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Electronically Filed in TPUC Docket
Room on June 26, 2023 at 12:04 p.m.

June 26, 2023

VIA ELECTRONIC MAIL

Mr. David Jones, Chairman
c/o Ectory Lawless
Tennessee Public Utility Commission
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

**Re: Petition of Piedmont Natural Gas Company, Inc. For Approval of its
2023 Annual Review of Rates Mechanism Pursuant to Tenn. Code
Ann. § 65-5-103(d)(6)
Docket No. 23-00035**

Dear Chairman Jones:

Pursuant to the Joint Procedural Schedule, enclosed for filing please find Piedmont Natural Gas Company, Inc.'s ("Piedmont") responses to the Consumer Advocate Division's *First Discovery Request* in the above-referenced docket. In addition to the tabbed and bound copy of the responses, you will find 1 flash drive which contains all public responses and attachments in native format. The confidential responses and attachments are on a separate flash drive to be filed under seal.

Some of the materials provided are confidential and proprietary trade secrets of Piedmont. Therefore, Piedmont respectfully requests that the Tennessee Public Utility Commission treat those materials in a manner consistent with that designation.

A PDF of the public responses 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 a "filed" stamped copy of the same via our office courier.

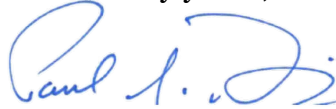
Mr. David Jones, Chairman

June 26, 2023

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If you have any questions regarding these responses, you may reach me at the number shown above.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Paul S. Davidson". The signature is fluid and cursive, with a large initial "P" and "D".

Paul S. Davidson

PSD:

Enclosures

cc: Pia Powers
Brian Heslin
James H. Jeffries IV
Brian Franklin
Kelly Cashman-Grams
Michelle Mairs
David Foster
Karen Stachowski
Victoria Glover

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 23-00035
CONSUMER ADVOCATE'S FIRST SET OF DISCOVERY REQUESTS
Date Issued: June 5, 2023
Date Due: June 21, 2023

- 1-1. Source & Support. Refer to accounts 164100 and 165513. Provide the historic volumes of fuel inventory (in MCF or MMBTU) in accounts 164100 and 165513 by month for the period January 2018 through December 2022.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: MaryBeth Tomlinson, Manager - Gas Accounting

Name and title of preparer: Susan Whitley, Lead Analyst - Gas Accounting

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-1 Attachment

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-2. Explanation. Refer to account 121000, "Non-Utility Property." Describe the nature of Tennessee direct assets charged to account 121000, "Non-Utility Property" in the amount of \$929,590.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Denise Lepisto, Manager - Accounting

Name and title of preparer: Kate Carter, Senior Financial Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-2 Attachment

Attachment Provided on USB

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- 1-3. Identification. Identify any new accounts and subaccounts added to Piedmont's Chart of Accounts and Duke Energy Business Services' Chart of Accounts from January 2020 through the present. For each account/subaccount added, identify the date transactions began to be recorded in the account.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Kally Couzens, Manager – Rates & Regulatory Strategy

Name and title of preparer: Jenny Furr, Rates & Regulatory Strategy Manager

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-3 Attachment

Attachment Provided on USB

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1-4. Source & Support. Refer to Schedule 52.D.1. What is the source for Direct Inventory, A/C 154100?

RESPONSE: The source for the Direct Inventory is the Maximo Inventory System and the Journal Entry done for the Maximo Direct Stock Accrual is accounted for in account 0154100.

Name and title of responsible person: Michael O'Keeffe, Director – Asset Accounting

Name and title of preparer: Krista Markel, Manager – Accounting II

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- 1-5. Explanation. Refer to Schedule 40E-1. Specifically account 163110. Account 163110, December TN Balance of Stores, has a credit balance of \$809,378. This balance does not readily apparently carry forward to Schedule 52.D.1. Provide a comprehensive explanation for why this credit does not carry forward to Schedule 52.D.1.

RESPONSE: The noted credit balance of \$808,378 was utilized within the 13-month average balance in rate base in this proceeding because it is included in the Total Piedmont balance of \$597,000 for account 0163110. This Total Piedmont balance was allocated using the applicable Piedmont 3-state net plant factor allocation factor to determine the Tennessee allocated portion of the Stores account for the computation of Working Capital.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Misty Roddey, Rates & Regulatory Strategy Analyst - Interim Assignment

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-6. Source & Support and Explanation. Refer to Schedule 52W. What business operations does Piedmont have in West VA and “Other States”? What is the basis of the apportionment factors for all jurisdictions?

RESPONSE: The calculation of the Company's Composite Excise Tax rate used in this proceeding conforms with that used and approved in Piedmont's last general 2020 rate case, which is notably also the calculation of such tax rate required for federal tax reporting purposes.

For Piedmont business operations in West Virginia and “Other States,” the below apportionment factors are the basis for the filing position in the state.

- Louisiana – Property and Sales
- Mississippi – Property and Sales
- New Jersey – Sales
- New York - Property
- Pennsylvania - Property
- West Virginia – Property and Sales

This list does not include every combined state return that Duke Energy Corporation files that includes Piedmont Natural Gas, just those with historic or current apportionment factors. In West Virginia, Piedmont is a partner in the Piedmont Hardy Storage Company, LLC, which is a Piedmont entity that has a joint venture ownership interest in Hardy Storage Company, LLC. Hardy Storage Company, LLC is a natural gas storage facility located in West Virginia. For “Other States,” property is generally inventory or storage and sales are generally off system sales of gas.

Name and title of responsible person: John Panizza, Director – Tax Operations

Name and title of preparer: Chris Nelson, Tax Manager and Brian Neiheisel, Senior Tax Manager

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-7. Source & Support and Explanation. Refer to Schedule 52.D.3. Specifically account 182627, "TN Direct Deferred TN Pension-Short Term" and respond to the following:
- a. Provide a comprehensive explanation of the nature of this type of deferred pension costs; and
 - b. Provide the support for inclusion of this balance in Rate Base. Include in this response both the regulatory rationale for Rate Base recognition as well as how this item is consistent with the provisions of the Settlement in TPUC Docket No. 21-00135.

RESPONSE: The calculations in Piedmont's 2023 ARM filing are consistent with the recovery of pension costs as previously authorized for Piedmont by the Commission.

- a. Account 0182627 represents the short-term portion of the unamortized balance of the Tennessee deferred pension costs that Piedmont was authorized to recover pursuant to the Commission's authorization in Docket No. 20-00086. Piedmont has not deferred any pension costs for its Tennessee operations subsequent to those deferred and authorized for recovery in Docket No. 20-00086.
- b. With respect to the inclusion of pension costs in rate base under the ARM, Piedmont's ARM Tariff (Service Schedule No. 318) prescribes that Other Working Capital shall include:

"k. Pension Costs: Piedmont shall be allowed to recover through the ARM the unamortized balance of the pension regulatory asset included in the agreed upon rate base in the Company's last rate case in Docket No. 20-00086 through annual expense amortizations over the remaining portion of the authorized eight-year amortization period. No additional regulatory asset for pensions or OPEBs above the amount that was authorized in Piedmont's last rate case shall be established for ratemaking purposes unless the Company first obtains express approval from the Commission."

As prescribed, Piedmont's 2023 ARM filing includes in Other Working capital the unamortized 13-month average balance of the pension regulatory asset included in the agreed upon rate base in the Company's last rate case in Docket No. 20-00086, reduced by one year's worth of pension amortization expense – thereby wholly consistent with the Piedmont's ARM Tariff and the rate base treatment of authorized pension costs in Docket No. 20-00086.

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Note the that balance in account 0182627 is equivalent to one year's worth of pension amortization expense. Accordingly, only it was excluded from the Other Working Capital calculation in Schedule 52.D.3 (See footnote 2 on Schedule 52.D.3.)

Name and title of responsible person: Kally Couzens, Manager – Rates & Regulatory Strategy

Name and title of preparer: Misty Roddey, Rates & Regulatory Analyst – Interim Assignment

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-8. Explanation. Refer to Schedule 52.D.5. Why did the "Fleet Cost Pool" balance build throughout the year rather than be cleared out monthly?

RESPONSE: Piedmont Fleet Cost Pool balances are cleared annually consistent with Company policy and practices. The Fleet Cost pools are monitored monthly to ensure that the balances are not significant. If a significant balance occurs, the Fleet Department determines the reason for the balance and then decides whether to clear the balance through a rate adjustment or through a onetime journal entry.

Name and title of responsible person: Wesley Powell, Manager - Finance

Name and title of preparer: Brenda Raborn, Senior Financial Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-9. Source & Support. Refer to Schedule 18.0. Provide a buildup for the entire ADIT balance, i.e., all tax timing differences comprising the TN ADIT balances reflected on Schedule 18.0.

RESPONSE: See the attachment provided herewith. The tabs to support the balances reflected in Schedule 18.0 have been added in this attachment.

Name and title of responsible person: John Panizza, Director - Tax Operations

Name and title of preparer: Chris Nelson, Tax Manager and Brian Neiheisel, Senior Tax Manager

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-9 Attachment

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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1-10 Response & Attachments

Confidential Response and Attachments Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-11. Source & Support and Explanation. Provide the December 2022 number of Transportation customers in which Piedmont has the capability to determine the customers' daily consumption, is unable to determine the customers' daily consumption, and the transported customer volumes for each category above for December 2022.

RESPONSE: See the CONFIDENTIAL attachment provided herewith.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Mandi King, Rates & Regulatory Strategy - Interim Leader

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 23-00035
CONSUMER ADVOCATE'S FIRST SET OF DISCOVERY REQUESTS
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1-11 Attachment

Confidential Attachment Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-12. Source & Support. Refer to Schedule 37.1. Provide the support for the calculated Benefits Loader rate found on line 23. Confirm this loader rate is applied consistently to all Piedmont labor charges and that the benefit costs are charged to the same accounts as the underlying salary or hourly labor charges.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: David Dye, Accounting Manager II

Name and title of preparer: Sharon Farris, Lead Accounting Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-12 Attachment

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 23-00035
CONSUMER ADVOCATE'S FIRST SET OF DISCOVERY REQUESTS
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- 1-13. Source & Support. Refer to Schedule 37.1. Confirm that the Company has not eliminated any indirect costs of lobbying and/or the government relations function. If this is not confirmed, identify all indirect costs excluded, their associated amounts, and an explanation as to how such indirect costs were determined.

RESPONSE: Confirmed. The lobbying expense adjustment reflected in Schedule 37.1 was calculated in the same manner as calculated in Piedmont's 2020 rate case.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Laura Hager, Rates & Regulatory Strategy Manager

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-14. Source & Support and Identification. Refer to Schedule 37.1 regarding lobbying services incurred by Piedmont employee(s). Provide the following information:
- a. Provide the job descriptions for the Piedmont employee, the employees supervisor and the supervisors supervisor, both in effect during the Historic Base Period and in 2023 if such supervisors have changed;
 - b. Provide the level of compensation for the two supervisors, including separate identification for a) salary, b) short-term incentive compensation, c) long-term incentive compensation, and d) employee benefits;
 - c. For each of the two supervisor employees above, identify the percentage of compensation charged to Piedmonts' Tennessee operations in the Historic Base Period;
 - d. Provide support for the percentage of the Piedmont's Tennessee's time assigned to lobbying as reflected on line 17 of Schedule 37.1; and
 - e. Identify the total amount spent during the Historic Base Period on outside vendors providing contract government relations services to Piedmont. Identify each vendor, the amount incurred and account(s) charged.

RESPONSE:

a. **Historic Base Period:**

Piedmont Employee – See 1-14a Attachment 1 of 5_State Government Affairs Director and 1-14a Attachment 2 of 5_Director State Government Affairs and Community Relations.

Employee's Supervisor – See 1-14a Attachment 3 of 5_VP Rates and NG Supply.

Supervisor's Supervisor – See 1-14a Attachment 4 of 5_SVP and President Natural Gas Business.

2023:

Piedmont Employee – See 1-14a Attachment 2 of 5_Director State Government Affairs and Community Relations.

Employee's Supervisor – See 1-14a Attachment 4 of 5_SVP and President Natural Gas Business.

Supervisor's Supervisor – See 1-14a Attachment 5 of 5_EVP and Chief Commercial Officer.

- b. See the CONFIDENTIAL attachment provided herewith.

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- c. See the Company's response to CAD DR 1-14b.
- d. TCA 3-6-301 (15) (A) defines lobbying as:

“Lobby” means to communicate, directly or indirectly, with any official in the legislative branch or executive branch for the purpose of influencing any legislative action or administrative action;

Although the number of days those activities take place can vary from year to year, the time period the activities occur generally do not. In order to have a standard allocation of time for simplicity of processing, Piedmont has chosen to take a more conservative approach and assume that 100% of the employee's time during the months the general assembly is in session is dedicated to lobbying activities. January through May is 42% of the year, and as such PNG allocates 42% of the employee's labor to lobbying costs on an annual basis.
- e. See the CONFIDENTIAL attachment provided herewith.

Name and title of responsible person:

- a. Shannon Caldwell, Director – Compensation
- b. David Dye, Accounting Manager II
- c. Kally Couzens, Manager – Rates & Regulatory Strategy
- d. Eddie Davidson, Director - State Government Affairs and Community Relations
- e. Eddie Davidson, Director - State Government Affairs and Community Relations

Name and title of preparer:

- a. Jennifer Edwards, Lead HR Consultant
- b. Sharon Farris, Lead Accounting Analyst
- c. Laura Hager, Rates & Regulatory Strategy Manager
- d. Eddie Davidson, Director - State Government Affairs and Community Relations
- e. Eddie Davidson, Director - State Government Affairs and Community Relations

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1-14a Attachments 1 through 5

Attachments Provided on USB

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1-14b and 1-14e Attachments

Confidential Attachments Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-15. Identification and Explanation. Refer to Schedule 38. Confirm that the Company has not eliminated any indirect costs associated with advertising. If this is not confirmed, identify all indirect costs excluded, their associated amounts, and an explanation as to how such indirect costs were determined.

RESPONSE: Confirmed.

Name and title of responsible person: Kally Couzens, Manager Rates & Regulatory Strategy

Name and title of preparer: Misty Roddey, Rates & Regulatory Strategy Analyst - Interim Assignment

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-16. Source & Support and Explanation. Refer to Schedule 43. Respond to the following:

- a. Provide a further breakdown of O&M costs projected for 2023 into the most detail maintained by Piedmont. This request does not ask for a new analysis that has not been done, instead simply asks for a previously prepared budget analysis that rolls up into the 2023 O&M forecast; and
- b. Provide any analysis prepared on the 2023 O&M forecast that explains the significant reduction in forecasted O&M costs.

RESPONSE:

- a. See the attachment provided herewith.
- b. See the attachment provided herewith.

Name and title of responsible person: John Robson, Director - Gas Distribution Finance

Name and title of preparer: Felicia Shepherd, Senior Financial Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-16a-b Attachment

Attachment Provided on USB

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- 1-17. Explanation. Refer to Schedule 42. The FY 2023 capital budget includes \$55 million earmarked for Residential and Commercial additions. Estimate the numbers and timeline for the estimated additional (a) residential customers, and (b) commercial/industrial customers. Further, estimate the increased annualized usage for each customer group.

RESPONSE: The estimated Residential and Commercial capital expenditures plan was created by looking at a number of different factors. Residential and Commercial is made up of pipeline mains run for new customers (neighborhoods, sub-divisions, etc.). In addition, the Company includes the new service running to the house and the meter installed. The sales department provides the forecasting department with the expected annual number of gross customer additions for the upcoming year. For the 2023 capital budget plan, it was assumed there would be 3,200 residential customer additions, 250 conversion customers, and 286 commercial customer additions. The normalized usage computed in Piedmont's 2023 ARM filing shows that the average annual usage for a Residential Service customer is 70.2 dekatherms. The average annual usage for a Small General Service customer is 349.2 dekatherms.

Name and title of responsible person: John Robson, Director - Gas Distribution Finance and Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: John Robson, Director - Gas Distribution Finance and Kally Couzens, Manager - Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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- 1-18. Explanation. Provide a comprehensive explanation of the benefit and/or necessity of LNG capital expenditures in the provision of retail service.

RESPONSE: LNG provides critical service to customers during times of high demand or during interruptions of traditional supply sources. The Nashville LNG facility (NLNG) was built in the early 1970's and from time-to-time, capital expenditures are required to maintain the safety and reliability of the facility and associated equipment. Capital expenditures are used to update and/or replace equipment and facilities to maintain the level of safety and reliability required to stabilize the gas grid during times of high demand or during interruptions of traditional supply sources. Without this level of reliability, Piedmont would not be able to service all firm customers during that time of high demand or during interruptions of traditional supply sources.

Name and title of responsible person: Adam Long, VP - Gas Pipeline Operations

Name and title of preparer: Adam Long, VP - Gas Pipeline Operations

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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- 1-19. Source & Support. Provide the year-over-year cost changes related to the following components of construction costs for 2022 versus 2021:
- a. Acquisition costs of purchased pipeline by pipe diameter;
 - b. Hourly costs of internal labor (without employee benefit costs added);
 - c. Quantity of internal labor hours devoted to construction;
 - d. Contractor costs associated with construction;
 - e. Miles of installed pipe, by pipe diameter (quantity, not cost of installed pipe);
and
 - f. Overall cost of installed pipe per mile, by pipe diameter.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Greg Hazlett, Managing Director - Natural Gas Major Projects

Name and title of preparer: Garrett Long, Manager - Business Support

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-19a-e Attachment

Attachment Provided on USB

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- 1-20. Identification and Explanation. Refer to Schedules 6A and Schedule 21.0. Regarding the removal of \$15,293,405 in ACA revenue in the Historic Base Period, and respond to the following:
- a. Identify the account(s) debited in the Historic Base Period that offset the recorded credit to revenue; and
 - b. Provide a comprehensive explanation supporting the need for this adjustment in the Historic Base Period.

RESPONSE:

- a. The ACA ("Actual Cost Adjustment") revenues/expenses are offset by an entry to account 0804000 - Cost of Gas and account 0253142 - ACA Deferred Account.
- b. The adjustment of \$15,293,405 was to exclude gas cost related revenues recorded during the HBP that were not associated with customer usage during the HBP and Base PGA Rates in effect during the HBP. The result of this adjustment is an alignment of Purchased Gas Revenues from Base PGA Rates and Purchased Gas Expense.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Mandi King, Rates & Regulatory Strategy - Interim Leader

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- 1-21. Explanation. Refer to Schedule 21.0. Specifically the line-item "Broker Cash-Outs." Confirm that these revenues are refunded to sales customers within the Company's cost of gas mechanism. If this is not confirmed, provide an explanation for excluding these revenues from the Historic Base Period.

RESPONSE: The revenues associated with broker cash outs are credited to account 0495024 at the time of billing. They are then included with the commodity cost recoveries in the cost of gas mechanism, which are debited to account 0804000 - Cost of Gas and credited to account 0253142 - ACA Deferred Account.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Mandi King, Rates & Regulatory Strategy - Interim Leader

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- 1-22. Explanation. Refer to Schedule 23, line 12, "Other Revenue" that is \$195,482. Provide a comprehensive discussion of the nature of this revenue recorded in the Historic Base Period.

RESPONSE: The \$195,482 of revenue shown on line 12 of Schedule 23 is comprised of 3 distinct amounts:

1. \$68,294 of revenue associated with the 2021-2022 TN WNA Audit Findings as approved in Docket No. 22-00053.
2. \$1,174 of revenue pertains to the gross-up recovery amounts associated with the Rate Case Rider as authorized in Docket No. 20-00086.
3. \$126,014 is the revenue differential between Piedmont's detailed breakdown of Historic Base Period Total Operating Revenues as shown in Schedule 21 and the Total Operating Revenues per the Allocated Income Statement. In other words, out of \$330,733,293 of Total Operating Revenues, Piedmont was able to re-compute in a spreadsheet all but \$126,014 of revenues. This \$126,014 of revenue is included in the Total Operating Revenue in Schedule 21 on line 35.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Mandi King, Rates & Regulatory Strategy - Interim Leader

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 23-00035
CONSUMER ADVOCATE'S FIRST SET OF DISCOVERY REQUESTS
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1-23. Explanation. Refer to Schedule 23.1. Provide an explanation for the monthly decrease in Home Serve revenues occurring in May 2022.

RESPONSE: The May 2022 reduction in Piedmont Home Protection Plan (HPP) Revenue can be attributed to a change in the delinquency policy between the business practices of Piedmont and HomeServe. Piedmont cancelled 4,635 contracts in May 2022 due to non-payment of delinquent balances owed to HomeServe.

Name and title of responsible person: Ron Mays, VP - Gas Sales and Delivery

Name and title of preparer: Kyle Watford, Manager - Sales Operations, Products & Services

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-24. Explanation and Identification. Refer to Schedule 23, line 5. Provide a comprehensive explanation for the nature of Rent from Gas Properties. Identify the assets for which Piedmont is receiving rent.

RESPONSE: The real property asset is located at 83 Century Blvd, Nashville, Davidson County, Tennessee 37214 ("Property"). The lessee is MRC Global (US) Inc., a Delaware Corporation ("Tenant"). The lease is for 5,977 square feet located in the facility commonly known as Piedmont Natural Gas Nashville District Operations (the "Building"). The Tenant leases an office located within the Building along with outside storage of approximately 5,280 square feet ("Premises"). The Tenant has the right to use and access to and from the premises, the parking areas serving the Building and the right to use common areas of the Building (such as hallways, entrances, kitchen areas, and restroom facilities) and on the Property (such as driveways) in common with Piedmont or any other occupants of the Property. The Premises shall be used only of the purpose of Tenant's non-public warehouse storage, outside storage, office space, and retrieval of materials stored therein.

The lease is for a period of six months unless modified or earlier terminated in accordance with the lease. The lease is automatically renewed for successive six (6) month periods, unless and until (i) Piedmont or Tenant elects to terminate the lease by delivering written notice to the other at least ninety (90) days prior to the scheduled Expiration Date, in which the Lease will expire as of the Expiration Date, or (ii) the aggregate Term reaches a total of sixty (60) months in which case the Lease shall expire as of the last day of such sixtieth (60th) month.

At the inception of the lease the Tenant paid Piedmont monthly rent of \$3,486.58 for the first year of the term. On May 1st each year (the anniversary of the Commencement Date) the rent increases to an amount equal to one hundred and three percent (103%) of the amount due during the prior twelve-month period. Rent is payable in advance on or before the fifth (5th) day of each calendar month of the Lease. If any payment is not made when due and without demand by Piedmont, Piedmont may charge the Tenant a fee equal to five (5%) percent of the delinquent payment to reimburse Piedmont for its costs and inconvenience. In addition, to compensate Piedmont for the loss of use of funds, all rent and charges, not paid within five (5) business days after the Tenant receives notice from Piedmont of Tenant's failure to pay such amounts when due, shall bear interest at the rate of 10% per annum from the date due until the date paid. Rent for any partial calendar month shall be prorated.

See the attachment provided herewith for a schedule of the Rent from Gas Properties for the Year 2022.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Paul Mosley, Senior Rates & Regulatory Strategy Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-24 Attachment

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-25. Explanation and Identification. Refer to Schedule 21.0. Specifically to the treatment of rate case surcharge revenue. Confirm that this revenue nets to zero in both the Historic Base Period and the rate reset calculation. Has the Company removed all expenses associated with the amortization of these costs from the Historic Base Period as well? If so, identify where in the filing this elimination may be found. Also, discuss the underlying account(s) charged with the apparent reclassification adjustment as referenced on Schedule 21.0.

RESPONSE: The revenues associated with the Rate Case Expense Rider net to \$1,174 in both the Historic Base Period and the Annual Base Rate Reset.

Schedule 21, line 16, shows the Historic Base Period revenues associated with the Rate Case Expense Rider in the amount of \$105,984. To relieve the Regulatory Asset for the Rate Case Expense Rider collections, these revenues are reclassified out of the Historic Base Period Total Operating Revenues on Schedule 21, line 22. An additional journal entry was made to reclassify \$1,174, the portion of Rate Case Expense Rider revenues associated with the gross-up of rate case expenses, back to the Historic Base Period Total Operating Revenues. This amount is shown on Schedule 21, line 34.

Please see the attachment provided herewith for an illustration of the accounting associated with the Rate Case Expense Rider.

There are no amortization expenses for the Rate Case Expense Rider in the Historic Base Period or the Annual Base Rate Reset. Piedmont did make an adjustment to remove \$9,326 of 2020 rate case expenses that were in excess of the authorized amount for recovery and improperly coded to O&M. This adjustment is shown on Schedule 52Q.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Mandi King, Rates & Regulatory Strategy - Interim Leader

Response provided by Piedmont Natural Gas Company, Inc. on June ____, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-25 Attachment

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-26. Source & Support. Refer to Schedule 21.0. Provide the information below for a) 2021 actuals, and b) 2023 actual/projected:

Rate Class	Number of Customer Bills ¹		
	Winter (Nov - Mar)	Summer (Apr - Oct)	Annual
301 - Residential Service	896,541	1,250,407	2,146,948
302 - Small General Service	89,990	124,685	214,675
352 - Medium General Service	2,012	2,954	4,966
303 - Large General Service Sales Service	296	401	697
304 - Interruptible General Sales Service	10	15	25
313 - Firm Transportation Service	355	506	861
314 - Interruptible Transportation Service	245	344	589
310 - Resale Service	10	14	24
Special Contract Service	-	-	-
Total	989,459	1,379,326	2,368,785

RESPONSE: See the two attachments provided herewith.

In preparing the information responsive to this data request, Piedmont identified and corrected a formula error for the summation of winter billing determinants and summer billing determinants in Schedules 22A&B.4 Motor Vehicle Fuel Service Billing Determinants and 22A&B.5 Large Volume Service Billing Determinants. The annual amounts reflected in those schedules remain unchanged and did not require a formula correction. The financial impact of this correction on Piedmont's Annual Base Rate Reset Revenues (Schedules 22A&B_Annual Base Rate Reset Revenues) is \$-314. In other words, the Total Operating Revenues of \$257,965,272 as filed and shown on Schedules 22A&B, Line 127 changed by only \$-314 to \$257,964,958 as shown in CONFIDENTIAL attachment 2.

CONFIDENTIAL attachment 2 also reflects the corrected winter and summer billing determinants presented in Schedule 22A&B.9_Summary of Normalized Billing Determinants and Annual Base Rate Reset Margin Revenues.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Kally Couzens, Manager - Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-26 Attachment 1 of 2

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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1-26 Attachment 2 of 2

Confidential Attachment Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 23-00035
CONSUMER ADVOCATE'S FIRST SET OF DISCOVERY REQUESTS
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- 1-27. Explanation and Identification. The residential winter normalized usage per customer has declined significantly from those established in TPUC Docket No. 20-00086, while the residential summer usage has increased. With regard to this notion respond to the following:
- a. Provide any insight Piedmont has that may justify this winter/summer usage disparity;
 - b. Indicate whether the Company has used unbilled volumes to determine summer/winter usage for purposes of designing rates and whether that same process was used in developing normalized volumes in the TPUC Docket No. 20-00086 rate case; and
 - c. Identify and explain all billing process changes occurring in the past three years that impact the designation of summer and winter volumes within the Residential class.

RESPONSE:

- a. Piedmont has not made any modifications to its long-standing approved methodology for weather normalization of customer usage for ratemaking purposes. The computation of the weather-normalized usage used in this ARM filing follows the methodology used and approved in Piedmont's rate case in Docket No. 20-00086 and is compliant with Piedmont's ARM Tariff. The Company's method for computing and updating base load factors and heat sensitivity factors utilizes simple linear regression of the actual customer usage during the HBP relative to weather.

The Company's regression analysis of such actual customer usage of natural gas during the historic base period (2022) indicates the following:

1. The base load factor for customer usage during the historic base period is higher than the base load factor established in Docket No. 20-00086, which is the driver for the relatively higher summer period usage per customer in this 2023 ARM Filing.
2. The heat sensitivity factor for customer usage during the historic base period is lower than the heat sensitivity factor established in Docket No. 20-00086, which is the driver for the relatively lower winter period usage per customer in this 2023 ARM Filing.

In total, the weather-normalized annual residential usage in Piedmont's 2023 ARM filing is 3.4 dekatherms lower than that established from the actual customer usage from the test period in Docket No. 20-00086. ($70.2 - 73.6 = -3.4$).

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- b. For Piedmont's 2023 ARM filing, the Company utilized actual bill cycle volumes aligned with actual bill cycle heating degree days to perform a simple linear regression analysis and compute normalized volumes. The resulting normalized volumes were also used for designing rates. This methodology is identical to that used in Piedmont's rate case in Docket No. 20-00086.
- c. None.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Kally Couzens, Manager - Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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- 1-28. Explanation. The non-residential customer counts, in total, within the Company's service territory are flat compared to those in place from TPUC Docket No. 20-00086. Provide a comprehensive explanation for the lack of growth in the numbers of non-residential customers despite the significant growth in greater Nashville.

RESPONSE: Non-residential customer growth was muted for several reasons including economic uncertainty amid rising interest rates, rising inflation which reached its highest levels since the 1980s, and continued labor and supply chain shortages related to the Covid-19 pandemic. These factors combined to produce headwinds for the start and sustainability of commercial businesses.

Name and title of responsible person: Phillip Agee, Director - Sales & Delivery Services

Name and title of preparer: Phillip Agee, Director - Sales & Delivery Services

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-29. Source & Support and Explanation. The number of Medium General Service customers has dropped significantly since the last rate case and within the Historic Base Period. With regard to Medium General Service Sales, provide the following:
- a. Did the Company undertake a reclassification of Medium General Service customers to the Small General Service Class since the last rate case? If so, provide the date this reclassification occurred as well as providing a complete explanation supporting this action. Identify the annual revenue impact this reclassification had on 2022 revenue;
 - b. Refer to Schedule 22A_B_Annual Base Rate Reset Revenues and specifically the Med General _352 tab. Provide a full explanation for the increase in customer counts occurring between May, (383 customers) and June, (440 customers); and
 - c. Provide the monthly customer count of Medium General Service for the period January 2020, through the most recent month available.

RESPONSE:

- a. Piedmont annually performs evaluations of customer accounts to determine if customers should be reclassified to a different rate schedule pursuant to the requirements in Section 1 of the Company's Service Regulations. Customer rate schedule reclassifications resulting from the evaluations are effective every June. Reclassifications from Medium General Service to Small General Service and Small General Service to Medium General Service have occurred annually since Piedmont's last rate case and in the years prior to the rate case in accordance with the Company's Service Regulations. Additionally, such reclassifications can also occur between Small and Medium General Service and Large Volume Service rate schedules.

Piedmont has not performed an analysis on the impact to 2022 revenue from these prior rate reclassifications.
- b. Piedmont's customer rate schedule evaluations performed in 2022 determined that 45 customer accounts on Medium General Service – RS 352 would be reclassified to other rates schedules including Small General Service and Large Volume Service rate schedules. Another 100 customer accounts on Small General Service or Large Volume Service rate schedules would be reclassified to Medium General Service – RS 352 effective June 2022. The net of these reclassifications results in an increase of 55 accounts to Medium General Service in June 2022. Other factors that impact the change in customer levels from one month to the next include turn-on from new accounts and turn-offs of existing accounts.
- c. See the attachment provided herewith.

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Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Kally Couzens, Manager - Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-29 Attachment

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-30. Source & Support. Refer to pdf page 40 of the Stipulation and Agreement, specifically the Normal Heating Degree Days identified within Attachment E, Schedule 1. Provide the underlying calculations supporting the revised Normal Heating Degree Day calculations.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Kally Couzens, Manager - Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-30 Attachment

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-31. Identification. Regarding the growth in residential customers occurring in 2022 contrasted with 2021, confirm that the overwhelming majority of these customers represent single or multi-family homes. Identify the number of additional customers (if any) who reside in either a) apartments, or b) condominiums.

RESPONSE: Yes, the vast majority of residential customers are either single family homes or multifamily townhomes. Piedmont does not track premise types (i.e., single family homes, townhomes, apartments, condominiums) for service provided under Rate Schedule 301 (Residential Service); however, Piedmont's experience is that the overwhelming majority of new customer additions are single family homes and townhomes.

Name and title of responsible person: Phillip Agee, Director - Sales & Delivery Services

Name and title of preparer: Phillip Agee, Director - Sales & Delivery Services

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-32. Explanation. Refer to pro-forma sales margin revenue. Provide a comprehensive explanation for the fact that while the Historic Base Period was warmer than normal, the proposed adjustment to Operating Margins for the base rate reset is a decrease of \$6,429,035 to Operating Revenue.

RESPONSE: The adjustment is for weather-normalization of actual HBP customer volumes for Residential Service, Small General Service, and Medium General Service. The computations supporting the normalized volumes are shown on Schedule 22A&B.1, Schedule 22A&B.2 and Schedule 22A&B.3. Annual per customer usage of natural gas on a weather-normalized basis has decreased since the time of Piedmont's last general rate case. The methodology for computing weather normalized usage in this ARM filing is identical to that methodology used and approved in Piedmont's 2020 rate case (and its prior rate cases) and consistent with the requirements of Piedmont's ARM tariff for the purposes of the Annual Base Rate Reset.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Kally Couzens, Manager - Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on June ____, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-33. Explanation. Confirm that the weather normalization adjustment for purposes of resetting base revenue was based upon actual volumes billed during the base period, rather than accrued volumes during the base period (billed+/- unbilled revenue volumes). If so, provide the rationale for that approach to setting rate reset revenue. If the statement is not confirmed, clarify.

RESPONSE: The weather normalization adjustment is computed using actual volumes billed during the Historic Base Period. This methodology is identical to the methodology used in Piedmont's 2020 rate case in Docket No. 20-00086.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Kally Couzens, Manager - Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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- 1-34. Explanation. Refer to Schedule 21.1. The debit to WNA revenue on the reversal of unbilled revenue is substantially larger than the WNA revenue credit on unbilled revenue. Provide an explanation for this result and describe how revenue associated with unbilled revenue is determined.

RESPONSE: As the Unbilled WNA reverses each month with the whole of the unbilled entry throughout the year, the primary driver in the Residential WNA differential is the December 2021 Unbilled WNA Reversal (\$4,408,998.91) as compared to the December 2022 Unbilled WNA (\$165,071.80). The Unbilled WNA is derived from the WNA calculation variables: the Heat Sensitivity Factor, the Base Factor, the "R" Factor, Normal Degree Days (NDD), and Actual Degree Days (ADD), multiplied by the Unbilled Dekatherms (Dts). Although there was a dramatic change in the Unbilled Dts from December 2021 as compared to December 2022, the key differential was the Actual Degree Days, as the other WNA calculation variables were the same. In December 2021, the ADD were 671.0 compared to the NDD of 694.8. In December 2022, the ADD were 350.0 compared to the NDD of 694.8. Therefore, the principal cause of the differential between the Unbilled WNA and the Unbilled WNA Reversal is the Actual Degree Days. Please see the attachment provided herewith for the December 2021 to 2022 WNA Comparison.

The purpose of the Unbilled Revenue calculation is to determine Piedmont's revenue accruals for deliveries made to sales service customers but not yet billed for the current month. Piedmont recognizes revenue for its sales service and transportation service customers when the gas flows through the meter, not when the gas is billed. For many sales service customers, utility bills include usage and corresponding revenue from both the previous and current months. The unbilled calculation estimates the amount of usage and corresponding revenue related to the current month that will be included in next month's bills. This estimate of revenues related to the current month that will be included in next month's bills is called unbilled revenue. For accounting purposes, unbilled revenue is treated as a receivable for the current month and the journal entry is then reversed at the beginning of the following month when the revenue is actually billed.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Mandi King, Rates & Regulatory Strategy - Interim Leader

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-34 Attachment

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-35. Source & Support. Provide a worksheet by month for the period January 2023 through April 2023 in the same format and presenting the same information as is contained in Schedules 21.1, 21.2 and 21.3.

RESPONSE: Piedmont objects to this request to the extent that it requires the Company to create and produce original content or analysis in response to a discovery request. Subject to and without waiving the foregoing objection, Piedmont responds that it is not in possession of materials responsive to this Request.

Name and title of responsible person: Mandi King, Rates & Regulatory Strategy - Interim Leader

Name and title of preparer: Mandi King, Rates & Regulatory Strategy - Interim Leader

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-36. Identification. Identify the amount of American Gas Association dues assigned to Piedmont Natural Gas by year for the period 2015 through 2022.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Kally Couzens, Manager - Rates and Regulatory Strategy

Name and title of preparer: Misty Roddey, Rates and Regulatory Strategy Analyst - Interim Assignment

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-36 Attachment

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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1-37 Response

Confidential Response Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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1-37 Attachments 1 through 8

Attachments Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-38. Source & Support and Explanation. Does Piedmont incur business interruption insurance? If so, provide the following:
- a. Identify the annual cost incurred in 2022 as well as the account charged;
 - b. Provide a copy of the policy; and
 - c. Indicate whether any proceeds received from business interruption insurance should be included as operating revenue in any future ARM proceeding.

RESPONSE: Request 1-38(a) – (c) are not applicable as the Company does not incur business interruption insurance.

Name and title of responsible person: Arnold Garcia, Director - Insurance

Name and title of preparer: Arnold Garcia, Director - Insurance

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-39 Response and 1-39a Attachment

Confidential Response and Attachment Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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1-40 Response

Confidential Response Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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1-40 Attachment

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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1-41. Identification and Explanation. For all employees involved in managing the advertising process and overseeing the advertising function, provide the following:

- a. Job descriptions; and
- b. Base salary and short-term incentive compensation are separately identified and allocated to the Tennessee jurisdiction.

RESPONSE:

- a. See the CONFIDENTIAL attachment provided herewith.
- b. See the CONFIDENTIAL attachment provided herewith.

Name and title of responsible person:

- a. Jennifer Edwards, Lead HR Consultant
- b. Sharon Farris, Lead Accounting Analyst

Name and title of preparer:

- a. Shannon Caldwell, Director - Compensation
- b. David Dye, Accounting Manager II

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-41a-b Attachment

Confidential Attachment Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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1-42 Response

Confidential Response Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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1-43. Explanation. Has Piedmont conducted any studies or calculations estimating the relationship between overall rates and consumption (price elasticity) for any of its rate classes? If so, provide the results of the study.

RESPONSE: No.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Kally Couzens, Manager - Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-44. Source & Support. Refer to Schedule 22. Provide the following information for each rate schedule by month for the period January 2023 through April 2023:

- a. Customer Numbers;
- b. Sales/Transport Volumes; and
- c. Weather Normalized volumes by class (if applicable).

RESPONSE:

- a. See the attachment provided herewith.
- b. See the attachment provided herewith.
- c. The Company has not performed an analysis of weather normalized volumes for the period of January 2023 through April 2023. Please see Schedule 22A&B for the weather normalized volumes computed pursuant to Piedmont's ARM Tariff for the 2023 ARM filing.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Mandi King, Rates & Regulatory Strategy - Interim Leader

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-44a-b Attachment

Attachment Provided on USB

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1-45. Source & Support. Refer to Schedule 52P.1. For the following accounts, provide the account level detail for all account transactions identical to the categories of detail supplied in Schedule 52P.2:

- a. 921.200 Office Expenses;
- b. 921.980 Office Supplies and Expenses; and
- c. 923.000 Outside Services Employed.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Misty Roddey, Rates & Regulatory Strategy Analyst - Interim Assignment

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-45a-c Attachment

Attachment Provided on USB

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1-46 Response and 1-46a-f Attachment

Confidential Response and Attachment Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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1-47 Response and 1-47a Attachments 1 through 3

Confidential Response and Attachments Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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1-48 Response

Confidential Response Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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1-48 Attachment

Attachment Provided on USB

PIEDMONT NATURAL GAS COMPANY, INC.
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1-49 Response

Confidential Response Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-50. Explanation. Provide a table showing the quarterly (a) DEBS Direct charges to the Tennessee jurisdiction, and (b) DEBS allocated charges to the Tennessee jurisdiction by quarter for the period January 2021 through March 2023.

RESPONSE: See the five CONFIDENTIAL attachments provided herewith. Piedmont has provided the quarterly transaction data and summary for DEBS charges to Piedmont which are then further allocated to Tennessee for Q1 through Q4 of 2021 and Q1 of 2023 in the same manner as this data was provided for Q1 through Q4 of 2022 in Schedules 52.S.1 through 52.S.4.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Misty Roddey, Rates & Regulatory Strategy Analyst - Interim Assignment

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-50 Attachments 1 through 5

Confidential Attachments Filed Under Seal

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-51. Source & Support. Refer to Schedules 18.0 and 18.1. Provide evidence that the Company has excluded one-half of the ADIT impacts of short-term incentive compensation rather than 100% of such impacts.

RESPONSE: See the attachment provided in response to CAD DR 1-9.

Name and title of responsible person: John Panizza, Director - Tax Operations

Name and title of preparer: Chris Nelson, Tax Manager and Brian Neiheisel, Senior Tax Manager

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-52. Identification. Provide a listing of corporate assets subject to allocation to the Tennessee jurisdiction and the date such asset was placed in service.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Denise Lepisto, Manager - Accounting

Name and title of preparer: Kate Carter, Senior Financial Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-52 Attachment

Attachment Provided on USB

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- 1-53. Explanation. Refer to Schedule 14.2. Explain the business purpose and necessity of the various types of Transportation Equipment subject to the three-state allocation factor that is subsequently assigned to the Tennessee jurisdiction. This response should be specific for each type of Transportation equipment asset subject to the three-state allocation factor.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Denise Lepisto, Manager - Accounting

Name and title of preparer: Kate Carter, Senior Financial Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-53 Attachment

Attachment Provided on USB

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1-54. Identification. Refer to Schedule 14.1. Identify the various types of software underlying the Amortization of software total of \$4,150,155, along with the date such software was placed in service. Further, identify the amortization period applied to each underlying asset.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Denise Lepisto, Manager - Accounting

Name and title of preparer: Kate Carter, Senior Financial Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-54 Attachment

Attachment Provided on USB

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- 1-55. Identification. Refer to Schedule 14.1, specifically account 40400, "Franchise Amortization." Identify the underlying cost by the municipality for the Franchise Amortization and identify the period by which such costs are being amortized.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Denise Lepisto, Manager - Accounting

Name and title of preparer: Kate Carter, Senior Financial Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-55 Attachment

Attachment Provided on USB

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1-56. Source & Support. Refer to Schedule 30.0. Provide a summary of labor charges by expense category as shown on this schedule for the annual periods of 2020 and 2021. Please disregard the Lobbying Salary and Wages adjustment within this response.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Laura Hager, Rates & Regulatory Strategy Manager

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-56 Attachment

Attachment Provided on USB

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1-57. Identification. Identify the amount of capitalized labor applied to Tennessee direct construction work orders in a) 2020, b) 2021, and c) 2022.

RESPONSE: The amount of labor charged to TN direct construction work orders is as follows by year:

- 2020: \$6,264,132
- 2021: \$6,803,454
- 2022: \$7,641,155

This response does not include any labor charged to 3-state capital projects.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Laura Hager, Rates & Regulatory Strategy Manager

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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- 1-58. Explanation. Refer to the customer ratio within the calculation of the three-part composite factor within Schedule 44.0. Provide the rationale for using the twelve-month ended average customer count as of March 2021 to compute 2022 allocation factors. Why has Piedmont elected to use data with such a significant lag built into the calculation?

RESPONSE: The methodology for the computation of the Composite Allocation Factor used in this ARM filing is consistent with the long standing methodology utilized in Piedmont's 2020 rate case as presented in CAD DR 1-46 and CAD DR 2-99 in Docket 20-00086. This factor is updated annually in January of each year to align with the Company's fiscal year.

The twelve-months ended March 2021 average customer count contains the Company's most recent full winter period as of the date by which the 2022 composite allocation factor needed to be computed.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Doug Templeton, Rates & Regulatory Strategy Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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- 1-59. Source & Support. Refer to Schedule 14.2. Provide the Historic Base Period depreciation expense categorized by account and further split between direct and allocated depreciation expense. The response should include the same 'Description' categories as is referenced in Schedule 14.2.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Denise Lepisto, Manager - Accounting

Name and title of preparer: Kate Carter, Senior Financial Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-59 Attachment

Attachment Provided on USB

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- 1-60. Explanation. Refer to Schedules 14.1 and 14.2. Provide an explanation why the annualized Depreciation Expense for the Tennessee direct plant is nearly as large as the total depreciation for the Historic Base Period inclusive of allocated depreciation/amortization plus Tennessee direct depreciation.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Misty Roddey, Rates & Regulatory Strategy Analyst - Interim Assignment

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-60 Attachment

Attachment Provided on USB

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- 1-61. Explanation. The pro-forma increase in depreciation expense based upon the 2022 year-end plant in service is calculated to be 13% higher than that experienced in the historic base period. Provide a comprehensive explanation that identifies the cause of this increase.

RESPONSE: See the attachment provided in the Company's response to CAD DR 1-60.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Misty Roddey, Rates & Regulatory Strategy Analyst - Interim Assignment

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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- 1-62. Source & Support. Provide a monthly projection of customers, by customer class, in each of the three Piedmont state jurisdictions.

RESPONSE: Piedmont would like to discuss this request with the Consumer Advocate and its consultant, in order to fully understand what information is being sought and whether that information would have any relevance to the pending issues in this proceeding.

Name and title of responsible person: Pia Powers, Managing Director - Gas Rates & Regulatory

Name and title of preparer: Pia Powers, Managing Director - Gas Rates & Regulatory

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-63. Source & Support. Provide the capital budget for South Carolina and North Carolina for 2023 and 2024.

RESPONSE: Piedmont objects to this Request as overly broad and not reasonably calculated to lead to the discovery of admissible evidence since it asks only for South Carolina and North Carolina capital budget information even though South Carolina and North Carolina operations (and their respective capital budgets) are outside the scope of this ARM proceeding.

Name and title of responsible person: Kally Couzens, Manager - Rates & Regulatory Strategy

Name and title of preparer: Kally Couzens, Manager - Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-64. Identification. Refer to Schedule 44.2. Identify each of the business units referenced on this page.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Mandi King, Rates & Regulatory Strategy - Interim Leader

Name and title of preparer: Doug Templeton, Rates & Regulatory Strategy Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-64 Attachment

Attachment Provided on USB

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- 1-65. Identification. Identify all aircraft-related costs allocated to Tennessee into the following categories: (a) Plant in Service, (b) Accumulated Depreciation, (c) Property Taxes, and (d) Operating and Maintenance costs. For purposes of this request, aircraft-related costs are associated with company-owned aircraft and would include aircraft hangars, aircraft repair services, pilot costs, aircraft insurance costs, aircraft repair equipment, aircraft-related lease costs, fuel costs, and airport fees.

RESPONSE: See the attachment provided herewith. There are no aircraft-related costs included in Plant in Service, Accumulated Depreciation or Property Tax for Tennessee operations. All Company aircraft is accounted for on Duke Energy Business Services' general ledger and then allocated to Piedmont pursuant to the Cost Allocation manual ("CAM"). These CAM allocated charges reside in O&M expenses on Piedmont's general ledger.

Name and title of responsible person: Jeff Setser, Director - Allocations and Reporting

Name and title of preparer: Jeff Masucci, Senior Accounting Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-65 Attachment

Attachment Provided on USB

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1-66. Identification. Identify all Tennessee-allocated costs associated with renting or leasing private jets and related expenses incurred for Company travel.

RESPONSE: See the Company's response to CAD DR 1-65.

Name and title of responsible person: Jeff Setser, Director - Allocations and Reporting

Name and title of preparer: Jeff Masucci, Senior Accounting Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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- 1-67. Source & Support and Identification. Refer to Schedule 46A. Provide support for the total PNG ratios found in column BW within the "Information Systems" category of costs. Further, identify Tennessee allocated costs within the "Information Systems" category, further broken out by function description.

RESPONSE: See attachments 1 through 4 provided herewith for the Piedmont ratios found in column BW in Schedule 46A.

See attachment 5 provided herewith for the Tennessee allocated costs within this category.

Name and title of responsible person: Jeff Setser, Director - Allocations and Reporting

Name and title of preparer: Amy Scrivanich, Lead Accounting Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-67 Attachments 1 through 5

Attachments Provided on USB

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- 1-68. Source & Support and Identification. Refer to Duke Energy's 2022 10k filing with the Securities and Exchange Commission, page 130. The report indicates that "[c]ertain governance costs are allocated to each segment." Please identify each type of governance cost referenced in this statement and the associated cost allocated to Piedmonts' Tennessee jurisdiction.

RESPONSE: See the attachment provided herewith.

Name and title of responsible person: Jeff Setser, Director - Allocations and Reporting

Name and title of preparer: Amy Scrivanich, Lead Accounting Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-68 Attachment

Attachment Provided on USB

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- 1-69. Identification. Refer to Duke Energy's 2022 10k filing, page 19. Identify the number of employees and associated hours spent by Tennessee based employees in diversity and inclusion training programs in 2022. Provide an estimate of hours if actual hours are not known or recorded.

RESPONSE: A total of four Tennessee-based employees participated in diversity and inclusion training offerings for a total of approximately four hours in 2022.

Name and title of responsible person: Sharene Pierce, VP and Chief Diversity & Inclusion Officer

Name and title of preparer: Brad Platt, Diversity & Inclusion Senior Program Manager

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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- 1-70. Identification. Refer to Duke Energy's 2022 10k filing, page 19. Identify the number of employees and associated hours spent by Duke Energy Business Service (DEBS) employees in diversity and inclusion training programs in 2022. Provide an estimate of hours if actual hours are not known or recorded.

RESPONSE: A total of 640 DEBS employees participated in 1,215 diversity and inclusion training offerings in 2022 for a total of approximately 5,473 hours.

Name and title of responsible person: Sharene Pierce, VP and Chief Diversity & Inclusion Officer

Name and title of preparer: Brad Platt, Diversity & Inclusion Senior Program Manager

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

PIEDMONT NATURAL GAS COMPANY, INC.
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1-71. Identification. Refer to Duke Energy's 2022 10k filing, page 19. Identify the number of employees and associated hours spent by Tennessee based employees in employee led councils. Provide an estimate of hours if actual hours are not known or recorded.

RESPONSE: The Company was not able to identify any Tennessee-based employees currently participating in employee-led councils.

Name and title of responsible person: Sharene Pierce, VP and Chief Diversity & Inclusion Officer

Name and title of preparer: Brad Platt, Diversity & Inclusion Senior Program Manager

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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- 1-72. Identification. Refer to Duke Energy's 2022 10k filing, page 19. Identify the number of employees and associated hours spent by Duke Energy Business Service (DEBS) employees in employee led councils in 2022. Provide an estimate of hours if actual hours are not known or recorded.

RESPONSE: The total number of DEBS employees voluntarily engaged in employee-led councils in 2022 was approximately 15. Each of these employees spent an average of two hours per month in meetings. The estimate of hours spent is approximately 30 hours per month or 360 hours per year.

Name and title of responsible person: Sharene Pierce, VP and Chief Diversity & Inclusion Officer

Name and title of preparer: Brad Platt, Diversity & Inclusion Senior Program Manager

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-73. Provide copies of all Environmental Social, and Governance (“ESG”) related documents which contain input from Piedmont.

RESPONSE: Piedmont objects to this request as vague, overly broad, unduly burdensome. The phrase "Environmental Social, and Governance (ESG)" is used in many different contexts and subject to different interpretations as to what may be within the scope of this matter. Subject to and without waiving the foregoing objections, Piedmont provides the attached documents pertaining to its operations during the Historic Base Period (2022) for this proceeding.

Name and title of responsible person: Pia Powers, Managing Director - Gas Rates & Regulatory

Name and title of preparer: Pia Powers, Managing Director - Gas Rates & Regulatory

Response provided by Piedmont Natural Gas Company, Inc. on June 21, 2023.

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1-73 Attachments 1 through 5

Attachments Provided on USB