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November 29, 2022

Via Electronic Filing & U.S. Mail

Electronically Filed in TPUC Docket Room
on November 29, 2022 at 4:23 p.m.

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

**Re: Piedmont Natural Gas Company, Inc.
Petition for Approval of Service Schedule No. 319 to its Tennessee Service Regulations
Docket No.: 22- 00130**

Dear Chairman Hillard:

Enclosed please find the Petition of Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company") for Approval of Service Schedule No. 319 to its Tennessee Service Regulations pursuant to TPUC Rule 1220-04-01-.06. Also enclosed is a check for the filing fee in the amount of \$25.00.

This material is also 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
Enclosures

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF PIEDMONT NATURAL)	
GAS COMPANY, INC. FOR APPROVAL)	
OF SERVICE SCHEDULE NO. 319 TO ITS)	Docket No. <u>22-00130</u>
TENNESSEE SERVICE REGULATIONS)	
)	
)	

**PETITION OF PIEDMONT NATURAL GAS COMPANY, INC. FOR APPROVAL OF
SERVICE SCHEDULE NO. 319 TO ITS TENNESSEE SERVICE REGULATIONS**

Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”) hereby respectfully requests the Tennessee Public Utility Commission (“TPUC” or “Commission”) to approve its petition for: (1) the inclusion, pursuant to TPUC Rule 1220-04-01-.06, of proposed Service Schedule No. 319 to Piedmont’s Tennessee Tariff (“Service Schedule No. 319” or “Rider”) setting forth a Rider for new voluntary customer program called GreenEdgeSM (“GreenEdgeSM Program”), and (2) an accounting order for regulatory and financial accounting purposes authorizing the Company to maintain a deferred account for the purposes of recording the costs and revenues associated with the Rider. In response to customer interest for a utility program of this nature, this Rider is designed to enable certain customers the option to offset the carbon emissions associated with their natural gas usage through direct funding of Piedmont’s purchase of environmental attributes. In support of this request, Piedmont respectfully shows unto the Commission the following:

1. Piedmont is incorporated under the laws of the state of North Carolina and is engaged in the business of transporting, distributing, and selling natural gas in the states of Tennessee, North Carolina, and South Carolina.

2. Piedmont's natural gas distribution business in Tennessee is subject to regulation and supervision by the Commission pursuant to Chapter 4 of Title 65 of the Tennessee Code Annotated.

3. Piedmont has its principal offices in Tennessee at 83 Century Boulevard, Nashville, Tennessee, and is engaged in the business of furnishing natural gas to customers located in Nashville and the remainder of Davidson County as well as portions of the counties of Cheatham, Dickson, Robertson, Rutherford, Sumner, Trousdale, Williamson, and Wilson and in certain incorporated towns and cities located therein.

4. All correspondence and communications with respect to this Petition should be sent to the following representatives of Piedmont:

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5. Piedmont developed this Rider to accommodate customer interest for a utility program offering of this nature. Piedmont conducted a survey by sample of its residential customers to assess their interest in natural gas decarbonization option offerings. Key findings from this survey that informed the Company's design of this Rider were the existence of meaningful customer demand for a voluntary utility program to decarbonize their natural gas carbon footprint at an affordable cost, customer preference for a hybrid supply of environmental attributes in the form of both renewable natural gas and forestry or other nature-based carbon offsets, and the desire for flexibility of the customer's level of financial participation in such a program. The proposed Rider addresses these residential customer preferences and affords Piedmont's smaller commercial customers the same opportunity which may be complementary to their sustainability and/or environmental stewardship goals.

6. Piedmont requests the establishment of Service Schedule No. 319 to provide qualifying customers with the option to offset the carbon emissions associated with their natural gas usage through voluntary direct funding of the Company's purchase of environmental attributes. The Company will purchase environmental attributes sourced from renewable natural gas and from nature-based carbon offsets including those generated from forestation and land conservation projects, all of which are beneficial to the environment. The Company will purchase and retire such environmental attributes on behalf of the collective participation of the customers under this Rider.

7. Piedmont proposes that the Rider be available to residential and non-residential customers receiving concurrent natural gas service from the Company under Rate Schedule 301 (Residential Service) or Rate Schedule 302 (Small General Service) who have contracted for one or more blocks of environmental attributes sourced by the Company. Participation in this Rider is

voluntary, and the Rider is designed to allow customers who wish to provide carbon offsets for their use of natural gas to have a mechanism to do so provided by the Company.

8. Customers who elect to participate under this Rider will contract for Piedmont's purchase of one or more blocks of environmental attributes each month. Each block of environmental attributes is intended to mitigate the carbon footprint impact of 12.5 therms of natural gas usage. The average Piedmont residential customer in Tennessee uses around 740 therms of natural gas annually under normal weather conditions. Therefore, the purchase of one block of environmental attributes each month by a residential customer would offset approximately 20% of the carbon footprint impact resulting from their annual natural gas usage; the purchase of five blocks a month would offset approximately 100% of the carbon footprint impact resulting from their annual natural gas usage. For the average small general service customer served by Piedmont in Tennessee, who uses around 3,350 therms of natural gas annually under normal weather conditions, the purchase of one block of environmental attributes each month would offset approximately 4% of the carbon footprint impact resulting from their annual natural gas usage; the purchase of 11 blocks a month would offset approximately 50% of the carbon footprint impact resulting from their annual natural gas usage, and the purchase of 22 blocks a month would offset approximately 100% of the carbon footprint impact resulting from their annual natural gas usage.

9. Customers who elect to participate in the Rider will continue to pay the rates and charges under their applicable Rate Schedule 301 or Rate Schedule 302, and an additional monthly charge for each block of environmental attributes that the customer elects under the Rider. The per block monthly charge will apply to a participating customer's monthly bill regardless of the customer's actual monthly natural gas usage under the applicable Rate Schedule 301 or Rate

Schedule 302 and regardless of any service interruptions or curtailments that the customer may experience. The Company proposes that the rate for the per block monthly charge under this Rider be set at \$3.00. The Company will monitor the cost of operation of this Rider over time and may at some point in the future, as needed, propose a prospective change to the per block rate for this Rider subject to Commission approval. The Company does not currently anticipate a need to seek to modify the per block monthly charge from the proposed \$3.00 rate.

10. The operation of the Rider will not impact the Company's continuing provision of safe and reliable natural gas service to its customers in the state of Tennessee. Should a customer who elects to participate in the Rider experience an inability to pay the amounts due pursuant to the Rider, such circumstance shall not result in disconnection of gas service to the customer.

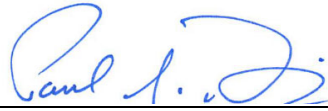
11. Customers that do not participate in the Rider are to be held harmless, neither advantaged nor disadvantaged, from the impacts of the Company's operation of the Rider. To this end, Piedmont seeks deferred accounting treatment for all costs and revenues related to the Rider. Such accounting treatment will help ensure, with precision and full transparency, that there is no financial cross-subsidization between participating and non-participating customers. The deferred account for this Rider shall be excluded from the calculation of Piedmont's cost of service in any future general rate case proceeding or rate adjustment approved under the Company's Annual Review Mechanism. Piedmont plans to file with the Commission monthly informational reports of all the activity recorded to the deferred account for the Rider for the penultimate preceding month. Piedmont will also file an informational annual report of operational performance of the GreenEdgeSM Program and customer participation in the Rider by each March 1st for the most recently completed 12-month period ending December 31st.

12. The Company recently began operation of the GreenEdgeSM Program to its residential and small general service customers in North Carolina. Upon Commission approval of Service Schedule No. 319, the Company will open enrollment in the GreenEdgeSM Program to its eligible electing Tennessee customers within 90 days.

WHEREFORE, for all the reasons set forth above, Piedmont respectfully requests that the Commission: (1) approve the attached proposed Service Schedule No. 319 effective March 1, 2023, and (2) issue an order allowing deferred accounting treatment discussed above, on or before March 1, 2023 or as soon thereafter as practicable.

Respectfully submitted this 29th day of November, 2022.

Piedmont Natural Gas Company, Inc.

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SERVICE SCHEDULE 319
Rider for Voluntary GreenEdgeSM Program

This Rider provides certain Customers the option to offset the carbon emissions associated with their natural gas usage through direct funding of the Company's purchase of environmental attributes from renewable natural gas and carbon offsets.

Availability

This Rider is available on a voluntary basis to residential and non-residential Customers receiving concurrent Gas Service under an Applicable Rate Schedule from the Company who contract for one or more blocks of environmental attributes sourced by the Company from renewable natural gas and carbon offsets.

General Provisions

Each Customer may contract for the Company's purchase of one or more blocks of environmental attributes on their behalf. The Customer may change their monthly election of the number of blocks of environmental attributes once during any consecutive twelve-month period, unless otherwise authorized by the Company. There is no limit to the number of blocks that the Customer may contract for under this Rider.

Each block of environmental attributes is intended to fully mitigate the carbon footprint impact of 12.5 therms of natural gas usage by the Customer. The actual amount of natural gas usage by the Customer during any given month may be more or less than the number of blocks of environmental attributes for which the Customer has contracted.

The environmental attributes are represented by renewable natural gas certificates and carbon offsets. Such environmental attributes purchased and retired by the Company pursuant to this Rider will be done so on behalf of the collective participation of Customers under this Rider.

Definitions

"Applicable Rate Schedule(s)" under this Rider refers to Rate Schedule 301 and/or Rate Schedule 302.

Rates and Charges

In addition to the rates and charges provided for under the Customer's Applicable Rate Schedule, a \$3.00 monthly charge shall apply to each block of environmental attributes that the Customer elects under this Rider. The monthly charge under this Rider shall apply to the Customer's monthly utility bill regardless of the Customer's actual monthly gas usage under their Applicable Rate Schedule and regardless of any Gas Service interruptions or curtailments that the Customer may experience pursuant to their Applicable Rate Schedule.

The Company may seek, at its discretion, approval from the Commission to implement on a prospective basis changes to the per block monthly charge under this Rider that may

become necessary over time. The Company shall provide Customers participating in this Rider at least one month's advance notice of any such change through a bill message or other similar communication method.

Payment of Bills

Bills shall be due and payable as provided for under the Customer's Applicable Rate Schedule.

Late Payment Charges

No late payment charge shall be assessed to amounts not paid timely by the Customer under this Rider.

Contract Period

Either the Customer or the Company may terminate the Customer's participation under this Rider by giving at least thirty (30) days prior written notice of such termination, with exception as follows. The Company may terminate a Customer's participation under this Rider without prior notice when the Customer is 60 days or more past due on payment of amounts billed to them pursuant to this Rider, and/or upon disconnection of Gas Service to the Customer.

Failure of the Customer to pay any amounts due pursuant to this Rider shall not result in disconnection of Gas Service to the Customer.