

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

IN RE:

**PIEDMONT NATURAL GAS COMPANY,
INC., ANNUAL PERFORMANCE INCENTIVE
PLAN REPORT FOR THE PERIOD
JULY 1, 2021 THROUGH JUNE 30, 2022**

Docket No. 22-00086

PETITION TO INTERVENE

The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), by and through counsel, in accordance with TENN. CODE ANN. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (“TPUC” or the “Commission”) to grant the Consumer Advocate’s intervention into this proceeding because consumers’ interests, rights, duties, or privileges may be determined or affected by the *Piedmont Natural Gas Company, Inc., Annual Performance Incentive Plan Report For The Period July 1, 2021 Through June 30, 2022* (“IPA Filing”) filed by Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”) in this Docket. For cause, the Consumer Advocate would show as follows:

1. The Consumer Advocate is authorized by TENN. CODE ANN. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating and intervening as a party in any matter or proceeding before TPUC in accordance with the Uniform Administrative Procedures Act, TENN. CODE ANN. §§ 4-5-101, *et seq.*, and TPUC rules.

2. Piedmont, a subsidiary of Duke Energy Corporation, is a public utility regulated by TPUC and is in the business of transporting, distributing, and selling natural gas to approximately 191,000 residential, commercial, and industrial customers in the State of Tennessee. Piedmont’s

headquarters are located at 4720 Piedmont Row Drive, Charlotte, North Carolina, with local distribution headquarters at 83 Century Boulevard, Nashville, Tennessee.¹

3. On May 31, 1996, the Tennessee Public Service Commission² approved, on an experimental basis, an Incentive Plan to Nashville Gas Service, Piedmont's predecessor.³ "The Incentive Plan replaces the reasonableness or prudence review of Nashville's gas purchasing activities overseen by the [Commission] and is designed to produce rewards for Nashville's customers and its shareholders and to produce improvements in Nashville's gas procurement activities."⁴ After a two-year experimental period, the Commission issued an Order⁵ authorizing a modified Incentive Plan to continue annually, which consists of two "primary features:" (1) the Gas Procurement Mechanism; and (2) the Capacity Management Plan.⁶ The Incentive Plan also provides for recovery of hedging costs in the Actual Cost Adjustment ("ACA").⁷

4. Commission Staff previously explained that while the goal of its audit of the Company's Incentive Plan "is to verify the Company's calculations of incentive gains and losses are materially correct," the audit also includes Piedmont's Purchased Gas Adjustment ("PGA") "tariff filing to implement a customer surcharge to recover the balance in the IPA account" for the specified period.⁸

¹ *Notice of Filing by the Utilities Division of the Tennessee Public Utility Commission*, Exhibit A, p. 1, TPUC Docket No. 20-00107 (Mar. 19, 2021).

² The Tennessee Public Service Commission predated the Tennessee Regulatory Authority, or "TRA." The TRA is the predecessor agency to the Commission, or "TPUC." While the nomenclature has changed, the scope and function of these entities has remained essentially the same.

³ *Order Approving Incentive Plan*, TRA Docket No. 96-00805 (May 31, 1996).

⁴ *Order Approving Performance Incentive Plan*, pp. 1-2, TRA Docket No. 96-00805 (Mar. 11, 1999).

⁵ *Id.*

⁶ *Id.* at p. 5.

⁷ *Notice of Filing by Utilities Division of the Tennessee Public Utility Commission*, Exhibit A, p. 2, TPUC Docket No. 21-00102 (July 11, 2022).

⁸ *Id.* at p. 3.

5. On September 1, 2022, Piedmont filed its current IPA Filing. In this filing, Piedmont stated that “all enclosures provided in this filing, with the exception of the Gain/Loss Summary page itself, contain CONFIDENTIAL INFORMATION.”⁹

6. The Commission has previously allowed the Consumer Advocate to intervene in Piedmont’s IPA proceeding for the period of July 1, 2020, through June 30, 2021 (TPUC Docket No. 21-00102), and corresponding ACA proceeding (TPUC Docket No. 21-00101). In those Dockets, the Consumer Advocate was particularly concerned about the effects of the February 2021 natural gas price spikes on Piedmont and its customers.

7. The Consumer Advocate likewise seeks to intervene in the present IPA Docket and the related ACA Docket¹⁰ (by separate petition) to represent the interests of Piedmont’s Tennessee consumers in these matters and to determine whether any concerns exist with regard to the current filing period.

8. The interests of consumers may be affected by determinations and orders made by TPUC with respect to: (a) the interpretation, application, and implementation of TENN. COMP. R. & REGS. 1220-04-07, and other relevant statutory and regulatory provisions; and (b) the review and analysis of Piedmont’s documentation, financial spreadsheets, and other materials. As the interest of Tennessee consumers may be determined in this proceeding, the Consumer Advocate qualifies by provision of law, TENN. CODE ANN. § 65-4-118(b)(1), as an intervenor in this matter to represent these interests.

9. Only by participating as a party to this proceeding can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

⁹ *Piedmont Natural Gas Company, Inc., Annual Performance Incentive Plan Report for The Period July 1, 2021, through June 30, 2022*, p. 1, TPUC Docket No. 22-00086 (Sept. 1, 2022).


¹⁰ See TPUC Docket No. 22-00085.

Wherefore, the Consumer Advocate requests the Commission grant this Petition to Intervene and to grant the Consumer Advocate and the consumers of Tennessee such other relief as may be deemed appropriate under the circumstances.

RESPECTFULLY SUBMITTED,



JONATHAN SKRMETTI (BPR No. 031551)
Attorney General and Reporter
State of Tennessee



MASON C. RUSH (BPR No. 039471)
Assistant Attorney General
KAREN H. STACHOWSKI (BPR No. 019607)
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Phone: (615) 741-2357
Fax: (615) 741-8151
Email: Mason.Rush@ag.tn.gov
Email: Karen.Stachowski@ag.tn.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Petition to Intervene was served U.S. Mail, postage prepaid, with a courtesy copy by email:

Paul S. Davidson
Waller Landsden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, Tennessee 37219
Phone: (615) 244-6380
Email: Paul.Davidson@wallerlaw.com

James H. Jeffries, IV
McGuireWoods LLP
201 North Tryon Street, Suite 3000
Charlotte, North Carolina 28202
Phone: (704) 343-2348
Email: JJeffries@mcguirewoods.com

Brian S. Heslin, Esq.
Deputy General Counsel
Duke Energy Corporation
550 S. Tryon Street, Mail Code: DEC45A
Charlotte, NC 28202
Phone: (980) 373-0550
Email: brian.heslin@duke-energy.com

Bruce P. Barkley
V.P. – Rates & Natural Gas Supply
Piedmont Natural Gas Company, Inc.
4720 Piedmont Row Drive
Charlotte, NC 28210
Phone: (704) 731-4699
Email: bruce.barkley@duke-energy.com

Pia K. Powers
Managing Director – Gas Rates &
Regulatory
Piedmont Natural Gas Company, Inc.
4720 Piedmont Row Drive
Charlotte, NC 28210
Phone: (704) 731-4259
Email: pia.powers@duke-energy.com

This the 5th day of October 2022.



MASON C. RUSH
Assistant Attorney General