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June 27, 2025

VIA ELECTRONIC MAIL
And U.S. Mail

Mr. David F. 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
2025 Annual Review of Rates Mechanism Pursuant to Tenn. Code
Ann. § 65-5-103(d)(6)
Docket No. 25-00036**

Dear Chairman Jones:

Pursuant to the Joint Procedural Schedule, enclosed for filing please find an original and four copies of Piedmont Natural Gas Company, Inc.'s ("Piedmont") supplemental response to the Consumer Advocate Division's *First Discovery Request*, CA DR 1-21 and CA DR 1-51, in the above-referenced docket.

A PDF of the public response 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 via email.

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

Very truly yours,



Paul S. Davidson

PSD:jv
Enclosures

June 27, 2025

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cc: Brian S. Heslin
Pia K. Powers
James H. Jeffries IV
Brian L. Franklin
Mason E. Maney
Kelly Cashman-Grams
Michelle Mairs
Cole McCormick
David Foster
Vance L. Broemel

PUBLIC VERSION
PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 25-00036
CONSUMER ADVOCATE’S FIRST SET OF DISCOVERY REQUESTS
DATE ISSUED: JUNE 5, 2025
DATE DUE: JUNE 20, 2025 (JUNE 26, 2025)

- 1-21. Revenues. Refer to the Company File <Schedule 21_HBP Revenue Components by Rate Schedule & Special Contract.xlsx>, Tab “Schedule 21.8”, that was included with the Company’s filing regarding Other Revenues. Provide a narrative description of the following categories that are used here:
- a. Performance Incentive Plan (IPA) Reclass;
 - b. Rate Case Rider Reclass;
 - c. Reclass Entry for the Gross-Up Portion of the Rate Case Rider;
 - d. TN ARM Revenue Catch-up Based;
 - e. TN ARM Rider Rate Reclass; and
 - f. TN WNA 2022-2023 Audit Findings.

SUPPLEMENTAL RESPONSE: Please see information below for narrative descriptions.

- a. **Performance Incentive Plan (IPA) Reclass:** An annual journal entry to set up the deferred account balance approved by the TPUC in the IPA annual filing. IPA is a billing rate component (increment or decrement) and revenue is billed and recorded. A monthly entry is recorded to adjust revenue and the TN Incentive Plan deferred balance by the amount billed and recorded.

Entry: Debit/Credit Revenue Accounts and Debit/Credit Incentive Plan Deferral Account – Reg Asset

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- b. **Rate Case Rider Reclass:** In Docket No. 20-00086, the TPUC approved Rate Case expense to be amortized over 3 years and collected through a rider mechanism. Rate case rider is a billing rate component and revenue was billed and recorded monthly until amortization was complete. A monthly entry is recorded to adjust revenue and a regulatory asset account.

Entry: Debit Revenue Accounts and Credit Deferral Account – Reg Asset

- c. **Reclass Entry for the Gross-up Portion of the Rate Case Rider:** A monthly journal entry is required to adjust the rate case rider amount billed to align with the rate case rider amortization amount. Billed rate case rider rates include a gross up for uncollectibles and forfeited discounts that are not a component of the amortized balance.

Entry: Debit: Deferral Account- Reg Asset Credit: Revenue Accounts

- d. **TN ARM Revenue Catch-up:** An annual journal entry to set up the deferred account balance. The recorded HBP revenue deficiency is informed by the most recent TPUC approved filing. Revenue is recorded in September after the TPUC hearing.

Entry: Debit/Credit Deferral Account - Reg Asset and Debit/Credit Revenue Accounts

- e. **TN ARM Rider Rate Reclass:** TN ARM Rate Rider is a billing rate component and monthly revenue is billed and recorded. A monthly journal entry is recorded to adjust revenue and the deferred regulatory asset by the amount billed and recorded.

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Entry: Debit/Credit Revenue Accounts and Debit/Credit Deferral Account – Reg Asset

- f. **TN WNA 2022-2023 Audit Findings:** Annual entry to adjust revenue based on WNA audit findings, if applicable.

Name and title of responsible person: Conitsha Barnes, Director of Gas Rates and Regulatory Affairs

Original Direction: Misty Lyons, Rates & Regulatory Strategy Manager and Conitsha Barnes, Director Gas Rates & Regulatory Strategy

Name and title of preparer: Conitsha Barnes, Director of Gas Rates and Regulatory Affairs

Original Direction: Misty Lyons, Rates & Regulatory Strategy Manager and Conitsha Barnes, Director Gas Rates & Regulatory Strategy

Response provided by Piedmont Natural Gas Company, Inc. on June 26, 2025.

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1-51. Installation. Provide the miles of main installed by Piedmont in 2024 and the average installation cost per mile.

SUPPLEMENTAL RESPONSE: The miles of main installed is 32.58 and the average installation cost per mile is \$1,729,063. Please see Supplemental Attachment CA DR 1-51 for support.

Name and title of responsible person: Jaime Reynolds, Director, Natural Gas Financial Business Support

Name and title of preparer: Dale Graham, Lead Accounting Analyst

Response provided by Piedmont Natural Gas Company, Inc. on June 26, 2025.

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1-51 Supplemental Attachment

Attachment Provided in Native Format

Tennessee Natural Gas

Date Issued: 6/5/2025
Date Due: 6/16/2025
BRDR 01-51

Piedmont Natural Gas Company, Inc.
Docket No. 25-00036
Supplemental Response CA DR 1-51

Installation: Provide the miles of main installed by Piedmont in 2024 and the average installation cost per mile.

Account CB	(Multiple Items)	
_Current Rule Year	Current Year	
Business Unit CB - Description	47136 - PNG Delivery - TN	
ENT Function	Natural Gas Business Unit	
ENT Accounting Class	Capital	
ENT Accounting Class Sub	(Multiple Items)	
Time Hierarchy Y-Q-M	Dec 2024	
_Rule Year	All	
TDG Cost Driver	All	

Business Program Name	YTD Actual Amount	Annual Budget Amount
BLDG-BUILDINGS AND LAND	7,720,512.20	2,386,160.95
CMPRS-COMPRESSION	12,737.12	
CORR-CORROSION CONTROL	359,503.58	804,010.16
CSNG-CASING & REMEDIATION	(4,785.11)	
DIMP-DISTRIBUTION INTEGRITY	10,957,256.16	760,350.87
GREIM-GOVERNMENT REIMBURSABLE	4,633,825.22	1,185,035.55
GRELO-GOVERNMENT RELOCATION	15,639,258.63	17,816,562.55
LNGPL-LNG PLANT	29,187,289.82	29,432,929.04
MANDR-MEASUREMENT & REGULATION	2,406,103.29	5,003,614.37
METER-PURCHASED METERS, ERTS, REGULATORS	2,719,005.59	2,429,100.00
MISC-MISCELLANEOUS PROJECTS	536,423.54	162,974.35
MREIM-MISCELLANEOUS REIMBURSABLE	(806,346.99)	2,683.16
NSERV-NEW SERVICE	31,066,588.56	26,546,476.46
O&M-O&M PROJECT		(0.09)
RANDC-NEW BUSINESS	28,029,465.88	21,743,480.44
REM-REMOVAL PROJECTS	8,404.70	
RSERV-REPLACEMENT SERVICES	2,319,863.83	1,494,803.92
SYSST-SYSTEM INFRASTRUCTURE	676,121.69	(10,158.48)
TIMP-TRANSMISSION INTEGRITY	1,035,548.63	590,130.05
TOOLS-TOOLS, EQUIPMENT & TRANSPORTATION	116,066.65	334,750.00
TRANS-TRANSPORTATION EQUIPMENT	2,212,963.19	1,800,000.00
Grand Total	138,825,806.18	112,482,903.30

Account CB	(Multiple Items)	
_Current Rule Year	Current Year	
Business Unit CB - Description	47136 - PNG Delivery - TN	
ENT Function	Natural Gas Business Unit	
ENT Accounting Class	Capital	
ENT Accounting Class Sub	(Multiple Items)	
Time Hierarchy Y-Q-M	Dec 2024	
_Rule Year	All	
Business Program Name	RSERV-REPLACEMENT SERVICES	

Funding Project Description	Project CB - Description	YTD Actual Amount	Annual Budget Amount
New Services - Commercial BLANKET	MX2919986 - COMMERCIAL SERVICE, LONG SIDE - 423	117,458.83	
New Services - Commercial BLANKET Total		117,458.83	
REPLACEMENT SERVICES BLANKET	1708002 - REPLACEMENT SERVICES	2,052,974.41	
REPLACEMENT SERVICES BLANKET	FP1708002 - REPLACEMENT SERVICES BLANKET		1,494,803.92
REPLACEMENT SERVICES BLANKET	MX3819842 - SERVICE REPLACEMENT/RENEW - MID SOU	149,430.59	
REPLACEMENT SERVICES BLANKET Total		2,202,405.00	1,494,803.92
Grand Total		2,319,863.83	1,494,803.92

miles installed (2024)	main categories
32.58	\$ 56,332,865.88

Fully Loaded
\$ 1,729,062.80 per mile

	2024 Actuals	# of services	Avg. per install
Replacement Services	\$ 2,319,863.83	241	\$ 9,626
New Service	\$ 31,066,588.56	3,156	\$ 9,844