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August 6, 2020

**VIA ELECTRONIC FILING**

Monica Smith-Ashford, Hearing Officer  
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 Ms. Smith-Ashford:

I am writing as a follow-up to the recent Prehearing Conference conducted in Piedmont Natural Gas Company, Inc.'s pending general rate case proceeding, TPUC Docket No. 20-00086, to advise you of the status of discussions between Piedmont and the Consumer Advocate regarding a proposed procedural schedule for this docket.

Since the prehearing conference last week, Piedmont and the Consumer Advocate have conducted a "kick-off" meeting during which Piedmont provided a summary of its rate case filing and entertained initial questions about the filing raised by the Consumer Advocate representatives, including a number of retained expert witnesses. The Company also received an alternative proposed procedural schedule from the Consumer Advocate this week. Unfortunately, the Consumer Advocate's alternative proposed procedural schedule anticipates a substantially longer and more drawn out process for addressing the issues raised by this case – recommending utilization of essentially the full statutory maximum period of nine (9) months available to the Commission for rate case proceedings. This is dramatically different from Piedmont's proposal, which was discussed with the Consumer Advocate prior to the filing of our application in this docket. In light of the Consumer Advocate's alternative proposed procedural schedule, we do not perceive any realistic chance that we will be able to reach an agreed schedule in this docket and would ask the Commission to proceed with establishing such a schedule.

In that regard, we have modified our original proposal slightly to account for dates that have already passed in our original proposed schedule and have also revised the dates for filing of Intervenor testimony in order to give the Consumer Advocate more time to prepare its case while preserving our original request for resolution of this docket by the end of the year so new rates can be placed into effect in Piedmont's January, 2021 bills. This will preserve the Calendar Year 2021 Attrition Period calculations upon which Piedmont's filing is premised.

An expeditious resolution of the matters at issue in this case is justified, in our opinion, on several grounds.

First, Section 65-3-103(a) of the Tennessee Code Annotated anticipates that general rate case filings should be given priority by the Commission and resolved expeditiously. This is apparent in several provisions of the statute. For example, the presumptive suspension period for proposals for rate changes is three (3) months subject to the ability of the Commission to extend the period for an additional six (6) months if such an extension is necessary for the Commission to complete its investigation. Notably, the right to extend the suspension period does not appear to be available simply because an intervenor would prefer a more leisurely pace but only if the Commission requires more time. In granting this extension right, the statute also makes clear that general rate proceedings are to be given “preference over other matters pending before” the Commission and resolved as “speedily as possible.” Further, the statute allows utilities who are facing a suspension of proposed rate changes to place those changes into effect, under bond and subject to refund, six (6) months after the proposed changes are filed which suggests, to Piedmont anyway, a preference for resolution of pending rate requests within the initial six (6) month window following filing, where possible.<sup>1</sup>

Second, this rate case is Piedmont’s first rate case in roughly nine years, and as is illustrated by its application, the rate of return it is currently earning on invested debt and equity capital is well below its allowed rate of return and it is in need of reasonably prompt rate relief.

Third, this rate case is relatively straightforward. The Company is fundamentally just updating its rate base related investment and expenses and bringing its O&M costs up to current levels. There are no new or novel proposals in the filing other than establishing rate methodologies for what Piedmont anticipates will be a follow-on Annual Review Mechanism filing. Also, with regard to updating its rate base, approximately half of the capital investments Piedmont seeks to roll-in to rate base in this case have already been scrutinized by the Commission and the Consumer Advocate in annual IMR proceedings, which reduces the burden associated with auditing those rate base investments.

Finally, we would note that the longer this case is pending the more pressure there will be to acknowledge increased attrition period expense. Similarly, a longer procedural schedule will inevitably mean higher rate case expense. Neither of these phenomenon are in the best interests of our customers.

We fully recognize that the matters involved in this case are of significant importance to the Commission and to our customers (as they are to Piedmont), and we also fully recognize that the procedural schedule in this docket is a matter within the discretion of the Commission. We do not seek timely resolution to attempt to preempt either the Commission Staff’s or the Consumer Advocate’s legitimate and necessary investigation of our filing but we do believe that a hearing in November, which is a full four and a half months after filing our application, testimony, exhibits, and Minimum Filing Requirements, is enough time for the Consumer Advocate and other potential interested parties to review our filing, take discovery, and to make any arguments they care to make to the Commission about that filing. We would respectfully observe that this Commission has resolved prior natural gas general rate case proceedings within our requested time line on more than one occasion, including Piedmont’s last case (Docket No. 11-00144) and Atmos Energy’s last case (Docket No. 14-00146).

Based on the foregoing, we would respectfully ask that the Hearing Officer approve the proposed Revised Procedural Schedule attached hereto.

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<sup>1</sup> Piedmont would note that if the Tennessee Legislature had simply intended to allow for a nine (9) month rate case resolution period, they could have done so in a single sentence. The detailed and presumptive provisions contained in T.C.A. 65-5-103 suggest that resolution in a shorter period is generally preferred.

Ms. Monica Smith-Ashford  
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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/sko

Enclosure

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

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
NASHVILLE, TENNESSEE**

**August 6, 2020**

<b>IN RE:</b>	)	
	)	
<b>PIEDMONT NATURAL GAS COMPANY,</b>	)	
<b>INC. PETITION FOR AN ADJUSTMENT</b>	)	<b>DOCKET NO. 20-00086</b>
<b>OF RATES, CHARGES, AND TARIFFS</b>	)	
<b>APPLICABLE TO SERVICE IN</b>	)	
<b>TENNESSEE</b>	)	
	)	

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**REVISED PROPOSED PROCEDURAL SCHEDULE**

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Piedmont Natural Gas Company, Inc. (“Piedmont” or “Company”) files this Revised Proposed Procedural Schedule for consideration in this matter by the Hearing Officer as designated by the General Counsel.

The Company recommends the following procedural schedule outline for the Hearing Officer’s consideration:

Deadline	Filing/Activity
July 2, 2020	Filing of Petition
August 14, 2020	CA First Set of Discovery Requests
August 26, 2020	Piedmont Responses to First Set of Discovery Requests
September 2, 2020	CA Second Set of Discovery Requests
September 14, 2020	Piedmont Responses to Second Set of Discovery Requests

October 14, 2020	Intervenor Direct Testimony
October 16, 2020	Piedmont Discovery Requests
October 23, 2020	Responses to Piedmont Discovery Requests
October 26, 2020	Piedmont Rebuttal Testimony
November 2, 2020	Pre-Hearing Motions
November 9, 2020	Pre-Hearing Conference
November 16, 2020	Hearing on the Merits (4 days reserved)
November 25, 2020	Post Hearing Briefs of Parties
December 14, 2020	Decision on the Merits
January 1, 2021	Effective Date of New Rates

- Nothing herein restricts the Parties from voluntarily participating in additional informal discovery.
- Copies of all discovery exchanged between the Parties shall be filed with TPUC within 3 business days of the exchange of information.
- For all spreadsheets, a copy shall be submitted in Excel format with working formulas intact. This includes spreadsheets that are exhibits to Pre-Filed Testimony.

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*Attorneys for Piedmont Natural Gas Company, Inc.*

Dated: August 6, 2020