



Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
P.O. Box 198966
Nashville, TN 37219-8966

615.244.6380 main
615.244.6804 fax
wallerlaw.com

Paul S. Davidson
615.850.8942 direct
paul.davidson@wallerlaw.com

October 8, 2021

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

Electronically Filed in TPUC Docket Room
on October 8, 2021 at 11:44 a.m.

**Re: Petition of Piedmont Natural Gas Company, Inc. for Approval of an Integrity
Management Rider to its Approved Rate Schedules and Service Regulations
Docket No.: 20-00130**

Dear Mr. Taylor:

Piedmont Natural Gas Company, Inc. ("Piedmont") hereby submits the Supplemental Testimony of Pia K. Powers in order to provide additional information regarding the calculation of the Integrity Management Rider ("IMR") surcharge rate and the disposition of the IMR Deferred Account balance.

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

Very truly yours,

Paul S. Davidson

PSD:cdg
Enclosure

cc: Karen Stachowski
Bruce Barkley
Pia Powers
James H. Jeffries IV

**Before the
Tennessee Public Utility Commission**

Docket No. 20-000130

**Petition of Piedmont Natural Gas Company, Inc.
for Approval of an Integrity Management Rider to its
Approved Rate Schedules and Service Regulations**

**Supplemental Testimony
of
Pia K. Powers**

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

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

2 A. My name is Pia K. Powers. 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 the Managing Director – Gas Rates & Regulatory for Piedmont
6 Natural Gas Company, Inc., (“Piedmont” or the “Company”). In this
7 capacity, I am responsible for a variety of regulatory matters including
8 the development and execution of all rate requests, and financial report
9 filings and other filings and requests by Piedmont to its state regulators.

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

11 A. Yes. I submitted prefiled direct testimony before the Tennessee Public
12 Utility Commission (“TPUC” or “Commission”) in this proceeding on
13 November 30, 2020.

14 **Q. What is the purpose of your supplemental testimony in this**
15 **proceeding?**

16 A. The purpose of my supplemental testimony is to update the calculation
17 of the IMR surcharge rate and provide a recommendation for the
18 disposition of the balance in the IMR deferred account.

19 **Q. Please explain the IMR surcharge rate currently in effect for**
20 **Piedmont’s billing rates.**

21 A. Piedmont’s current billing rates reflected an IMR surcharge rate of \$0
22 per therm, which is the IMR surcharge rate that has been in effect since
23 June 1, 2021. The suspension of the IMR surcharge rate was requested

1 by the Company in its filing submitted March 31, 2021 in this docket.
2 The Commission authorized the suspension of the IMR surcharge rate
3 beginning June 1, 2021 through September 1, 2021 in its Order dated
4 April 29, 2021, with a subsequent Order issued September 1, 2021 re-
5 suspending the IMR surcharge rate through December 1, 2021.

6 **Q. Why did the Company request to suspend the IMR surcharge**
7 **rate in its March 31, 2021 filing?**

8 A. The IMR surcharge rates proposed in Piedmont's 2020 IMR Annual
9 Report filing, and supported by my prefiled direct testimony in this
10 docket, were designed to refund the actual balance in the IMR deferred
11 account as of October 31, 2020. Since that Oct 31 deferred account
12 balance was an amount due to customers, the proposed IMR rates in the
13 Company's 2020 IMR Annual Report filing were decrement rates
14 calculated upon an allocation of the (\$6.9 million) balance across the
15 various customer classes. In Piedmont's March 31, 2021 filing, the
16 Company reported that its actual IMR deferred account balance had
17 significantly decreased since October 31, 2020, and that the refund of
18 the October 31, 2020 IMR deferred account balance would likely be
19 materially completed by the end of May 2021. Accordingly, Piedmont
20 requested to suspend billing of the IMR surcharge rates beginning June
21 1, 2021.

22 **Q. What is the current balance in the IMR deferred account?**

23 A. As of August 31, 2021, the IMR deferred account balance including

applicable interest is \$18,816 due to the Company. The table below shows the actual IMR deferred account balances by month from October 2020 to August 2021.

Table 1

IMR Deferred Account (GL Account # 0253139)				
\$ Amounts Due From (To) Customers				
	Oct-20	Nov-20	Dec-20	Jan-21
Beginning Balance	(7,399,579.48)	(6,901,877.03)	(5,881,469.26)	(5,149,446.54)
Activity (including interest)	497,702.45	1,020,407.77	732,022.72	1,494,801.85
Ending Balance	(6,901,877.03)	(5,881,469.26)	(5,149,446.54)	(3,654,644.69)
	Feb-21	Mar-21	Apr-21	May-21
Beginning Balance	(3,654,644.69)	(2,173,996.04)	(984,243.97)	(363,164.19)
Activity (including interest)	1,480,648.65	1,189,752.07	621,079.78	381,828.59
Ending Balance	(2,173,996.04)	(984,243.97)	(363,164.19)	18,664.40
	Jun-21	Jul-21	Aug-21	
Beginning Balance	18,664.40	18,714.94	18,765.62	
Activity (including interest)	50.54	50.68	50.82	
Ending Balance	18,714.94	18,765.62	18,816.44	

As demonstrated in Table 1, the refund of the October 31, 2020 IMR deferred account balance was achieved during the month of May 2021, as anticipated by the Company and indicated in its March 31, 2021 filing. This is evidenced by the fact that the April 30, 2021 IMR deferred account balance was and amount of (\$363,164) due to customers, which then turned to a \$18,664 balance due to the Company by May 31, 2021.

Q. What is your recommendation for the disposition of the remaining balance in the IMR deferred account?

A. The Company requests authority from the Commission to transfer the

1 remaining balance to Piedmont's Actual Cost Adjustment ("ACA")
2 account, which would effectuate bringing the IMR Deferred Account to
3 a \$0 balance. I believe such a balance transfer is the most expeditious
4 and equitable method to dispose of the remaining IMR deferred account
5 balance, and is also consistent with prior Commission action for
6 disposition of a remaining deferred account balance.

7 **Q. Does this conclude your supplemental testimony?**

8 A. Yes, it does. Thank you.