

**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 FIRST DISCOVERY
REQUEST TO PIEDMONT GAS COMPANY**

This First Discovery Request is hereby served upon Piedmont Gas Company ("Piedmont" or the "Company") pursuant to 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 Unit in the Financial Division of the Office of the Attorney General ("Consumer Advocate") requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Financial Division, Consumer Advocate Unit, 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. ("CDT"), December 3, 2021.

PRELIMINARY MATTERS AND DEFINITIONS

1. **Continuing Request.** These discovery requests are to be considered continuing in nature and are to be supplemented from time to time as information is received by the Company and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.

2. **Clear References.** To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.

3. **Format of Responses.** Provide all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to audit and analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.

4. **Objections.** If any objections to this discovery are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

5. **Singular/Plural.** The singular shall include the plural, and vice-versa, where appropriate.

6. **Definitions.** As used in this Request:

(a) "You," "Your," "Company," or "Piedmont," shall mean Piedmont Natural Gas Company, Inc. and all employees, agents, attorneys, representatives, or any other person acting or purporting to act on its behalf.

(b) "Affiliate" shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater

clarification, "control" is the ownership of 20% or more of the shares of stock entitled to vote for the election of directors in the case of a corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term "Affiliate" shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an "Affiliate."

(c) "Communication" shall mean any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings and personal conversations, or otherwise.

(d) "Document" shall have the broadest possible meaning under applicable law. "Document" shall mean any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made.

(e) "Person" shall mean any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.

(f) "Identify" with respect to:

- i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person's relationship, whether business, commercial, professional, or personal with you;

- ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and current or last known business address of such person or entity (if no business address is available provide any address known to you);
- iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and
- iv. Any oral communication, means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.

(g) “And” and “or” shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.

(h) “Including” shall be construed to mean including but not limited to.

FIRST DISCOVERY REQUESTS

1-1. Refer to the Direct Testimony of Pia Powers, p. 4:11-13. Ms. Powers states that one benefit of the ARM is to reduce the high costs to customers through base rate proceedings.

With respect to this statement, provide the following:

- a. Provide the final regulatory costs associated with Piedmont’s most recent rate case before TPUC and identify the annual amortization recorded in 2021 associated with the case.
- b. Identify that portion of 2021 regulatory costs assigned to the residential class and further identify the 2021 regulatory costs incurred per residential customer.
- c. Is Piedmont willing to make a commitment that its regulatory costs associated with the ARM docket will be less than that incurred under the traditional ratemaking process? If so, identify the nature of that commitment.

RESPONSE:

- 1-2. Identify all cost efficiencies implemented by (a) Piedmont and (b) related entities whose costs are allocated to Piedmont, since January 2020. For each identified (i) efficiency, (ii) indicate the annual cost savings and (iii) provide a comprehensive summary of the nature of the efficiency.

RESPONSE:

- 1-3. Refer to the Direct Testimony of Pia Powers, pp. 3:11 – 14:2. Ms. Powers explains that Piedmont’s proposal differs from CGC and Atmos in that the Company is proposing to collect or refund amounts through a separate and distinct rate component. With respect to this proposal, provide the following:
- a. Will this distinct rate component be reflected on customer bills?
 - b. Provide a detailed response supporting the need for a separate rate component.

RESPONSE:

- 1-4. Provide a comprehensive explanation identifying the incentives Piedmont has to control costs (both O&M and capital expenditures) under its proposed ARM mechanism.

RESPONSE:

- 1-5. Regarding the Company’s 2021 capital expenditures, provide the following:
- a. Provide the final 2021 capital expenditure budget and identify the date such budget was finalized.
 - b. Provide the year-to-date actual capital expenditures in the same categories as contained in the budget based upon the most recent data available.

RESPONSE:

- 1-6. Refer to the Direct Testimony of Pia Powers, pp. 16:1 – 22:2. Provide a comprehensive explanation differentiating the Historic Base Period (“HBP”) reconciliation with the

proposal to create a regulatory asset to track carrying costs and depreciation expense associated with assets. Describe how the Company's proposal will not create a double count of revenue deficiency between the HBP results and the process of deferring interest and depreciation expense.

RESPONSE:

- 1-7. Refer to the Direct Testimony of Pia Powers, pp. 16:1 – 22:2. With respect to the Company's deferred asset proposal, confirm that depreciation on newly completed plant in service beginning in January 2022 will not be charged to depreciation expense and instead will be recorded to a regulatory asset.

RESPONSE:

- 1-8. Refer to the Direct Testimony of Pia Powers, pp. 16:1 – 22:2. With respect to the Company's deferred asset proposal, confirm that there will be no regulatory asset included in the Company's March 2022 filing since the Company has been generating a return on all forecasted 2021 investment due to the existing base rates being determined using a forecasted test period. If this is not the Company's position, provide a comprehensive explanation supporting the need for a 2021 regulatory asset given the forward-looking manner in which Piedmont's existing base rates were established.

RESPONSE:

- 1-9. Provide an estimate of the average residential customers' (a) 2021 total billed cost for natural gas service and (b) 2022 based upon the Company's estimate of gas costs applicable to 2022 service. For purposes of this estimate, ignore the implications of the proposed

2022 ARM filing. Identify gas cost assumptions incorporated in this response on a per MCF basis.

RESPONSE:

- 1-10. Confirm that the deferral of interest and depreciation expense on plant placed in service beginning in January 2023 would be identified in a separate deferred asset account from that used to track deferrals on plant placed in service during the period January 2022 through December 2022. If this is not confirmed, indicate the extent which the Company believes it necessary to track deferrals separately for each years' plant in service.

RESPONSE:

- 1-11. Confirm that the deferral of interest and depreciation expense on plant placed in service beginning in January 2023 would not be recovered in retail rates until October 2024. If this is not confirmed, identify when such deferrals on plant placed in service in January 2023 would be collected from ratepayers?

RESPONSE:

- 1-12. Refer to the Direct Testimony of Pia Powers, p. 17:5-8. Respond to the following:
- a. Provide all available evidence supporting the conclusion that the first annual ARM filing is not anticipated to be substantially different than current base rates.
 - b. Provide a comprehensive discussion indicating whether the statement in testimony needs modification when considering the proposed prospective adjustments to base rates.

RESPONSE:

- 1-13. Provide a comprehensive explanation of the impact on the Company's accounting for Accumulated Deferred Income Taxes ("ADIT") resulting from the proposed accounting

deferrals. Address how such deferrals will be reflected within book income versus taxable income and the resulting accounting entries to either the ADIT liability or asset.

RESPONSE:

1-14. If the Company's ARM is approved per the Company's request, identify all limitations the Company believes would apply to the Consumer Advocate's review in the following areas:

- a. Determination whether O&M costs incurred in the provision of service are just and reasonable;
- b. Inclusion of new capital expenditures in Rate Base;
- c. Identification of appropriate revenues to include in the revenue requirement;
- d. Review of reasonableness of corporate cost allocations;
- e. Review of accuracy of assignment of corporate cost allocations;
- f. Review of whether specific corporate costs are necessary in the provision of service to Tennessee customers;
- g. Evaluation of any change in accounting method implemented by either Piedmont or its affiliate(s) who charge costs to Piedmont;
- h. Identification of any cost that has traditionally been disallowed by the Commission but was not identified in TPUC Docket 20-00086; and
- i. Issues involving the appropriate ratemaking treatment associated with Home Serve margins.

RESPONSE:

1-15. Refer to Rebuttal Testimony of Quynh Bowman, p. 4:3-17, TPUC Docket No. 20-00086.

Provide a comprehensive discussion of the ramifications on the annual HBP calculation resulting from the Company's acceptance of Consumer Advocate's adjustments in TPUC Docket No. 20-00086 related to severance costs, employee transition costs, out of period costs, and costs improperly assigned to Tennessee.

RESPONSE:

1-16. Is it Company's position that the Consumer Advocate is limited to adjusting HBP data to those items incorporated in the Stipulation and Settlement Agreement in TPUC Docket No. 20-00086? If so, provide any available evidence the Company has discovered within its review of the Atmos and CGC ARM dockets that supports this position.

RESPONSE:

1-17. Does the Company object as a general proposition to the provision of performance metrics in its annual filing? If so, does the Company acknowledge this is a distinction between the Company's ARM filing and that of Atmos and CGC?

RESPONSE:

1-18. Should the Commission consider the overall affordability of an average customer's bill in its evaluation of the annual ARM filing? If not, reconcile this position with the requirement that customer rates must be just and reasonable.

RESPONSE:

1-19. Provide a comprehensive discussion of the impact on Regulatory Department costs allocated to Piedmont's Tennessee operations if the Commission adopts an annual ARM filing for the Company contrasted with the estimate of such costs absent an ARM filing and assuming a traditional base rate case filing every three years.

RESPONSE:

1-20. Identify the annual Regulatory Department costs assigned (either allocated or direct charged) to Piedmont's Tennessee operations by year for the period 2016 – 2020.

RESPONSE:

- 1-21. Confirm that it is not the intent of Piedmont to double count any regulatory lag costs within its proposed model and if it is later determined that such a double count exists either in this or subsequent dockets, it would not object to elimination of any such double counting of costs.

RESPONSE:

- 1-22. Confirm Piedmont's intent to make monthly recordings to its ADIT balance such that the account balances are synchronized with the related balances of plant in service and depreciation expense (inclusive of deferred depreciation expense). If this is not the case, provide a comprehensive discussion of the Company's proposal to reflect balances of ADIT within its ARM filing.

RESPONSE:

- 1-23. Provide a comprehensive discussion of how the Company intends to incorporate any applicable Net Operating Losses within the ARM filing given that such balances likely won't be known until well after ARM filing is made based upon the HBP.

RESPONSE:

- 1-24. Provide the annual Provision to Return accounting entries recorded which true-up the actual tax return results with the estimates of those results for the periods 2016 through 2020 and identify the date such entries were made.

RESPONSE:

- 1-25. Refer to the Direct Testimony of Pia Powers, p. 28:12-22. Ms. Powers discusses the removal of operating revenues to remove the effect of unbilled revenue accounting entries.

With respect to this statement respond to the following:

- a. Confirm that unbilled revenues are essentially accrued revenues that have been earned but for which cash has yet to be received.
- b. Confirm that the Company will seek recovery in its HBP costs, accrued expenses representing expenses that have been incurred, but not yet paid.
- c. If parts a and b are confirmed, provide a comprehensive explanation supporting the recovery of accrued expenses in the HBP, but eliminating the recognition of accrued revenue.

RESPONSE:

1-26. Refer to the Direct Testimony of Pia Powers, pp. 28:2-13. Ms. Powers discusses the appropriate measurement of revenues. Does the Company believe various miscellaneous revenues such as late payment fees should be recognized as revenue for purposes of determining the HBP revenue requirement?

RESPONSE:

1-27. With respect to accrued expenses recorded on the Company's books as of December 31, 2020, provide the following:

- a. Identify each accrual and provide a brief description for each item. Differentiate such accruals between those costs directly incurred by Piedmont contrasted with those accrued costs allocated to Piedmont.
- b. For each item, identify the entry (with amounts) made a) in the early part of 2020 to reverse the 2019 accruals and b) the entry made in December 2020 to record end of the year accruals.

RESPONSE:

1-28. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 1, Part I. Overview. Under the "Applicable" section, the ARM tariff would apply to customers provided under special contracts. Confirm that the Company's position is that special contract customers would receive pro-rata increases (or decreases) in the same fashion as similarly situated

non-contract customers. If this is not confirmed, provide a comprehensive explanation of the meaning of the “Applicable” section of Part I.

RESPONSE:

- 1-29. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 1, Part I. Overview. Specifically, in the first paragraph of the section entitled “Purpose”, identify all non-jurisdictional transactions covered under this section that the Company believes should be excluded from the ARM calculation.

RESPONSE:

- 1-30. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 1, Part I. Overview. Specifically, in the first paragraph of the section entitled “Purpose”, will the Company include expenses associated with gas supply hedging activities, off system sales, other gas supply and capacity secondary marketing activities and other non-jurisdictional transactions in the historic base period costs and recovered through the ARM mechanism? If so, provide a comprehensive explanation supporting the disparate treatment of revenues and expenses for these items.

RESPONSE:

- 1-31. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 2, Part I. Overview. Specifically, refer to the term “HBP Net Operating Income Deficiency (Sufficiency)” under the “Global Definitions” section. Is it the Company’s position that its authorized return on equity is guaranteed with the ARM filing? If not, identify any scenarios in which the Company would not earn its authorized return.

RESPONSE:

- 1-32. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 2, Part I. Overview. Specifically, refer to the terms “Carrying Costs” and “ARM Regulatory Asset” under the “Global Definitions” section. Confirm that plant placed in service during the HBP would impact both the Carrying Cost calculation as well as the balance of the ARM Regulatory Asset pursuant to the definitions of each contained in this Exhibit. If this is confirmed, provide the justification for calculation of a return on plant placed in service in both regulatory lag mechanisms. If this is not confirmed, provide a thorough explanation indicating how plant placed in service would accrue a return in both regulatory lag mechanisms.

RESPONSE:

- 1-33. Confirm that the filing made on November 5, 2021, seeks to recover any revenue requirement shortfall or return any excess, beginning on January 1, 2021, plus carrying charges. If this is confirmed, provide a comprehensive discussion why this request does not represent an example of retroactive ratemaking.

RESPONSE:

- 1-34. Provide a comprehensive discussion of the process used by Piedmont to monitor its revenue deficiency/sufficiency throughout the year, including the frequency with which such monitoring occurs. Provide a copy of such internal reports based upon 2021 results.

RESPONSE:

- 1-35. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 3, Part I. Overview, Section “Global Definitions”, Subsection M. ARM Regulatory Asset. Provide a specific

definition of “incremental plant retirements” contained within the **Interest Deferrals** section.

RESPONSE:

- 1-36. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 3, Part I. Overview, Section “Global Definitions”, Subsection P. New Matters. Identify the issues for which the Company believes there has been an explicit determination by the Commission in the 2020 rate case settlement, given the use of the forward-looking test period as opposed to the HBP in this TPUC Docket No. 21-00135.

RESPONSE:

- 1-37. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 5, Part II. HBP Reconciliation, Section “Operating Revenues”. Provide the following:
- a. Provide a listing of all revenue accounts (account number and title) proposed to be included as operating revenues.
 - b. Provide a listing of all revenue accounts (account number and title) proposed to be excluded within the definition of operating revenue.

RESPONSE:

- 1-38. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 5, Part II. HBP Reconciliation, Section “Operating Expenses”, Subsection 5) Purchased Gas Expenses [Cost of Gas]. Confirm the Company’s position that Purchased Gas Expenses will exactly offset the PGA portion of Gas Sales and Transportation Revenues such that no margin from purchased gas revenue and purchased gas expenses will be reflected in the HBP.

RESPONSE:

1-39. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 5, Part II. HBP Reconciliation, Section “Operating Expenses”, Subsection 6) Other Purchased Gas Expenses. Identify the account number and names of Other Purchased Gas Expenses that are proposed to be included in the HBP. Provide a brief description of each account.

RESPONSE:

1-40. Is it the Company’s position that the method of identifying lobbying expenses is completely resolved in TPUC Docket No. 20-00086? If so, provide a description of how the Company will identify such costs.

RESPONSE:

1-41. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 5, II. HBP Reconciliation, Section “Operating Expenses”, Subsection 9) Employee Salaries and Wages Expense. Is it the Company’s position that employee bonuses fall under the definition of Employee Salaries and Wages Expense?

RESPONSE:

1-42. Provide a comprehensive discussion of any modifications taken by either Piedmont or Duke Energy Business Services to improve the accuracy of cost allocations of Administrative and General costs recorded on the books of Piedmont since January 2021.

RESPONSE:

1-43. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 6, Part II. HBP Reconciliation, Section “Operating Expenses”, Subsection 12) Amortization Expenses for Deferred Environmental Costs. Provide a comprehensive explanation of the Company’s request related to recognition of Environmental costs. Within this response provide any

support for the Company's position contained within the Stipulation and Settlement Agreement.

RESPONSE:

1-44. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 6, Part II. HBP Reconciliation, Section "Operating Expenses", Subsection 13) Amortization Expenses for Deferred pension costs. Confirm that the Company is limiting its request for this item to the annual amortization of the \$11,862,981 as set forth in the Stipulation and Agreement in TPUC Docket No. 20-00086. If this is not confirmed, provide a comprehensive explanation identifying the precise nature of costs for which the Company is requesting recovery.

RESPONSE:

1-45. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 6, Part II. HBP Reconciliation, Section "Operating Expenses", Subsection 14) Other Pension Expenses. Respond to the following:

- a. Is the Company's position that such costs will be based upon cash contributions to its pension plan(s)? If not, provide a comprehensive explanation supporting what other types of Pension costs would be included in the HBP.
- b. Is the Company proposing any limitation on the eligibility of cash contributions that are included in the HBP costs?

RESPONSE:

1-46. Provide a comprehensive explanation of the Company's position with respect to inclusion in Rate Base of capitalized incentive compensation costs. Confirm that going forward, only fifty percent of capitalized Short Term Incentive Plan ("STIP") costs will be included in Rate Base.

RESPONSE:

- 1-47. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 8, Part III. Annual Base Rate Reset, Section “Operating Revenues”, Subsection 1) Gas Sales and Transportation Revenues. Describe how Gas Sales and Transportation Revenues will be determined. Confirm that the actual heating degree days used will be based upon temperatures during each calendar month. Also, confirm that the actual usage by rate schedule each month is proposed to be based upon billed usage in that month and will not include any accruals to match the monthly usage levels with an estimate of what was actually sold within that month. If either of these statements are not confirmed, provide a comprehensive explanation of how the heating degree days used within the weather normalization calculation are matched with usage during the calendar period.

RESPONSE:

- 1-48. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 9, Part III. Annual Base Rate Reset, Section “Operating Revenues”, Subsection 1) Gas Sales and Transportation Revenues, Item b. Confirm the Company does not intend to weather normalize usage under Rate Schedules 303, 304, 310, 313, 314 and 343. If this is confirmed, provide the rationale for not weather normalizing each rate schedule other than 343.

RESPONSE:

- 1-49. Refer to the Direct Testimony of Pia Powers, Exhibit (PKP-2)_Final.xlsx. Provide an example incorporating recent financial information to demonstrate the source, schedules, and underlying calculations making up the Company’s Annual Review Mechanism filings. Provide the response in Excel format with formulas intact.

RESPONSE:

1-50. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 13, Part IV. ARM Filing Schedules, Rate Base Schedule 13 Utility Plant in Service ("UPIS"). Will this schedule split out allocated UPIS included within the lead schedule 2?

RESPONSE:

1-51. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 13, Part IV. ARM Filing Schedules, Rate Base Schedule 14 Depreciation Expense. Will this schedule split out allocated Depreciation Expense included within lead schedule 2?

RESPONSE:

1-52. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 13, Part IV. ARM Filing Schedules, Rate Base Schedule 15 Construction Work in Progress (CWIP). Will this schedule split out allocated CWIP included within lead schedule 2?

RESPONSE:

1-53. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 13, Part IV. ARM Filing Schedules, Rate Base Schedule 16 Accumulated Depreciation. Will this schedule split out allocated Accumulated Depreciation included within lead schedule 2?

RESPONSE:

1-54. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 13, Part IV. ARM Filing Schedules, Rate Base Schedule 18 ADIT. Will this schedule split out allocated Accumulated Deferred Income Tax included within lead schedule 2?

RESPONSE:

1-55. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 13, Part IV. ARM Filing Schedules, Rate Base Schedule 19 Cash Working Capital. Will this schedule detail out allocated balances for the components of Working Capital included within lead schedule 2?

RESPONSE:

1-56. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 13, Part IV. ARM Filing Schedules, Revenue Schedule 21 Historic Base Period Revenue Components by Rate Schedule & Special Contract. Will this schedule provide a summary of actual and Weather Normalized Revenues for the Historic Base Period? Additionally, will this schedule provide a reconciliation of revenues per books and the margin as presented on Schedule 6a?

RESPONSE:

1-57. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 13, Part IV. ARM Filing Schedules, O&M Expense Schedule 36 Other Pension Expense. Provide a summary of the purpose of this schedule.

RESPONSE:

1-58. Identify any impacts from the recently enacted Infrastructure Investment and Jobs Act (IIJA) on Piedmonts' operations. Include in this response any implications the new law on future capital expenditures of Piedmont.

RESPONSE:

1-59. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-2), Schedule 4B. Confirm that with respect to the balances of State and Federal Income taxes within the lead lag study,

only the current portion of state and federal taxes should be reflected within the calculation?
If this is not confirmed, provide a comprehensive explanation supporting the application of applying a lead lag calculation to deferred taxes.

RESPONSE:

1-60. Does Piedmont monitor its rate levels with those of peer natural gas utilities? If so, provide all documentation in the possession of Piedmont which compares its regulated rates with those of its peer utilities.

RESPONSE:

1-61. Refer to the Direct Testimony of Pia Powers, Exhibit_(PKP-1), p. 15, Part IV. ARM Filing Schedules, Other Informational Schedule 52 . The Company proposes to provide General Ledger transaction level detail for all O&M charges allocated to Tennessee operations from the Service Corporation (DEBS). Confirm that this information will be in the same level of detail and scope as was provided in MFR 14 (Confidential) with such costs split between Direct Charges and 3 State Charges. If this is not confirmed, provide a comprehensive explanation of the scope of information the Company is proposing to provide within the filing related to corporate charges.

RESPONSE:

1-62. Refer to the Stipulation and Settlement Agreement in TPUC Docket No. 20-00086. Specifically identify any provisions in the agreement that the Company is proposing to adopt relative to the following categories:

- a. Section 17 b – Future Pension Deferrals
- b. Section 17 i – Future Environmental Deferrals
- c. Section 17 m – Depreciation Study on Piedmont common assets

- d. Section 17 n – Allocated Depreciation Expense from Service Company
- e. Section 14 i – Deferred Pension Expense

RESPONSE:

RESPECTFULLY SUBMITTED,



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CERTIFICATE OF SERVICE

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

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This the 19th day of November, 2021.



KAREN H. STACHOWSKI
Senior Assistant Attorney General