

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF PIEDMONT NATURAL)	
GAS COMPANY, INC. TO ADOPT AN)	Docket No. 21-00135
ANNUAL REVIEW OF RATES)	
MECHANISM PURSUANT TO TENN.)	
CODE ANN. § 65-5-103(D)(6))	

**CONSUMER ADVOCATE'S THIRD SET OF DISCOVERY
REQUESTS TO PIEDMONT GAS COMPANY**

In accordance with Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11, the Consumer Advocate Division in the Office of the Tennessee Attorney General ("Consumer Advocate"), by and through counsel, hereby propounds this Third Set of Discovery Requests upon Piedmont Gas Company, Inc. ("Piedmont" or the "Company"). Full and complete responses shall be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Karen H. Stachowski, on or before 2:00 p.m. Central on September 9, 2022.

PRELIMINARY MATTERS AND DEFINITIONS

This Third Set of Discovery Requests incorporate by reference the same Preliminary Matters and Definitions as set forth in the *Consumer Advocate's First Discovery Request to Piedmont Gas Company*, issued by the Consumer Advocate to the Company on November 19, 2021, are to be considered continuing in nature, and are to be supplemented from time to time as information is received by the Company which would make a prior response inaccurate, incomplete, or incorrect.

THIRD SET OF DISCOVERY REQUESTS

- 2-1. Regarding capitalized pension and OPEB costs, does the Company acknowledge that any Pension and OPEB cost loadings included in the balance of DEBS assets shall be accounted for consistent with how such expenses are recoverable as Operating Expenses in the Historic Base Period (HBP)?

RESPONSE:

- 2-2. Does the Company acknowledge that any Pension and OPEB costs incurred at the corporate level, (DEBS and all other affiliates) and which are allocated to the Company's Tennessee jurisdiction shall be that portion of the actuarially determined minimum contribution requirement and that any such allocated Pension/OPEB costs computed and recorded pursuant to GAAP, including actual contributions during the HBP shall be excluded?

RESPONSE:

- 2-3. Refer to Commission's *Order Denying Proposed Annual Review Rates Mechanism* at p. 35.¹ The Commission identified four distinct conditions related to the HomeServe warranty program which are as follows:

- a. HomeServe accounting requirements.
- b. Separate identification of HomeServe charges on customers' bills.
- c. Application of partial payments to natural gas service.
- d. Bill messaging (annual).

With respect to each of these requirements, provide evidence of compliance with the Commissions' Order.

¹ *Order Denying Proposed Annual Review Rates Mechanism*, p. 35, TPUC Docket No. 21-00135 (July 25, 2022).

RESPONSE:

- 2-4. Refer to Commission's *Order Denying Proposed Annual Review Rates Mechanism* at p. 35.² Provide the rationale for excluding the HomeServe requirements identified by the Commission from Piedmont's Amended Proposed ARM Tariff.³

RESPONSE:

- 2-5. Confirm that the ratemaking treatment of the following issues remain unresolved:
- a. Inclusion in the ARM of indirect lobbying costs.
 - b. Inclusion in the ARM of non-cash items within the lead/lag calculation of Working Capital.
 - c. Implications of the Income Tax True-Up provisions.

RESPONSE:

Respectfully submitted,



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² *Id.*

³ *Amendment to Proposed Annual Rate Mechanism Tariff Pursuant to Tennessee Code Annotated § 65-5-1-3(d)(1)(C)*, Exhibit A, TPUC Docket No. 21-00135 (August 26, 2022).

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail, with a courtesy copy by electronic mail, upon:

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This the 2nd day of September, 2021.



KAREN H. STACHOWSKI
Senior Assistant Attorney General