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Electronically Filed in TPUC Docket
Room on July 23, 2025 at 10:07 a.m.

July 23, 2025

VIA ELECTRONIC MAIL
and U.S. Mail

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:

Enclosed for filing, please find an original and four (4) copies of Piedmont Natural Gas Company, Inc.'s ("Piedmont") supplemental responses to the Consumer Advocate Division's *Second Discovery Requests*, items 2-11 through 2-13 and 2-32, in the above-referenced docket.

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 email.

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

Sincerely,



Paul S. Davidson

PSD:jv
Enclosures

Atlanta | Austin | Birmingham | Boston | Century City | Charlotte | Chattanooga | Chicago | Dallas | Denver | Fort Lauderdale
Houston | Jacksonville | Los Angeles | Miami | Nashville | Newport Beach | New York | Orlando | Philadelphia | Portland
Richmond | San Francisco | Seattle | Stamford | Tallahassee | Tampa | Tysons | Washington, D.C. | West Palm Beach

July 23, 2025

Page 2

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

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached was served via electronic mail upon the following:

Shilina B. Brown
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Email: Shilina.Brown@ag.tn.gov

Victoria B. Glover
Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Email: Victoria.Glover@ag.tn.gov

This the 23rd day of July 2025.

/s/ Paul S. Davidson
Paul S. Davidson

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 25-00036
CONSUMER ADVOCATE'S SECOND SET OF DISCOVERY REQUESTS
Date Issued: July 2, 2025
Date Due: July 14, 2025

2-11. Deferred Depreciation. Refer to the Company File <Schedule 20 ARM Regulatory Asset 13 Month Avg Bal>, Tab "Schedule 20.0" spreadsheet that was included with the Company's filing. Specifically, refer to Column C of this spreadsheet that has a 13 Month Average Balance of \$2,274,175. Next, refer to the Company File <Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity.xlsx>, Tab "Schedule 52E.1" that was also included with the Company's filing. It is our understanding that the monthly amounts on these two spreadsheets should agree with each other. If this is not the case, then provide the source and support for the amounts included on the "Schedule 20.0" tab. If this is the case, then provide a reconciliation between these two spreadsheets.

INITIAL RESPONSE: The amounts in the file <Schedule 20 ARM Regulatory Asset 13 Month Avg Bal>, Tab "Schedule 20.0", Column C show the balance of the regulatory asset at the end of each month.

The monthly amounts in the file <Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity.xlsx>, Tab "Schedule 52E.1", Column F represent the amount of depreciation deferred each month.

The total amount of depreciation deferred during 2024 was \$4,771,399 as shown on "Schedule 52E.1" and it agrees to the balance of the regulatory asset at the end of 2024 as shown in "Schedule 20", Column C, Line 13.

A 13 Month Average Balance is not calculated on Schedule 52E.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 25-00036
CONSUMER ADVOCATE'S SECOND SET OF DISCOVERY REQUESTS
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Date Due: July 14, 2025

SUPPLEMENTAL RESPONSE: The amounts in the file <Schedule 20 ARM Regulatory Asset 13 Month Avg Bal>, Tab "Schedule 20.0", Column C show the balance of the regulatory asset at the end of each month.

The monthly amounts in the file <Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity>, Tab "Schedule 52E.1", Column F represent the amount of depreciation deferred each month.

The total amount of depreciation deferred during 2024 was \$4,771,399 as shown on “Schedule 52E.1” and it agrees to the balance of the regulatory asset at the end of 2024 as shown in “Schedule 20”, Column C, Line 13.

A 13 Month Average Balance is not calculated on Schedule 52E.

The Company inadvertently submitted Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity with links to a file external to the schedule that caused values to appear on incorrect rows.

Please see the correct file attached <CA DR 2-11 thru 2-13_Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity_Corrected.xlsx>.

Name and title of responsible person: Misty Lyons, Rates and Regulatory Strategy Manager

Name and title of preparer: Misty Lyons, Rates and Regulatory Strategy Manager

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 25-00036
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Initial Response provided by Piedmont Natural Gas Company, Inc. on July 11, 2025.

Supplemental Response provided by Piedmont Natural Gas Company, Inc. on July 22, 2025.

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2-11 Supplemental Attachment

Supplemental Attachment Provided in Native Format

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DOCKET NO. 25-00036
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Date Due: July 14, 2025

2-12. Deferred Depreciation. Refer to the Company File <Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity.xlsx>, various monthly “Entry” Tabs that were included with the Company’s filing. Specifically, refer to Column E of these spreadsheets which contain the monthly plant additions for Tennessee Direct Plant. Next, refer to the Company File <Schedule 52A UPIS Monthly Activity.xlsx>, Tab “TN Direct” spreadsheet that was also included with the Company’s filing. Specifically refer to the “Additions” columns for the various months in this spreadsheet. Although the plant additions between these two spreadsheets agree in total for each month, they appear to disagree on monthly additions by account number, resulting in an incorrect calculation of depreciation expense. For example, on Cell E31 of the “January 2024 Entry” Tab, the Company shows plant additions in Account 27800 of \$7,653,194. However, in Cell C32 of the “TN Direct” tab, the Company shows plant additions of \$7,653,194 in Account 27600. Since these same amounts are included in different accounts, it appears that the incorrect depreciation rates have been applied. Provide an updated filing that appropriately reconciles the monthly plant additions by account for these two spreadsheets.

INITIAL RESPONSE: The Company reviewed the <Schedule 52A UPIS Monthly Activity.xlsx>, Tab "TN Direct" spreadsheet and <Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity.xlsx>.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 25-00036
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We did not note the discrepancies described in this data request. For example, Cell E31 of the January 2024 Entry tab is Utility Account 27800 with plant additions of \$715,882. However, on the TN Direct Tab, Utility Account 27800 is Cell C33 and with plant additions of \$715,882, not Cell C32.

The Company compared plant additions for other months and didn't note discrepancies.

SUPPLEMENTAL RESPONSE: The Company reviewed the <52A UPIS Monthly Activity.xlsx>, Tab "TN Direct" spreadsheet and <52E ARM Reg Asset_Deferred Depreciation Monthly Activity.xlsx>.

We did not note the discrepancies described in this data request. For example, Cell E31 of the January 2024 Entry tab is Utility Account 27800 with plant additions of \$715,882. However, on the TN Direct Tab, Utility Account 27800 is Cell C33 and with plant additions of \$715,882, not Cell C32.

The Company compared plant additions for other months and didn't note discrepancies.

The Company inadvertently submitted Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity with links to a file external to the schedule that caused values to appear on incorrect rows.

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DOCKET NO. 25-00036
CONSUMER ADVOCATE'S SECOND SET OF DISCOVERY REQUESTS
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Please see the correct file attached <CA DR 2-11 thru 2-13_Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity_Corrected.xlsx> provided in the Supplemental Response to CA DR 2-11.

Name and title of responsible person: Misty Lyons, Rates & Regulatory Strategy Manager

Name and title of preparer: Misty Lyons, Rates & Regulatory Strategy Manager

Initial Response provided by Piedmont Natural Gas Company, Inc. on July 14, 2025.

Supplemental Response provided by Piedmont Natural Gas Company, Inc. on July 22, 2025.

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2-12 Supplemental Attachment

Supplemental Attachment Provided in Native Format

PIEDMONT NATURAL GAS COMPANY, INC.
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2-13. Deferred Depreciation. Refer to the Company File <Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity.xlsx>, various monthly “Entry” Tabs that were included with the Company’s filing. Specifically, refer to Column E of these spreadsheets which contain the monthly plant additions for 3-State Joint Plant. Next, refer to the Company File <Schedule 52A UPIS Monthly Activity.xlsx>, Tab “3 State” spreadsheet that was also included with the Company’s filing. Specifically refer to the “Additions” columns for the various months in this spreadsheet. Although the plant additions between these two spreadsheets agree in total for each month, they appear to disagree on monthly additions by account number, resulting in an incorrect calculation of depreciation expense. For example, on Cell E61 of the “January 2024 Entry” Tab, the Company shows plant additions in Account 20303 of \$2,461,150. However, in Cell C11 of the “3 State” tab, the Company shows plant additions of \$2,461,150 in Account 20300. Since these same amounts are included in different accounts, it appears that the incorrect depreciation rates have been applied. Provide an updated filing that appropriately reconciles the monthly plant additions by account for these two spreadsheets.

INITIAL RESPONSE: The Company reviewed the <Schedule 52A UPIS Monthly Activity.xlsx>, Tab "3 State" and <Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity.xlsx>.

PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. 25-00036
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We did not note the discrepancies described in this data request. For example, Cell E60 of the January 2024 Entry tab is Utility Account 20300 with plant additions of \$2,461,150 and Utility Account 20303 is Cell E61.

On the 3 State Tab, Utility Account 20300 is Cell C11 and with plant additions of \$2,461,150.

The Company compared plant additions for other months and noted a discrepancy in the May Plant additions between the aforementioned schedules. See the Company's response to CA DR 2-14 and CA DR 2-19.

SUPPLEMENTAL RESPONSE: The Company reviewed the <Schedule 52A UPIS Monthly Activity.xlsx>, Tab "3 State" and <52E ARM Reg Asset_Deferred Depreciation Monthly Activity.xlsx>.

We did not note the discrepancies described in this data request. For example, Cell E60 of the January 2024 Entry tab is Utility Account 20300 with plant additions of \$2,461,150 and Utility Account 20303 is Cell E61.

On the 3 State Tab, Utility Account 20300 is Cell C11 and with plant additions of \$2,461,150. The Company compared plant additions for other months and noted a discrepancy in the May Plant additions between the aforementioned schedules. See the Company's response to CA DR 2-14 and CA DR 2-19.

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The Company inadvertently submitted Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity with links to a file external to the schedule that caused values to appear on incorrect rows.

Please see the correct file attached <CA DR 2-11 thru 2-13_Schedule 52E ARM Reg Asset_Deferred Depreciation Monthly Activity_Corrected.xlsx> provided in the Supplemental Response to CA DR 2-11.

Name and title of responsible person: Misty Lyons, Rates & Regulatory Strategy Manager

Name and title of preparer: Misty Lyons, Rates & Regulatory Strategy Manager

Initial Response provided by Piedmont Natural Gas Company, Inc. on July 14, 2025.

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2-13 Supplemental Attachment

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Date Due: July 14, 2025

2-32. DEBS Allocations to Tennessee. Refer to the Company's Response to Consumer Advocate DR No. 1-33, regarding the Allocated Return on DEBS Assets. Specifically refer to the Company File <Return on DEBS assets Jan 24.xlsx>, Tab "Calc" that was included with the Company's Response. Finally, refer to cell D22 that has a hard-coded value of \$43,425,562 for Deferred Taxes on Fixed Assets. Provide the source and support for this \$43,425,562 amount, as well as the \$19,047,035 amount that is used in the March 2024 calculation.

INITIAL RESPONSE: The source and support is located in the email that is attached on the Tab "Calc" directly to the right of the hardcoded amounts in question.

SUPPLEMENTAL RESPONSE: The source and support is located in the email that is attached on the Tab "Calc" directly to the right of the hardcoded amounts in question.

See the file attached <CA DR 2-32_12.31.2022 DEBS 282 Recon.xlsx> for the January and February 2024 Return on DEBS Assets deferred tax support and the file attached <CA DR 2-32_12.31.2023 DEBS 282 Recon.xlsx> for the March through December 2024 Return on DEBS Assets deferred tax support.

Name and title of responsible person: Rebekah Buck, Director – Allocations and Reporting

Name and title of preparer: Rebekah Buck, Director – Allocations and Reporting

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2-32 Supplemental Attachments

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