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September 9, 2022

**VIA E-MAIL & U.S. MAIL**

Mr. Herbert H. Hilliard, Chairman  
c/o Ectory Lawless  
Tennessee Public Utility Commission  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

Electronically Filed in TPUC Docket Room  
on September 9, 2022 at 1:40 p.m.

**Re: Piedmont Natural Gas Company, Inc.'s Petition to Adopt an Annual Review of Rates  
Mechanism Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), Docket No. 21-00135**

Dear Chairman Hilliard:

Pursuant to the Commission's August 29, 2022 *Order Establishing Procedural Schedule*, enclosed for filing with the Commission are Piedmont Natural Gas Company's ("Piedmont") responses to the Consumer Advocate's *Third Discovery Request* in the above-referenced docket.

This material is also being filed today by way of email to the TPUC Docket Room Manager, Ectory Lawless, to be filed electronically in the docket. Please file the original and provide us a "filed" stamped copy via email to my assistant, at [denise.guye@wallerlaw.com](mailto:denise.guye@wallerlaw.com).

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.

Very truly yours,

Paul S. Davidson

PSD:cdg

cc: Consumer Advocate  
Bruce Barkley  
Pia Powers  
Brian S. Heslin

**Piedmont Natural Gas Company, Inc.**  
**Petition to Adopt an Annual Review of Rates Mechanism**  
**Docket No. 21-00315**  
**Consumer Advocate's Third Set Of Discovery Requests**  
**Date Requested: September 2, 2022**  
**Date Due: September 9, 2022**

3-1. 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:** Yes, the Company acknowledges this.

**Name and title of responsible person:** Pia Powers, Managing Director - Gas Rates & Regulatory

**Name and title of preparer:** Pia Powers, Managing Director - Gas Rates & Regulatory

Response provided by Piedmont Natural Gas Company, Inc. on September 9, 2022.

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3-2. 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:** Yes, the Company acknowledges this.

**Name and title of responsible person:** Pia Powers, Managing Director - Gas Rates & Regulatory

**Name and title of preparer:** Pia Powers, Managing Director - Gas Rates & Regulatory

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3-3. Refer to Commission's *Order Denying Proposed Annual Review Rates Mechanism* at p.

35.<sup>1</sup>. 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.

**RESPONSE:**

a. **Condition 1: *Piedmont shall account for its financial activities related to the HomeServe warranty program in accordance with the Uniform System of Accounts.***

Piedmont has and will continue to account for the Home Protection Plan Warranty Program in accordance with the Uniform System of Accounts. The Home Protection Plan Warranty Program net revenues are each recorded on Piedmont's general ledger to account 417, Revenues from Nonutility Operations, in accordance with the Uniform System of Accounts.

The Commission's July 25 Order in this docket requires that HomeServe Warranty Program net margins be included as other regulated revenues for computing the Historic Base Period Reconciliation ("HBP") and Annual Base Rate Reset under the ARM. Accordingly, Piedmont will represent these include the Home Protection Plan Warranty

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

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Program revenues and expenses in its HBP and Annual Base Rate Reset calculations and schedules for the ARM. Piedmont will also reflect these revenues and expenses as regulated revenues and expenses in its monthly financial report filings (3.03 Report) to the Commission beginning with reporting for the month of July 2022 which is due to be submitted on September 30, 2022.

**b. Condition 2: *All charges billed to customers for HomeServe warranty programs shall be clearly identified separately on customers' bills.***

Piedmont has been and will continue to separately identify the charges for the Home Protection Plan Warranty Program on customer bills. See the attachment for evidence, which is a customer bill for a customer enrolled in the Plan; this bill shows that the Home Protection Plan Warranty Program are billed on separate lines from the gas service (utility) charges.

**c. Condition 3: *Unless otherwise expressly stated by the customer, any partial payment of a total bill shall be applied first to the charges for natural gas services, with the remaining portion, if any, applied to the billed HomeServe charges.***

Piedmont has been and will continue to apply customer payments first to the charges for natural gas utility service and then to charges for the Home Protection Plan Warranty Program and other non-regulated services. See attachment as evidence, which is the payment hierarchy used within Piedmont's customer billing system.

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d.     **Condition 4:** *The Company shall include a message on customers' bills annually stating that the HomeServe warranty programs are optional, do not have to be purchased to receive natural gas service, that HomeServe is not affiliated with Piedmont, and that HomeServe is not regulated by the Commission.*

Piedmont shall include such annual communication with customers' bills in December, starting with customer bills rendered in December 2022.

**Name and title of responsible person:** Pia Powers, Managing Director - Gas Rates & Regulatory

**Name and title of preparer:** Pia Powers, Managing Director - Gas Rates & Regulatory

Response provided by Piedmont Natural Gas Company, Inc. on September 9, 2022.

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3-4. Refer to Commission's *Order Denying Proposed Annual Review Rates Mechanism* at p. 35.<sup>2</sup> Provide the rationale for excluding the HomeServe requirements identified by the Commission from Piedmont's Amended Proposed ARM Tariff.<sup>3</sup>

**RESPONSE:** Piedmont acknowledges that it must and shall comply with the HomeServe requirements from the Commission's July 25 Order in this docket. These requirements are unrelated to the Company's operation of the ARM. Piedmont believes these HomeServe-related requirements in the Commission's Order stand on their own, independent of the resolution of the Company's petition for an ARM. Therefore, it is neither necessary nor appropriate to include these requirements in the Company's ARM Tariff.

**Name and title of responsible person:** Pia Powers, Managing Director - Gas Rates & Regulatory

**Name and title of preparer:** Pia Powers, Managing Director - Gas Rates & Regulatory

Response provided by Piedmont Natural Gas Company, Inc. on September 9, 2022.

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<sup>2</sup> *Id.*

<sup>3</sup> *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).*

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3-5. 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:**

a. Nothing about Piedmont's Revised ARM Tariff proposal modified the resolution of this matter as presented on the "Resolved Issues List" with the ARM Settlement Agreement in this docket on February 18, 2022. This matter was listed on the "Resolved Issues List", on lines 1 and 2, as a matter that is to be addressed in a future docket.

b. Nothing about Piedmont's Revised ARM Tariff proposal modified the resolution of this matter as presented on the "Resolved Issues List" with the ARM Settlement Agreement in this docket on February 18, 2022. This matter was listed on the "Resolved Issues List", on lines 3 and 4, as a matter that is to be addressed in a future docket.

c. Nothing about Piedmont's Revised ARM Tariff proposal modified the resolution of this matter as presented on the "Resolved Issues List" with the ARM Settlement Agreement in this docket on February 18, 2022. This matter was listed on the "Resolved Issues List", on line 10, as an "open issue".

**Name and title of responsible person:** Pia Powers, Managing Director - Gas Rates & Regulatory

**Name and title of preparer:** Pia Powers, Managing Director - Gas Rates & Regulatory

Response provided by Piedmont Natural Gas Company, Inc. on September 9, 2022.





Message For [REDACTED]

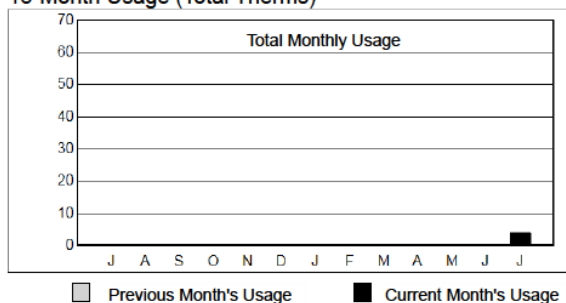
**Don't get caught by summer storms:**

Weather the storm with a natural gas generator. Your home will stay cool and calm through power outages. Learn more at

<https://gasadvantage.piedmontng.com/Shop/>.

**Gas Usage History**

13-Month Usage (Total Therms)



	07/21	07/22
Therms	0	4
Days	00	59
Amount	\$0.00	\$20.04

Account Number: [REDACTED]

Service Address: [REDACTED]

NASHVILLE, TN 37211

Billing Date: 08/26/22

Net Amount Due By: 09/20/22

Rate Schedule\*: 301 TN RESIDENTIAL RATE

\*Rate schedule and calculation information is available on our website.

Page 1 of 1

**Account Summary**

Previous Bill Amount	\$0.00
Payment(s) Received through 08/25/22	\$0.00
Past Due Balance	\$0.00
<b>Current Billing and Other Basic Charges</b>	
Gas - Current Month Charges	\$18.83
Local Franchise Fee	\$1.21
Gas Line Repair Plan	\$5.99
Water Heater Essential Plan	\$8.99
Total Current Balance	\$35.02

**Net Amount Due by 09/20/22** **\$35.02**

Gross Amount Due After 09/20/22	\$35.96
Purchase Gas Adjustment	.899220

All bills are payable by the due date. A late charge of 1 5% (.50 minimum) will be added to appropriate non-utility balances not paid by the due date

**Current Reading - based on actual read**

Number	Service Period		Meter Reading		Reading Difference	Meter Multiplier	Gas Used (CCF)	Heat Factor	Number of Therms Used
	From	To	Previous	Current					
T149098	07/20/22	08/18/22	7419	7423	4 X	1.000 =	4 X	1.06901 =	4
Total Therms Used	4								
Number of Days	29								

▼ Please detach and return the bottom portion with your payment. When paying in person, please bring the entire bill. ▼



PO BOX 21348  
Eagan MN 55121-0348

Account Number: [REDACTED]

Net Amount Due By 09/20/22: \$35.02

Gross Amount Due After 09/20/22: \$35.96

Your Account Will Be Drafted On 09/20/22. Do not Pay.

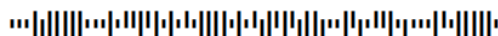


Please check here and fill out reverse to enroll in *Share the Warmth Round Up*.

Amount Enclosed

\$

Send payment to:



PIEDMONT NATURAL GAS  
PO BOX 1246  
CHARLOTTE, NC 28201-1246

NASHVILLE TN 37211-5721

### Explanation of Terms

**CCF** - 100 cubic feet, a measurement of the volume of natural gas used.  
**METER MULTIPLIER** - some meters require that the registration be multiplied by a factor to arrive at the actual usage.  
**HEAT FACTOR** - a factor that measures the energy content of natural gas.  
**THERM** - a unit of heating value equal to 100,000 British thermal units (BTU's).  
**MONTHLY CHARGE** - a fixed charge to recover minimum monthly system operating costs.

### Explicación de Términos

**CCF** - 100 pies cúbicos, medida del volumen de gas natural utilizado.  
**MULTIPLICADOR DEL MEDIDOR** - algunos medidores requieren que se multiplique el registro por un factor para llegar al verdadero uso.  
**FACTOR CALORIFICO** - factor que mide el contenido energético del gas natural.  
**TERMIA** - unidad de valor térmico equivalente a 100,000 unidades térmicas británicas (BTU).  
**CARGA MENSUAL** - carga fija para recuperar los costos operativoS mínimos mensuales del sistema.

### Customer Service Options

At your convenience, visit our website at [piedmontng.com](http://piedmontng.com) 24 hours a day, 7 days a week for all your customer service needs.

- Answer questions about your bill
- Start or stop service
- Bank draft enrollment
- Pay by credit card
  - Visa
  - MasterCard
  - Discover
- Payment options and locations
- Equal Payment Plan (EPP) enrollment
- Natural gas rate schedules
- Conservation and energy saving tips
- Search for natural gas dealers and contractors near you
- Contact us via email



### Customer Service Options

Cuando lo necesite, visite nuestro sitio web: [piedmontng.com](http://piedmontng.com) las veinticuatro horas del día, los siete días de la semana para satisfacer todas sus necesidades vinculadas con el servicio de atención al cliente:

- Responder preguntas sobre su factura
- Comenzar a utilizar el servicio o darlo de baja
- Inscripción de giro bancario
- Pagar con tarjeta de crédito
  - Visa
  - MasterCard
  - Discover
- Opciones y lugares de pago
- Inscripción en el Plan de pago equitativo (EPP)
- Detalle de tarifas del gas natural
- Consejos sobre la conservación y el ahorro de la energía
- Buscar vendedores y contratistas de gas natural de su zona
- Contactarnos por correo electrónico



### Important Phone Numbers

#### Speedpay Payment Service:

To pay your bill using Visa, MasterCard, Discover or a checking account .. 866.316.3356  
Speed Pay Corporation's fee is \$3.50 per transaction.

**Automated Account Information or Customer Service:** ..... 800.752.7504

#### Digging in your yard or elsewhere?

Locate underground lines before digging ..... 811

### Important Phone Numbers

#### Servicio de pagos Speedpay:

Para pagar su factura con tarjeta de crédito Visa, MasterCard, Discover o a través de una cuenta corriente ..... 866.316.3356  
El importe que retiene Speed Pay Corporation es de \$3.50 por transacción.

#### Información automática de la cuenta

**o Servicio de Atención al Cliente:** ..... 800.752.7504

#### ¡Cavar en su jardín o en otro sitio?

Localice las líneas subterráneas antes de cavar..... 811

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment, and you will not receive your check back from your financial institution. You may opt out of this process by calling Customer Service.

## Share the Warmth Round Up – Enrollment Form

Piedmont Natural Gas introduces *Share the Warmth Round Up*, a simple way for Piedmont customers to help local families and individuals in need pay their home energy bills.

Enroll today and we'll round up your monthly bill to the nearest dollar and contribute the difference to an approved *Share the Warmth* agency in your area.



Piedmont  
Natural Gas

[piedmontng.com](http://piedmontng.com)

#### Join Us!

To enroll in *Share the Warmth Round Up*, please complete and return this enrollment form.

☐ I would like to enroll in Piedmont's *Share the Warmth Round Up* Program.

Customer name: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
Signature (must match name on account)

**Piedmont Natural Gas Company, Inc.**  
**Docket No. 21-00135**  
**Consumer Advocate DR 3-3c Attachment**

Payment Application Hierarchy		
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1	Security Deposit	90 days	Regulated
2	Customer/Reconnect Charge	90 days	Regulated
3	Utility	90 days	Regulated
4	Deferred Agreement	90 days	Regulated
5	Late Payment Charge	90 days	Regulated
6	Non-Sufficient Funds Fee	90 days	Regulated
7	EPP	90 days	Regulated
8	Security Deposit	60 days	Regulated
9	Customer/Reconnect Charge	60 days	Regulated
10	Utility	60 days	Regulated
11	Deferred Agreement	60 days	Regulated
12	Late Payment Charge	60 days	Regulated
13	Non-Sufficient Funds Fee	60 days	Regulated
14	EPP	60 days	Regulated
15	Security Deposit	30 days	Regulated
16	Customer/Reconnect Charge	30 days	Regulated
17	Utility	30 days	Regulated
18	Deferred Agreement	30 days	Regulated
19	Late Payment Charge	30 days	Regulated
20	Non-Sufficient Funds Fee	30 days	Regulated
21	EPP	30 days	Regulated
22	Security Deposit	Current	Regulated
23	Customer/Reconnect Charge	Current	Regulated
24	Utility	Current	Regulated
25	Deferred Agreement	Current	Regulated
26	Late Payment Charge	Current	Regulated
27	Non-Sufficient Funds Fee	Current	Regulated
28	EPP	Current	Regulated
29	Thirty Day Charge (Warranty)	90 days	Non-regulated
30	Finance Contract	90 days	Non-regulated
31	Thirty Day Charge (Warranty)	60 days	Non-regulated
32	Finance Contract	60 days	Non-regulated
33	Thirty Day Charge (Warranty)	30 days	Non-regulated
34	Finance Contract	30 days	Non-regulated
35	Thirty Day Charge (Warranty)	Current	Non-regulated
36	Finance Contract	Current	Non-regulated