

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

IN RE:	)	
	)	
PETITION OF PIEDMONT NATURAL	)	
GAS COMPANY, INC. FOR APPROVAL	)	DOCKET NO. 23-00035
OF ITS 2023 ANNUAL REVIEW OF	)	
RATES MECHANISM PURSUANT TO	)	
TENN. CODE ANN. § 65-5-103(d)(6)	)	

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**CONSUMER ADVOCATE’S RESPONSES TO  
PIEDMONT’S FIRST SET OF DISCOVERY REQUESTS**

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Jonathan Skrmetti, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), pursuant to Rules 26, 33, and 34 of the Tennessee Rules of Civil Procedure, Tennessee Public Utility Commission (“TPUC” or The “Commission”) Rule 1220-01-02-.11, and the Agreed Procedural Schedule entered by the Hearing Officer in this Docket, hereby submits its responses to the *First Set of Discovery Request of Piedmont Natural Gas Company, Inc.* (“Piedmont” or the “Company”) filed on August 7, 2023.

**General Objections**

All of the General Objections made herein are applicable to and are hereby incorporated into each and every response herein, and each response herein is made subject to and without waiver of these General Objections.

- A. The Consumer Advocate objects to each of the Company’s requests on the grounds that each is overly broad, unduly burdensome, and oppressive.
- B. The Consumer Advocate objects to the Company’s discovery requests to the extent that they purport to impose the obligations upon the Consumer Advocate beyond those contemplated by the Tennessee Rules of Civil Procedure, TPUC Rules, and

Tennessee law.

- C. The Consumer Advocate objects to each of the Company's requests to the extent that each purports to call for information and/or documents prepared in anticipation of litigation, and/or information and/or documents protected by the attorney-client privilege, the work product doctrine, the common-interest doctrine, or any other applicable protection or privilege.
- D. The Consumer Advocate objects to each of the Company's requests to the extent that they are not applicable in the context of a proceeding before the TPUC, cite an incorrect legal conclusion, or mischaracterize or improperly summarize statements made by the Consumer Advocate's expert witnesses in their pre-filed direct testimonies.
- E. By providing the objections contained herein, the Consumer Advocate does not waive or intend to waive, but rather, intends to preserve, all objections with regard to competence, relevance, materiality, and admissibility of the discovery information or documents in any subsequent proceeding on the related subject matter. Moreover, the Consumer Advocate intends by this set of responses to preserve all objections to vagueness, ambiguity, and undue burden in connection with requests to produce documents, including those that are not in the Consumer Advocate's possession, custody, or control.
- F. The responses made herein are made to the best of Consumer Advocate's present knowledge after a reasonably diligent search for responsive information. The Consumer Advocate will supplement its responses in line with the requirements of the Tennessee Rules of Civil Procedure as well as TPUC Rules and expressly reserves its right to supplement or amend its answers, if and as appropriate, including with respect to objections that may arise at a later time than this filing.

Without waiving these General Objections as they apply to each individual request, the Consumer Advocate presents the following responses:

### **CONSUMER ADVOCATE'S RESPONSES**

- 1-01.** To the extent not already provided, please identify and provide copies of all Documents and workpapers (including all related Excel files with working formulae and links intact) supporting and/or underlying all testimony, exhibits (including initial, revised, additional, supplemental, updated, rebuttal, etc.) filed by the Consumer Advocate in this Proceeding. Please consider this request ongoing.

**RESPONSE:**

See Table 1 attached to these responses. The file is the excel calculation supporting the data contained in Table 1 within the pre-filed direct testimony of David N. Dittmore.<sup>1</sup>

The attached Table 1 is the only outstanding Documents and workpapers supporting and/or underlying all testimony and exhibits yet to be filed to the Consumer Advocate's knowledge. The Consumer Advocate will treat this request as ongoing and supplement its response here if needed.

- 1-02.** Why did the Consumer Advocate exclude capitalized pension costs from Utility Plant in Service given that Piedmont's 2023 Annual ARM Filing had already excluded capitalized pension and OPEB costs from the HBP CWIP amount as prescribed by the Company's ARM Tariff? (See ARM Schedule 15).

**RESPONSE:**

Failure to identify that the Company excluded \$436,208 of capitalized Pension and OPEB charges from its CWIP balances identified in Schedule 15, upon an average monthly CWIP balance of \$65 million, was in error. As a result, the Consumer Advocate's Adjustment to Rate Base of \$2,126,188 is reflected as a Piedmont-Tennessee jurisdictional value instead a total Piedmont value. Therefore, the adjustment to Rate Base, as calculated, is incorrect and should be withdrawn.

The Consumer Advocate maintains that it is unclear whether the Company has excluded the appropriate amount of capitalized OPEB costs within Schedules 15 and 15.1 based

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<sup>1</sup> *Direct Testimony of David N. Dittmore*, at 5, TPUC Docket No. 23-00035 (August 2, 2023).

upon the FAS 112 costs provided in Attachment 2.2 of the Company's Response to the Consumer Advocate's DR No. 2-2.

- 1-03.** Why did the Consumer Advocate exclude non-qualified pension and OPEB expense accrual from ADIT (i.e., T codes T22A29 and T22E02) given that Piedmont's 2023 Annual ARM Filing had already excluded these same T codes from the HBP ADIT amount? (See ARM Schedule 18.1).

**RESPONSE:**

The failure to identify that the Company had already removed these items from its supporting workpapers (ARM Schedule 18.1) was in error. As a result, the adjustment to ADIT is overstated \$433,180 when considering these two items and the Annual Incentive Plan Comp identified in Piedmont request 1-4 below. See Attachment 1-3 for the corrected ADIT adjustment. See Confidential Amended CA Schedules, Attachment 1-3.1, which reflect the impact of removal of Consumer Advocate Rate Base adjustments referenced in responses 1-02, 1-03 and 1-04. The revised ARM Rider recommendation is \$10,434,669, compared with the original recommendation of \$10,202,856. The revised base rate increase is \$28,354,909 compared with the original recommendation of \$28,139,496.

- 1-04.** Why did the Consumer Advocate exclude 100% of Annual Incentive Plan Comp from ADIT (i.e., T code T22B13) given that Piedmont's 2023 Annual ARM Filing had already excluded the appropriate portion (50%) of incentive compensation from ADIT as prescribed by the Company's ARM Tariff? Note that the Company's 50% adjustment in ADIT aligns with the removal of 50% of STIP from HBP O&M expense as prescribed by the Company's ARM Tariff. (See ARM Schedule 18.1).

**RESPONSE:**

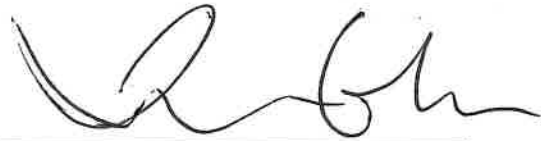
The failure to identify that the Company had already removed this item from its supporting workpapers (ARM Schedule 18.1) was in error. See Attachment 1-3 for the impact of this error included in the corrected ADIT adjustment.

**1-05.** Why did the Consumer Advocate exclude long term disability costs (i.e., T code T22E06) from ADIT? (See CAD exhibit 11).

**RESPONSE:**

See the Company's Response to Consumer Advocate DR No. 1-9. This response identifies Code T22E06 as FAS 112 Medical Expenses Accrual. FAS 112 relates to Other Post-Employment Benefits, which are to be excluded from the ARM calculations. The Consumer Advocate accordingly excluded these costs from its calculations.

RESPECTFULLY SUBMITTED,



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Assistant Attorney General

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**CERTIFICATE OF SERVICE**

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This the 14<sup>th</sup> day of August, 2023.



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**VICTORIA B. GLOVER**  
Assistant Attorney General

Table 1

Piedmont Existing Base Rates	\$	164,738,020	PNG Schedule 26
PNG Proposed Increase in Base Rates	\$	29,861,462	PNG Schedule 26
ARM Rider Rate	\$	11,699,131	PNG Schedule 12
Total Normalized Revenue	\$	206,298,613	
Revenue Increase Sought in this Case	\$	41,560,593	
Divided by Existing Base Rates	\$	164,738,020	
			25.23%

Listing of Corrections to Consumer Advocate ADIT Adjustment  
Attachment 1-3

Duplicated Rate Base Adjustment included in Schedule DND-11



Listing of Consumer Advocate Adjustments

Adj No	Item	Amount	Reference	Confidential?	Exhibit No.
<b>Rate Base</b>					
1	To eliminate Non-Cash Working Capital components (Equity Return and Depreciation Expense) from Cash Working Capital Calculation	\$ (3,339,960)		No	
2	To remove ADIT Debts necessary to match revenue requirement calculation.	\$ (3,072,070)	Various tabs within response 1-9	No	
3	Increase ADIT associated with NC Tax Rate Change	\$ -		No	
4	Capitalized Pension Expense?	\$ -		No	
5	Reflect cash working capital from Consumer Advocate Adjustments				
<b>Income Statement</b>					
5	Depreciation on trucks allocated to TN but physically located in NC or SC	\$ (43,903)		No	
6	McKinsey and Associates	\$ (378,334)		Yes	
7	Reduce Air Travel Costs Allocated to Piedmont	\$ (231,115)		Yes	
8	To eliminate JD Power expenses incurred to be recognized for providing excellent customer service.			No	
					1-14 (Public) 1-14a Attachment 1 of 5 (Public); 1-14a Attachment 2 of 5 (Public)
9	Eliminate Direct Labor Lobbying Costs	\$ (134,795)	Piedmont Confidential Schedule 37.1, 1-14; Confidential Attachments 1-14a 1 and 1-14a-2.	Yes	1-14a Attachment 3 of 5 (Public); 1-14a Attachment 4 of 5 (Public); 1-14b (Confidential)
10	Eliminate Indirect Lobbying	\$ (14,511)	Confidential Attachment 1-14(b)	Yes	
11	Eliminate Environmental Costs (Rate Reset Period Only)	\$ (335,303)	Piedmont Schedule 33.0	No	
12	Results of Operations			No	
13	Rate Base as adjusted by Consumer Advocate			No	
14	Lead Lag Results			No	
15	Operating and Maintenance Costs HBP and Annual Base Reset			No	
16	Operating and Maintenance Adjustments Itemized			Yes	
17	Consumer Advocate Income Tax Expense Calculation			No	
18	ARM Reconciliation Deferred Account				

Exhibit No.	Description	Confidential?
1	Experience and Educational Background	
2	Summary of ARM Rider and Revenue Deficiency Calculations	
3	Calculation of ARM Rider Carrying Charges	
4	Calculation of Proposed HBP and Rate Reset Rate Base	
5	Calculation of Net Operating Income HBP	Yes/Portions
6	Calculation of Net Income Available for Return HBP and Rate Reset Period	
7	Calculation of State/Federal Income Taxes; HBP and Rate Reset Period	
8	Calculation of Interest Expense and Rate of Return - HBP	
9	Calculation of Interest Expense Rate Reset Period	
10	Calculation of Cash Working Capital Adjustment	
10.1	Cash Working Capital Supporting Workpaper	
11	ADIT Adjustment Calculation	
12	Removal of Capitalized Pension Costs	
13	Adjust Depreciation Expense to Remove Assets Not Providing Service in Tennessee	
13.1	Support for Depreciation Expense Adjustment	
14 - 14.6	Adjustment to Eliminate Consulting Services Allocated to Tennessee	Yes
15	Calculation Eliminating Corporate Owned Aircraft Charges	
15.1	Calculation of Imputed Commercial Airline Costs for Piedmont Employees	Yes
16	Calculation of Direct Lobbying Charges	Yes
16.1	State Government Affairs Director	
16.2	Job Description/Director State Government Affairs and Community Relations	
17	Calculation of Indirect Lobbying Charges	Yes
17.1	Job Description/V.P. Rates and Natural Gas Supply	
17.2	Executive Profile VP Duke Energy	
17.3	Executive Profile Chief Commercial Officer Duke Energy	
18	Environmental Expense Adjustment	
19	Rate Increase by Rate Class	

Piedmont Natural Gas  
Docket No. 23-00035  
Summary of Consumer Advocate Revenue Deficiency

Exhibit DND-2

Line No.	Item	Formula, Schedule or Workpaper Reference	[A]	[B]
			HBP Ending 12/31/22	Annual Base Rate Reset
1	Rate Base	Exhibit DND-4	\$ 1,063,352,113	\$ 1,139,535,415
2	Net Operating Income For Return	Exhibit DND-6	65,757,861	57,542,615
3	Earned Rate of Return	L2 / L1	6.18%	5.05%
4	Fair Rate of Return	Exhibits DND-8 & 9	6.88%	6.95%
5	Required Net Operating Income	L4 x L1	73,143,802	79,217,813
6	Net Operating Income Deficiency (Sufficiency)	L5 - L2	7,385,942	21,675,198
7	Gross Revenue Conversion Factor	PNG Schedule 11	1.308173	1.308173
8	<b>Total Revenue Requirement Deficiency (Sufficiency)</b>	L6 x L7	<b>\$ 9,662,089</b>	<b>\$ 28,354,909</b>
9	ARM Rider Recommendation w/ Carrying Charges	Exhibit DND-3	10,434,669	
10	<b>Total Rate Increase Proposal</b>		<b>\$ 38,789,578</b>	

Piedmont Natural Gas  
Docket No. 23-00035  
Consumer Advocate Calculation of ARM Carrying Costs

Exhibit DND-3

Line No.	Item	Formula, Schedule or Workpaper Reference	[A]
			Amount
1	Total HBP Revenue Requirement Deficiency (Sufficiency)	DND-2/Line 8	9,662,089
2	Net of Tax Overall Cost of Capital	PNG Schedule 10A, L4 Column [E]	6.40%
3	Annual Carrying Cost	$L1 * L2$	618,064
4	Monthly Carrying Cost	$L3 / 12$	51,505
5	Carrying Cost from July 1 of the HBP through September 30 of year after HBP (15 months)	$L4 * 15$	772,580
6	HBP Revenue Requirement Deficiency (Sufficiency) plus Carrying Costs	$L1 + L5$	10,434,669
7	ARM Reconciliation Deferred Account Balance @ March 31 of year after HBP	N/A for this filing	-
8	Amount to be Collected from (or Refunded to) Customers through new ARM Rider Rates	$L6 + L7$	<u>10,434,669</u>

**Piedmont Natural Gas**  
**Docket No. 23-00035**  
**Consumer Advocate Pro Forma Rate Base**

**Exhibit DND-4**

Line No.	Item	As Adjusted Amounts Per Piedmont 13 Month Average HBP Balances Ending 12/31/22	Adj. No. 1 Exhibit DND-10 Eliminate Non-Cash Items From Cash Working Capital Calculation 1/	Adj. No. 2 Exhibit DND-11 Increase ADIT To Eliminate Items Excluded From O&M	Adj. No. 4 Exhibit DND-12 Remove Pension Loadings From Rate Base	Total Consumer Advocate Adjustments	As Adjusted Consumer Advocate HBP Balances	Piedmont Base Rate Reset Adjustments	Consumer Advocate As Adjusted Base Rate Reset Rate Base
<b>Net Utility Plant Investment:</b>									
1	Utility Plant in Service	1,678,050,432				-	1,678,050,432	96,421,940	1,774,472,372
2	Construction Work in Progress	65,166,960				-	65,166,960	(8,333,705)	56,833,254
3	Accumulated Depreciation	(509,280,216)				-	(509,280,216)	(8,883,054)	(518,163,270)
4	Contributions in Aid of Construction	(5,828,754)				-	(5,828,754)	-	(5,828,754)
5	Accumulated Deferred Income Taxes	(187,216,090)		(1,072,070)		(1,072,070)	(188,288,160)	(3,597,709)	(191,885,869)
6	Total Net Utility Plant Investment	1,040,892,331	-	(1,072,070)	-	(1,072,070)	1,039,820,261	75,607,472	1,115,427,733
<b>Working Capital:</b>									
7	Gas Inventory	16,114,413				-	16,114,413	-	16,114,413
8	Customer Deposits	(4,151,101)				-	(4,151,101)	-	(4,151,101)
9	Accrued Interest on Customer Deposits	(514,209)				-	(514,209)	-	(514,209)
10	Materials & Supplies	485,247				-	485,247	-	485,247
11	Deferred Debits - Hedging	(27,146)				-	(27,146)	-	(27,146)
12	Deferred Debits - Deferred Environmental	1,121,098				-	1,121,098	-	1,121,098
13	Deferred Debits - Deferred Pension	8,155,799				-	8,155,799	-	8,155,799
14	Prepaid Insurance	162,795				-	162,795	-	162,795
15	Fuels & Other Overheads	794,681				-	794,681	-	794,681
16	Accounts Payable Related to CWIP	(9,257,086)				-	(9,257,086)	-	(9,257,086)
17	Accounts Payable Related to M&S	(31,432)				-	(31,432)	-	(31,432)
18	Accrued Vacation	(602,240)				-	(602,240)	-	(602,240)
19	Less/Lag Study Requirement	14,333,332	(3,339,960) 2/			(3,339,960)	10,993,372	(2,912,817)	8,080,555
20	Total Working Capital	26,584,151	(3,339,960)	-	-	(3,339,960)	23,244,191	(2,912,817)	20,331,374
<b>ARM Regulatory Assets:</b>									
21	ARM Regulatory Asset	287,661				-	287,661	3,488,646	3,776,308
22	Total Rate Base	1,067,764,143				(3,339,960)	1,063,352,113	76,183,302	1,139,535,415

1/ Cash Working Capital was not updated for CA adjustments as the impacts on CWC were considered immaterial.

2/ Exhibit DND-10

Piedmont Natural Gas  
Docket No. 23-00035  
Consumer Advocate Identification of Adjustments to Operating Income

Confidential  
Exhibit DND-5

Line No.	O&M Expense Category	HBP Ending 12/31/22 Piedmont As Adjusted	Exhibit DND-13 Adj. No. 1 Eliminate Trucks not Tennessees	Exhibit DND-14 Adj. No. 2 Eliminate Consulting Costs	Adj. No. 3 Eliminate Associated With Corporate Owned Aircraft	Adj. No. 4 Eliminate Direct Lobbying Related Costs	Adj. No. 5 Eliminate Indirect Lobbying Costs	Adj. No. 6 Eliminate New Environmental Costs	Total CA Adjustments	CA Adjusted HBP
<b>Operating Revenues:</b>										
1	Gas Sales & Transportation Revenues	314,831,894								314,831,894
2	Forfeited Discount Revenues	1,273,815								1,273,815
3	Other Operating Revenues	2,708,593								2,708,593
4	Total Operating Revenue	318,814,301								318,814,301
5	Purchased Gas Expense	343,664,839								343,664,839
6	Total Margin Operating Revenues	175,149,462								175,149,462
1	Other Purchased Gas Expense (excluding payroll)	238,389								238,389
2	Gas Storage Expense (excluding payroll)	347,676								347,676
3	Transmission Expense (excluding payroll)	2,436,497								2,436,497
4	Distribution Expense (excluding payroll)	6,946,046								6,946,046
5	Customer Accounts & Service Expense:									
6	Uncollectible & Bad Debt Expense (excluding payroll)	552,594								552,594
7	Other Customer Accounts & Service Expense (excluding payroll)	3,178,774								3,178,774
	Total Customer Accounts & Service Expense	3,731,367								3,731,367
8	Sales Expense (excluding payroll)	360,663								360,663
<b>Administrative &amp; General Expense:</b>										
<b>Payroll Expenses:</b>										
9	Employee Salaries and Wages Expense	19,845,701							(149,306)	19,696,395
10	Employee STIP Compensation Expense	865,914								865,914
11	Employee LTP Compensation Expense	-								-
12	Amortization Expense for Deferred Environmental Costs	135,604								135,604
13	Amortization Expense for Deferred Pension Costs	1,482,873								1,482,873
14	Expense for Allocated Return on DBES Assets	461,244								461,244
15	Other Pension Expense	-								-
16	Lobbying Expense, Charitable Contribution, Social Club Membership Adjustment	-								-
17	Advertising Expense	160,141								160,141
18	Other A&G Expense	17,522,114							(609,448)	16,912,665
19	Total A&G Expense	40,473,590		(378,334)	(231,115)				(758,755)	39,714,836
20	Total O&M Expense	54,524,428		(378,334)	(231,115)				(758,755)	53,765,674
<b>Other Operating Expenses:</b>										
8	Depreciation Expense	35,773,708	(43,903)						(43,903)	35,729,804
9	Amortization Expense for ARM Regulatory Asset	-								-
10	Amortization Expense for Investment Tax Credit	(8,087)								(8,087)
11	General Tax Expense	12,637,182								12,637,182
12	State Excise Tax Expense	1,811,368								1,811,368
13	Federal Income Tax Expense	9,472,869								9,472,869
14	Total Other Operating Expenses	59,694,040	(43,903)						167,221	59,861,261
15	Total Operating Expenses	114,219,468								113,626,934
16	Net Operating Income	60,930,994							591,534	61,522,528
<b>Adjustments to Net Operating Income:</b>										
17	AFUDC - Debt	1,283,789								1,283,789
18	AFUDC - Equity	3,199,698								3,199,698
19	Interest on Customer Deposits	(248,154)								(248,154)
20	Total Adjustments to Net Operating Income	4,235,333								4,235,333
21	Net Operating Income For Return	65,166,327							591,534	65,757,861

Piedmont Natural Gas  
Docket No. 23-00035  
Consumer Advocate Calculation of Net Operating Income  
Historic Base Period and Rate Reset

Exhibit DND-6

Line No.	(A) Piedmont Schedule 10 Col C HBP Ending 12/31/22	(B) Exhibit DND-5 C.A. Adjustments to HBP	(C) (A+B) Consumer Advocate Adjusted HBP	(D) Piedmont Sched. 9 Col. C Piedmont Rate Reset Adjustments	(E) Exhibit DND-7 CA Rate Reset Adjustments	(F) CA As Adjusted Annual Base Rate Reset
<b>Operating Revenues:</b>						
1	Gas Sales & Transportation Revenues	314,831,894	314,831,894	(60,654,721)		254,177,173
2	Forfeited Discount Revenues	1,273,815	1,273,815	-		1,273,815
3	Other Operating Revenues	2,708,593	2,708,593	(194,308)		2,514,285
4	Total Operating Revenue	318,814,301	318,814,301	(60,849,029)		257,965,272
5	Purchased Gas Expense	143,664,839	143,664,839	(54,225,686)		89,439,153
6	Total Margin Operating Revenues	175,149,462	175,149,462	(6,623,343)		168,526,120
7	Operating & Maintenance Expenses	54,524,428	(758,755)	335,303	(335,303)	53,765,674
<b>Other Operating Expenses:</b>						
8	Depreciation Expense	35,773,708	(43,903)	4,607,472		40,337,277
9	Amortization Expense for ARM Regulatory Asset	-	-	75,154		75,154
10	Amortization Expense for Investment Tax Credit	(8,087)	-	-		(8,087)
11	General Tax Expense	12,637,182	-	-		12,637,182
12	Slate Excise Tax Expense	1,811,368	30,779	(540,298)	11,926	1,313,774
13	Federal Income Tax Expense	9,479,869	180,345	(3,165,803)	69,876	6,564,287
14	Total Other Operating Expenses	59,694,040	167,221	976,525	81,802	60,919,588
15	Total Operating Expenses	114,218,468	(591,534)	1,311,829	(253,501)	114,685,262
16	Net Operating Income	60,930,994	591,534	(7,955,172)	253,501	53,840,858
<b>Adjustments to Net Operating Income:</b>						
17	AFUDC - Debt	1,283,789	-	-		1,283,965
18	AFUDC - Equity	3,199,698	-	(44,824)		2,710,946
19	Interest on Customer Deposits	(248,154)	-	(488,751)		(248,154)
20	Total Adjustments to Net Operating Income	4,235,333	-	(533,576)		3,701,757
21	Net Operating Income For Return	65,166,327	591,534	(8,468,747)	253,501	57,542,615

Piedmont Natural Gas  
Docket No. 23-00635  
Calculation of Excise and Income Tax  
Historic Base Period and Rate Reset

Exhibit DND-7

Line No.	Formula, Schedule or Worksheet Reference	(A) Piedmont Sched. B HBP Per Piedmont Ending 12/31/22	(B) Exhibit DND 5 C.A. Adjustments	C C.A. Adjusted HBP Results	(D) Exhibit DND-18 C.A. Adjustment To Eliminate New Environmental Costs	(E) Piedmont Annual Base Rate Reset Adjustments	F Annual Base Rate Reset
1	Operating Revenues, Excluding AFUDC	Piedmont Sch B	\$ 318,814,301	318,814,301		\$ (60,849,029)	\$ 257,965,272
2	Operating Expenses:						
3	Purchased Gas Expense	Piedmont Sch B	143,664,839	143,664,839		(5,225,686)	89,439,153
4	ORM Expense	Piedmont Sch B	54,514,428	(758,753)	(335,303)	335,303.33	53,765,674
5	Depreciation Expense	Piedmont Sch B	35,773,708	(43,903)		4,607,472	40,337,277
6	Interest on Customer Deposits	Piedmont Sch B	248,134			-	248,134
7	Amortization Expense for ARM Regulatory Asset	Piedmont Sch B	-	-		75,154	75,154
8	Amortization of Investment Tax Credit	Piedmont Sch B	-	-		-	-
9	General Taxes	Piedmont Sch B	12,637,182	12,637,182		-	12,637,182
10	Total Operating Expenses	L2-L8	246,848,311	(802,658)	(335,303)	(49,207,756)	196,502,594
11	NOI Before Excise and Income Taxes	L1-L9	71,965,990	802,658	335,303	(11,641,273)	61,462,678
12	AFUDC debt	Piedmont Sch B	1,283,789			(44,824)	1,238,965
13	Interest Expense	Piedmont Sched 10	(21,032,669)	86,908	(20,945,761)	(2,920,087)	(24,865,848)
14	Permanent Tax Differences	Schedule 52AA	134,557			-	134,557
15	Net Income Before Income Taxes	L10-L13	52,351,667	889,565	53,241,233	(15,606,184)	37,970,352
Tennessee Excise Tax Calculation:							
16	Net Income Before Income Taxes	L14	52,351,667	889,565	53,241,233	(15,606,184)	37,970,352
17	Composite State Excise Tax Rate	Piedmont Sch 11	3.46%	3.46%	3.46%	3.46%	3.46%
18	Excise Tax Expense	L13 + L16	1,811,368	30,779	1,842,147	(539,974)	1,302,174
Federal Income Tax Calculation:							
19	Net Income Before Income Taxes	L14	52,351,667	889,565	53,241,233	(15,606,184)	37,970,352
20	State Income Tax Expense	L17	1,811,368	30,779	1,842,147	(539,974)	1,302,174
21	Net Income Before Federal Income Tax	L18-L19	50,540,300	858,786	51,399,086	(15,066,210)	36,656,578
22	Federal Income Tax Rate	Piedmont Sch 11	21.00%	21.00%	21%	21.00%	21.00%
23	Federal Income Tax Expense, Pre-Adjusted	L20-L21	10,613,463	180,345	10,793,808	(3,163,904)	7,629,904
24	Annual EDIT Amortization Expense for Protected PPE	Piedmont Sch 52X	1,133,594	-	1,133,594	-	1,133,594
25	Net Federal Income Tax Expense	L22-L23	9,479,869	180,345	9,660,214	(3,163,904)	6,504,287



Piedmont Natural Gas  
Docket No. 23-00035  
Rate of Return  
Historic Base Period

Exhibit DND-8

Line No.	Piedmont Schedules Formula, Schedule or Worksheet Reference	[A] HBP 13-Month Avg Percent of Total	[B] Applicable Cost Rate	[C] = [A * B] (Fair ROR) Pre-Tax Overall Cost of Capital	[D] Tax Factor	[E] = [C * D] Net of Tax Overall Cost of Capital
<b>Class Cost of Capital:</b>						
1	Short-Term Debt	Schedule 52Y	4.55%	0.08%	0.755400	0.06%
2	Long-Term Debt	Schedule 52Y	45.36%	1.89%	0.755400	1.43%
3	Common Equity	Schedule 52Y	50.09%	4.91%	1.000000	4.91%
4	Total	L1 + L2 + L3	100.00%	6.88%		6.40%
<b>Interest Expense of Debt for HBP Reconciliation:</b>						
5	Rate Base	Exhibit DND-4				
6	Short-Term Debt Interest Expense	L1, Col C x L5	1,063,352,113			
7	Long-Term Debt Interest Expense	L2, Col C x L5	880,562			
8	Total Interest Expense	L6 + L7	20,065,199			
<b>Return on Equity Calculation for HBP Reconciliation:</b>						
9	Total Rate Base	Exhibit DND-4				
10	Equity Portion of Rate Base	Line 3	1,063,352,113			
11	Equity Rate Base	L9 * L10	532,633,074			
12	Net Operating Income for Return	Exhibit DND-6				
13	Interest Expense	L6 + L7	65,757,861			
14	Net Equity Income for Return	L12 - L13	20,945,761			
15	Earned Return on Equity	L14 / L11	44,812,100			
16	Earned Rate of Return	L12 / L9	8.41%			
			6.18%			

Consumer Advocate

Piedmont Natural Gas  
Docket No. 23-00035  
Rate of Return  
Rate Reset Period

Exhibit DND-9

Piedmont Sched Ref						
Line No.	Formula, Schedule or Worksheet Reference	[A]	[B]	[C] = [A * B]	[D]	[E] = [C * D]
		End of HBP Percent of Total	Cost Rate	Pre-Tax Overall Cost of Capital (Fair ROR)	Tax Factor	Net of Tax Overall Cost of Capital
Class Cost of Capital:						
1	Short-Term Debt	Schedule 52Y	6.81%	4.52%	0.755400	0.23%
2	Long-Term Debt	Schedule 52Y	44.52%	4.21%	0.755400	1.42%
3	Common Equity	Schedule 52Y	48.67%	9.80%	1.000000	4.77%
4	Total	L1 + L2 + L3	100.00%			6.42%
Interest Expense of Debt for Annual Base Rate Reset:						
5	Rate Base	Exhibit DND-4	1,139,535,415			
6	Short-Term Debt Interest Expense	L1, Col [C] x L5	3,507,627			
7	Long-Term Debt Interest Expense	L2, Col [C] x L5	21,358,221			
8	Total Interest Expense	L6+L7	24,865,848			
Return on Equity Calculation for Annual Base Rate Reset:						
9	Total Rate Base	Exhibit DND-4	1,139,535,415			
10	Equity Portion of Rate Base	Line 3	48.67%			
11	Equity Rate Base	L9 * L10	554,611,887			
12	Net Operating Income for Return	Exhibit DND-6	57,542,615			
13	Interest Expense	L8	24,865,848			
14	Net Equity Income for Return	L12 - L13	32,676,767			
15	Earned Return on Equity	L14 / L11	5.89%			
16	Earned Rate of Return	L12 / L9	5.05%			

Piedmont Natural Gas  
Docket No. 23-00035  
Consumer Advocate Calculation of Lead Lag Results

Exhibit DND-10

Line No.	Revenue Lag	Formula, Schedule or Workpaper Reference	HBP Results per Piedmont Ending 12/31/22	Exhibit DND-10.1 CA Adjustment To Remove Non-Cash Items
1	Expense Lead	Piedmont Sched. 4A & 4B	\$ 52.10	52.10
2	Net Lag	Piedmont Sched. 4A & 4B	35.69	35.69
3	Daily Cost of Service	L1 - L2	16.41	16.41
4	Net Cash Working Capital Required	Piedmont Sched. 4A & 4B	\$ 873,464	669,929
5		L3 x L4	\$ 14,333,332	10,993,372
Adjustment to Reflect the Removal of Non-Cash Items from Cash Working Capital Calculation			Rate Base Adj. No. 1	\$ (3,339,960)

Piedmont Natural Gas  
2023 ARM Filing  
Docket 23-00035  
Office of Attorney General  
Daily Cost of Service  
For Cash Working Capital

Exhibit DND-10.1

Source: Piedmont Schedule 4B		Piedmont Sch. References Formula, Schedule or Worksheet Reference	HBP Ending 12/31/22	Consumer Advocate Adjustments
Line No.				
	<b>Revenues:</b>			
1	Sales & Transportation Revenues	Schedule 9	\$ 314,831,894	
2	Forfeited Discounts Revenue	Schedule 9	1,273,815	
3	Other Operating Revenues	Schedule 9	2,708,593	
4	<b>Total Revenue Lag</b>	L1:L3	<u>\$ 318,814,301</u>	
	<b>Purchased Gas and O&amp;M Expense:</b>			
5	Purchased Gas	Schedule 9	\$ 143,664,839	
6	Employee Salaries and Wages (Labor Expense)	Schedule 52U	19,845,701	
7	Incentive Pay - STIP	Schedule 52U	865,914	
8	Incentive Pay - LTIP	Schedule 52U	-	
9	Pension & Other Employee Benefits	Schedule 52U	5,932,982	
10	Prepaid Insurance	Schedule 52U	784,477	
11	Fleet Expense	Schedule 52U	2,223,529	
12	Credit Card Expense	Schedule 52U	1,742,913	
13	Virtual Card Expense	Schedule 52U	836,871	
14	Service Company Charges	Schedule 52U	4,542,694	
15	Outside Services	Schedule 52U	2,772,939	
16	Regulatory Amortizations	Schedule 52U	1,618,477	
17	TPUC Fee Expense	Schedule 52U	981,121	
18	Uncollectible (Bad Debt) Expense	Schedule 52U	552,594	
19	Other O&M Expenses	Schedule 52U	11,824,215	
20	<b>Depreciation Expense</b>	Schedule 9	35,773,708	(35,773,708)
	<b>General Taxes:</b>			
21	Gross Receipts Tax	Schedule 7	587,660	
22	Franchise Tax	Schedule 7	3,139,393	
23	Property Tax	Schedule 7	7,528,625	
24	Payroll Tax	Schedule 7	1,381,504	
25	Allocated & Other Taxes	Schedule 7	-	
26	Amortization of Investment Tax Credit	Schedule 9	(8,087)	
	<b>Income Taxes:</b>			
27	State Income Taxes	Schedule 8	1,811,368	
28	Provision for Excess Deferred Income Tax (EDIT)	Schedule 8	1,133,594	
29	Federal Income Taxes	Schedule 8	9,479,869	
30	<b>Interest on Customer Deposits</b>	Schedule 9	248,154	
	<b>Return:</b>			
31	Interest on Long-Term Debt	Schedule 10	20,148,453	
32	Interest on Short-Term Debt	Schedule 10	884,215	
33	Income for Return	Schedule 10	38,516,578	(38,516,578)
34	<b>Total Expense Lag</b>	L5:L33	<u>\$ 318,814,301</u>	<u>(74,290,285)</u>
	Total Expense Lag per Consumer Advocate			\$ 244,524,016
35	<b>Daily Cost of Service</b>	L34 / 365	<u>\$ 873,464</u>	<u>669,929</u>

Mediant Natural Gas  
 District No. 22-08035  
 Consumer Advances Adjustments to ADIT Balances

Source: Various files within Schedule 1-9  
 The info used by month corresponds to the months used by Mediant in identifying ADIT balances within Schedule 18

Tab References within Attachment 1-9

Line No.	December 2021	January 2022	February	March	April	May	June	July	August	September	October	November	December	13- Month Avg
1	133,342	133,342	133,342	129,764	129,764	129,764	126,516	126,516	126,516	123,267	123,267	121,101	105,597	-
2				(18,712)	(18,712)	(18,712)	(37,423)	(37,423)	(37,423)	(56,154)	(56,154)	(58,464)	(63,779)	(40,382)
3	965,761	965,761	965,761	940,331	940,331	940,331	920,290	920,290	920,290	902,168	902,168	894,934	889,497	928,230
4	560,784	560,784	560,784	112,039	112,039	112,039	210,342	210,342	210,342	359,156	359,156	341,768	455,141	-
5	2,137	2,137	2,137	(8,229)	(8,229)	(8,229)	(15,733)	(15,733)	(15,733)	(23,123)	(23,123)	(21,884)	(3,107)	-
6	146,508	146,508	146,508	164,681	164,681	164,681	204,393	204,393	204,393	214,668	214,668	208,429	208,394	183,591
7	\$ 1,808,835	\$ 1,808,835	\$ 1,808,835	\$ 1,319,875	\$ 1,319,875	\$ 1,319,875	\$ 1,408,385	\$ 1,408,385	\$ 1,408,385	\$ 1,499,341	\$ 1,499,341	\$ 1,486,632	\$ 1,592,523	\$ 1,072,079
														Rate Base Adj. No. 2

Total Excluded Debits

Piedmont Natural Gas  
Docket No. 23-00035  
Consumer Advocate Adjustments to Eliminate Capitalized Pension Costs  
Source: CA DR 2-2 Attachment; Schedule 36

Line No.	Response: Benefits	CA Attachment 2-2 2022 Benefits	Schedule 36 Less Pension Expense Removed	Net Pension Capitalized
1	Medical/Dental (Active)	\$ 17,993,418		
2	Retirement Savings Plan (RSP)	12,551,622		
3	Retiree Health & Life (OPEB)	392,253		
4	LTD Medical & Salary Continuation (FAS 112)	3,579,371		
5	Pension	5,126,679	(3,000,491)	-
6	Other Benefits & Admin Expenses	426,408		
7	Grand Total	\$ 40,069,751	\$ (3,000,491)	\$ -

Piedmont Natural Gas  
Docket No. 23-00035  
Consumer Advocate Adjustment  
To Eliminate Depreciation Expense on Work Trucks  
Physically Located in NC/SC but Allocated to TN

Exhibit DND-13

Source 1-53, and Schedule 14

To eliminate depreciation on trucks physically located in either NC or SC, and  
Directly assigning TN trucks 100% to TN

Line No.	Item	TN Allocation Ratio	PNG 3-State JP	TN Allocated 3-State JP	Annual Dep Expense
1	29240 Transportation- 3 Year Meter	16.25%	104,284	16,946	3,672
2	29241 Transportation - 5 Year Rural	16.25%	828,717	134,666	21,347
3	29242 Transportation - 7 Year Urban Use	16.25%	1,013,483	164,691	29,975
4	29243 Transportation - 10 Year Heavy Duty	16.25%	130,042	21,132	1,796
5	29244 Transportation - 15 Year Trailers & Other	16.25%	21,889	3,557	640
6	Total Joint Transportation Equipment Depreciation Expense				
7	Charged to the Tennessee jurisdiction.				57,630
8	Less: Tennessee Based Trucks that should be Direct Assigned but are identified				
9	as Joint Property				
10	Chevy Equinox		32,044	0.2167	(6,944)
11	Chevy Equinox		31,300	0.2167	(6,783)
12	Total Adjustment				43,903

3 State Transportation Assets

Utility Account	Work Order Number	Work Order Description	In-Service Date	State	Balance @ 12/31/2022	Business Purpose
29211 - Trucks 1/2 & 3/4 Ton	0152247	#18017 2018 Chevy Equinox	3/1/2019	North Carolina	31,569.04	METER READER SERVICES
29211 - Trucks 1/2 & 3/4 Ton	0152248	#18023 2018 Chevy Equinox	3/1/2019	North Carolina	31,300.91	METER READER SERVICES
29211 - Trucks 1/2 & 3/4 Ton	0251570	#18022 2018 Chevy Equinox	3/1/2019	North Carolina	30,938.03	METER READER SERVICES
29211 - Trucks 1/2 & 3/4 Ton	0651383	#18025 2018 Chevy Equinox	3/1/2019	North Carolina	31,300.91	METER READER SERVICES
29211 - Trucks 1/2 & 3/4 Ton	0751703	#18018 2018 Chevy Equinox	3/1/2019	South Carolina	31,217.42	METER READER SERVICES
29211 - Trucks 1/2 & 3/4 Ton	0751704	#18021 2018 Chevy Equinox	3/1/2019	South Carolina	31,211.52	METER READER SERVICES
29211 - Trucks 1/2 & 3/4 Ton	0851451	#18024 2018 Chevy Equinox	3/1/2019	South Carolina	31,211.52	METER READER SERVICES
29211 - Trucks 1/2 & 3/4 Ton	0951493	#18010 2018 Chevy Equinox	3/1/2019	South Carolina	31,569.04	OPERATIONS QUALIFICATIONS
29211 - Trucks 1/2 & 3/4 Ton	1151525	#18012 2018 Chevy Equinox	3/1/2019	North Carolina	30,807.14	NG TRAINING
29211 - Trucks 1/2 & 3/4 Ton	1751961	#18001 2018 Freightliner CNG Dump	1/1/2019	North Carolina	135,090.06	CUSTOMER FIELD OPERATIONS
<b>29211 - Trucks 1/2 &amp; 3/4 Ton Total</b>					<b>418,215.59</b>	
29240 - PNG GAS TRANSP-3 YR MTR RD	TRF47156	TRANSFER	1/1/2013	North Carolina	40,939.01	
29211 - Trucks 1/2 & 3/4 Ton	1752107	#18014 2018 Chevy Equinox	3/1/2019	Tennessee	32,044.22	METER READER SERVICES
29211 - Trucks 1/2 & 3/4 Ton	1752108	#18019 2018 Chevy Equinox	3/1/2019	Tennessee	31,300.91	METER READER SERVICES
<b>29240 - PNG GAS TRANSP-3 YR MTR RD Total</b>					<b>104,284.14</b>	
29241 - PNG GAS TRANSP - 5 YR RURAL	0251569	#18020 2018 Chevy Equinox	8/1/2020	North Carolina	31,569.04	METER READER SERVICES
29241 - PNG GAS TRANSP - 5 YR RURAL	0651384	#18026 Chevy Colorado 4x2	3/1/2019	North Carolina	35,403.87	NG TRAINING
29241 - PNG GAS TRANSP - 5 YR RURAL	1751963	#18003 2018 Freightliner CNG O&M	2/1/2019	North Carolina	170,618.60	CUSTOMER FIELD OPERATIONS
29241 - PNG GAS TRANSP - 5 YR RURAL	1751964	#18004 2018 Freightliner CNG O&M	1/1/2019	North Carolina	170,618.60	CUSTOMER FIELD OPERATIONS
29241 - PNG GAS TRANSP - 5 YR RURAL	1751965	#18005 2018 Freightliner CNG O&M	1/1/2019	North Carolina	170,618.60	CUSTOMER FIELD OPERATIONS
29241 - PNG GAS TRANSP - 5 YR RURAL	2351539	#18015 2018 Chevy Equinox	3/1/2019	North Carolina	30,807.14	METER READER SERVICES
29241 - PNG GAS TRANSP - 5 YR RURAL	2451525	#18008 2018 Chevy Equinox	3/1/2019	North Carolina	30,801.78	METER READER SERVICES
29241 - PNG GAS TRANSP - 5 YR RURAL	2551545	#18016 2018 Chevy Equinox	3/1/2019	North Carolina	30,938.03	METER READER SERVICES
29241 - PNG GAS TRANSP - 5 YR RURAL	2551546	#18031 2018 Ford F-150	8/1/2020	North Carolina	47,581.38	CUSTOMER FIELD OPERATIONS
29241 - PNG GAS TRANSP - 5 YR RURAL	2751479	#18007 2018 Chevy Equinox	3/1/2019	North Carolina	32,986.40	CUSTOMER FIELD OPERATIONS
29241 - PNG GAS TRANSP - 5 YR RURAL	TRF47156	TRANSFER	12/31/2007	North Carolina	4,115.70	
29241 - PNG GAS TRANSP - 5 YR RURAL	TRF47156	TRANSFER	11/1/2010	North Carolina	29,000.27	
29241 - PNG GAS TRANSP - 5 YR RURAL	TRF47156	TRANSFER	4/1/2012	North Carolina	43,657.46	
<b>29241 - PNG GAS TRANSP - 5 YR RURAL Total</b>					<b>826,716.87</b>	
29242 - PNG GAS TRANSP - 7 YR URBAN	0152244	#18009 2018 Chevy Equinox	3/1/2019	North Carolina	31,298.77	NG TRAINING
29242 - PNG GAS TRANSP - 7 YR URBAN	0152245	#18011 2018 Chevy Equinox	3/1/2019	North Carolina	31,300.91	NG TRAINING
29242 - PNG GAS TRANSP - 7 YR URBAN	1751960	#18000 2018 Freightliner CNG Dump	1/1/2019	North Carolina	97,108.88	CUSTOMER FIELD OPERATIONS
29242 - PNG GAS TRANSP - 7 YR URBAN	1751962	#18002 2018 Freightliner CNG Dump	1/1/2019	North Carolina	135,461.41	CUSTOMER FIELD OPERATIONS
29242 - PNG GAS TRANSP - 7 YR URBAN	2151558	#18030 2018 Ford Transit 250 van	3/1/2019	North Carolina	76,911.13	CUSTOMER FIELD OPERATIONS
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	5/31/2006	North Carolina	22,849.05	
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	11/30/2008	North Carolina	16,362.33	
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	8/1/2010	North Carolina	4,942.20	
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	2/1/2011	North Carolina	28,098.04	
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	6/1/2011	North Carolina	45,167.13	
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	2/1/2012	North Carolina	46,555.12	
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	6/1/2012	North Carolina	41,801.71	
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	2/1/2013	North Carolina	94,610.71	
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	3/1/2013	North Carolina	40,291.63	
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	7/1/2013	North Carolina	42,914.36	
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	10/1/2015	North Carolina	99,702.52	
29242 - PNG GAS TRANSP - 7 YR URBAN	TRF47156	TRANSFER	3/1/2019	North Carolina	66,571.26	
29211 - Trucks 1/2 & 3/4 Ton	2151556	#18028 2018 Ford Transit 250 van	3/1/2019	North Carolina	45,610.22	CUSTOMER FIELD OPERATIONS
29211 - Trucks 1/2 & 3/4 Ton	2151557	#18029 2018 Ford Transit 250 Van	3/1/2019	North Carolina	45,925.76	CUSTOMER FIELD OPERATIONS
<b>29242 - PNG GAS TRANSP - 7 YR URBAN Total</b>					<b>1,013,483.14</b>	
29243 - PNG GAS TRANSP - 10 YR HD	TRF47156	TRANSFER	11/30/2006	North Carolina	120,000.00	
29243 - PNG GAS TRANSP - 10 YR HD	TRF47156	TRANSFER	8/1/2010	North Carolina	10,041.90	
<b>29243 - PNG GAS TRANSP - 10 YR HD Total</b>					<b>130,041.90</b>	
29244 - PNG GAS-15 YR TRAILER/OTHR	TRF47156	TRANSFER	11/1/2010	North Carolina	12,850.18	
29244 - PNG GAS-15 YR TRAILER/OTHR	TRF47156	TRANSFER	9/1/2016	North Carolina	9,038.35	
<b>29244 - PNG GAS-15 YR TRAILER/OTHR Total</b>					<b>21,888.53</b>	
<b>Grand Total</b>					<b>2,514,830.17</b>	



**Exhibit DND-14**

**Filed CONFIDENTIALLY**

Piedmont Natural Gas  
Docket No. 23-00035  
Consumer Advocate Adjustment  
Corporate Owned Aircraft

Exhibit DND-15

Piedmont Natural Gas Company Inc  
CAD DR 1-65 Attachment  
Docket No. 23-00035  
Aviation Costs Included in the HBP

Row Labels	Sum of Piedmont	Sum of TN Portion	
0408960	\$ 18,585.62	\$ 3,189.29	
Allocated Payroll Taxes	18,585.62	3,189.29	
0432000	-	-	
Afudc Debt Component	-	-	
0920000	338,305.07	58,053.15	
A & G Salaries	338,305.07	58,053.15	
0921100	42,765.30	7,338.52	
Employee Expenses	42,765.30	7,338.52	
0921200	507,739.82	87,128.15	
Office Expenses	507,739.82	87,128.15	
0921400	456.19	78.28	
Computer Services Expenses	456.19	78.28	
0921600	201.02	34.49	
Other	201.02	34.49	
0923000	130,674.58	22,423.76	
Outside Services Employed	130,674.58	22,423.76	
0924000	16,753.72	2,874.94	
Property Insurance	16,753.72	2,874.94	
0926600	62,298.24	10,690.38	
Employee Benefits-Transferred	62,298.24	10,690.38	
0930250	18,629.56	3,196.83	
Buy/Sell Transf Employee Homes	18,629.56	3,196.83	
0930940	4.99	0.86	
General Expenses	4.99	0.86	
0417000	(16,811.44)	(2,884.84)	
Misc Revenue	(16,811.44)	(2,884.84)	
<b>Grand Total</b>	<b>\$ 1,119,602.67</b>	<b>\$ 192,123.82</b>	<b>A1 DGAV Detail</b>

Aviation Hanger Costs Allocated to Piedmont for Test Year Jan 2022 - Dec 2022

Row Labels	Sum of Piedmont	Sum of TN Portion	
0931001	\$ 14,378.36	\$ 2,467.33	
<b>Grand Total</b>	<b>\$ 14,378.36</b>	<b>\$ 2,467.33</b>	<b>A2 DGEX Detail</b>

Tennessee Allocated Costs	\$ 194,591.15	Sum A1 + A2
Depreciation expense charged to TN operations in test period	\$ 15,118.51	C
Return on Aviation assets charged to TN operations in test period	\$ 28,779.59	C
Utility Patrol Costs	\$ 17,821.98	B

**Total Aviation Costs included in HBP**

	<u>\$ (256,311.22)</u>
Less: Utility Patrol Costs	\$ (17,821.98)
Less: Piedmont specific Flights @ \$1,000 per flight	\$ (7,375)
Net Adjustment to Remove Corporate Travel	<u>\$ (231,114.74)</u>

**Exhibit DND-15.1**

**Filed CONFIDENTIALLY**

**Exhibit DND-16**

**Filed CONFIDENTIALLY**

**Exhibit DND-17**

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**Piedmont Natural Gas**  
**Docket No. 23-00035**  
**Consumer Advocate Adjustment to Remove Newly Incurred Environmental Costs**

Exhibit DND-18

Source: Piedmont Schedule 33

	Amount	Description
Deferred Environmental Expense Amortization	\$ 135,604	1/ Previously Approved by the Commission
Plus: Amortization over three years of newly incurred Environmental Costs	\$ 335,303	2/ Piedmont Schedule 33.1
Total Environmental Costs included In HBP	\$ 470,907	
Less: C.A. Adjustment to remove newly incurred costs	\$ (335,303)	
C. A. as adjusted Environmental Costs in HBP	\$ 135,604	

Piedmont Footnotes

- 1/ As authorized in Docket 20-00086 on an annual basis from January 1, 2021 - December 31, 2023.  
2/ Incremental expenses incurred between April 1, 2020 and December 31, 2022 amortized over 3 years consistent with the amortization period as allowed in Docket 20-00086.  
See Schedule 33.1 for the list of invoices for these charges.

Piedmont Natural Gas  
Docket No. 23-00035  
Consumer Advocate Adjustment to Remove Newly Incurred Environmental Costs  
Exhibit DND-19

File Name: Schedule 25\_ Revenue Changes by Rate Schedule  
Description of Schedule: Schedule 25.0 Summary of Margin Revenues Change by Rate Schedule for the Annual Base Rate Reset

Line No.	[A] Revenue Class and Type	[B] Tariff Rate Schedule	[C] Annual Base Rate Reset End of Period Revenues <sup>1/</sup>	[D] Revenue Increase (Decrease)	[E] Annual Base Rate Reset Revenues At Proposed Rates	[F] % Change
1	Residential Service Margin	301	87,224,201	16,887,898	113,891,899	17.1%
2	Small General Service Margin	302	42,482,137	7,278,526	49,741,893	17.1%
3	Medium General Service Margin	352	8,873,223	1,858,336	11,331,558	17.1%
4	Large General Sales Service Firm Margin	303	3,081,189	528,227	3,809,426	17.1%
5	Large General Transportation Service Firm Margin	313	5,455,941	935,343	6,391,284	17.1%
6	Sub-Total Large General Service Firm Margin	303 / 313	8,537,138	1,483,570	10,000,710	17.1%
7	Large General Sales Service Interruptible Margin	304	59,878	10,282	70,280	17.1%
8	Large General Transportation Service Interruptible Margin	314	6,778,533	1,181,740	7,938,272	17.1%
9	Sub-Total Large General Service Interruptible Margin	304 / 314	6,838,510	1,172,022	8,008,532	17.1%
10	Resale Service Margin	310	4,810	825	5,635	17.1%
11	Sales & Transportation Margin Revenue		\$ 164,738,020	\$ 28,241,977	\$ 192,979,997	17.1%
12	Sales & Transportation Purchased Gas Revenue	ALL	88,438,153	-	88,438,153	0.0%
13	Sales & Transportation Revenue (Margin + PGA)		\$ 254,177,173	\$ 28,241,977	\$ 282,419,150	
14	Forfeited Discount Revenues Margin	ALL	1,273,815	112,832	1,382,747	0.0%
15	Other Operating Revenues Margin	ALL	2,514,285	-	2,514,285	0.0%
16	Total Operating Revenue (Margin + PGA)		\$ 257,965,272	\$ 28,354,809	\$ 286,326,182	

Footnotes:

1/ Source: PNG Schedule 26

2/  
Original PNG Forfeited Discount Revenues  
Divided By Proposed Increase in Base Revenues  
Ratio  
Multiplied by C.A. Proposed Base Rate Increase  
C.A. Pro-Forma Forfeited Discount Revenue

118,832	PNG Schedule 26
28,861,482	PNG Schedule 28
0.3983%	
28,354,809	Exhibit DND-2
\$	112,832