosion or metal loss.

deficiencies or because they are non-compliant with current prevailing standards for modern pipeline facilities; and

(8) pipeline casing remediation and corrosion control.

Q. Are these the types of activities Piedmont anticipated having to conduct in seeking authorization from the Commission to implement an IMR mechanism?

A. Yes. I would say that we largely understood the bulk of the operational requirements that were imposed on us when we came before this Commission seeking approval of our IMR mechanism. Having said that, we could not then anticipate exactly what sorts of remedial actions would be necessary based upon the results of our investigations nor exactly how much each of the anticipated PHMSA compliance requirements would cost. What we discovered through experience is that the scope of activities required by our compliance with PHMSA turned out to be larger than we initially projected.

Q. Can you explain the difference?

A. There is no simple answer that explains the entire difference other than to say that the scope, scale, and cost of PHMSA compliance turned out to be larger than we anticipated. Much of the difference is attributable to the fact that when we started engaging in a very granular analysis of our transmission facilities through smart-pig inspections, we found more anomalies that needed to be addressed than we originally anticipated finding. These were not necessarily leaks (in almost all cases they were

not), but every time we found a dent, evidence of corrosion, a weak spot in the pipe, or a failure in cathodic protection we were obliged to analyze the risk associated with the anomaly and devise mitigation measures even if the anomaly was not currently dangerous. We also do not have complete control over the costs of undertaking specific projects since much of the PHMSA compliance work to date has been conducted by outside contractors who bid for the opportunity to do such work. Because the entire industry has ramped up to comply with PHMSA requirements over the last five years or so, competition for qualified contractors has increased, which has had an inflationary impact on costs of construction.

Q. Have customers benefitted from Piedmont's PHMSA compliance work?

A. Yes, and so has the public at large. Our system is much safer and more transparent to us now than it was at the time the IMR was approved.

Q. What has contributed the most to system safety?

A. Any time we identify and remedy a potential physical system vulnerability, system safety is improved when that vulnerability is addressed. But our new electronic systems, as they continue to be implemented, also allow us to manage our compliance activities more efficiently with most of the data we need to engage in such management at our fingertips. This is a vast improvement from 2012 when most of our records relating to system construction, maintenance and repair were in paper format.

Q. How does Piedmont prioritize TIMP and DIMP remediation requirements for discovered anomalies?

A. Piedmont employs a sophisticated risk analysis system that analyzes the type of anomaly in terms of the consequences of failure versus the likelihood of failure. The Company then prioritizes mitigation measures associated with that anomaly accordingly.

Q. Are you satisfied with the progress Piedmont has made since the time of its last Tennessee rate case, and is Piedmont currently compliant with its obligations under PHMSA regulations?

A. Yes. The Company has made huge progress in terms of system safety and integrity and we are currently compliant with our obligations under PHMSA. During that period, we have retrofitted more than 59 miles of our Tennessee transmission system to make it piggable, conducted in-line inspections of more than 50 miles of transmission main and uncovered more than 100 anomalies, all of which we have repaired or otherwise mitigated.

Q. Does that mean the TIMP and DIMP work that Piedmont has been heavily engaged in is coming to an end?

A. No. By design, the TIMP and DIMP requirements of PHMSA are cyclical and iterative. As such, we will continue to engage in the inspection, assessment, remediation, and documentation cycle with respect to both transmission and distribution integrity on an ongoing basis. Resulting

capital costs as well as O&M expenses will continue to be difficult to predict because remediation is dependent on the inspection findings.

Proposed Changes to PHMSA Compliance Requirements and Piedmont's Anticipated Capital Expenditures

Q. Are PHMSA's regulations static or do you anticipate changes to those regulations in the future?

A. PHMSA's regulations are subject to revision and change. In fact, they were recently amended effective October 2019. These amendments will substantially expand obligations in effect and will now require maximum allowable operating pressure reconfirmation and materials verification for our transmission pipelines. In addition, these amendments will expand assessments outside of HCAs into Moderate Consequence Areas, significantly increasing the miles of transmission pipeline to be assessed. We anticipate that the PHMSA rules may continue to change over time and experience has shown that they are not likely to become less stringent.

Q. Does Piedmont have a projection of the cost of PHMSA compliance activities?

A. Yes. Between the end of the Test Period and the end of the Attrition Period in this proceeding, Piedmont expects to incur approximately $90 million of capital expenditures related to PHMSA compliance activities. A summary of this activity is attached hereto as Exhibit_(BRW-2).

Q. Please provide an overview of all capital investments the Company plans to make through the end of the Attrition Period.

A. Piedmont has several capital projects that are currently in progress and more will be initiated prior to December 31, 2021 which is the end of the Attrition Period in this proceeding. These capital projects reflect construction and placement into service of new distribution and transmission assets that support the Company's integrity management program and its continued ability to serve an ever-increasing customer demand safely and reliably. The Attrition Period adjustments to Utility Plant in Service and Construction Work in Progress are presented in Witness Bowman's direct filed testimony and exhibits. These adjustments total $228.6 million and ($12.7) million, respectively, and are supported by a detailed schedule of construction projects required to facilitate the ongoing provision of natural gas service to our Tennessee customers.

For example, the largest project scheduled for completion during the Attrition Period is a 20-inch diameter transmission pipeline (Line 431 Phase II) and a 12-inch diameter transmission lateral pipeline (Line 469) which are being constructed under the Company's TIMP to functionally replace an existing pipeline (Line 310). The project corridor begins in the Bordeaux neighborhood of Nashville and terminates in the Whites Creek neighborhood. These pipelines are expected to go into service in October 2020. The new pipelines will be piggable and the existing line will provide future service at lower pressure.

The Importance of Piedmont's IMR Mechanism and its Potential Replacement ARM to Satisfy the Requirements of PHMSA Compliance

Q. Please describe the importance of the IMR mechanism to Piedmont's efforts to ensure compliance with PHMSA pipeline safety and integrity requirements in an economical manner.

A. As shown on Exhibit_(BRW-1), nearly half of Piedmont's Tennessee plant additions during the period since our last rate case have been integrity management projects. Because of the accelerated cost recovery opportunity associated with these projects under the IMR, Piedmont has not faced the inherent challenges created by normal regulatory lag associated with these capital projects, allowing The Company to focus on the continuing safety and reliability of the Piedmont system. The IMR has allowed Piedmont to go almost nine years between general rate cases. Without the mitigating effect of the IMR, Piedmont would have filed multiple rate cases during that period. Multiple rate cases would have come at a significant cost, not to mention the time and administrative burden on all parties (including the Commission) associated with preparing, prosecuting, and resolving each such case.

Q. Is Piedmont evaluating a future request to discontinue the IMR mechanism?

A. Yes, The Company will make such evaluation as part of a future proposal to implement an ARM. This is addressed more fully in Piedmont Witness Powers' direct filed testimony.

Q. Do you have anything to add to your testimony?

A. No, not at this time.

Exhibit_(BRW-1)

Piedmont Natural Gas Company, Inc.
Tennessee Operations

Exhibit_(BRW-1)

IMR-Eligible Integrity Management Capital Investments as of March 31, 2020

		Gross Plant Additions [1]	Other Capital Expenditures [2]	Total Investment [3]
1	Corrosion Control	$ 8,447,395	$ 17,898	$ 8,465,293
2	Casing Remediation	877,265	-	877,265
3	Distribution Integrity	84,385,746	6,516,970	90,902,716
4	Transmission Integrity	208,898,463	16,434,534	225,332,997
5	OASIS	23,535,435	-	23,535,435
6	Total	$ 326,144,304	$ 22,969,402	$ 349,113,706
7	Less: Amount included in Attrition Period in Docket No. 11-00144			32,900,000
8	**Total Incremental Integrity Management Capital Investment Since Last Rate Case**			**$ 316,213,706**

9	Attrition Period Utility Plant In Service Amount in Docket No. 11-00144		$ 713,852,981
10	Test Period Utility Plant Plant In Service Amount in this Rate Case		$ 1,316,834,205
11	Increase Since Last Rate Case		**$ 602,981,224**
12	Integrity Management Gross Plant Additions	$ 326,144,304	
13	Less: Amount included in Attrition Period in Docket No. 11-00144	32,900,000	
14	Net Integrity Management Plant Additions Since Last Rate Case		**$ 293,244,304**
15	**Integrity Managemement Plant Additions since Last Rate Case as a % of Total Plant Additions since Last Rate Case**		**48.6%**

1/ Amounts reflect Integrity Management Investment through 3/31/2020 that has also been placed in service as of 3/31/2020
2/ Amounts reflect Integrity Management Investment through 3/31/2020 that was not in-service as of 3/31/2020
3/ Amounts reflect those shown on Schedule 1 of Piedmont's Monthly IMR Report for March 2020, as filed in Docket No. 13-00118 on May 13, 2020

Exhibit_(BRW-2)

Piedmont Natural Gas Company, Inc. Exhibit_(BRW-2)
Tennessee Operations

Projected Integrity Management Investment Amount by Integrity Project Category [1]
($ millions)

		Apr 2020 thru Dec 2020	CY 2021	Total thru Dec 2021
1	Corrosion Control	$ 494,566	$ 6,564	$ 501,130
2	Casing Remediation	2,375,217	1,143,280	$ 3,518,497
3	Distribution Integrity	15,118,314	1,091,612	$ 16,209,926
4	Transmission Integrity	41,889,751	27,564,101	$ 69,453,852
5	**Total**	**$ 59,877,848**	**$ 29,805,557**	**$ 89,683,405**

1/ Represents the projected capital expenditures for Integrity Management projects.