

**Before the
Tennessee Public Utility Commission**

Docket No. 25-00036

2025 Annual ARM Filing

**Direct Testimony
of
Conitsha B. Barnes**

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



May 20, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Conitsha B. Barnes. My business address is 525 South
3 Tryon Street, Charlotte, North Carolina.

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

5 A. I am the Director of Gas Rates & Regulatory Strategy for Piedmont
6 Natural Gas Company, Inc. (“Piedmont” or the “Company”). In this
7 capacity, I am responsible for a variety of Piedmont regulatory matters
8 including, but not limited to, the development and execution of rate
9 requests, report filings and other petitions.

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

11 A. I have a Bachelor of Arts Degree in Political Science from North
12 Carolina State University, and a Master of Business Administration
13 from the Darla Moore School of Business at the University of South
14 Carolina. My professional work experience began in the energy industry
15 with Duke Power, the predecessor utility to Duke Energy Carolinas,
16 LLC (“DEC”). From 1998 to 2008, I worked in the call center
17 organization in a variety of roles of increasing responsibility including
18 customer service specialist, alternate shift supervisor and business
19 analyst. In 2008, I moved to the Marketing Department, where I
20 managed the portfolio of energy efficiency income-qualified low-
21 income programs offered in North Carolina, South Carolina, Ohio,
22 Kentucky and Indiana. I joined the Market Solutions Regulatory
23 Strategy and Evaluation group in 2010 as a Strategy and Collaboration

1 Manager – Carolinas, where I was responsible for analysis and support
2 of DEC’s energy efficiency and demand-side management programs. In
3 2015, I became Senior Strategy Manager, where I supported
4 development and review of testimony for strategic initiatives and
5 regulatory proceedings across Duke Energy Corporation’s (“Duke
6 Energy”) six regulated utilities. In 2017, I moved to the Regulatory
7 Affairs organization where I led and supported regulatory matters,
8 including the development and support of initiatives including customer
9 programs and offerings, special tariffs, cost recovery proceedings,
10 investigation and response to customer complaints and implementation
11 of the Company’s Service Regulations. In December 2021, I became
12 Director of Energy Policy Management – North Carolina for Duke
13 Energy. In January 2025, I assumed my current role as Director, Gas
14 Rates and Regulatory Strategy.

15 **Q. Have you previously testified before the Tennessee Public Utility**
16 **Commission (“Commission”) or any other regulatory authority?**

17 A. Although I have not previously presented testimony before the
18 Commission, I have testified before the North Carolina Utilities
19 Commission on several occasions.

20 **Q. Do you have any exhibits to your testimony?**

21 A. No, I do not have exhibits to my testimony.

22 **Q. Please provide context for this proceeding.**

1 A. In Docket No. 21-00135, Piedmont sought and received Commission
2 approval pursuant to Tenn. Code Ann. § 65-5-103(d)(6) to operate under
3 new Service Schedule No. 318 – Annual Review Mechanism (“ARM”
4 or “ARM Tariff”), effective January 1, 2022. The purpose of the ARM
5 Tariff is expressly stated on page 1: “Pursuant to this ARM and the
6 annual filings described herein, the Company’s rates shall be adjusted
7 to provide that the Company earns its Authorized Return on Equity on
8 prudently incurred costs as defined by the [Commission].” This is the
9 Company’s third Annual ARM Filing (“2025 Annual ARM Filing”),
10 which utilizes calendar year 2024 as the Historic Base Period (“HBP”).

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

12 A. My testimony supports Piedmont’s 2025 Annual ARM Filing seeking
13 the adjustment of rates in this docket effective October 1, 2025, pursuant
14 to the operation of ARM Tariff. In this testimony, I will provide a brief
15 description of Piedmont and its business during the HBP. I will also
16 summarize the Company’s earned return on equity for the HBP and
17 resulting revenue deficiencies computed in the Company’s 2025 Annual
18 ARM Filing. Finally, I will present the overall revenue percentage
19 increase associated with the computed revenue deficiencies and
20 proposed adjustment to rates effective October 1, 2025, in this
21 proceeding.

22 **Q. Please describe Piedmont and its business.**

23 A. Piedmont is a wholly owned subsidiary of Duke Energy. The Company

1 is principally engaged in the natural gas distribution business and, as of
2 December 31, 2024, serves more than 1.2 million customers in three
3 states, including approximately 204,000 customers in Tennessee. The
4 Company's capital investments made prior to and during the HBP
5 facilitated its ability to safely and reliably serve its Tennessee customer
6 base under all weather conditions.

7 **Q. Please describe Piedmont's gas distribution business in Tennessee.**

8 A. Piedmont serves customers in several cities, towns, and communities in
9 the greater Nashville metropolitan area of Davidson County and
10 portions of the adjoining counties of Cheatham, Dickson, Robertson,
11 Rutherford, Sumner, Trousdale, Williamson, and Wilson. The majority
12 (approximately 90%) of Piedmont's Tennessee customers are
13 residential customers who use gas directly in their home, largely for
14 space heating and water heating needs. Piedmont also provides service
15 to non-residential customers, who are mostly commercial, industrial,
16 and manufacturing businesses.

17 **Q. What are Piedmont's most important business goals?**

18 A. Piedmont continuously strives to provide safe and reliable natural gas
19 service to its customers at reasonable rates coupled with excellent
20 customer service. Customer, public, and employee safety are absolutely
21 critical to everything we do. Piedmont wants its current and future firm
22 customers to feel certain that the Company will be ready to serve them
23 on even the coldest of winter days, which is when the aggregated

1 customer demand for natural gas delivered across Piedmont's
2 Tennessee system to its customers is the highest and most critical to
3 supporting human and community needs. Piedmont wants its customers
4 to experience great customer service with each and every interaction.
5 Finally, the Company seeks to exemplify excellent environmental
6 stewardship.

7 **Q. Does Piedmont receive feedback on its customer service?**

8 A. Yes. Piedmont is rated on its provision of customer service in several
9 ways, including periodic ratings from J.D. Power. Piedmont has
10 continued to receive positive customer satisfaction scores because of
11 our continuing focus on placing the customer at the center of all we do.
12 In fact, in 2024 Piedmont achieved a number one ranking – the highest
13 level of residential customer satisfaction – for the third consecutive year
14 among large gas utilities in the South Region of J.D. Power U.S. Gas
15 Utility Residential Customer Satisfaction Study for 2024.¹ Piedmont
16 also continually monitors customer satisfaction on an ongoing basis by
17 directly surveying its customers through its proprietary relationship and
18 transaction surveys. The survey results help the Company identify what
19 is working well from a customer's perspective and potential areas of

¹ The 2024 J.D. Power Gas Utility Residential Customer Satisfaction Study ("Study") examined satisfaction across the following six factors: billing and payment, price, corporate citizenship, communications, customer care, safety and reliability. The Study results are based on responses from 63,363 online interviews conducted from January 2024 through October 2024 among residential customers of the 86 largest gas utility brands representing nearly 125,000 residential customers across the United States.

1 opportunity. Piedmont continues to receive high scores on both the
2 relationship and transaction surveys.

3 The Company is also committed to maintaining a high standard
4 for call center performance in support of customer satisfaction. Notably,
5 the Company has striven for nearly two decades to answer at least 80%
6 of incoming customer calls within 20 seconds or less, which is an
7 exceedingly high standard for any call center to consistently achieve.
8 Piedmont has met the standard for the majority of the past two decades,
9 and in 2024 Piedmont's call center agents answered approximately 97%
10 of the total 1.07 million incoming calls within the 20-second goal.

11 **Q. Please summarize what Piedmont seeks from the Commission in this**
12 **proceeding.**

13 A. The 2025 Annual ARM Filing adheres to Piedmont's ARM Tariff by
14 reconciling, in a two-step process, Piedmont's actual 2024 performance
15 with its authorized rate of return on equity from its last general rate case
16 proceeding. Piedmont's earned return on equity for 2024 was less than
17 its authorized return on equity from its last general rate case proceeding.

18 Through this proceeding, Piedmont requests the Commission's
19 approval to:

- 20 1. Recover the computed \$93,330 HBP Revenue Requirement
21 Deficiency and \$7,522 of associated carrying costs through

1 September 30, 2025, which, taken together, represent
2 \$100,852.²

3 2. Implement new ARM Rider Rates effective October 1, 2025, in
4 replacement of the ARM Rider Rates that the Commission
5 authorized in Docket No. 24-00036 addressing the Company's
6 2024 Annual ARM Filing. As shown in ARM Filing Schedule
7 No. 12 and as explained in the pre-filed direct testimony of
8 Piedmont witness Misty Lyons, Piedmont is seeking to
9 implement new ARM Rider Rates to recover the above
10 referenced \$100,852, in conjunction with the balance of the
11 ARM Reconciliation Deferred Account as of September 30,
12 2025, which is currently expected to be \$1,843,024.
13 Establishing new ARM Rider Rates in this matter fully complies
14 with the terms of the Company's currently effective ARM
15 Tariff.

16 3. Implement new Base Margin Rates (which were previously set
17 in Docket No. 24-00036 addressing the Company's 2024
18 Annual ARM Filing) for the computed \$8,679,258 Annual Base
19 Rate Reset Revenue Requirement Deficiency.³ The pre-filed
20 direct testimonies of Piedmont witnesses Lyons and Keith Goley

² As shown in 2025 Annual ARM Filing Schedule 12.

³ As shown in 2025 Annual ARM Filing Schedule 1.

1 will walk through the specific cost of service component
2 adjustments, revenue requirement deficiency computations, and
3 proposed rate changes that adhere to the Company's ARM
4 Tariff.

5 4. Implement updated Weather Normalization Adjustment Factors
6 (as discussed in witness Goley's direct testimony) effective
7 October 1, 2025, concurrent with the implementation of the
8 updated Base Margin Rates in this proceeding, and

9 5. Amortize and recover through updated Base Margin Rates in
10 this proceeding certain deferred environmental expenses that
11 have been incurred and deferred during the HBP (as discussed
12 in witness Lyons' testimony).

13 **Q. What rate of return on equity ("ROE") did Piedmont earn in 2024?**

14 A. For the HBP Reconciliation, Piedmont earned a 9.79% ROE, which is
15 slightly below the allowed 9.80% ROE. The amount of the HBP
16 Revenue Requirement Deficiency plus Carrying Costs is \$100,852. For
17 the Annual Base Rate Reset, Piedmont earned an 8.83% ROE, which is
18 also below the allowed 9.80% ROE. The amount of the Annual Base
19 Rate Reset Revenue Requirement Deficiency is \$8,679,258.

20 **Q. Please quantify the percentage revenue increase that Piedmont**
21 **requests in this proceeding.**

22 A. As illustrated in Table 1 below and as supported by Piedmont's direct
23 testimony and data included in its 2025 Annual ARM filing, Piedmont

requests a 2.54% revenue increase in this proceeding.

Table 1

Line No.		Reference	Total Revenues Methodology
1	Total Operating Revenue	ARM Revenue Schedule 6A, Line 12	\$ 345,534,742
2	ABRR Increase in Revenue	ARM Schedule No. 1 Line 8	\$ 8,679,258
3	Increase in HBP Revenue (incl. carrying costs)	ARM Schedule No. 12, Line 6	\$ 100,852
4	Total Operating Revenue	Line 1 + Line 2 + Line 3	\$ 354,314,852
5	Revenue Increase (Line 2 + Line 3)	Line 2 + Line 3	\$ 8,780,109
6	Total Operating Revenue	Line 1	\$ 345,534,742
7	Percentage Change (Line 5 / Line 6)	Line 5 / Line 6	2.54%

Q. Does this conclude your pre-filed direct testimony?

A. Yes.