

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. G-9, SUB 743

In the Matter of)	
Application of Piedmont Natural Gas)	TESTIMONY OF
Company, Inc., for an Adjustment of)	LYNN FEASEL
Rates, Charges, and Tariffs)	PUBLIC STAFF – NORTH
Applicable to Service in North)	CAROLINA UTILITIES
Carolina, Continuation of its IMR)	COMMISSION
Mechanism, Adoption of an EDIT)	
Rider, and Other Relief)	

**PIEDMONT NATURAL GAS COMPANY, INC.
DOCKET NO. G-9, SUB 743**

**TESTIMONY OF LYNN FEASEL
ON BEHALF OF THE PUBLIC STAFF –
NORTH CAROLINA UTILITIES COMMISSION**

JULY 19, 2018

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **PRESENT POSITION.**

3 A. My name is Lynn Feasel. My business address is 430 North
4 Salisbury Street, Raleigh, North Carolina. I am a Staff Accountant
5 with the Accounting Division of the Public Staff – North Carolina
6 Utilities Commission (Public Staff).

7 **Q. BRIEFLY STATE YOUR QUALIFICATIONS AND DUTIES.**

8 A. My qualifications and duties are set forth in Appendix A.

9 **Q. BRIEFLY EXPLAIN THE PURPOSE OF YOUR TESTIMONY IN**
10 **THIS PROCEEDING.**

11 A. The purpose of my testimony is to present the accounting and
12 ratemaking adjustments I am recommending as a result of my
13 investigation regarding Piedmont Natural Gas Company, Inc.'s
14 (Piedmont or the Company) plant in service, accumulated

1 depreciation, depreciation expense, property tax, and miscellaneous
2 general expense.

3 **Q. BRIEFLY EXPLAIN THE SCOPE OF YOUR INVESTIGATION**
4 **REGARDING THIS RATE INCREASE APPLICATION.**

5 A. My investigation included a review of the application, testimony,
6 exhibits, and other data filed by the Company, an examination of the
7 books and records for the test year, a review of the Company's
8 accounting end-of-period data and adjustments, and its after-period
9 adjustments, to test year expenses and rate base, and a review of
10 the Company's responses to the Public Staff's data requests.

11 The adjustments I am recommending be made to rate base and
12 operating expenses are in the following areas:

- 13 (1) Plant In Service;
14 (2) Accumulated Depreciation;
15 (3) Depreciation Expense;
16 (4) Property Tax; and
17 (5) Miscellaneous General Expense.

18 **PLANT IN SERVICE AND ACCUMULATED DEPRECIATION**

19 **Q. PLEASE EXPLAIN YOUR INVESTIGATION INTO PLANT IN**
20 **SERVICE AND ACCUMULATED DEPRECIATION.**

1 A. I have updated plant in service and accumulated depreciation for
2 known and actual changes through May 31, 2019, the cutoff date for
3 post-test year plant additions, and removed estimated additions
4 through June 30, 2019, as calculated by the Company. I have also
5 made an end-of-period depreciation adjustment to accumulated
6 depreciation for the difference between the annual depreciation
7 expense per the Public Staff and the book depreciation expense for
8 12 months ended May 31, 2019, per the Company. In summary, my
9 adjustment reflects (1) a \$79,594,683 decrease in plant in service,
10 and (2) a \$15,636,066 decrease in accumulated depreciation (which
11 increases rate base). Feasel Exhibit I Schedule 1 and all of its
12 backup schedules reflect the calculation of and adjustments to plant
13 in service and accumulated depreciation by the Public Staff.

14 **DEPRECIATION EXPENSE**

15 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO DEPRECIATION**
16 **EXPENSE.**

17 A. I adjusted depreciation expense to reflect an annualized amount of
18 expense, based on the actual plant in service as of May 31, 2019,
19 with the proposed depreciation rates provided by the Company. I
20 also made an adjustment to depreciation expense to reflect the
21 impact of reallocation of the reserve account as shown on Appendix
22 A - NC Calculation of Annual Depreciation Accrual Final in Company

1 witness Watson's testimony and a spreadsheet entitled "PNG
2 Corporate 9-30-18 Accrual Final" provided by the Company to the
3 Public Staff on July 12, 2019. Feasel Exhibit I, Schedule 1 and all of
4 its backup schedules reflect the calculation of and adjustments to
5 depreciation expense by the Public Staff.

6 **PROPERTY TAX**

7 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO PROPERTY TAX.**

8 A. The property tax rate used to calculate property tax expense in this
9 rate case proceeding is based on the actual property tax paid in 2018
10 divided by gross utility plant balances as of December 31, 2017. I
11 applied this rate to the gross plant in service balance as of May 31,
12 2019, in order to calculate property tax expense. Feasel Exhibit I,
13 Schedule 1 and all of its backup schedules reflect the calculation of
14 and adjustments to property tax by the Public Staff.

15 **MISCELLANEOUS GENERAL EXPENSE**

16 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO MISCELLANEOUS**
17 **GENERAL EXPENSE.**

18 A. I made adjustments to miscellaneous expense to remove: (1)
19 membership dues expense related to South Carolina that were
20 allocated to North Carolina; (2) dues that are related to

1 entertainment, electric, and unknown sources; (3) employee one-
2 time moving and entertainment expense; and (4) tuition fees
3 refunded to employees. Feasel Exhibit II, Schedule 1 and all of its
4 backup schedules reflect the calculation of and adjustments to
5 miscellaneous expense by the Public Staff.

6 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

7 **A.** Yes, it does.

QUALIFICATIONS AND EXPERIENCE

LYNN FEASEL

I am a graduate of Baldwin Wallace University with a Master of Business Administration degree in Accounting. I am a Certified Public Accountant licensed in the State of North Carolina. Prior to joining the Public Staff, I was employed by Franklin International in Columbus, Ohio until June 2013. Additionally, I worked for ABB Inc. from September 2013 until October 2016. I joined the Public Staff as a Staff Accountant in November 2016. Since joining the Public Staff, I have worked on rate cases involving water and sewer and natural gas companies, filed testimony and affidavits in various general rate cases, calculated quarterly earnings for Carolina Water Service, Inc. of North Carolina and Aqua North Carolina, Inc., calculated refunds to consumers from AH4R and Progress Residential and reviewed franchise and contiguous filings for multiple water and sewer companies.

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
**ADJUSTMENT TO PLANT IN SERVICE, ACCUMULATED DEPRECIATION,
DEPRECIATION EXPENSE, AND PROPERTY TAX**
For The Test Year Ended December 31, 2018

Feasel Exhibit I
Schedule

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Jul 19 2019

Line No.	Item	Amount
Plant in Service:		
1	North Carolina plant in service at May 31, 2019	\$ 5,435,494,795 [1]
2	Less plant in service per Company application	5,515,089,478 [2]
3	Public Staff's adjustment to plant in service (L1 - L2)	<u>(\$79,594,683)</u>
Accumulated Depreciation:		
4	North Carolina per books accumulated depreciation at May 31, 2019	(\$1,499,212,073) [3]
5	End of period depreciation adjustment on May 31, 2019 plant at Company proposed rates	<u>(13,972,018) [4]</u>
6	Total accumulated depreciation at May 31, 2019 per Public Staff (L4 + L5)	(1,513,184,091)
7	Total accumulated depreciation per Company application	<u>(1,528,820,157) [5]</u>
8	Public Staff's adjustment to accumulated depreciation (L6 - L7)	<u>\$ 15,636,066</u>
Depreciation Expense:		
9	Annual depreciation on plant at May 31, 2019	\$133,671,453 [6]
10	Adjustments to depreciation expense to reflect the impact of reallocation of NC Direct reserve account	<u>(267,118) [7]</u>
11	Adjustments to depreciation expense to reflect the impact of reallocation of Corporate reserve account	<u>(188,028) [8]</u>
12	Depreciation expense per Public Staff (L9 + L10 + L11)	133,216,307
13	Depreciation expense per Company application	<u>136,607,318 [9]</u>
14	Public Staff's adjustment to depreciation expense (L12 - L13)	<u>(\$3,391,011)</u>
Property Taxes		
15	Plant in Service at May 31, 2019	\$ 5,435,494,795 [1]
16	North Carolina tax rate	<u>0.00397 [10]</u>
17	Adjustment to property taxes for additions (L15 x L16)	21,578,914
18	Property taxes for additions per Company Application	<u>21,253,887 [11]</u>
19	Public Staff's adjustment to property taxes (L17 - L18)	<u>\$ 325,027</u>

- [1] Feasel Exhibit I, Schedule 1-1, Column (g), Line 75.
[2] G-1, Item 4a, 2019-04-04 File 17 tab 104 Proforma Summary, "Pro Forma North Carolina Plant in Service as of June 30, 2019".
[3] Feasel Exhibit I, Schedule 1-2, Column (e), Line 79.
[4] Annual depreciation expense from Line 9 minus per book depreciation expense for the 12 months ended May 31, 2019.
[5] G-1, Item 4a, 2019-04-04 File 17 tab 104 Proforma Summary, "Pro Forma North Carolina Accumulated Depreciation as of June 30, 2019".
[6] Feasel Exhibit I, Schedule 1-1, Column (j), Line 75.
[7] Appendix A - NC Calculation of Annual Depreciation Accrual Final: Accrual (2) For Reserve Deficit/(Surplus) for Total General Amortized.
[8] PNG Corporate 9-30-18 Accrual Final.xls from email sent by the Company on 7/12/2019: 2 state Accrual (2) For Reserve Deficit/(Surplus) for Total General Amortized x 2-state Non-LNG allocator of 90.25% plus 3 state Accrual (2) For Reserve Deficit/(Surplus) for Total General Amortized x 3-state allocator of 75.99%.
[9] G-1, Item 4a, 2019-04-04 File 17 tab 104 Proforma Summary, "Pro Forma North Carolina Annualized Depreciation Expense at June 30, 2019, using new deprecation rates.
[10] Actual property tax paid in 2018 before allocation per DR 28-1 divided by Piedmont utility plant & property balance at 12/31/17, per monthly financial report.
[11] G-1, Item 4a, 2019-04-04 File 18 tab 119 Summary, "Pro Forma Property Taxes" on Line 1.

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
CALCULATION OF PLANT IN SERVICE AND DEPRECIATION EXPENSE
For The Test Year Ended December 31, 2018

Fascel Exhibit I
Schedule 1-1

Line No.	Item	Actual amounts @ May 31, 2019										Corporate Proposed Depreciation Rates (h)	NC Proposed Depreciation Rates (i)	NC Provision for Depreciation at Proposed Rates (j)		
		Joint 3-state Property Per Books (a)		"000" 3-State Allocated (b)		Joint 3-state Property Per Books (c)		"088" 2-State Allocated (d)		Joint Property Allocated to NC (e)					NC Direct Per Books (f)	Total NC Plant 5/31/2019 (g)
		(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)					
Allocation Factors																
			75.99%		90.25%		85.24%									
INTANGIBLE PLANT																
1	20100 Organization	\$0							\$0		\$15,171	\$15,171		\$0		
2	20200 Franchises and Consents									586,786		586,786				
3	20300 5 Year Software	26,766,121		20,339,575					20,339,575		20,339,575	20,000		4,067,915		
4	20310 10 Year Software	126,922,871		96,448,690					96,448,690		96,448,690	10,000		9,644,869		
5	20300 Miscellaneous Intangible PI	-		-					-		2,444,025			-		
6	20301 Customer Contracts	-		-					-		42,900			-		
7	Total Intangible Plant (Sum of L1 thru L6)	153,688,992		116,788,265					116,788,265		3,088,981			13,712,784		
OTHER STORAGE PLANT																
8	26000 Land and Land Rights	-		3,711,022		3,163,275	(3)	3,163,275	263,886		3,427,161	0.00%		-		
9	26100 Structures & Improvements	-		33,801,693		28,812,563	(3)	28,812,563	250,718		29,063,281	2.02%		582,014		
10	26200 Gas Holders	-		10,650,067		9,078,117	(3)	9,078,117	-		9,078,117	1.48%		134,356		
11	26300 Purification Equipment	-		15,172,019		12,932,629	(3)	12,932,629	-		12,932,629	2.46%		318,143		
12	26310 Liquefaction Equipment	-		8,142,683		6,940,823	(3)	6,940,823	-		6,940,823	2.06%		142,381		
13	26320 Vaporizing Equipment	-		41,983,457		35,786,699	(3)	35,786,699	-		35,786,699	3.43%		1,227,484		
14	26330 Compressor Equipment	-		5,842,701		4,980,318	(3)	4,980,318	-		4,980,318	2.51%		125,006		
15	26340 Measuring & Reg Equipment	-		293,518		250,195	(3)	250,195	-		250,195	3.10%		7,756		
16	26350 Other Equipment	-		11,743,640		10,010,279	(3)	10,010,279	-		10,010,279	2.98%		288,306		
17	Total Other Storage Plant (Sum of L8 thru L16)	-		131,340,800		111,954,898		111,954,898	514,604		112,469,503			2,836,046		
TRANSMISSION PLANT																
18	26510 Land and Land Rights	-		-		-		-	-		69,324,592			0.00%		
19	26520 Rights-of-Way	-		-		-		-	-		332,933,523			1.25%		
20	26610 S&I - Comp Station Struct	-		-		-		-	-		17,888,970			2.10%		
21	26620 S&I - M&R Station Str	-		-		-		-	-		11,246,513			2.10%		
22	26700 Mains	-		-		-		-	-		1,900,309,147			1.84%		
23	26701 Mains, Cathodic Protection	-		-		-		-	-		-			-		
24	26800 Compressor Station Equip	-		-		-		-	-		177,527,527			2.85%		
25	26900 System Meas & Reg Station	-		-		-		-	-		175,947,006			2.33%		
26	Total Transmission Plant (Sum of L18 thru L25)	-		-		-		-	-		2,684,277,278			48,877,532		
DISTRIBUTION PLANT																
27	27400 Non-depr Land & Land Rights	-		-		63,862		57,635	(4)	57,635	5,246,400	5,304,036		0.00%		
28	27401 Rights of Way	-		-		-		-	-		42,213,177	42,213,177		1.32%		
29	27500 Structures & Improvements -	-		793,751		716,360	(4)	716,360			1,285,836	1,285,836	4.60%	42,634		
30	27600 Mains	-		-		-		-			1,116,601,635	1,116,601,635		1.71%		
31	27600 System Meas & Reg Station	-		-		-		-			53,955,368	53,955,368		1.33%		
32	27900 Meas & Reg Sta Equip - Civ	-		-		-		-			51,524,165	51,524,165		1.90%		
33	28000 Services	-		-		-		-			696,700,296	696,700,296		2.78%		
34	28100 Meters	11,106,038		8,439,478		8,829,523		7,967,742	(4)	16,407,220	79,565,253	95,972,473	4.50%	2,900		
35	28104 Meters - Meter Accessories	-		-		-		-			-	-		-		
36	28105 Meters - Meter Acc. ERTs	15,431,765		11,726,598		-		11,726,598		28,960,486	40,687,085	14,466	14.46%	3,466		
37	28200 Meter Installations	-		-		-		-		45,272,063	45,272,063			3,288		
38	28300 House Regulators	-		-		-		-		12,766,937	12,766,937			377,901		
39	28400 Meters - Meter Acc. ERTs	-		-		-		-		630,342	630,342			21,432		
40	28500 Ind Meas & Reg Sta Equip	-		-		-		-		44,895,533	44,895,533			1,633		
41	28600 Other Prop on Cust Premises	-		-		-		-		743,304	743,304			11,150		
42	28700 Other Equipment - Other	-		-		-		-		43,672	43,672			1,000		
43	Total Distribution Plant (Sum of L27 thru L42)	26,537,803		20,168,076		9,686,136		8,741,738		28,907,814	2,179,688,106	2,208,595,920		49,453,921		
GENERAL PLANT																
44	28900 Non-depr Land & Land Rights	-		-		-		-			3,243,728	3,243,728		0.00%		
45	29000 Structures and Improvements	3,238,267		2,460,759		241,348		217,617	(4)	2,678,576	91,478,296	94,156,872	2.10%	2,000		
46	29410 CNG Station Equipment	2,908		2,210		-		2,210		2,210	22,022,949	22,022,949	4.08%	3,900		
47	29600 Power Coerated Equipment	-		-		861,228		777,258	(4)	777,258	12,668,716	13,445,974	3.71%	444,370		
48	29210 Pass. Cars & Site Wacons	-		-		-		-		2,955,756	2,955,756			347,563		
49	29201 Transportation - 5 Year Rural Use	104,394		79,329		-		-		79,329	11,669,229	11,748,558	16.40%	1,508,543		
50	29202 Transportation - 7 Year Urban Use	943,837		717,222		303,541		272,140	(4)	989,362	28,500,249	29,339,611	8.83%	7,544		
51	29203 Transportation - 10 Year Heavy Duty	1,313,311		997,985		225,057		203,114	(4)	1,201,100	15,302,821	16,503,921	7.29%	1,027,118		
52	29204 Transportation - 15 Year Trailers & Other	73,196		55,622		5,636		5,086	(4)	60,708	1,138,898	1,199,606	4.94%	55,123		
53	29200 Transportation Equipment	-		-		-		-		-	292,765	292,765	0.00%	18,076		
54	29204 Trans Equip - Leased Buyout	-		-		-		-		-	-	-		-		
55	Total General Plant Depreciated (Sum of L44 thru L54)	5,675,914		4,313,127		1,634,810		1,475,416		5,788,543	189,123,408	194,911,950		8,405,390		
56	29001 S&I - Leasehold Impr	6,395,429		4,859,887		-		-		4,859,887	-	4,859,887	4.76%	231,331		
57	29100 Office Furniture and Equipm	9,325,262		7,086,267		64,473		58,187	(4)	7,144,454	9,354,693	16,499,147	5.00%	824,957		
58	29100 Office Furniture and Equipm Gov	-		-		-		-		-	-	-		-		
59	29101 Electronic Data Processing	-		-		-		-		-	-	-		-		
60	29101 Electronic Data Processing Gov Special	-		-		-		-		-	-	-		-		
61	29102 PC Equipment	39,225,815		29,807,697		-		-		29,807,697	-	29,807,697	20.00%	5,961,539		
62	29103 Customer Information System	17,721,735		13,466,747		-		-		13,466,747	-	13,466,747	5.00%	673,337		
63	29104 Client Service Applications	-		-		-		-		-	-	-		-		
64	29105 SaaS - 3 yr Contract	208,452		158,403		-		-		-	-	-		-		
65	29300 Stores Equipment	-		-		-		-		3,385	3,385			169		
66	29400 Tools Shop & Garage Equip	3,292,568		2,502,023		533,244		481,253	(4)	2,983,275	12,685,570	15,668,845	5.00%	783,442		
67	29500 Laboratory Equipment	-		-		445,001		401,614	(4)	401,614	807,436	1,209,049	5.00%	60,452		
68	29700 Communication Equipment	28,476,175		21,639,045		1,324,170		1,195,063	(4)	22,834,109	6,855,113	29,689,221	5.56%	1,650,721		
69	29700 Communication Equipment Gov	-		-		-		-		-	-	-		-		
70	29800 Miscellaneous Equipment	117,509		89,295		73,896		66,691	(4)	155,986	3,844,631	4,000,617	5.00%	200,031		
71	29800 Miscellaneous Equipment Gov	-		-		-		-		-	-	-		-		
72	29800 Miscellaneous Equipment Cus	-		-		-		-		-	-	-		-		
73	Total General Plant Amortized (Sum of L56 thru L72)	104,762,945		79,609,362		2,440,784		2,202,807		81,812,169	33,550,827	115,362,997		10,385,980		
74	Total updated Plant In Service per Public Staff (L7 + L17 + L26 + L43 + L55 + L73)	\$290,665,654		\$220,876,830		\$145,102,529		\$124,374,859		\$345,251,689	\$5,090,243,106	\$5,435,494,795		\$133,671,453		

[1] Updated Plant In Service through May 31, 2019 per DR 20-2 UPIS update annualized depr exp 5-31-19.xls.

[2] Column (a) x 3-state allocator of 75.99%.

[3] Column (c) x 2-state LNG allocator of 85.24%.

[4] Column (c) x 2-state Non-LNG allocator of 90.25%.

[5] Column (b) + Column (d).

[6] Column (e) + Column (f).

[7] Recommended rates from Appendix B - Corporate Comparison of Depreciation Rates Final.

[8] Recommended rates from Appendix B - NC Comparison of Depreciation Rates Final.

[9] Column (e) x Column (h) + Column (f) x Column (i).

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Piedmont Natural Gas Company
Docket No. G-9, Sub 743
CALCULATION OF ACCUMULATED DEPRECIATION
For The Test Year Ended December 31, 2018

Feasel Exhibit I
Schedule 1-2

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Jul 19 2019

		Actual amounts @ May 31, 2019								
Line No.	Item	3-State Before Allocated (a)	[1]	2-State Before Allocated (b)	[1]	Joint Property Allocated to NC (c)	NC Direct Per Books (d)	[1]	Total NC Accum. Depr. 5/31/2019 (e)	[4]
		75.99%		90.25%						
				85.24%						
INTANGIBLE PLANT										
1	20100 Organization	\$0		\$0		\$0	\$15,171		\$	15,171
2	20200 Franchises and Consents	-		-		-	586,786			586,786
3	20200 - NC NCNG Fr. & Consent-47106	-		-		-	-			0
4	20300 Miscellaneous Intangible Plant	-		-		-	2,444,025			2,444,025
5	20301 Customer Contracts	-		-		-	42,900			42,900
6	Total Intangible Plant (Sum of L1 thru L5)	0		0		0	3,088,881			3,088,881
OTHER STORAGE PLANT										
7	26000 Non-depr Land & Land Rights	-		-		-	-			0
8	26100 S&I	-		7,077,576		6,032,926	(468)	[2]		6,032,458
9	26200 Gas Holders	-		10,742,312		9,156,747	-	[2]		9,156,747
10	26300 Purification Equipment	-		3,390,061		2,889,688	-	[2]		2,889,688
11	26310 Liquefaction Equipment	-		2,612,786		2,227,121	-	[2]		2,227,121
12	26320 Vaporizing Equipment	-		11,667,740		9,945,582	-	[2]		9,945,582
13	26330 Compressor Equipment	-		3,273,702		2,790,504	-	[2]		2,790,504
14	26340 M&R Equipment	-		79,534		67,795	-	[2]		67,795
15	26350 Other Equipment	-		2,190,165		1,866,897	-	[2]		1,866,897
16	Total Other Storage Plant (Sum of L7 thru L15)	0		41,033,857		34,977,260	(468)			34,976,792
TRANSMISSION PLANT										
17	26510 Non-depr Land	-		-		-	149,753			149,753
18	26520 Land Rights	-		-		-	16,821,967			16,821,967
19	26610 S&I - Comp Station Struct	-		-		-	36,218,881			36,218,881
20	26620 S&I - M&R Station Str	-		-		-	25,860,530			25,860,530
21	26700 Mains	-		-		-	277,215,164			277,215,164
22	26701 Mains, Cathodic Protection	-		-		-	3,379,114			3,379,114
23	26800 Compressor Station Equip	-		-		-	-			0
24	26900 System Meas & Req Station	-		-		-	-			0
25	Total Transmission Plant (Sum of L17 thru L24)	0		0		0	359,645,409			359,645,409
DISTRIBUTION PLANT										
26	27400 Non-depr Land	-		-		-	40,643			40,643
27	27401 Land Rights	-		-		-	1,164,498			1,164,498
28	27500 S&I	-		336,241		303,458	418,069			721,526
29	27600 Mains	-		-		-	494,081,827			494,081,827
30	27600 NC Cathodic Protect.-47106	-		-		-	-			0
31	27800 M&R Station Equipment	-		-		-	7,823,647			7,823,647
32	27900 M&R City Gate Equipment	-		-		-	11,231,123			11,231,123
33	28000 Services	-		-		-	329,282,265			329,282,265
34	28100 Meters	(8,305,256)		113,300		(6,208,912)	28,382,408	[3]		22,173,497
35	28104 Meters - Meter Accessories	-		894,568		-	1,449,221	[3]		1,449,221
36	28105 Meters - Meter Acc, ERTs	5,457,246		852,564		4,146,961	20,056,743	[3]		24,203,705
37	28200 Meter Installations	-		-		-	4,570,030			4,570,030
38	28300 House Regulators	-		-		-	4,270,620			4,270,620
39	28400 House Regulator Installatio	-		-		-	23,203			23,203
40	28600 Other Property on Customer Premises	-		-		-	15,018,570			15,018,570
41	28700 Other Equipment	-		-		-	816,256			816,256
42	28700 Other Equipment	-		-		-	10,946			10,946
43	Total Distribution Plant (Sum of L26 thru L42)	(1,953,443)		1,302,105		(309,272)	917,190,849			916,881,577
GENERAL PLANT										
44	28900 Non-depr Land	-		-		-	-			0
45	29000 S&I	(1,415,572)		(4,634)		(1,079,876)	23,979,813	[3]		22,899,938
46	29600 Power Operated Equipment	107,161		577,997		603,073	5,483,811	[3]		6,086,885
47	29410 CNG Station Equipment	-		-		-	-			0
48	29200 Transportation Equipment	591,323		432,428		839,613	32,255,631	[3]		33,095,244
49	29201 Transportation - 5 Year Rural Use	-		-		-	-			0
50	29202 Transportation - 7 Year Urban Use	-		-		-	-			0
51	29203 Transportation - 10 Year Heavy Duty	-		-		-	-			0
52	29204 Transportation - 15 Year Trailers & Other	-		-		-	-			0
53	29210 Pass. Cars & Sta Wagons	-		-		-	1,978,269			1,978,269
54	292.11 Gas NC Light Trucks 1/2 3/4 T	-		-		-	-			0
55	292.12 Gas NC Med Truck 1&1 1/2 Ton	-		-		-	-			0
56	292.13 Gas NC Trucks 2 tons & over	-		-		-	-			0
57	292.18 Gas NC Trailer	-		-		-	-			0
58	29200 Transportation Equipment - 3 Year Meter Reading	-		-		-	-			0
59	29204 Trans Equip - Leased Buyout	(2,947)		-		(2,240)	91	[3]		(2,149)
60	Total General Plant Depreciated (Sum of L44 thru L59)	(720,036)		1,005,790		360,570	63,697,616			64,058,186
61	29001 Leasehold Improvements	3,945,858		-		2,998,458	24,770	[3]		3,023,228
62	29001 NC CNG Structures-47106	-		-		-	-			0
63	29100 Office Furniture and Equipm	3,907,979		(4,969)		2,965,188	3,683,184	[3]		6,648,373
64	29101 C3 Mainframe Equip Gov	180,599		-		137,237	-	[3]		137,237
65	29101 C3 Mainframe Equip, Gov Special	-		-		-	-			0
66	29102 PC Equipment (Computer Processing Hardware)	13,253,309		-		10,071,190	-	[3]		10,071,190
67	29103 Customer Information System	26,935,923		-		20,468,608	-	[3]		20,468,608
68	29104 Client Service Applications	73,728,199		-		56,026,059	-	[3]		56,026,059
69	29105 SaaS - 3 yr Contract	208,472		-		158,418	-	[3]		158,418
70	29300 Stores Equipment	-		(12,879)		(11,623)	(12,610)			(24,234)
71	29400 Tools, Shop & Garage Equip	1,451,322		112,614		1,204,494	6,426,017	[3]		7,630,511
72	29500 Laboratory Equipment	-		136,549		123,235	174,529	[3]		297,764
73	29700 Communication Equipment Gov	-		-		-	-			0
74	29700 C3 Communicat. Equip	14,939,058		192,045		11,525,510	3,173,072	[3]		14,698,583
75	29800 Miscellaneous Equipment Gov	-		-		-	-			0
76	29800 C3 Misc Equipment	3,262		19,762		20,313	1,405,176			1,425,490
77	Total General Plant Amortized (Sum of L61 thru L76)	138,553,981		443,121		105,687,087	14,874,139			120,561,226
78	Total updated Accumulated Depreciation per Public Staff (L6 + L16 + L25 + L43 + L60 + L77)	\$ 135,880,502		\$ 43,784,873		\$ 140,715,645	\$ 1,358,496,427			\$ 1,499,212,073

[1] Updated Accumulated Depreciation through May 31, 2019 per DR 22-2 Updated.
[2] Column (b) x 2-state LNG allocator of 85.24%+Column (a) x 3-state allocator of 75.99%.
[3] Column (b) x 2-state Non-LNG allocator of 90.25%+Column (a) x 3-state allocator of 75.99%.
[4] Column (c) + Column (d).

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
ADJUSTMENT OF PLANT RELATED ITEMS TO
NON UTILITY OPERATIONS
For The Test Year Ended December 31, 2018

Line No.	Acct. No.	Item	Balances at May 31, 2019				Allocable To Non Utility														
			Corporate Utility Plant In Service		NC Direct Utility Plant In Service		Total Utility Plant In Service		Non Utility %	Corporate Utility Plant In Service		NC Direct Utility Plant In Service		Total Utility Plant In Service		Corporate Depreciation Expense		NC Depreciation Expense		Total Depreciation Expense	
			[1]	[2]	[3]	[4]	[5]	[6]		[7]	[8]	[9]	[10]	[11]	[12]						
1	28900	28900 Non-depr Land & Land Rights	0	3,243,728	3,243,728	0	2.0867%	0	67,687	67,687	0	(i)	0.00%	(k)	0.00%	(l)	0				
2	29000	29000 Structures and Improvements	2,678,576	91,478,296	94,156,872	22,899,938	2.0867%	55,894	1,908,878	1,964,771	477,853										
3	29410	29410 CNG Station Equipment	2,210	22,022,949	22,025,159	0	2.0867%	46	459,553	459,599	0										
4	29600	29600 Power Operated Equipment	777,258	12,668,716	13,445,974	6,086,885	2.0867%	16,219	264,358	280,577	127,015										
5	29210	29210 Pass, Cars & Sta Wagons	0	2,955,756	2,955,756	1,978,269	2.0867%	0	61,678	61,678	41,281										
6	29201	29201 Transportation - 5 Year Rural Use	79,329	11,669,229	11,748,558	0	2.0867%	1,655	243,502	245,157	0										
7	29202	29202 Transportation - 7 Year Urban Use	989,362	28,350,249	29,339,611	0	2.0867%	20,645	591,585	612,230	0										
8	29203	29203 Transportation - 10 Year Heavy Duty	1,201,100	15,302,821	16,503,921	0	2.0867%	25,063	319,324	344,387	0										
9	29204	29204 Transportation - 15 Year Trailers & Other	60,708	1,138,898	1,199,606	0	2.0867%	1,267	23,765	25,032	0										
10	29200	29200 Transportation Equipment	0	292,765	292,765	33,095,244	2.0867%	0	6,109	6,109	690,598										
11	29001	29001 S&I - Leasehold Impr	4,859,887	0	4,859,887	3,023,228	2.0867%	101,411	0	101,411	63,086										
12	29100	29100 Office Furniture and Equipm	7,144,454	9,354,693	16,499,147	6,648,373	2.0867%	149,083	195,204	344,288	138,732										
13	29101	29101 Electronic Data Processing	0	0	0	137,237	2.0867%	0	0	0	2,864										
14	29102	29102 PC Equipment	29,807,697	0	29,807,697	10,071,190	2.0867%	621,997	0	621,997	210,156										
15	29103	29103 Customer Information System	13,466,747	0	13,466,747	20,468,608	2.0867%	281,011	0	281,011	427,118										
16	29104	29104 Client Service Applications	0	0	0	56,026,059	2.0867%	0	0	0	1,169,096										
17	29300	29300 Stores Equipment	0	3,385	3,385	(24,234)	2.0867%	0	71	71	(506)										
18	29400	29400 Tools, Shop & Garage Equip	2,983,275	12,685,570	15,668,845	7,630,511	2.0867%	62,252	264,710	326,962	159,226										
19	29700	29700 Communication Equipment	22,834,109	6,855,113	29,689,221	14,698,583	2.0867%	476,479	143,046	619,525	306,715										
20	29800	29800 Miscellaneous Equipment	155,986	3,844,631	4,000,617	1,425,490	2.0867%	3,255	80,226	83,481	29,746										
21	Total plant-related nonutility adjustment (Sum of L1 thru L20)		\$87,040,696	\$221,866,799	\$308,907,495	\$184,165,379		\$1,816,278	\$4,629,695	\$6,445,973	\$3,842,980									\$390,858	

[1] Feasel Exhibit I, Schedule 1-1, Column (e)
 [2] Feasel Exhibit I, Schedule 1-1, Column (f)
 [3] Column (a) + Column (b)
 [4] Feasel Exhibit I, Schedule 1-2, Column (e)
 [5] Per Public Staff witness Perry
 [6] Column (a) * Column (e)

[7] Column (b) * Column (e)
 [8] Column (f) + Column (g)
 [9] Column (d) * Column (e)
 [10] Feasel Exhibit I, Schedule 1-1, Column (h)
 [11] Feasel Exhibit I, Schedule 1-1, Column (i)
 [12] Column (f) * Column (j)+Column (g) * Column (k)

PIEDMONT NATURAL GAS COMPANY
Docket No. G-9, Sub 743
ADJUSTMENT TO MISCELLANEOUS EXPENSE
For The Test Year Ended December 31, 2018

Feasel Exh bit II
Schedule 1

Line No.	Item	Amount
1	Remove Sorth Carolina membership dues errorly put into North Carolina	\$ 17,900 [1]
2	Remove dues that are related to entertainment, electric, and unknown sources	258,193 [2]
3	Remove employee one time moving and entertainment expense	74,376 [3]
4	Remove tuition fees refund to employees	5,207 [4]
5	Total miscellaneous expense adjustment by Public Staff (Sum of L 1 thru L4)	<u>\$ 355,675</u>

[1] DR 59-11 response.

[2] DR 59-1 response, CONFIDENTIAL Attachment and CONFIDENTIAL - G1_Item 11_ Misc General Exp.

[3] CONFIDENTIAL - G1_Item 11_ Misc General Exp.

[4] CONFIDENTIAL - G1_Item 11_ Misc General Exp.