

Public Version

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

IN RE:)	
)	
PETITION OF PIEDMONT NATURAL)	
GAS COMPANY, INC. FOR APPROVAL)	DOCKET NO. 24-00036
OF ITS 2024 ANNUAL REVIEW OF)	
RATES MECHANISM PURSUANT TO)	
TENN. CODE ANN. §65-5-103(d)(6))	
)	

**CONSUMER ADVOCATE’S FIRST SET OF DISCOVERY REQUESTS
TO PIEDMONT NATURAL GAS COMPANY**

This First 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. 1220-01-02-.11. The Consumer Advocate Division of the Tennessee 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, June 21, 2024, at 2:00 p.m. CST.

PRELIMINARY MATTERS AND DEFINITIONS

1. **Continuing Request.** These discovery requests are to be considered continuing in nature and are to be supplemented from time to time as information is received by the Company and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.

2. **Clear References.** To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.

3. **Format of Responses.** Provide all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to audit and analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.

4. **Objections.** If any objections to this discovery are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document, and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

Public Version

5. **Singular/Plural.** The singular shall include the plural, and vice-versa, where appropriate.

6. **Definitions.** As used in this Request:

(a) “You,” “Your,” “Company,” or “Piedmont” shall mean Piedmont Natural Gas Company, Inc. and all employees, agents, attorneys, representatives, or any other person acting or purporting to act on its behalf.

(b) “Affiliate” shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater clarification, “control” is the ownership of 20% or more of the shares of stock entitled to vote for the election of directors in the case of a corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term “Affiliate” shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an “Affiliate”.

(c) “Communication” shall mean any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings, and personal conversations, or otherwise.

(d) “Document” shall have the broadest possible meaning under applicable law. “Document” shall mean any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any

Public Version

such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made?

(e) “Person” shall mean any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.

(f) “Identify” with respect to:

- i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person’s relationship, whether business, commercial, professional, or personal with you;
- ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and current or last known business address of such person or entity (if no business address is available provide any address known to you);
- iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and
- iv. Any oral communication, means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.

(g) “And” and “or” shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.

(h) “Including” shall be construed to mean including but not limited to.

FIRST SET OF DISCOVERY REQUESTS

1-1. Contributions in Aid of Construction. Refer to spreadsheet <Schedule 1-12 Lead Schedules>, tab “2-Rate Base” provided with the Company’s filing. Specifically refer to Row 22 labeled “4 - Contributions in Aid of Construction” on this spreadsheet. This line has a zero (\$0) balance for the HBP and Rate Reset but has a balance of \$5,828,754 for the

Public Version

13-month period ended December 31, 2023. Explain the reasons for eliminating the Contribution in Aid of Construction balance. If the Company believes this was done in error, then provide an updated schedule.

RESPONSE:

- 1-2. Lead/Lag Study. Refer to spreadsheet <Schedule 1-12 Lead Schedules>, tab “2-Rate Base” provided with the Company’s filing. Specifically refer to Row 55 labeled to “19 - Lead/Lag Study Requirement” on this spreadsheet. This line has a HBP balance of \$2,354,096 and a Reset balance of \$2,804,280. Explain why these amounts do not tie to the lead/lag calculations on Schedule 3. If the Company believes this calculation was made in error, then provide an updated schedule.

RESPONSE:

- 1-3. Lead/Lag Study. Refer to spreadsheet <Schedule 1-12 Lead Schedules>, tabs “4A-WCExpLag for HBP” and “4B-WCExpLag for Rate Reset” provided with the Company’s filing. Specifically refer to Row 22 “7 - Incentive Pay – STIP” on these spreadsheets that has a “Dollar Day” value of zero (\$0). Explain why the dollar day calculation is not made for this item. If the Company believes this calculation was made in error, then provide an updated schedule.

RESPONSE:

- 1-4. General Taxes. Refer to spreadsheet <Schedule 1-12 Lead Schedules>, tab “8-Excise&Income Tax” provided with the Company’s filing. Specifically refer to Row 22 “8 - General Taxes” on this spreadsheet that has a “Annual Base Rate Reset” value of zero

Public Version

(\$0). Explain why the Company has excluded General Taxes from the Excise & Income Tax calculation. If the Company believes this calculation was made in error, then provide an updated schedule.

RESPONSE:

1-5. Purchased Gas Expense. Refer to spreadsheet <Schedule 1-12 Lead Schedules>, tab “6A-Rev Summary” provided with the Company’s filing. Specifically refer to cell H17 which shows Purchased Gas Expense for the 12 Months Ended December 31, 2023, to be \$79,914,931. Next, refer to the tab “9-IncStmst” of this same spreadsheet. Specifically refer to cell G18 which shows Purchased Gas Expense for the 12 Months Ended December 31, 2023, to be \$78,819,749. Reconcile these two amounts for Purchased Gas Expense. If the Company believes the either of these two references are in error, then provide an updated schedule.

RESPONSE:

1-6. Carrying Cost. Refer to the spreadsheet <Schedule 1-12 Lead Schedules>, tab “12-Carrying Cost ARM Recon Def” that was provided with the Company’s filing. Also refer to the spreadsheet <Proposed Modified ARM -Schedule 1-12 Lead Schedules>, tab “12-Carrying Cost ARM Recon Def” that was provided with the Company’s filing. Specifically refer to Row 24 “7 - ARM Reconciliation Deferred Account Balance” in both spreadsheets. In the first, regular scenario the value is \$3,618,865; in the proposed modified scenario the value is \$0. Reconcile these two amounts. If the Company believes the either of these two references are in error, then provide an updated schedule.

Public Version

RESPONSE:

1-7. Depreciation Expense. Refer to spreadsheet <Schedule 14-Depreciation Expense>, tab “Schedule 14.2” provided with the Company’s filing. Specifically refer to Cell K81 of this spreadsheet that calculates total depreciation expense of \$48,290,564 using the Company’s proposed depreciation rates. Provide a calculation of depreciation expenses in the same format as “Schedule 14.2” using the Company’s current authorized depreciation rates for both Tennessee Direct and Joint plant in service.

RESPONSE:

1-8. Depreciation Expense. Refer to spreadsheet <Schedule 14-Depreciation Expense>, tab “Schedule 14.3” provided with the Company’s filing and provide the following information:

- a. Provide the source and support for the amounts included Columns D, E, and F regarding Plant Balance, Allocated Book Reserve, and Theoretical Reserve that appear as unreferenced hard-coded amounts;
- b. Provide a narrative explanation of the “Allocated Book Reserve” and “Theoretical Reserve” included in Columns E and G on this spreadsheet;
- c. Provide the source and support for the 4-year amortization period included in Column H that appears as an unreferenced hard-coded amount; and
- d. Identify where in the ARM filing that the Company considers the “Assets with Age > Average Service Life”, and “Annual Amortization %” in Columns J and K that appear as unreferenced hard-coded amounts.

RESPONSE:

1-9. CWIP Adjustments. Refer to spreadsheet <Schedule 15-CWIP 13 Month Avg Bal>, tab “Schedule 15.0” provided with the Company’s filing. Specifically refer to the adjustments to the average balance contained in Columns F through I. Explain why the Company does

Public Version

not include the cumulative impact of the previous ARM adjustments to CWIP that were recognized in TPUC Docket No. 23-00035.

RESPONSE:

1-10. ADIT Adjustments. Refer to the spreadsheet <Schedule 18 ADIT 13 End Month Avg Bal>, tab “Schedule 18.0” provided with the Company’s filing. Also refer to the spreadsheet <Proposed Modified ARM- Schedule 18 ADIT 13 End Month Avg Bal>, tab “Schedule 18.0” provided with the Company’s filing. Specifically refer to the adjustments contained in Columns G and H and provide the following information:

- a. Explain why the Company does not compute the cumulative adjustments, in a similar manner to what was done on Schedule 15 for CWIP adjustments; and
- b. Explain why the Company does not include the cumulative impact of the previous ARM adjustments to ADIT that were recognized in TPUC Docket No. 23-00035.

RESPONSE:

1-11. ADIT Adjustments. Refer to the spreadsheet <Schedule 18 ADIT 13 End Month Avg Bal>, tab “Schedule 18.0” provided with the Company’s filing. Also refer to the spreadsheet <Proposed Modified ARM- Schedule 18 ADIT 13 End Month Avg Bal>, tab “Schedule 18.0” provided with the Company’s filing. Specifically refer to the “Federal Protected EDIT and Regulatory Liabilities” in Column D of this spreadsheet. Explain why the monthly amounts for the regular and the proposed modified scenarios do not precisely match.

RESPONSE:

Public Version

- 1-12.** ADIT Adjustments. Refer to spreadsheet <Proposed Modified ARM -Schedule 18 ADIT 13 End Month Avg Bal>, tab “DBR Breakout” provided with the Company’s filing. Provide the source and support for the pivot tables included on these schedules.

RESPONSE:

- 1-13.** Other Revenues. Refer spreadsheet <Schedule 23 Annual Base Rate Reset Other Revenues>, tab “Schedule 23.1” provided with the Company’s filing. This schedule contains the monthly amounts for the Home Protection Plan Revenues that total to \$2,287,315 for 2023. Provide the source and support for the monthly amounts included on this schedule that appear as unreferenced hard-coded amounts.

RESPONSE:

- 1-14.** Confidential DR:

RESPONSE:

- 1-15.** Rate Design. Refer to spreadsheet <Schedule 24, 25, 26, 28 Billing Determinants, Proposed Revenues>, tab “Schedule 26.2” provided with the Company’s filing. Specifically refer to Cells P64 and P83 which contain the Minimum Margin Agreement Revenues at Proposed Rates. It appears that the Company is not proposing to adjust the rates for Minimum Margin Agreement customers. Explain the Company’s rationale for omitting any ARM adjustment to Minimum Margin Agreement customers.

RESPONSE:

Public Version

- 1-16. Rate Increase.** Refer to the spreadsheet <Schedule 24, 25, 26, 28 Billing Determinants, Proposed Revenues>, tab “Schedule 26.4” provided with the Company’s filing. Specifically refer to Cell M37 of this spreadsheet which contains the total target rate increase of \$10,865,219. Identify the source of this amount which appears as an unreferenced hard-coded number.

RESPONSE:

- 1-17. Rate Increase.** Refer to the spreadsheet <Schedule 24, 25, 26, 28 Billing Determinants, Proposed Revenues>, tab “Schedule 26.5” provided with the Company’s filing. Specifically refer to Cell H11 of this spreadsheet which contains the HBP Revenue Requirement plus Carry Costs of \$14,694,288. The reference to this value states that it comes from “Line 6 of Schedule 12”, however we are unable to trace this amount back to that supporting schedule. Identify the source of the \$14,694,288 amount. If the Company believes that this amount is in error, then provide an updated schedule.

RESPONSE:

- 1-18. Salary & Wages.** Refer to the spreadsheet <Schedule 30 Employee Salaries and Wages Expense>, tab “Schedule 30.2” provided with the Company’s filing. Specifically refer to Columns AD, AI and AJ of this spreadsheet which contain the “Monetary Amounts”, “TN %”, and “TN Amount” fields that total to \$19,707,536 in Tennessee Labor Expense. The Consumer Advocate needs to confirm that the amounts included on this spreadsheet are complete and correct. Provide a reconciliation of the amounts included here with the amounts included on the Company’s trial balance.

Public Version

RESPONSE:

1-19. Identification. Identify the monthly number of estimated bills issued during the test period.

RESPONSE:

1-20. Identification. Identify any internal metrics the Company has in place to evaluate its success in minimizing estimated bills.

RESPONSE:

1-21. Identification. Identify the ratio of estimated bills to total bills issued for the test period.

RESPONSE:

1-22. Source & Support. Provide a copy of any research or studies the Company has done to identify the causes of estimated bills.

RESPONSE:

1-23. Explanation. Describe the process used to true-up customer bills following the issuance of an estimated bill.

RESPONSE:

1-24. Explanation. Does the Company include any information on a customer bill identifying that the usage was estimated?

RESPONSE:

1-25. Identification. Identify the number of corrected bills issued by month, by customer class, during the test period.

Public Version

RESPONSE:

1-26. Identification and Source & Support. Refer to <Proposed Modified ARM - Schedule 18_ADIT 13 End Month Avg Bal> in TPUC Docket No. 23-00035. Identify the state tax rate used to arrive at the monthly ADIT balances reflected on this schedule. Provide supporting documentation for applying the state tax rate when arriving at these monthly balances.

RESPONSE:

1-27. Explanation. Refer to <Proposed Modified ARM - Schedule 18_ADIT 13 End Month Avg Bal> provided with the Company's filing in the present docket, TPUC Docket No. 24-00036. Provide a comprehensive explanation supporting the use of the same ADIT balance represented as the December 31, 2022, balance in the current docket where the Company is supporting the use of the actual Tennessee excise tax rate as was represented as the December 2022 ADIT balance in TPUC Docket No. 23-00035 in which a composite state tax rate was used.

RESPONSE:

1-28. Identification. In TPUC Docket No. 21-00035, the Company filed rebuttal testimony in support of the use of a composite state tax rate and stated the following:

*"This history on this matter before this Commission is important because this exact recommendation has already been litigated and resolved by this Commission in Docket No. 18-00040, and subsequently affirmed in the Company's 2020 general rate case."*¹

¹ *Rebuttal Testimony of Pia K. Powers*, at 20: 7-10, TPUC Docket No. 21-000135 (Feb. 7, 2022).

Public Version

Concerning the history of the use of the specific State Tennessee excise tax rate versus that of the composite rate, identify which type of state tax rate (Composite or TN Specific) was adopted in each revenue requirement component in the following dockets:

For each revenue requirement component, identify whether the Composite or TN specific state tax rate was adopted by the Commission in each docket identified below.				
			Accumulated	
		State Income	Deferred Income	
Docket Number		Tax Expense	Tax Liability (ADIT)	
11-00144				
14-00017				
18-00040				
20-00086				
21-00135				
23-00035				

RESPONSE:

1-29. Source & Support. Provide the composite Piedmont state tax rate by year for 2015 – 2024.

RESPONSE:

1-30. Explanation. Refer to spreadsheet < Proposed Modified ARM - Schedule 1-12_Lead Schedules>, tab "8- Excise&Income Tax" provided with the Company's filing. Confirm that the Company has used the Tennessee-specific state tax rate to compute Income Tax Expenses on its 2023 financial statements.

RESPONSE:

Public Version

- 1-31. Explanation.** Provide a comprehensive explanation for modifying the ARM (adopting the Tennessee State Excise Tax rate) in such a manner as to apply the change to 2023 results based upon a 2024 tariff revision.

RESPONSE:

- 1-32. Explanation.** Provide a comprehensive explanation supporting the state excise tax rate change upon determining Excess Deferred Income Taxes in TPUC Docket No. 18-00040.

RESPONSE:

- 1-33. Identification.** TPUC Docket No. 14-00017 addressed Excess Deferred Income Taxes. Identify the extent, if any, to which the North Carolina state income tax rate impacted the results of that docket, and if so, identify the North Carolina state tax rate used in that docket for (a) determining Income Tax Expenses, and (b) determining excess ADIT.

RESPONSE:

- 1-34. Identification and Source & Support.** Regarding the North Carolina state tax rate, respond to the following:
- a. Provide the calculations supporting the Tennessee portion of excess deferred taxes associated with each North Carolina state tax rate change since January 1, 2017, incorporating such rate changes occurring through December 31, 2027, with separate calculations for (i) Income Tax Expenses, and (ii) ADIT; and
 - b. Identify how such amounts are reflected on the books of the Company's Tennessee jurisdiction.

RESPONSE:

Public Version

- 1-35. Explanation.** Provide a comprehensive discussion supporting the Company's position that it should be permitted to retain the Tennessee portion of excess deferred income taxes resulting from the ongoing annual decreases in the North Carolina state tax rate.

RESPONSE:

- 1-36. Explanation.** Provide a comprehensive discussion regarding the criteria by which modifications in the agreed-upon ARM should be considered. Is it the position of the Company that the Consumer Advocate may propose modifications to existing ARM provisions, and if so, may those modifications be applied to the historic period under review?

RESPONSE:

- 1-37. Identification.** Does the Company believe, in hindsight, that it violated the normalization provisions of the Internal Revenue Code as a result of any Commission-adopted Income Tax Expense/ADIT determinations adopted by the Commission in the following dockets:
- a. 18-00040
 - b. 20-00086
 - c. 21-00035
 - d. 23-00035

If so, identify the nature of the normalization violation.

RESPONSE:

- 1-38. Source & Support.** Provide a copy of any written material in the possession of the Company or any affiliate prepared by any tax vendor or professional consulting firm with expertise in tax matters, which contains any analysis or commentary discussing the

Public Version

implication of the Company's use of either the composite or Tennessee specific tax rate in regulatory proceedings.

RESPONSE:

1-39. Explanation and Source & Support. Refer to Revenue Procedure 2023-15: Safe Harbor Method of Accounting for Expenses Related to Natural Gas Transmission and Distribution Property ("Safe Harbor Provisions") and respond to the following:

- a. Has the Company assessed the implications of Revenue Procedure No. 2023-132 issued April 14, 2023;
- b. Provide a copy of any written material in possession of the Company or any affiliate that contains an analysis or commentary of the impact of the Safe Harbor Provisions on either Piedmont Natural Gas in general and/or its Tennessee operations;
- c. Discuss the general impact of the issuance of the Safe Harbor Provisions on the Company's current and future tax deductions. This would include a discussion of whether this guidance will impact the Company's use of the Repair Deduction compared with the historic level of the deduction and any strategy the Company intends to pursue in future income tax filings; and
- d. If the Company made a retroactive application of the Repair Deductions associated with prior periods, discuss how the Company believes this should be reflected in its annual ARM results.

RESPONSE:

1-40. Identification. Identify the costs incurred and reflected as an expense on the Company's 2023 financial results related to the review and analysis of the impact of the Safe Harbor Provisions. Provide the name of any consulting/accounting firm providing such analysis.

RESPONSE:

1-41. Identification and Source & Support. Identify the impact on the Company's Tennessee franchise tax expense for 2023 and all applicable historical periods resulting from the

Public Version

pending Tennessee Franchise Tax legislation. Provide the underlying calculations supporting this response.

RESPONSE:

1-42. Explanation. Provide a comprehensive discussion supporting the Company's position regarding the appropriate ARM treatment of the reduction in Franchise tax expense applicable to historical periods.

RESPONSE:

1-43. Explanation. Indicate whether the Repair Deduction is permitted as a deduction on the Company's Tennessee Excise Tax return.

RESPONSE:

1-44. Source & Support. Provide a copy of the Company's state Excise Returns for the period 2021 – 2023 (if available).

RESPONSE:

1-45. Explanation and Identification. Identify the account balances (or portion of account balances), if any, included in the ARM docket associated with recognizing the implications of the Corporate Alternative Minimum Tax ("CAMT"). Explain the accounting entries made on the books of Piedmont regarding the CAMT and how it has impacted the historic ARM results and the Annual Base Rate Reset calculations.

RESPONSE:

Public Version

1-46. Explanation. Refer to *Direct Testimony of John Panizza*, page 8: 9-22, and respond to the following:

- a. Are the ADIT components referenced in this testimony passage directly assigned to Tennessee's operations, or are they apportioned (or allocated) from a total book/tax timing difference to Tennessee's operations? For example, is the tax depreciation identified for a given year specifically based on a calculation of such depreciation on the newly installed Tennessee plant?
- b. What was the effective date of this change in the use of a Tennessee-specific excise tax rate that occurred for the purpose of recording the Company's ADIT liability?

RESPONSE:

1-47. Explanation. Refer to spreadsheet <Schedule 18_ADIT - 13 End Month Avg Bal>, the monthly ADIT balances. Provide a comprehensive explanation supporting why Piedmont does not update its ADIT balances monthly.

RESPONSE:

1-48. Explanation. Given the use of monthly balances to compute other Rate Base components, does the Company believe it would also be appropriate to determine monthly balances of ADIT for inclusion in Rate Base?

RESPONSE:

1-49. Explanation. Refer to the spreadsheet <Schedule 18_ADIT - 13 End Month Avg Bal>, "DBR Breakout" tab. Specifically, refer to Cell I438, referencing UTP (R&D) in the amount of (\$524,501). Provide a discussion of the nature of this credit and all supporting documentation for the underlying calculation.

RESPONSE:

Public Version

- 1-50.** Explanation. Refer to the spreadsheet <Schedule 18_ADIT - 13 End Month Avg Bal>, “DBR Breakout” tab. Provide a description that clearly identifies the nature of the book/tax timing differences for each of the codes referenced in column B.

RESPONSE:

- 1-51.** Explanation. Confirm that a portion of the Company’s ADIT balance in this case incorporates Net Operating Loss balances associated with Tennessee, North Carolina and South Carolina. For reference, see values in excel spreadsheet <Schedule 18_ADIT - 13 End Month Avg Bal>, “DBR Breakout December 22” tab, Rows 9-13. If this is confirmed, justify the inclusion of these balances in the revenue requirement. If this is not confirmed, identify where such balances have been removed from the proposed ADIT balance.

RESPONSE:

- 1-52.** Identification and Explanation. Identify the code and amount of the Repair Deduction incorporated in spreadsheet <Schedule 18_ADIT - 13 End Month Avg Bal>, “DBR Breakout December 22” tab, and explain how this amount was determined.

RESPONSE:

- 1-53.** Source & Support. Refer to spreadsheet <Schedule 18_ADIT - 13 End Month Avg Bal>, “DBR Breakout December 22” tab. Provide all underlying calculations supporting the \$16,087,562 identified as F_RGAL_NC_Rate Chng_Gross Up_190001-254030.

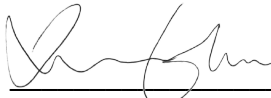
RESPONSE:

Public Version

- 1-54.** Explanation. Refer to spreadsheet <Schedule 18_ADIT - 13 End Month Avg Bal>, “DBR Breakout December 22” tab. Confirm that the amounts associated with the items listed below are included in the Company’s ADIT balances. If confirmed, provide a comprehensive explanation supporting their inclusion in the Company’s proposed Tennessee Rate Base. If not confirmed, provide the location within the filing where such balances were removed:
- a. AT_OTH_190_NC_Alt Fuel Credit; and
 - b. AT_OTH_190_NC_R&D_CREDIT.

RESPONSE:

RESPECTFULLY SUBMITTED,



VICTORIA B. GLOVER (BPR No. 037954)

Assistant Attorney General

KAREN H. STACHOWSKI (BPR No. 019607)

Senior Assistant Attorney General

Office of the Tennessee Attorney General

Consumer Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 360-4219

Fax: (615) 741-8151

Email: Victoria.Glover@ag.tn.gov

Email: Karen.Stachowski@ag.tn.gov

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:


Paul S. Davison, Esq.
Holland & Knight LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Email: paul.davidson@hklaw.com

Brian L. Franklin, Esq.
McGuire Woods LLP
201 North Tryon Street, Suite 3000
Charlotte, NC 28202
Email: bfranklin@mcguirewoods.com

James H. Jeffries IV, Esq.
McGuire Woods LLP
201 North Tryon Street, Suite 3000
Charlotte, NC 28202
Email: jjeffries@mcguirewoods.com

Pia Powers
Managing Director – Gas Rates & Regulatory
Piedmont Natural Gas Company, Inc.
4720 Piedmont Row Drive
Charlotte, NC 28210
Telephone: 704-249-6685
Email: pia.powers@duke-energy.com

This the 5th day of June, 2024.



VICTORIA B. GLOVER
Assistant Attorney General