

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. G-9, SUB 743

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

APPENDIX A**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

Line No.	Item	Amount
	<u>Plant in Service:</u>	
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>
	<u>Accumulated Depreciation:</u>	
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	(13,972,018) [4]
6	Total accumulate depreciation at May 31, 2019 per Public Staff (L4 + L5)	(1,513,184,091)
7	Total accumulated depreciation per Company application	(1,528,820,157) [5]
8	Public Staff's adjustment to accumulated depreciation (L6 - L7)	<u>15,636,066</u>
	<u>Depreciation Expense:</u>	
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	(267,118) [7]
11	Adjustments to depreciation expense to reflect the impact of reallocation of Corporate reserve account	(188,028) [8]
12	Depreciation expense per Public Staff (L9 + L10 + L11)	133,216,307
13	Depreciation expense per Company application	136,607,318 [9]
14	Public Staff's adjustment to depreciation expense (L12 - L13)	<u>(\$3,391,011)</u>
	<u>Property Taxes</u>	
15	Plant in Service at May 31, 2019	\$ 5,435,494,795 [1]
16	North Carolina tax rate	0.00397 [10]
17	Adjustment to property taxes for additions (L15 x L16)	21,578,914
18	Property taxes for additions per Company Application	21,253,887 [11]
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 depreciation 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

Feaseli Exhibit I
Schedule 1-1

Actual amounts @ May 31, 2019										Corporate Proposed Depreciation Rates	NC Proposed Depreciation Rates	NC Provision for Depreciation at Proposed Rates
Line No.	Item	Joint 3-state Property Per Books	"000" 3-State Allocated	Joint 2-state Property Per Books	"088" 2-State Allocated	Joint Property Allocated to NC	NC Direct Per Books	Total NC Plant 5/31/2019				
	Allocation Factors	(a)	(b) 75.99%	(c) 90.25%	(d) 85.24%	(e)	(f)	(g)	(h)	(i)	(j)	(k)
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	20.00%			4 067 915
4	20310 10 Year Software	126,922,871	96,448,690			96,448,690	-	96,448,690	10.00%			9,644,869
5	20300 Miscelaneous Intangible PI	-	-			-	2,444,025	2,444,025				-
6	20301 Customer Contracts	-	-			-	42 900	42 900				-
7	Total Intangible Plant (Sum of L1 thru L6)	153 688 992	116 788 265	-	-	116 788 265	3 088 981	119 877 146				13 712 784
OTHER STORAGE PLANT												
8	26000 Land and Land Rights	-	3,711,022	3,163,275	3,163,275	263,886	3,427,161	3,427,161	0.00%			-
9	26100 Structures & Improvements	-	33,801,693	28,812,563	28,812,563	250,718	29,063,281	29,063,281	2.02%			582,014
10	26200 Gas Holders	-	10,650,067	9,078,117	9,078,117	-	9,078,117	9,078,117	1.48%			134,356
11	26300 Purification Equipment	-	15,172,019	12,932,629	12,932,629	-	12,932,629	12,932,629	2.46%			318,143
12	26310 Liquefaction Equipment	-	8,142,683	6,940,823	6,940,823	-	6,940,823	6,940,823	2.06%			142,981
13	26320 Vaporizing Equipment	-	41,983,457	35,786,699	35,786,699	-	35,786,699	35,786,699	3.43%			1,227,484
14	26330 Compressor Equipment	-	5,842,701	4,980,318	4,980,318	-	4,980,318	4,980,318	2.51%			125,006
15	26340 Measuring & Reg Equipment	-	293,518	250,195	250,195	-	250,195	250,195	3.10%			7,756
16	26350 Other Equipment	-	11,743,940	10,010,279	10,010,279	-	10,010,279	10,010,279	2.98%			298,306
17	Total Other Storage Plant (Sum of L8 thru L16)	-	-	131,340,800	111,954,898	111,954,898	514,604	112,469,503				2,830,046
TRANSMISSION PLANT												
18	26510 Land and Land Rights	-	-	-	-	-	69,324,592	69,324,592			0.00%	-
19	26520 Rights-of-Way	-	-	-	-	-	332,933,523	332,933,523			1.25%	4,161,669
20	26610 S&I - Comp Station Struct	-	-	-	-	-	17,888,970	17,888,970			2.10%	375,668
21	26620 S&I - M&R Station Str	-	-	-	-	-	11,246,513	11,246,513			2.10%	236,177
22	26700 Mains	-	-	-	-	-	1,900,309,147	1,900,309,147			1.84%	34,965,686
23	26701 Mains, Cathodic Protection	-	-	-	-	-	-	-			-	-
24	26800 Compressor Station Equip	-	-	-	-	-	177,527,527	177,527,527			2.85%	5,059,535
25	26900 System Meas & Reg Station	-	-	-	-	-	175,947,006	175,947,006			2.33%	4,078,595
26	Total Transmission Plant (Sum of L18 thru L25)	-	-	-	-	-	2,684,277,278	2,684,277,278			-	48,877,332
DISTRIBUTION PLANT												
27	27400 Non-depr Land & Land Rights	-	-	63,862	57,635	57,635	5,246,409	5,304,036			0.00%	-
28	27401 Rights of Way	-	-	-	-	-	42,213,177	42,213,177			1.32%	557,214
29	27500 Structures & Improvements	-	793,751	716,360	716,360	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%	19,093,888
31	27600 System Meas & Reg Station	-	-	-	-	-	53,955,368	53,955,368			1.93%	1,041,339
32	27900 Meas & Reg Sta Equip - Ctlv	-	-	-	-	-	51,524,165	51,524,165			1.90%	978,959
33	28000 Services	-	-	-	-	-	696,700,296	696,700,296			2.78%	19,368,268
34	28100 Meters	11,106,038	8,439,478	8,829,523	7,967,742	16,407,220	79,565,253	95,972,473	4.50%		2.90%	3,045,717
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	14.46%		3.46%	2,697,699
37	28200 Meter Installations	-	-	-	-	-	45,272,063	45,272,063			3.28%	1,484,924
38	28300 House Regulators	-	-	-	-	-	12,766,937	12,766,937			2.96%	377,901
39	-	-	-	-	-	-	630,342	630,342			3.40%	21,432
40	28500 Ind Meas & Reg St Equip	-	-	-	-	-	44,895,533	44,895,533			1.63%	731,797
41	28600 Other Prop on Cust Premises	-	-	-	-	-	743,304	743,304			1.50%	11,150
42	28700 Other Equipment - Other	-	-	-	-	-	43,672	43,672			2.29%	1,000
43	Total Distribution Plant (Sum of L27 thru L42)	26 537 803	20 166 076	9 686 136	8 741 738	28 907 814	2 179 688 106	2 208 595 929			-	49 453 921
GENERAL PLANT												
44	28900 Non-depr Land & Land Rights	-	-	-	-	-	3,243,728	3,243,728	0.00%		0.00%	-
45	29000 Structures and Improvements	3,238,267	2,460,759	241,348	217,817	2,678,576	91,478,296	94,156,872	2.10%		2.00%	1,885,816
46	29410 CNG Station Equipment	2 908	2 210	-	-	2 210	22 022 949	22 025 159	4.08%		3.90%	858,985
47	29600 Power Coerated Equipment	-	-	861,228	777,258	777,258	12,668,716	13,445,974	3.71%		3.28%	444,370
48	29210 Pass. Cars & Sta Wagons	-	-	-	-	-	2,955,756	2,955,756	0.00%		11.76%	347,563
49	29201 Transportation - 5 Year Rural Use	104 394	79 329	-	-	79 329	11 669 229	11 748 558	15.40%		12.82%	1 508 543
50	29202 Transportation - 7 Year Urban Use	943 837	717 222	301,541	272,140	989,362	28,350,249	29,339,611	8.83%		7.54%	2,224,969
51	29203 Transportation - 10 Year Heavy Duty	1 313 311	997 985	225 057	203 114	1 201 100	15 302 821	16 503 921	7.29%		6.14%	1 027 118
52	29204 Transportation - 15 Year Tra lers & Other	73,196	55,622	5,636	5,086	60,708	1,138,898	1,199,606	4.94%		4.58%	55,123
53	29200 Transportation Equipment	-	-	-	-	-	292 765	292 765	0.00%		16.07%	52 903
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	7 144 454	9 354 693	16 499 147	5.00%		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	-	-	158 403	-	158 403	-		-	-
65	29300 Stores Equipment	-	-	-	-	-	3 385	3 385			5.00%	169
66	29400 Tools Shop & Garage Equip	3 292 568	2 502 023	533 244	481 253	2 983 275	12 685 570	15 668 845	5.00%		5.00%	783 442
67	29500 Laboratory Equipment	-	-	445,001	401,614	401,614	807,436	1,209,049	5.00%		5.00%	60,452
68	29700 Communication Equipment	28 476 175	21 639 045	1 324 170	1 195 063	22 834 109	6 855 113	29 689 221	5.56%		5.56%	1 650 721
69	29700 Communication Equipment Gov	-	-	-	-	-	-	-			-	-
70	29800 Miscelaneous Equipment	117 509	89 295	73 896	66 691	155 986	3 844 631	4 000 617	5.00%		5.00%	200 031
71	29800 Miscelaneous Equipment Gov	-	-	-	-	-	-	-			-	-
72	29800 Miscelaneous 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											
75	(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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JUL 19 2019

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

Line No.	Item	Actual amounts @ May 31, 2019				
		3-State Before Allocated	[1]	2-State Before Allocated	[1]	Joint Property Allocated to NC
		(a)		(b)		(c)
		75.99%		90.25%		
				85.24%		
						NC Direct Per Books
						(d)
						Total NC Accum. Depr. 5/31/2019
						(e)
						[4]
INTANGIBLE PLANT						
1	20100 Organization	\$0		\$0		\$0
2	20200 Franchises and Consents	-		-		\$15,171
3	20200 - NC NCNG Fr. & Consent-47106	-		-		586,786
4	20300 Miscellaneous Intangible Plant	-		-		0
5	20301 Customer Contracts	-		-		2,444,025
6	Total Intangible Plant (Sum of L1 thru L5)	0		0		42,900
						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 [2]
9	26200 Gas Holders	-		10,742,312		(468)
10	26300 Purification Equipment	-		3,390,061		9,156,747 [2]
11	26310 Liquefaction Equipment	-		2,612,766		2,889,688 [2]
12	26320 Vaporizing Equipment	-		11,667,740		2,227,121 [2]
13	26330 Compressor Equipment	-		3,273,702		9,945,582 [2]
14	26340 M&R Equipment	-		79,534		2,790,504 [2]
15	26350 Other Equipment	-		2,190,165		67,795 [2]
16	Total Other Storage Plant (Sum of L7 thru L15)	0		41,033,857		1,866,897 [2]
						(468)
						34,976,792
TRANSMISSION PLANT						
17	26510 Non-depr Land	-		-		149,753
18	26520 Land Rights	-		-		16,821,967
19	26610 S&I - Comp Station Struct	-		-		36,218,881
20	26620 S&I - M&R Station Str	-		-		25,860,530
21	26700 Mains	-		-		277,215,164
22	26701 Mains, Cathodic Protection	-		-		3,379,114
23	26800 Compressor Station Equip	-		-		0
24	26900 System Meas & Reg Station	-		-		0
25	Total Transmission Plant (Sum of L17 thru L24)	0		0		359,645,409
						359,645,409
DISTRIBUTION PLANT						
26	27400 Non-depr Land	-		-		40,643
27	27401 Land Rights	-		-		1,164,498
28	27500 S&I	-		336,241		418,069
29	27600 Mains	-		-		494,081,827
30	27600 NC Cathodic Protect.-47106	-		-		0
31	27800 M&R Station Equipment	-		-		7,823,647
32	27900 M&R City Gate Equipment	-		-		11,231,123
33	28000 Services	-		-		329,282,265
34	28100 Meters	(8,305,256)		113,300		22,173,497
35	28104 Meters - Meter Accessories	894,568		852,564		1,449,221 [3]
36	28105 Meters - Meter Acc, ERTs	5,457,246		-		28,382,408
37	28200 Meter Installations	-		-		20,056,743
38	28300 House Regulators	-		-		4,570,030
39	28400 House Regulator Installatio	-		-		4,270,620
40		-		-		23,203
41	28600 Other Property on Customer Premises	-		-		15,018,570
42	28700 Other Equipment	-		-		816,256
43	Total Distribution Plant (Sum of L26 thru L42)	(1,953,443)		1,302,105		10,946
						917,190,849
						916,881,577
GENERAL PLANT						
44	28900 Non-depr Land	-		-		0
45	29000 S&I	(1,415,572)		(4,634)		23,979,813
46	29600 Power Operated Equipment	107,161		577,997		603,073 [3]
47	29410 CNG Station Equipment	-		-		5,483,811
48	29200 Transportation Equipment	591,323		432,428		839,613 [3]
49	29201 Transportation - 5 Year Rural Use	-		-		32,255,631
50	29202 Transportation - 7 Year Urban Use	-		-		33,095,244
51	29203 Transportation - 10 Year Heavy Duty	-		-		0
52	29204 Transportation - 15 Year Trailers & Other	-		-		0
53	29210 Pass. Cars & Sta Wagons	-		-		0
54	29211 Gas NC Light Trucks 1/2 3/4 T	-		-		1,978,269
55	29212 Gas NC Med Truck 1&1 1/2 Ton	-		-		0
56	29213 Gas NC Trucks 2 tons & over	-		-		0
57	29218 Gas NC Trailer	-		-		0
58	29200 Transportation Equipment - 3 Year Meter Reading	-		-		0
59	29204 Trans Equip - Leased Buyout	(2,947)		-		(2,149) [3]
60	Total General Plant Depreciated (Sum of L44 thru L59)	(720,036)		1,005,790		63,697,616
						64,058,186
61	29001 Leasehold Improvements	3,945,858		-		2,998,458 [3]
62	29001 NC CNG Structures-47106	-		-		24,770
63	29100 Office Furniture and Equipm	3,907,979		(4,969)		2,965,188 [3]
64	29101 C3 Mainframe Equip Gov	180,599		-		137,237 [3]
65	29101 C3 Mainframe Equip, Gov Special	-		-		-
66	29102 PC Equipment (Computer Processing Hardware)	13,253,309		-		10,071,190 [3]
67	29103 Customer Information System	26,935,923		-		20,468,608 [3]
68	29104 Client Service Applications	73,728,199		-		56,026,059 [3]
69	29105 SaaS - 3 yr Contract	208,472		-		158,418 [3]
70	29300 Stores Equipment	-		(12,879)		(12,610)
71	29400 Tools, Shop & Garage Equip	1,451,322		112,614		(24,234)
72	29500 Laboratory Equipment	-		136,549		6,426,017 [3]
73	29700 Communication Equipment Gov	-		-		123,235 [3]
74	29700 C3 Communicat. Equip	14,939,058		192,045		11,525,510 [3]
75	29800 Miscellaneous Equipment Gov	-		-		3,173,072
76	29800 C3 Misc Equipment	3,262		19,762		20,313 [3]
77	Total General Plant Amortized (Sum of L61 thru L76)	138,553,981		443,121		14,874,139
						140,715,645
78	Total updated Accumulated Depreciation per Public Staff					
79	(L6 + L16 + L25 + L43 + L60 + L77)	\$ 135,880,502		\$ 43,784,873		\$ 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).

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Jul 19 2019

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

Balances at May 31, 2019															Allocable To Non Utility											
Line No.	Acct. No.	Item	Corporate Utility Plant In Service	NC Direct Utility Plant In Service	Total Utility Plant In Service	Total Accumulated Depreciation	Non Utility %	Corporate Utility Plant In Service	NC Direct Utility Plant In Service	Total Utility Plant In Service	Accumulated Depreciation	Corporate Depreciation Expense %	NC Depreciation Expense %	Total Depreciation Expense Amount												
			[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]												
1	28900	28900 Non-depr Land & Land Rights	(a) 0	(b) 3,243,728	(c) 3,243,728	(d) 0	(e) 2.0867%	(f) 0	(g) 67,687	(h) 67,687	(i) 0	(j) 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	2.10%	2.00%	39,351												
3	29410	29410 CNG Station Equipment	2,210	22,022,949	22,025,159	0	2.0867%	46	459,553	459,599	0	4.08%	3.90%	17,924												
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	3.71%	3.28%	9,273												
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	0.00%	11.76%	7,253												
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	15.40%	12.82%	31,479												
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	8.83%	7.54%	46,428												
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	7.29%	6.14%	21,433												
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	4.94%	4.58%	1,150												
10	29200	29200 Transportation Equipment	0	292,765	292,765	33,095,244	2.0867%	0	6,109	6,109	690,598	0.00%	18.07%	1,104												
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	4.76%		4,827												
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	5.00%	5.00%	17,214												
13	29101	29101 Electronic Data Processing	0	0	0	137,237	2.0867%	0	0	0	2,864			0												
14	29102	29102 PC Equipment	29,807,697	0	29,807,697	10,071,190	2.0867%	621,997	0	621,997	210,156	20.00%		124,399												
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	5.00%		14,051												
16	29104	29104 Client Service Applications	0	0	0	56,026,059	2.0867%	0	0	0	1,169,096			0												
17	29300	29300 Stores Equipment	0	3,385	3,385	(24,234)	2.0867%	0	71	71	(506)		5.00%	4												
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	5.00%	5.00%	16,348												
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	5.56%	5.56%	34,446												
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	5.00%	5.00%	4,174												
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.