

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

**IN 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**

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**CONSUMER ADVOCATE'S SECOND SET OF DISCOVERY REQUESTS  
TO PIEDMONT NATURAL GAS COMPANY, INC.**

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This Second Set of Discovery Requests is hereby served upon Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company"), pursuant to Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. The Consumer Advocate Division of the Office of the Attorney General ("Consumer Advocate") requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Victoria B. Glover on or before Wednesday, July 12, 2023, at 2:00 p.m. CST.

**PRELIMINARY MATTERS AND DEFINITIONS**

This Second Set of Discovery Requests incorporate by reference the same Preliminary Matters and Definitions as set forth in the Consumer Advocate's First Discovery Request to Piedmont Natural Gas Company, Inc. sent to the Company on May 5, 2023, are to be considered

continuing in nature, and are to be supplemented from time to time as information is received by the Company which would make a prior response inaccurate, incomplete, or incorrect.

### **SECOND SET OF DISCOVERY REQUESTS**

**2-1.** Source & Support and Identification. Refer to the Company's Response to Consumer

Advocate DR No. 1-2 and respond to the following:

- a. Provide a full description of the nature of the non-utility assets identified in this response;
- b. Identify any i) operating and maintenance (O&M) costs associated and ii) ad-valorem taxes associated with these assets and identify where such costs are recorded; and
- c. If no specific O&M or ad-valorem taxes are identified with these assets, explain why such costs are not identifiable.

#### **RESPONSE:**

**2-2.** Source & Support. Refer to the Company's Response to Consumer Advocate DR No.

1-12, specifically <1-12 Attachment>. Provide a reconciliation of the 2022 Benefit cost of \$40,069,751 by benefit type.

#### **RESPONSE:**

**2-3.** Source & Support. Refer to the Company's Response to Consumer Advocate DR No.

1-17 and respond to the following:

- a. Provide a breakdown of the FY capital budget for Residential and Commercial additions, split into the asset categories contained in response to Consumer Advocate DR No. 1-17, Mains, Services, Meters and any other components included in this estimate.

#### **RESPONSE:**

2-4. Source & Support and Explanation. Refer to the Company's Response to Consumer Advocate DR No. 1-45(a). Specifically refer to <1-45 Attachment a-c>, the "0923.000" tab. Respond to the following:

- a. For each of the general ledger items contained within the attachment provide an explanation of the nature of the cost item and how it is necessary in the provision of utility service; and
- b. Provide a copy of the invoice supporting the charge.

**RESPONSE:**

2-5. Explanation. Refer to the Company's Response to Consumer Advocate DR No. 1-45(a). Specifically refer to <1-45 Attachment a-c>, the "0921.200" tab. Provide a comprehensive explanation of the service provided associated with each identified transaction.

**RESPONSE:**

2-6. Explanation. Refer to the Company's Response to Consumer Advocate DR No. 1-45 and provide a narrative explanation for why the recovery of the following cost classifications should be recovered from ratepayers:

- a. Jet Fuel (account 921.200),
- b. Non-Deductible Dues (account 921.200), and
- c. Non-Deductible Entertainment (account 921.200).

**RESPONSE:**

2-7. Identification. Refer to the Company's Confidential Response to Consumer Advocate DR No. 1-42 and the Company's Response to Consumer Advocate DR No. 3-24 from TPUC Docket No. 20-00086 and provide the following:

[REDACTED]

[REDACTED]

**RESPONSE:**

- 2-8. Source & Support. Provide a copy of the monthly expense reports for the (a) State Government Affairs Director, and (b) Director State Government Affairs, that align with expenses recorded in Piedmont's 2022's Income Statement.

**RESPONSE:**

- 2-9. Source & Support and Identification. Refer to the Company's Confidential Response to Consumer Advocate DR No. 1-14. [REDACTED]

[REDACTED]

**RESPONSE:**

- 2-10. Source & Support. Refer to the Company's Confidential Response to Consumer Advocate DR No. 1-14. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**RESPONSE:**

- 2-12. Explanation. Provide a comprehensive discussion of the jurisdictional assignment of Holiday and Vacation pay for those employees whose regular time costs are direct charged to a specific jurisdiction.

**RESPONSE:**

- 2-13. Source & Support, Identification, and Explanation. Refer to Consumer Advocate's DR No. 1-65, <Attachment 1-65> and respond to the following:
- a. Identify the number of round trips taken by Piedmont employees on corporate owned aircraft in the historic base period;
  - b. Identify the number of round trips taken by Piedmont employees on commercial flights in the historic base period;
  - c. Identify the make and model of each owned aircraft, along with the passenger capacity;
  - d. Provide a copy of the corporate policies in place which govern the use of the corporate aircraft; and
  - e. Certain costs contained in response to Consumer Advocate DR No. 1-65 are identified as Utility Patrol Costs. Are these costs related to visual pipeline inspections of transmission pipelines? If not provide an explanation of the nature of these costs.

**RESPONSE:**

- 2-14. Identification & Explanation. Refer to the Company's Response to Consumer Advocate DR No. 1-53, <Attachment 1-53> and respond to the following:

- a. Indicate whether the 'Balance' referenced in column F refers to the original cost of the asset or the net book value of the asset;
- b. If 'Balance' refers to the original cost of the asset, identify the Accumulated Depreciation for each listed vehicle;
- c. Identify the depreciation rate associated with each asset;
- d. Identify the property taxes associated with each asset, or if that information is not readily available provide the property tax costs for the whole asset class;
- e. Confirm that the states listed within this attachment reflect where the asset is physically based;
- f. Explain how these assets benefit Tennessee natural gas distribution operations; and
- g. Explain why these assets are not directly assigned based upon where the asset is physically located and used.

**RESPONSE:**

**2-15. Identification.** What is Piedmont's work from home policy for employees physically stationed in Charlotte, North Carolina? To the extent work from home is permitted, identify any O&M corporate cost savings that have been captured resulting from this policy.

**RESPONSE:**

**2-16. Source & Support and Identification.** Refer to the Company's Confidential Responses to Consumer Advocate DR 1-14. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**RESPONSE:**

**2-17.** Source & Support and Identification. Refer to the testimony of Keith Goley filed with the Company's Petition, page 10. [REDACTED]

[REDACTED]

**RESPONSE:**

**2-18.** Explanation and Identification. Refer to the Company's Response to Consumer Advocate DR No. 1-57. Does the capitalized labor reflected in this include any labor charges from Piedmont's Charlotte, North Carolina based employees? Identify the capitalized labor from Charlotte, North Carolina based employees charged to Piedmont's Tennessee work in progress in 2022.

**RESPONSE:**

2-19. Source & Support and Explanation.

[REDACTED]

**RESPONSE:**

2-20. Source & Support, Identification, and Explanation. Refer to the testimony of Kally Couzens filed along with the Company's Petition, specifically pages 11-13 regarding the Company's revised warranty program.

[REDACTED]

[REDACTED]

**RESPONSE:**

**2-21. Explanation.** Refer to the confidential attachment provided in the response to Consumer Advocate DR No. 1-48, <1-48 Attachment>. Specifically refer to the “3 State Explanation” tab, row 26 identified as “Severance”. Explain the nature of this accrued cost for December, 2022 and provide the justification for its inclusion in the Historic Base Period results.

**RESPONSE:**

**2-22. Explanation.** Refer the testimony of Kally Couzens filed along with the Company’s Petition, specifically page 11, lines 17-21. Piedmont now administers Home Protection Plans that are supported by TWG Home Warranty Service, Inc. Provide a comprehensive explanation of which tasks are performed by Piedmont and which are performed by TWG in providing the HPP program. This discussion should include an explanation of how TWG is compensated and what those expenses were in 2022.

**RESPONSE:**

**2-23. Identification.** Refer the testimony of Kally Couzens filed along with the Company’s Petition, specifically pages 11-13. Refer also to the testimony of Keith Goley filed along with the Company’s Petition, specifically pages 6-7. Ms. Couzens identifies the various warranty plans offered by the Company. Identify the number of subscribers for each plan type referenced in this list along with the associated pricing for each by month during 2022 such that the total reconciles with the proforma level of revenue of \$2,238,287 referenced in Mr. Goley’s testimony.

**RESPONSE:**

RESPECTFULLY SUBMITTED,



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**TPUC Docket No. 23-00035**

***Consumer Advocate's Second Set of Discovery Requests to Piedmont Natural Gas***

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail,  
with a courtesy copy by electronic mail upon:

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This the 28<sup>th</sup> day of June 2023.



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**VICTORIA B. GLOVER**  
Assistant Attorney General