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

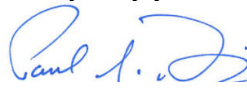
**Re: Petition of Piedmont Natural Gas Company, Inc. to Offer the Voluntary GreenEdge Program and for the Commission to Issue an Accounting Order Authorizing the Company to Maintain a Deferred Account for Recording Associated Costs and Revenues, Docket No.: 22-00130**

Dear Chairman Hilliard:

Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company") hereby submits the Prefiled Direct Testimony of Keith Goley in support of the Company's petition filed on November 29, 2022 in the above-referenced docket.

This material also is 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 of the same to my assistant, at [denise.guye@wallerlaw.com](mailto:denise.guye@wallerlaw.com). Please do not hesitate to call me if you have any questions.

Very truly yours,



Paul S. Davidson

PSD:nh  
Enclosure

cc: Karen Stachowski  
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Bruce Barkley  
Pia Powers  
James H. Jeffries IV

**Before the  
Tennessee Public Utility Commission**

**Docket No. 22-00130**

**Petition of Piedmont Natural Gas Company, Inc. to Offer the Voluntary  
GreenEdge Program and for the Commission to Issue an Accounting Order  
Authorizing the Company to Maintain a Deferred Account for Recording  
Associated Costs and Revenues**

**Prefiled Direct Testimony  
of  
Keith Goley**

**On Behalf of  
Piedmont Natural Gas Company, Inc.**

1 **Q. Mr. Goley, please state your name and business address.**

2 A. My name is Keith Goley. My business address is 4720 Piedmont Row  
3 Drive, Charlotte, North Carolina.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am a Senior Rates and Regulatory Strategy Analyst for Piedmont Natural  
6 Gas Company, Inc. (“Piedmont” or the “Company”).

7 **Q. Please describe your educational and professional background.**

8 A. I graduated from the University of North Carolina at Charlotte in 2013,  
9 earning a Bachelor’s degree in Political Science and Criminal Justice. I  
10 am currently pursuing a Master of Business Administration at the  
11 University of North Carolina at Charlotte. From 2014 to 2018, I was  
12 employed by Moore & Van Allen, PLLC as an Energy Regulatory  
13 Paralegal. From 2018 to 2022, I held the same position at McGuireWoods,  
14 LLP. I joined Piedmont in 2022 in my current role as a Senior Rates and  
15 Regulatory Strategy Analyst.

16 **Q. Have you previously testified before this Commission or any other  
17 regulatory authority?**

18 A. No. This is the first time I am presenting testimony before the Tennessee  
19 Public Utility Commission (“TPUC” or “Commission”) or any other  
20 regulatory authority.

21 **Q. What is the purpose of your testimony in this proceeding?**

22 A. I am providing this direct testimony in support of Piedmont’s petition that  
23 seeks: (1) approval of proposed Service Schedule No. 319 to Piedmont’s

1 Tennessee Tariff (“Service Schedule No. 319” or “Rider”) setting forth a  
2 new, voluntary customer program called GreenEdge<sup>SM</sup> (“GreenEdge<sup>SM</sup>  
3 Program” or “Program”); and (2) authorization to maintain a deferred  
4 account for the purposes of recording the costs and revenues associated  
5 with the Rider. Individual customer participation in the Program, and  
6 accordingly the Rider, is entirely voluntary. The regulated natural gas  
7 service provided by Piedmont to its customers is in no way impacted by  
8 Piedmont’s operation of the Program and Rider, nor by any individual  
9 customer’s participation in the Program and Rider. Furthermore, the  
10 Company’s proposed accounting treatment will ensure that the Rider has  
11 no impact whatsoever on non-participating customers.

12 **Q. Why is the Company proposing the Rider?**

13 A. Piedmont is proposing the Rider in order to accommodate customer  
14 interest in having access to a means to pursue their own carbon-reduction  
15 goals. Pursuant to the Rider, customers receiving service under Rate  
16 Schedule 301 (Residential Service) or Rate Schedule 302 (Small General  
17 Service) may elect for Piedmont to purchase blocks of environmental  
18 attributes (“EAs”) on their behalf. Each block of EAs offsets the carbon  
19 footprint impact of a customer’s usage of 12.5 therms of natural gas.

20 **Q. How will customers elect to participate under the Rider?**

21 A. Customers will be able to enroll in the Program through a portal on the  
22 Company’s website, or through communications with the Company via  
23 phone, mail, or email. At the time of Program enrollment, the customer

1 will indicate the number of blocks of EAs that they desire the Company to  
2 purchase on their behalf each month on a going forward basis. With 30-  
3 days advance written notice to the Company, any participating customer  
4 may modify their Program election on a prospective basis (meaning, that  
5 they may modify the number of blocks that they desire the Company to  
6 purchase on their behalf prospectively under the Program) or terminate  
7 their enrollment in the Program going forward.

8 **Q. How will customers be billed under the Rider?**

9 A. After enrolling in the Program, participating customers will be assessed a  
10 monthly charge of \$3.00 for each block of EAs that they have elected.  
11 The monthly charge for the EAs will be billed to each participating  
12 customer concurrent with the monthly billing of their regulated gas  
13 service, and such charge will be shown as a separate line item on their  
14 monthly Piedmont bill.

15 **Q. Why did the Company choose \$3.00 per block pricing for the Rider?**

16 A. The \$3.00 per block pricing was developed based on average natural gas  
17 consumption and current market pricing for EAs. Given that this pricing is  
18 intended to cover 12.5 therms per block and given that Piedmont's average  
19 residential customer in Tennessee uses around 740 therms of natural gas  
20 annually under normal weather conditions,<sup>1</sup> a residential customer's  
21 election of 5 blocks of EAs each month, for example, will fully offset their  
22 average annual household usage of natural gas. Piedmont will continue to

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<sup>1</sup> Docket No. 20-00086.

1 monitor the cost to operate the GreenEdge<sup>SM</sup> Program and may propose  
2 prospective pricing changes to the Commission for approval as necessary.  
3 As indicated in the Rider, the Company will provide at least one month's  
4 advance notice to participating customers of any such prospective change  
5 to the pricing of the EAs.

6 **Q. How will the EAs be purchased by the Company on behalf of the**  
7 **participating customers?**

8 A. The Company will work with a third-party to purchase verified EAs  
9 sourced from renewable natural gas ("RNG") and from nature-based  
10 carbon offsets including those generated from forestation and land  
11 conservation projects. RNG certificates and carbon-offsets will be  
12 purchased by the Company annually in bulk, aligning with the aggregate  
13 prior-year annual customer enrollments in the Program. Such EAs  
14 purchased by the Company under the Program on behalf of the  
15 participating customers will then be retired. Accordingly, there will be no  
16 opportunity for anyone other than the participating customers to claim or  
17 otherwise utilize the carbon emissions reduction generated by the EAs  
18 purchased under the Program.

19 **Q. Please elaborate.**

20 A. As an example, consider a scenario where in a given year there are 10  
21 customers enrolled in the Program and each of these participating  
22 customers has elected that one block of EAs be purchased by Piedmont  
23 under the Program. This level of customer participation in the Program

1 would, in aggregate for a 12-month period, result in Piedmont purchasing  
2 120 blocks of EAs on behalf of the Program participants, thereby  
3 offsetting the carbon footprint impact of 1,500 therms for that annual  
4 period. Piedmont currently has around 195,000 customers receiving  
5 service under Rate Schedules 301 and 302. If each of these customers  
6 were to enroll in the Program with an election of just one block of EAs per  
7 month, this would cause Piedmont to purchase 2,340,000 blocks of EA  
8 under the Program each year, which accordingly offsets the carbon  
9 footprint impact of 29,250,000 therms of natural gas usage per year.

10 **Q. How does the Company propose to record the costs and revenues**  
11 **associated with the Rider?**

12 A. Piedmont proposes to maintain a deferred account for the purpose of  
13 recording and reporting related costs and revenues associated with the  
14 Rider. Any purchased EAs will then be immediately retired, which means  
15 that there will no carrying value on the Company's books for the EAs  
16 purchased under the Program. The deferred account related to the  
17 operation of the Rider will be excluded from the cost-of-service  
18 calculation in any future general rate case proceeding or rate adjustment  
19 approved under the Company's Annual Review Mechanism. The proposed  
20 accounting treatment for the Rider will ensure, with precision and full  
21 transparency, that there is no cross-subsidization between participating  
22 and non-participating customers, and that non-participating customers are

1       neither advantaged nor disadvantaged from the operation of Program and  
2       the Rider.

3       **Q.    Would failure to pay any amount under the proposed Rider subject a**  
4       **customer to disconnection of gas service?**

5       A.   No. Participating customers will not be subject to disconnection of natural  
6       gas service due to non-payment of charges related to the Rider. Neither the  
7       operation of the Program, nor the Rider, will in any way impact the natural  
8       gas service provided by Piedmont to any of its customers.

9       **Q.    Do you believe the Commission should approve the Rider as proposed**  
10       **by the Company?**

11      A.   Yes, I do. The Rider enables Piedmont to provide its customers an option  
12      to mitigate some or all of the carbon footprint impact associated with the  
13      customer's individual natural gas usage. Customer participation in the  
14      program is entirely voluntary and a customer's gas service will in no way  
15      be impacted by their participation in the Rider. Additionally, Piedmont's  
16      proposed accounting treatment will ensure that non-participating  
17      customers will not be financially impacted by the operation of the Rider.

18      **Q.    What specifically are you asking the Commission to do in this**  
19      **proceeding?**

20      A.   My ask is two-fold. I am asking the Commission to approve the  
21      Company's proposed Service Schedule No. 319 effective March 1, 2023.  
22      I am also asking the Commission to authorize the requested deferred  
23      accounting treatment for the costs the Company incurs to operate the



1       GreenEdge<sup>SM</sup> Program and the revenues generated under Service Schedule

2       No. 319.

3       **Q.     Does this conclude your direct testimony?**

4       A.     Yes, it does.