

INFORMATION SHEET

PRESIDING: Commissioner Brown-Bland; Chair Mitchell; Commissioners Gray and Clodfelter

PLACE: New Hanover County Courthouse, Wilmington, NC

DATE: Tuesday, August 20, 2019

TIME: 2:01 p.m. – 4:30 p.m.

DOCKET NO.: G-9, Sub 743

COMPANY: Piedmont Natural Gas Company, LLC

DESCRIPTION: Application of Piedmont Natural Gas Company, Inc., for an Adjustment of Rates, Charges, and Tariffs Applicable to Service in North Carolina, Continuation of its IMR Mechanism, Adoption of an EDIT Rider, and Other Relief

VOLUME: 6

APPEARANCES

FOR PIEDMONT NATURAL GAS COMPANY, LLC:

James H. Jeffries, IV, Esq.

Brian Heslin, Esq.

FOR CAROLINA INDUSTRIAL GROUP FOR FAIR UTILITY RATES IV:

Warren Hicks, Esq.

FOR CAROLINA UTILITY CUSTOMERS ASSOCIATION, INC.:

Robert F. Page, Esq.

FOR FAYETTEVILLE PUBLIC WORKS COMMISSION:

James P. West, Esq.

FOR THE USING AND CONSUMING PUBLIC AND THE STATE AND ITS CITIZENS IN THIS MATTER OF PUBLIC INTEREST:

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Teresa L. Townsend, Esq.

Jennifer T. Harrod, Esq.

FOR THE USING AND CONSUMING PUBLIC:

Elizabeth Culpepper, Esq.

Megan Jost, Esq.

John Little, Esq.

William E.H. Creech, Esq.

FILED

AUG 26 2019

Clerk's Office

N.C. Utilities Commission

WITNESSES

See attached.

EXHIBITS

See attached.

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DATE FILED: August 23, 2019

PREFILED PAGES: 264

PLACE: Dobbs Building, Raleigh, North Carolina

DATE: Tuesday, August 20, 2019

TIME: 2:01 p.m. - 4:30 p.m.

DOCKET NO.: G-7, Sub 743

BEFORE: Commissioner ToNola D. Brown-Bland, Presiding

Chair Charlotte A. Mitchell

Commissioner Lyons Gray

Commissioner Daniel G. Clodfelter

IN THE MATTER OF:

Application of Piedmont Natural Gas Company, Inc.,

for an Adjustment of Rates, Charges, and Tariffs

Applicable to Service in North Carolina,

Continuation of Its IMR Mechanism,

Adoption of an EDIT Rider, and Other Relief

VOLUME: 6



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9 STATE OF NORTH CAROLINA AND ITS CITIZENS IN THIS MATTER
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3 Elizabeth Culpepper, Esq.

4 Megan Jost, Esq.

5 John Little, Esq.

6 William E.H. Creech, Esq.

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9 Raleigh, North Carolina 27699-4300

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NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

DATE: 8/19/19 DOCKET NO.: G-9, Sub 743
ATTORNEY NAME and TITLE: Special Deputy A.G. Jennifer Harroff
Assistant A.G. Peggy Force
FIRM NAME: Attorney General
ADDRESS: 114 West Elenton St
CITY: Raleigh STATE: NC ZIP CODE: 27603

APPEARING FOR: using and consuming public,
the State and its citizens

APPLICANT: _____ COMPLAINANT: _____ INTERVENOR: X
PROTESTANT: _____ RESPONDENT: _____ DEFENDANT: _____

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Email: jharroff@ncdoj.gov; pforce@ncdoj.gov

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Signature: [Signature] P. Force
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NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE August 19, 2019 DOCKET #: G-9, Sub 743

PUBLIC STAFF MEMBER Elizabeth Culpepper

ORDER FOR TRANSCRIPT OF TESTIMONY TO BE **EMAILED** TO THE
PUBLIC STAFF - PLEASE INDICATE YOUR DIVISION AS WELL AS
YOUR EMAIL ADDRESS BELOW:

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WATER _____
COMMUNICATIONS _____
ELECTRIC _____
GAS _____
TRANSPORTATION _____
ECONOMICS _____
LEGAL elizabeth.culpepper@psncuc.nc.gov
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ELIZABETH D. CULPEPPER

Elizabeth D. Culpepper
Signature of Public Staff Member

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Aug 26 2019

NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE August 19, 2019 DOCKET #: G-9, Sub 743

PUBLIC STAFF MEMBER Megan Jost

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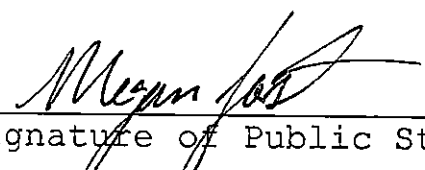
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Megan Jost



Signature of Public Staff Member

NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE August 19, 2019

DOCKET #: G-9, Sub 743

PUBLIC STAFF MEMBER William E. H. Creech

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William E. H. Creech



Signature of Public Staff Member

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NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

DATE: 8/19/19 DOCKET NO.: G-9, SUB 743
ATTORNEY NAME and TITLE: JAMES H. SEFFRIES III
FIRM NAME: MCGUIRE WOODS LLP
ADDRESS: 201 N. TRYON STREET, SUITE 3000
CITY: CHARLOTTE STATE: NC ZIP CODE: 28202
APPEARING FOR: PIEDMONT NATURAL GAS COMPANY, INC.

APPLICANT: ☒ COMPLAINANT: _____ INTERVENOR: _____
PROTESTANT: _____ RESPONDENT: _____ DEFENDANT: _____

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 8/19/19 DOCKET NO.: 6-9, Sub 743
ATTORNEY NAME and TITLE: Brian Heslin
FIRM NAME: _____
ADDRESS: _____
CITY: _____ STATE: _____ ZIP CODE: _____
APPEARING FOR: Piedmont Natural Gas

APPLICANT: X COMPLAINANT: _____ INTERVENOR: _____
PROTESTANT: _____ RESPONDENT: _____ DEFENDANT: _____

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 08/19/2019 DOCKET NO.: G-9, SUB 743
ATTORNEY NAME and TITLE: James West, Chief legal officer
FIRM NAME: Fayetteville Public Works Commission
ADDRESS: 955 Old Wilmington Road,
CITY: Fayetteville STATE: NC ZIP CODE: 28301
APPEARING FOR: Fayetteville Public Works Commission

APPLICANT: _____ COMPLAINANT: _____ INTERVENOR: ☒
PROTESTANT: _____ RESPONDENT: _____ DEFENDANT: _____

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Email: ~~James.West@faypw.com~~ James.West@faypw.com

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

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DATE: 8/19/2019 DOCKET NO.: G-9, Sub 743
ATTORNEY NAME and TITLE: Joseph W. Zason
FIRM NAME: Nelson, Mullins, Riley & Scarborough, PLLC
ADDRESS: Glen Lake One Suite 200, 4140 Park Lake Avenue
CITY: Raleigh STATE: NC ZIP CODE: 27612
APPEARING FOR: No cor Steel

Aug 26 2019

APPLICANT: _____ COMPLAINANT: _____ INTERVENOR: ☒
PROTESTANT: _____ RESPONDENT: _____ DEFENDANT: _____

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Signature: Joseph W. Zason

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NORTH CAROLINA UTILITIES COMMISSION

APPEARANCE SLIP

DATE: 8/19/19 DOCKET NO.: G-9, Sub 743

ATTORNEY NAME and TITLE: Warren Hicks

FIRM NAME: Bailey & Dixon

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

APPEARING FOR: Carolina Industrial Group for Fair Utility
Rates IV (CIGFUR)

APPLICANT: ____ COMPLAINANT: ____ INTERVENOR: ☒

PROTESTANT: ____ RESPONDENT: ____ DEFENDANT: ____

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SIGNATURE: Warren Hicks

(Signature required for distribution of ALL transcripts)

NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

DATE 08/19/19 DOCKET #: G-9, Sub 743
NAME AND TITLE OF ATTORNEY Robert F. Page
FIRM NAME Crisp & Page, PLLC
ADDRESS 4010 Barrett Dr., Suite 205
CITY Raleigh ZIP 27609

APPEARING FOR: Carolina Utility Customers Association, Inc.

APPLICANT	COMPLAINANT	INTERVENER
PROTESTANT	RESPONDENT	DEFENDANT

✓

PLEASE NOTE: Electronic Copies of the regular transcript can be obtained from the NCUC web site at [HTTP://NCUC.commerce.state.nc.us/docksrch.html](http://NCUC.commerce.state.nc.us/docksrch.html) under the respective docket number.

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Piedmont Natural Gas
Plowback Analysis
 NCUC Docket No. G-9, Sub 743

Company	% Retained to Common Equity				Average
	2017	2018	2019E	2022E/2024E	
Atmos Energy Corp	4.9%	4.8%	4.5%	5.0%	4.8%
Chesapeake UTIL	4.9%	6.7%	5.0%	6.0%	5.7%
New Jersey Res.	5.0%	10.3%	5.0%	5.0%	6.3%
N.W.Natural	NMF	2.1%	2.0%	4.5%	2.9%
One Gas, Inc	3.7%	3.5%	3.5%	4.5%	3.8%
South Jersey INDS	0.9%	1.7%	nmf	5.0%	2.5%
Southwest Gas	4.5%	3.6%	4.5%	5.5%	4.5%
Spire Inc	3.3%	4.7%	3.0%	4.5%	3.9%

Source: The Value Line Investment Survey, May 31, 2019

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Aug 26 2019

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Piedmont Natural Gas
Earned ROEs
NCUC Docket No. G-9, Sub 743

Company	% Return on Common Equity			
	2017	2018E	2019E	2022E/2024E
Atmos Energy Corp	9.8%	9.3%	9.0%	10.0%
Chesapeake UTIL	9.0%	10.0%	10.0%	10.0%
New Jersey Res.	12.1%	17.1%	11.5%	11.0%
N.W.Natural	NMF	8.5%	9.0%	12.0%
One Gas, Inc	8.2%	8.5%	8.5%	10.0%
South Jersey INDS	8.2%	10.5%	10.0%	12.0%
Southwest Gas	9.6%	9.0%	8.5%	9.5%
Spire Inc	<u>8.1%</u>	<u>9.5%</u>	<u>8.0%</u>	<u>10.5%</u>
Average	9.3%	10.3%	9.3%	10.6%

Source: The Value Line Investment Survey, May 31, 2019

Piedmont Natural Gas
CAPM Results
NCUC Docket No. G-9, Sub 743

Comparable Group

	Risk-Free Rate	Beta	Equity Risk Premium	Equity Cost Rate
Treasury - Maximum	3.46%	0.69	4.00%	6.21%
Treasury - Average	3.02%	0.69	4.00%	5.77%
Treasury - Minimum	2.47%	0.69	4.00%	5.22%

	Risk-Free Rate	Beta	Equity Risk Premium	Equity Cost Rate
Treasury - Maximum	3.46%	0.69	6.00%	7.59%
Treasury - Average	3.02%	0.69	6.00%	7.15%
Treasury - Minimum	2.47%	0.69	6.00%	6.60%

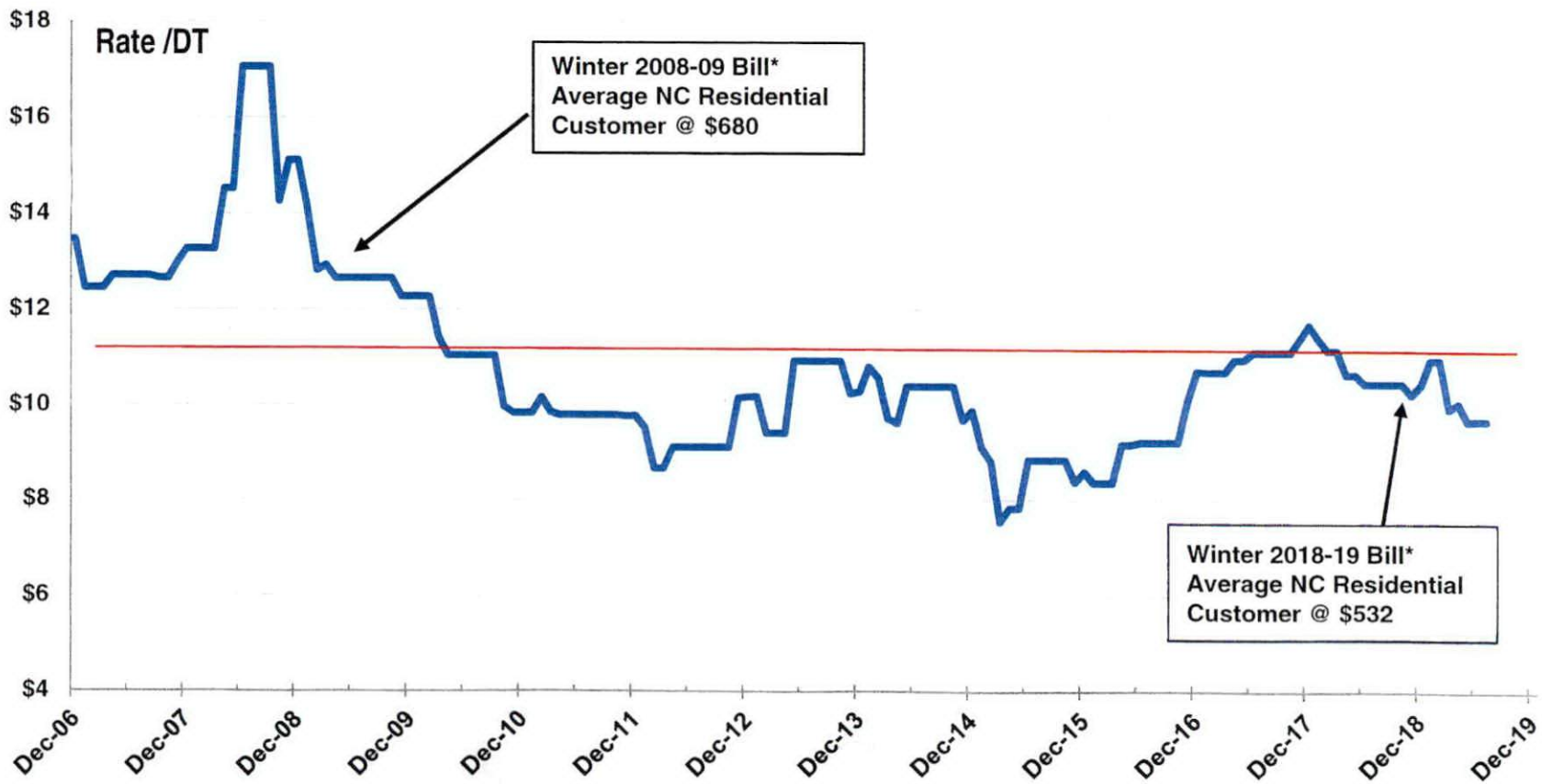
Piedmont Residential Rates & Bills



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NC RESIDENTIAL RATES & BILL IMPACT

Aug 26 2019



1/A

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Aug 26 2019

Jim

In summary, the PDF shows the following:

- Page 1 -- Revenue by customer class for **Year 1** in the format of Settlement Exhibit J, by revenue type (base margin revenue, tax rider revenue, and cost of gas revenue).
- Page 2 -- Revenue by customer class for **Years 2 and 3**; for the purpose of developing this data request response, we have held the cost of gas revenues to the same amounts shown in the Year 1 schedule.
- Page 3 -- Revenue by customer class for **Years 4 and 5**; for the purpose of developing this data request response, we have held the cost of gas revenues to the same amounts shown in the Year 1 schedule. The Stipulated Margin Revenues in Years 4 and 5 are lower than in the prior years due to the stipulated revenue increase "cap".
- Page 4 -- Revenue by customer class for **Year 6 and thereafter**; for the purpose of developing this data request response, we have held the cost of gas revenues to the same amounts shown in the Year 1 schedule. The Stipulated Margin Revenues in Year 6 and thereafter are lower than in the prior years due to the stipulated revenue increase "cap".

Pia

11A

Attorney General's Office - Powers Cross Exhibit 2

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Aug 26 2019

Piedmont Natural Gas Company, Inc.
Comparison of End of Period Revenues to Stipulated Proposed Revenues
Docket No. G-9 Sub 743

Response to AG Second Settlement DR - Items 1 & 2

Customer Class	Tariff Rate Schedule	YEAR 1 BASE MARGIN REVENUE			YEAR 1 TAX RIDER REVENUE			YEAR 1 COST OF GAS REVENUE			YEAR 1 TOTAL REVENUE			
		End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	Percent Increase / (Decrease)
Residential	101	307,710,113	376,219,125	68,509,012	-	(52,300,325)	(52,300,325)	158,502,407	158,501,608	(799)	466,212,520	482,420,408	16,207,888	3.5%
Small General Service	102	120,494,552	153,269,852	32,775,300	-	(20,571,610)	(20,571,610)	102,669,703	102,669,614	(89)	223,164,255	235,367,856	12,203,601	5.5%
Medium General Service	152	16,332,160	21,311,012	4,978,853	-	(3,734,969)	(3,734,969)	17,553,632	17,553,631	(0)	33,885,791	35,129,674	1,243,883	3.7%
Natural Gas Vehicle Fuel	142	558,993	688,805	129,812	-	(59,149)	(59,149)	322,726	322,726	-	881,719	952,382	70,663	8.0%
Outdoor Gas Light Service	105	86,041	98,712	12,671	-	-	-	-	-	-	86,041	98,712	12,671	14.7%
Large General Sales Service	103	1,718,955	1,775,868	56,913	-	(161,284)	(161,284)	11,231,847	11,231,847	-	12,950,803	12,846,432	(104,371)	-0.8%
Large General Transportation Service	113	11,662,910	13,000,490	1,337,580	-	(1,960,002)	(1,960,002)	17,062,388	17,062,388	-	28,725,298	28,102,877	(622,422)	-2.2%
Interruptible Large General Sales Service	104	484,820	509,593	24,773	-	(54,639)	(54,639)	3,372,130	3,372,130	-	3,856,949	3,827,083	(29,866)	-0.8%
Interruptible Large General Transportation Service	114	12,017,690	12,910,109	892,419	-	(1,809,611)	(1,809,611)	11,123,741	11,124,016	275	23,141,431	22,224,513	(916,917)	-4.0%
Military Operations Transportation	T-10	1,022,054	1,100,000	77,946	-	(84,361)	(84,361)	1,248,236	1,248,236	-	2,270,289	2,263,875	(6,414)	-0.3%
Power Generation Special Contracts	n/a	77,010,719	77,010,719	-	-	-	-	6,770,155	6,770,155	-	83,780,874	83,780,874	-	0.0%
Other Special Contracts	n/a	13,787,574	13,787,574	-	-	-	-	4,813,375	4,813,375	-	18,600,949	18,600,949	-	0.0%
Total Revenues from Sales and Transportation of Gas		562,888,580	671,681,859	108,793,279	-	(80,735,950)	(80,735,950)	334,670,341	334,669,727	(613)	897,556,920	925,615,636	28,058,716	3.1%

Piedmont Natural Gas Company, Inc.
Comparison of End of Period Revenues to Stipulated Proposed Revenues
Docket No. G-9 Sub 743

Response to AG Second Settlement DR - Items 1 & 2

Customer Class	Tariff Rate Schedule	YEARS 2 & 3 BASE MARGIN REVENUE			YEARS 2 & 3 TAX RIDER REVENUE			YEARS 2 & 3 COST OF GAS REVENUE			YEARS 2 & 3 TOTAL REVENUE			
		End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	Percent Increase / (Decrease)
Residential	101	307,710,113	376,219,125	68,509,012	-	(28,528,165)	(28,528,165)	158,502,407	158,501,608	(799)	466,212,520	506,192,568	39,980,048	8.6%
Small General Service	102	120,494,552	153,269,852	32,775,300	-	(11,220,878)	(11,220,878)	102,669,703	102,669,614	(89)	223,164,255	244,718,588	21,554,333	9.7%
Medium General Service	152	16,332,160	21,311,012	4,978,853	-	(2,037,256)	(2,037,256)	17,553,632	17,553,631	(0)	33,885,791	36,827,387	2,941,596	8.7%
Natural Gas Vehicle Fuel	142	558,993	688,805	129,812	-	(32,263)	(32,263)	322,728	322,726	-	881,719	979,268	97,549	11.1%
Outdoor Gas Light Service	105	86,041	98,712	12,671	-	-	-	-	-	-	86,041	98,712	12,671	14.7%
Large General Sales Service	103	1,718,955	1,775,868	56,913	-	(87,833)	(87,833)	11,231,847	11,231,847	-	12,950,803	12,919,882	(30,920)	-0.2%
Large General Transportation Service	113	11,662,910	13,000,490	1,337,580	-	(1,067,390)	(1,067,390)	17,062,388	17,062,388	-	28,725,298	28,995,489	270,191	0.9%
Interruptible Large General Sales Service	104	484,820	509,593	24,773	-	(29,819)	(29,819)	3,372,130	3,372,130	-	3,856,949	3,851,903	(5,046)	-0.1%
Interruptible Large General Transportation Service	114	12,017,690	12,910,109	892,419	-	(987,589)	(987,589)	11,123,741	11,124,016	275	23,141,431	23,046,536	(94,895)	-0.4%
Military Operations Transportation	T-10	1,022,054	1,100,000	77,946	-	(45,942)	(45,942)	1,248,236	1,248,236	-	2,270,289	2,302,294	32,005	1.4%
Power Generation Special Contracts	n/a	77,010,719	77,010,719	-	-	-	-	6,770,155	6,770,155	-	83,780,874	83,780,874	-	0.0%
Other Special Contracts	n/a	13,787,574	13,787,574	-	-	-	-	4,813,375	4,813,375	-	18,600,949	18,600,949	-	0.0%
Total Revenues from Sales and Transportation of Gas		562,886,580	671,681,859	108,795,279	-	(44,037,134)	(44,037,134)	334,670,341	334,669,727	(613)	897,556,920	962,314,452	64,757,532	7.2%

Piedmont Natural Gas Company, Inc.
Comparison of End of Period Revenues to Stipulated Proposed Revenues
Docket No. G-9 Sub 743

Response to AG Second Settlement DR - Items 1 & 2

Customer Class	Tariff Rate Schedule	YEAR 4 & 5 BASE MARGIN REVENUE			YEAR 4 & 5 TAX RIDER REVENUE			YEAR 4 & 5 COST OF GAS REVENUE			YEAR 4 & 5 TOTAL REVENUE			
		End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	Percent Increase / (Decrease)
Residential	101	307,710,113	374,489,687	66,779,574	-	(15,097,366)	(15,097,366)	158,502,407	158,501,608	(799)	466,212,520	517,893,930	51,681,409	11.1%
Small General Service	102	120,494,552	152,565,287	32,070,736	-	(5,937,918)	(5,937,918)	102,669,703	102,669,614	(89)	223,164,255	249,296,984	26,132,729	11.7%
Medium General Service	152	16,332,160	21,213,048	4,880,888	-	(1,078,085)	(1,078,085)	17,553,632	17,553,631	(0)	33,885,791	37,688,594	3,802,803	11.2%
Natural Gas Vehicle Fuel	142	658,993	685,639	126,646	-	(17,073)	(17,073)	322,726	322,726	-	881,719	991,292	109,573	12.4%
Outdoor Gas Light Service	105	86,041	98,712	12,671	-	-	-	-	-	-	86,041	98,712	12,671	14.7%
Large General Sales Service	103	1,718,955	1,767,704	48,749	-	(46,485)	(46,485)	11,231,847	11,231,847	-	12,950,803	12,953,067	2,264	0.0%
Large General Transportation Service	113	11,662,910	12,940,729	1,277,818	-	(564,905)	(564,905)	17,062,388	17,062,388	-	28,725,298	29,438,212	712,913	2.5%
Interruptible Large General Sales Service	104	484,820	507,250	22,431	-	(15,787)	(15,787)	3,372,130	3,372,130	-	3,856,949	3,863,593	6,644	0.2%
Interruptible Large General Transportation Service	114	12,017,690	12,850,762	833,072	-	(522,841)	(522,841)	11,123,741	11,124,016	275	23,141,431	23,451,937	310,506	1.3%
Military Operations Transportation	T-10	1,022,054	1,094,943	72,890	-	(24,314)	(24,314)	1,248,236	1,248,236	-	2,270,269	2,318,865	48,596	2.1%
Power Generation Special Contracts	n/a	77,010,719	77,010,719	-	-	-	-	6,770,155	6,770,155	-	83,780,874	83,780,874	-	0.0%
Other Special Contracts	n/a	13,787,574	13,787,574	-	-	-	-	4,813,375	4,813,375	-	18,600,949	18,600,949	-	0.0%
Total Revenues from Sales and Transportation of Gas		562,888,580	669,012,055	106,125,475	-	(23,304,773)	(23,304,773)	334,670,341	334,669,727	(613)	897,556,920	980,377,009	82,820,089	9.2%

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Piedmont Natural Gas Company, Inc.
Comparison of End of Period Revenues to Stipulated Proposed Revenues
Docket No. G-9 Sub 743

Response to AG Second Settlement DR - Items 1 & 2

Customer Class	Tariff Rate Schedule	YEAR 6 BASE MARGIN REVENUE			YEAR 6 TAX RIDER REVENUE			YEAR 6 COST OF GAS REVENUE			YEAR 6 TOTAL REVENUE			
		End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	Percent Increase / (Decrease)
Residential	101	307,710,113	359,393,389	51,683,276	-	-	-	158,502,407	158,501,608	(799)	466,212,520	517,894,997	51,682,477	11.1%
Small General Service	102	120,494,552	146,415,129	25,920,577	-	-	-	102,669,703	102,669,614	(89)	223,164,255	249,084,743	25,920,488	11.6%
Medium General Service	152	18,332,160	20,357,915	4,025,755	-	-	-	17,553,832	17,553,631	(0)	33,885,791	37,911,546	4,025,755	11.9%
Natural Gas Vehicle Fuel	142	558,893	658,000	99,007	-	-	-	322,726	322,726	-	881,719	980,726	99,007	11.2%
Outdoor Gas Light Service	105	88,041	98,712	12,671	-	-	-	-	-	-	88,041	98,712	12,671	14.7%
Large General Sales Service	103	1,718,955	1,696,445	(22,510)	-	-	-	11,231,847	11,231,847	-	12,950,803	12,928,293	(22,510)	-0.2%
Large General Transportation Service	113	11,662,910	12,419,066	756,156	-	-	-	17,062,388	17,062,388	-	28,725,298	29,481,454	756,156	2.6%
Interruptible Large General Sales Service	104	484,820	488,802	1,983	-	-	-	3,372,130	3,372,130	-	3,856,949	3,858,932	1,983	0.1%
Interruptible Large General Transportation Service	114	12,017,690	12,332,727	315,037	-	-	-	11,123,741	11,124,016	275	23,141,431	23,456,743	315,312	1.4%
Military Operations Transportation	T-10	1,022,054	1,050,804	28,751	-	-	-	1,248,236	1,248,236	-	2,270,289	2,299,040	28,751	1.3%
Power Generation Special Contracts	n/a	77,010,719	77,010,719	-	-	-	-	6,770,155	6,770,155	-	83,780,874	83,780,874	-	0.0%
Other Special Contracts	n/a	13,787,574	13,787,574	-	-	-	-	4,813,375	4,813,375	-	18,600,949	18,600,949	-	0.0%
Total Revenues from Sales and Transportation of Gas		562,886,580	645,707,282	82,820,702	-	-	-	334,670,341	334,669,727	(613)	897,556,920	980,377,009	82,820,089	9.2%

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 743

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Piedmont Natural Gas Company, Inc., for an Adjustment of Rates, Charges, and Tariffs Applicable to Service in North Carolina, Continuation of its IMR Mechanism, Adoption of an EDIT Rider, and Other Relief)
ORDER SCHEDULING INVESTIGATION AND HEARINGS, ESTABLISHING INTERVENTION AND TESTIMONY DUE DATES AND DISCOVERY GUIDELINES, AND REQUIRING PUBLIC NOTICE

BY THE CHAIRMAN: On April 1, 2019, Piedmont Natural Gas Company, Inc. (Piedmont or the Company), filed an application with the Commission requesting authority to adjust and increase its rates and charges for natural gas service in North Carolina. The Company serves approximately 752,000 customers in North Carolina. On April 22, 2019, the Commission issued an Order Establishing General Rate Case and Suspending Rates.

In its application, Piedmont requested authority to increase its rates and charges to produce additional overall annual North Carolina retail revenues of approximately \$83 million, an increase of approximately 9% over current revenues. Further, Piedmont is seeking approval of a rate of return on common equity of 10.60%.

Piedmont also seeks: (1) continuation of Piedmont's Integrity Management Rider (IMR) mechanism contained in Appendix E to its approved service regulations; (2) regulatory asset treatment for certain incremental Distribution Integrity Management Program (DIMP) Operations and Maintenance (O&M) expenses; (3) adoption of revised and updated depreciation rates for the Company's North Carolina and joint property assets; (4) updates and revisions to Piedmont's rate schedules and service regulations; (5) revised and updated amortizations and recovery of certain regulatory assets accrued since Piedmont's last general rate case proceeding; (6) approval of expanded energy efficiency and conservation program spending; and (7) adoption of an Excess Deferred Income Tax (EDIT) Rider mechanism to manage the flow-back to customers of deferrals and excess deferred income taxes created by changes to state and federal income tax rates.

Piedmont states that the Company's pro forma overall rate of return as of December 31, 2018, is 4.96% and its pro forma return on common equity as of that time is 5.36%. Piedmont asserts that this pro forma level of return will not permit the Company to compete for debt and equity capital on reasonable terms and, therefore, will not enable the Company to continue to invest in new plant, add new customers, and provide adequate, safe, and reliable service to existing customers. Piedmont states that, if the Company is to maintain its facilities and services in accordance with the reasonable

requirements of its customers and the requirements of the Pipeline and Hazardous Material Safety Administration, compete for capital on terms that are reasonable and fair to customers and to investors, and produce a fair return for stockholders, it must be granted general rate relief.

Based upon a review of Piedmont's application and the record, the Chairman finds good cause to set Piedmont's application for a series of public hearings, establish procedural and filing requirements for Piedmont and other parties, and require Piedmont to provide public notice of its application.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition shall be taken before the deadline for the filing of Public Staff and other intervenor testimony. A notice of deposition shall be served on all parties at least seven business days prior to the taking of the deposition.

2. Any motion for subpoena of a witness to appear at the expert witness hearing shall be filed with the Commission before the deadline for the filing of Public Staff and other intervenor testimony, shall be served by hand delivery or facsimile to the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. N.C. Gen Stat. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within one business day of the filing of such motion.

3. Formal discovery requests related to the application and the Company's pre-filed direct testimony shall be served on the Company by hand delivery, facsimile, or electronic delivery (with the Company's agreement) no later than 14 calendar days prior to the deadline for the filing of Public Staff and other intervenor testimony. The Company shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten calendar days prior to the deadline for the filing of Public Staff and other intervenor testimony.

4. Formal discovery requests of the Public Staff or other intervenors shall be served by hand delivery, facsimile, or electronic delivery (with the agreement of the receiving party) no later than five calendar days after the filing of that party's testimony. The party served shall have up to three business days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than nine calendar days after the filing of that party's testimony.

5. Formal discovery requests related to pre-filed rebuttal testimony shall be served by hand delivery or facsimile no later than two business days after the filing of such testimony. The party served shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than three business days after the filing of such

rebuttal testimony. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two business days to file with the Commission a motion to compel, and the party objecting to discovery shall have one day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party by hand delivery, facsimile, or electronic delivery (with the agreement of the receiving party) at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery due to that party's late intervention or other delay in initiating discovery.

The Chairman urges all parties to work in a cooperative manner and to attempt to accommodate discovery within the time available. The Commission recognizes that in the past most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS, THEREFORE, ORDERED as follows:

1. That the hearings on Piedmont's application are hereby scheduled as follows:

High Point: Tuesday, July 9, 2019, at 7:00 p.m.
High Point Courthouse
505 East Green Drive
Courtroom 434
High Point, North Carolina 27260

Charlotte: Wednesday, July 10, 2019, at 7:00 p.m.
Mecklenburg County Courthouse
832 East 4th Street
Courtroom 5350
Charlotte, North Carolina 28202

Wilmington: Wednesday, July 17, 2019, at 7:00 p.m.
New Hanover County Courthouse
316 Princess Street
Courtroom 317
Wilmington, North Carolina 28401

Raleigh: Monday, August 19, 2019, at 2:00 p.m.
Dobbs Building
430 North Salisbury Street
Commission Hearing Room No. 2115
Second Floor
Raleigh, North Carolina 27603

2. That the hearings on July 9, July 10, and July 17, 2019, shall be for the purpose of receiving only the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings. The hearing will resume in Raleigh on Monday, August 19, 2019, at 2:00 p.m., and continue as required for the testimony and cross-examination of expert witnesses for the Company, the Public Staff, and other intervenors.

3. That the Commission will determine not only the justness and reasonableness of the Company's overall requested changes in rates, but also the appropriate level of rates to be established for each individual rate class.

4. That the test period to be used by all parties in this proceeding shall be the twelve-month period ending December 31, 2018, with appropriate adjustments.

5. That the parties shall comply with the discovery guidelines established herein and shall work in a cooperative manner as to discovery.

6. That the Company shall consult with all other parties and file, no later than August 13, 2019, a list of witnesses to be called at the expert witness hearing, the order of witnesses, and each party's estimated time for cross-examination of each witness. If the parties cannot reach agreement, the remaining parties shall, no later than August 15, 2019, make a filing indicating their points of disagreement with the Company's filing.

7. That the Company shall, at its own expense, publish in newspapers having general coverage in its service area, the Notice of Hearings attached as Appendix A, once a week for two consecutive weeks, at least 30 days in advance of the first hearing set herein. The Notice of Hearings shall cover no less than one-fourth of a page.

8. That the Company shall mail to each of its customers a copy of the Notice of Hearings no later than 30 days in advance of the first hearing set herein.

9. That the Company shall make a copy of the Notice of Hearings prominently available on its website, and provide an email with an electronic link to the Notice of Hearings for all customers receiving bills electronically.

10. That the Company shall file an affidavit of publication and certificate of service no later than the first day of the expert witness hearing.

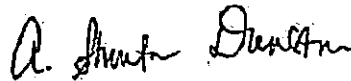
11. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 no later than July 19, 2019.

12. That direct testimony and exhibits of intervenors and the Public Staff shall be filed on or before July 19, 2019, and that the rebuttal testimony and exhibits of the Company, if any, shall be filed on or before August 2, 2019.

ISSUED BY ORDER OF THE COMMISSION.

This the 16th day of May, 2019.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Deputy Clerk

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO G-9, SUB 743

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Piedmont Natural Gas)
Company, Inc., for an Adjustment of Rates,)
Charges, and Tariffs Applicable to Service in)
North Carolina, Continuation of its IMR)
Mechanism, Adoption of an EDIT Rider, and)
Other Relief)

NOTICE OF HEARINGS

NOTICE IS HEREBY GIVEN that on April 1, 2019, Piedmont Natural Gas Company, Inc. (Piedmont or the Company), filed an application with the Commission requesting authority to adjust and increase its rates and charges for natural gas service in North Carolina. The Company serves approximately 752,000 retail customers in North Carolina. On April 22, 2019, the Commission issued an Order Establishing General Rate Case and Suspending Rates.

In its application, Piedmont requested authority to increase its rates and charges to produce additional overall annual North Carolina retail revenues of approximately \$83 million, an increase of approximately 9% over current revenues. Further, Piedmont is seeking approval of a rate of return on common equity of 10.60%.

Piedmont seeks: (1) continuation of Piedmont's Integrity Management Rider (IMR) mechanism contained in Appendix E to its approved service regulations; (2) regulatory asset treatment for certain incremental Distribution Integrity Management Program (DIMP) Operations and Maintenance (O&M) expenses; (3) adoption of revised and updated depreciation rates for the Company's North Carolina and joint property assets; (4) updates and revisions to Piedmont's rate schedules and service regulations; (5) revised and updated amortizations and recovery of certain regulatory assets accrued since Piedmont's last general rate case proceeding; (6) approval of expanded energy efficiency and conservation program spending; and (7) adoption of an Excess Deferred Income Tax (EDIT) Rider mechanism to manage the flow-back to customers of deferrals and excess deferred income taxes created by changes to state and federal income tax rates.

Below is a table with the proposed North Carolina retail revenue increase by customer class:

Customer Class	Present Revenue	Proposed Change	Proposed Revenue	Percentage Change
Residential Service	\$478,790,701	\$47,021,618	\$525,812,319	9.82%
Small General Service	\$227,581,080	\$25,240,574	\$252,821,654	11.09%
Medium General Service	\$34,765,350	\$3,597,986	\$38,363,336	10.35%
Outdoor Gas Light Service	\$86,042	\$12,513	\$98,555	14.54%
Natural Gas Vehicles - Company Stations	\$898,040	\$106,395	\$1,004,435	11.85%
Large Firm General Service	\$42,106,572	\$2,768,690	\$44,875,262	6.58%
Large Interruptible General Service	\$27,363,893	\$3,866,594	\$31,230,487	14.13%
Military Transport Service	\$2,289,879	\$205,719	\$2,495,598	8.98%
Special Contracts	\$102,385,550	\$0	\$102,385,550	0.00%
Overall Total	\$916,267,107	\$82,820,089	\$999,087,196	9.04%

The increases within the above-listed rate classes would vary by rate schedule.

The Company requested that the proposed rates become effective on May 1, 2019; however, the Commission has issued an order suspending the Company's proposed rate changes for a period of up to 270 days from May 1, 2019.

EFFECT OF RATES

For existing residential customers, the proposed rates (including the effects of all riders) would change the average monthly bill (including state sales tax) of a residential customer as follows:

Season	Existing Rates	Proposed Rates	Change in Average Bill
Winter	\$109.91	\$122.14	\$12.23
Summer	\$28.87	\$31.21	\$2.34
Average	\$62.64	\$69.10	\$6.46

The change in average bill will vary with each customer's level of natural gas usage.

The Commission will consider additional or alternative rate design proposals that were not included in the Company's application and may order increases or decreases in individual rate schedules that differ from those proposed by the Company.

OTHER MATTERS

A list of present rates, together with details of the proposed adjustments in rates, can be obtained at the business offices of Piedmont, or at the Office of the Chief Clerk of the Commission, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of the application is available for review. These materials, as well as pleadings, pre-filed testimony and exhibits of other parties, hearings transcripts, briefs, and proposed orders, may be viewed as they become available on the Commission's web site at www.ncuc.net. Hover over the "Dockets" tab, click on "Docket Search," and type in the docket (G-9) and sub-docket (743) numbers. Then click the "Documents" tab located under Docket No. G-9, Sub 743 on left side of screen.

The Commission has suspended the proposed rate changes and has scheduled the application for investigation and hearing. Persons who desire to present testimony for the record should appear at one of the public hearings. Persons who desire to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300, and reference Docket No. G-9, Sub 743. However, such written statements cannot be considered competent evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements.

FURTHER NOTICE IS GIVEN that the North Carolina Utilities Commission has set the hearings for the application for a general rate increase as follows:

- High Point: Tuesday, July 9, 2019, at 7:00 p.m.
High Point Courthouse
505 East Green Drive
Courtroom 434
High Point, North Carolina 27260
- Charlotte: Wednesday, July 10, 2019, at 7:00 p.m.
Mecklenburg County Courthouse
832 East 4th Street
Courtroom 5350
Charlotte, North Carolina 28202
- Wilmington: Wednesday, July 17, 2019, at 7:00 p.m.
New Hanover County Courthouse
316 Princess Street
Courtroom 317
Wilmington, North Carolina 28401

Raleigh: Monday, August 19, 2019, at 2:00 p.m.
Dobbs Building
430 North Salisbury Street
Commission Hearing Room No. 2115
Second Floor
Raleigh, North Carolina 27603

The hearings on July 9, July 10, and July 17, 2019, shall be for the purpose of receiving only the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings. The hearing will resume in Raleigh on Monday, August 19, 2019, at 2:00 p.m., and continue as required for the testimony and cross-examination of expert witnesses for the Company, the Public Staff, and other intervenors.

Persons having an interest in the investigation and desiring to intervene in the matter as formal parties of record may file their petitions to intervene not later than July 19, 2019, and in accordance with Rules R1-5 and R1-19 of the Commission's Rules and Regulations. These petitions should reference Docket No. G-9, Sub 743, and should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. All parties and intervenors to this proceeding planning to present testimony must prefile their testimony and exhibits not later than July 19, 2019.

The Public Staff – North Carolina Utilities Commission, through its Executive Director, is required by statute to represent the using and consuming public in proceedings before the Commission. Statements to the Executive Director should be addressed to:

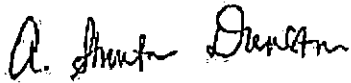
Mr. Christopher J. Ayers
Executive Director
Public Staff - NCUC
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

The Attorney General is also authorized to represent the using and consuming public in proceedings before the Commission. Statements to the Attorney General should be addressed to:

The Honorable Josh Stein
Attorney General of North Carolina
c/o Consumer Protection - Utilities
9001 Mail Service Center
Raleigh, North Carolina 27699-9001

This the 16th day of May, 2019.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Deputy Clerk

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Aug 26 2019

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
Attorney General Settlement Data Request to Public Staff
Date Issued: August 14, 2019
Response Date: August 16, 2019

3. Please provide Patel Exhibit III (which shows the Public Staff recommended margin changes and flowback of EDIT for Year 1 and Year 2), but instead of the Public Staff recommendation, show the Settlement margin changes and flowback of EDIT.

Response:

The EDIT refund mechanism is a calculation that takes the total EDIT refund for the three distinct time periods (Year 1, Years 2-3, Years 4-5) and allocates that balance amongst four groups of customers as follows:

The EDIT refund mechanism is a calculation that takes the total EDIT refund for the three distinct time periods (Year 1, Years 2-3, Years 4-5) and allocates that balance amongst four groups of customers as follows:

Residential	Rate Schedule 101
Commercial	Rate Schedules 102, 142, 152
Large General – Firm	Rate Schedules 103, 113, T-10, T-12, 12
Large General – Interruptible	Rate Schedules 104, 114

Each of these four categories is assigned an apportionment based on the non-gas cost margin of the stipulated rates as contained in Exhibit F – Revised Integrity Management Rider that was filed on August 12, 2019 with the Stipulation. See Section 4 – Computation of Biannual Integrity Management Rider. Those balances in each of the four groups are then divided by the annual volumes for each group to arrive at the unit rates for the EDIT flowback. Therefore, there are four distinct unit rates assigned to each volumetric charge that refunds the EDIT.

Each of these four categories is assigned an apportionment based on the non-gas cost margin of the stipulated rates as contained in Exhibit F – Revised Integrity Management Rider that was filed on August 12, 2019 with the Stipulation. See Section 4 – Computation of Biannual Integrity Management Rider. Those balances in each of the four groups are then divided by the annual volumes for each group to arrive at the unit rates for the EDIT flowback. Therefore, there are four distinct unit rates assigned to each volumetric charge that refunds the EDIT.

See attachment.

Name and position of person providing the response: Jan A. Larsen, Director – Public Staff Natural Gas Division; Neha Patel, Public Utilities Engineer – Public Staff Natural Gas Division.

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Revised Patel Exhibit III

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
STIPULATED
MARGIN CHANGES AND FLOWBACK OF EDIT

Rate Schedule	Change in Margin		Flow Back of EDIT	
	(\$)	(%)	Year 1 (\$)	Years 2-3 (\$)
101	\$68,521,683	14.7%	(\$52,300,325)	(\$28,528,165)
102	32,775,300	14.7%	(20,571,610)	(11,226,291)
152	4,978,853	14.7%	(3,734,969)	(2,038,239)
142	129,812	14.7%	(59,149)	(32,279)
103	56,912	2.0%	(161,284)	(88,090)
104	24,773	3.3%	(54,727)	(29,819)
113	1,337,586	4.0%	(1,960,002)	(1,070,511)
114	892,419	3.5%	(1,812,516)	(987,589)
<u>T-10</u>	<u>77,946</u>	<u>3.4%</u>	<u>(84,361)</u>	<u>(46,076)</u>
Overall	\$108,795,285	13.7%	(\$80,738,942)	(\$44,047,057)

Combined Margin & Flow Back of EDIT				
Rate Schedule	Year 1 (Nov'19 - Oct'20)		Years 2-3 (Nov'20 - Oct'22)	
	(\$)	(%)	(\$)	(%)
101	\$16,221,358	3.5%	\$39,993,518	8.6%
102	12,203,690	5.5%	21,549,009	9.7%
152	1,243,883	3.7%	2,940,614	8.7%
142	70,663	8.0%	97,534	11.1%
103	(104,372)	-0.8%	(31,178)	-0.2%
104	(29,954)	-0.8%	(5,046)	-0.1%
113	(622,416)	-2.2%	267,076	0.9%
114	(920,097)	-4.0%	(95,170)	-0.4%
<u>T-10</u>	<u>(6,414)</u>	<u>-0.3%</u>	<u>31,870</u>	<u>1.4%</u>
Overall	\$28,056,343	3.5%	\$64,748,228	8.2%

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CUSTOMER IMPACT OF ROE

	Settlement Sch 4		Settlement Sch 5	
	Net Operating Income Income		Additional Gross	
	After Proposed Increase		Revenue Requirement	
52% Equity/9.7 ROE	\$	246,595,668	\$	108,796,785
		Change		Change
52% Equity/8.70% ROE	\$	228,652,491	\$ (17,943,177)	\$ 85,341,751 \$ (23,455,034)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
RETURN ON EQUITY AND ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2018

Line No.	Item	Capitalization Ratios (a)	Original Cost Rate Base (b)	Before Recommended Increase			Rate Base (f)	After Recommended Increase		
				Embedded Cost/Return % (c)	Weighted Cost/Return % (d)	Net Operating Income (e)		Embedded Cost/Return % (g)	Weighted Cost/Return % (h)	Net Operating Income (i)
1	Long term debt	47.15%	\$1,622,238,909	4.41% [1]	2.08% [5]	\$71,540,736	\$1,626,963,063	4.41%	2.08% [10]	\$71,749,071
2	Short term debt	0.85%	29,245,028	2.72% [1]	0.02% [5]	795,465	29,330,193	2.72%	0.02% [10]	797,781
3	Common equity	52.00%	1,789,107,598	5.09% [4]	2.64% [5]	90,978,226	1,794,317,694	9.70%	5.04% [10]	174,048,816
4	Totals	100.00%	\$3,440,591,535		4.74% [6]	\$163,314,427	\$3,450,610,950		7.14% [11]	\$246,595,668

[1] Per Public Staff Witness Hinton.

[2] Column (a) x Column (b), Line 4.

[3] Settlement Exhibit I, Schedule 2.

[4] Column (e) / Column (b).

[5] Column (a) x Column (c).

[6] Column (e), Line 4 / Column (b), Line 4.

[7] Column (b) x Column (c).

[8] Column (e), Line 4 - Line 1 - Line 2.

[9] Settlement Exhibit I, Schedule 3.

[10] Column (a) x Column (f).

[11] Column (h), Line 4 / Column (b), Line 4.

[12] Column (b) x Column (f).

[13] Sum of Line 1 thru L3.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
**CALCULATION OF INCREASE (DECREASE) IN
REVENUE REQUIREMENT**
For The Test Year Ended December 31, 2018

Line No.	Item	Debt		Equity (c)	Total (d)
		Long Term (a)	Short Term (b)		
1	Required net operating income	\$71,749,071 [1]	\$797,781 [1]	\$174,048,816 [1]	\$246,595,668
2	Net operating income before proposed increase	<u>71,540,736 [2]</u>	<u>795,465 [2]</u>	<u>90,978,226 [2]</u>	<u>163,314,427</u>
3	Additional net operating income requirement (L1 - L2)	208,335	2,316	83,070,590	83,281,241
4	Retention factor	<u>0.993223 [3]</u>	<u>0.993223 [3]</u>	<u>0.7650304 [4]</u>	
5	Additional gross revenue requirement (L3 / L4)	<u>\$209,756</u>	<u>\$2,332</u>	<u>\$108,584,697</u>	<u>\$108,796,785</u>

[1] Settlement Exhibit I, Schedule 4, Column (h).

[2] Settlement Exhibit I, Schedule 4, Column (e).

[3] Settlement Exhibit I, Schedule 5 (a), Column (d), Line 10.

[4] Settlement Exhibit I, Schedule 5 (a), Column (d), Line 13.

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Modified to Show
52% Equity Cap Structure
8.70% ROE

Settlement Exhibit I
Schedule 4

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
RETURN ON EQUITY AND ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2018

Line No.	Item	Capitalization Ratios (a)	Original Cost Rate Base (b)	Before Recommended Increase			Rate Base (f)	After Recommended Increase		
				Embedded Cost/Return % (c)	Weighted Cost/Return % (d)	Net Operating Income (e)		Embedded Cost/Return % (g)	Weighted Cost/Return % (h)	Net Operating Income (i)
1	Long term debt	47.15%	\$1,622,238,909 [2]	4.41% [1]	2.08% [5]	\$71,540,736 [7]	\$1,626,963,063	4.41%	2.08% [10]	\$71,749,071 [12]
2	Short term debt	0.85%	29,245,028 [2]	2.72% [1]	0.02% [5]	795,465 [7]	29,330,193	2.72%	0.02% [10]	797,781 [12]
3	Common equity	52.00%	1,789,107,598 [2]	5.09% [4]	2.64% [5]	90,978,862 [8]	1,794,317,694	8.70%	4.52% [10]	156,105,639 [12]
4	Totals	100.00%	\$3,440,591,535 [3]		4.74% [6]	\$163,315,063 [9]	\$3,450,610,950		6.62% [11]	\$228,652,491 [13]

[1] Per Public Staff Witness Hinton.

[2] Column (a) x Column (b), Line 4.

[3] Settlement Exhibit I, Schedule 2.

[4] Column (e) / Column (b).

[5] Column (a) x Column (c).

[6] Column (e), Line 4 / Column (b), Line 4.

[7] Column (b) x Column (c).

[8] Column (e), Line 4 - Line 1 - Line 2.

[9] Settlement Exhibit I, Schedule 3.

[10] Column (a) x Column (f).

[11] Column (h), Line 4 / Column (b), Line 4.

[12] Column (b) x Column (f).

[13] Sum of Line 1 thru L3.

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Modified to Show
52% Equity Cap Structure 8.7% ROE

Settlement Exhibit I
Schedule 5

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
**CALCULATION OF INCREASE (DECREASE) IN
REVENUE REQUIREMENT**
For The Test Year Ended December 31, 2018

Line No.	Item	Debt		Equity (c)	Total (d)
		Long Term (a)	Short Term (b)		
1	Required net operating income	\$71,749,071 [1]	\$797,781 [1]	\$156,105,639 [1]	\$228,652,491
2	Net operating income before proposed increase	<u>71,540,736 [2]</u>	<u>795,465 [2]</u>	<u>90,978,862 [2]</u>	<u>163,315,063</u>
3	Additional net operating income requirement (L1 - L2)	208,335	2,316	65,126,777	65,337,428
4	Retention factor	<u>0.993223 [3]</u>	<u>0.993223 [3]</u>	<u>0.7650304 [4]</u>	
5	Additional gross revenue requirement (L3 / L4)	<u>\$209,756</u>	<u>\$2,332</u>	<u>\$85,129,663</u>	<u>\$85,341,751</u>

[1] Settlement Exhibit I, Schedule 4, Column (h).

[2] Settlement Exhibit I, Schedule 4, Column (e).

[3] Settlement Exhibit I, Schedule 5 (a), Column (d), Line 10.

[4] Settlement Exhibit I, Schedule 5 (a), Column (d), Line 13.

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Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Exhibit_(PKP-1)

1A

Summary of Rate Base

	As of December 31, 2018	As of June 30, 2019
1 Utility Plant in Service	\$ 5,230,006,753	\$ 5,515,089,478
2 Accumulated Depreciation	(1,464,563,084)	(1,528,820,157)
3 Allowance for Working Capital	170,150,675	188,233,415
4 Accumulated Deferred Income Taxes	(826,960,713)	(875,325,559)
5 Total End of Period Net Investment	<u>\$ 3,108,633,631</u>	<u>\$ 3,299,177,177</u>

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Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Exhibit_(PKP-2)

1A

Utility Plant in Service:
Original Cost of Property Used and Useful
at December 31, 2018

1	Intangible Plant	\$	3,088,881	0.06%
2	Storage Plant		111,416,739	2.13%
3	Transmission Plant		2,558,740,963	48.92%
4	Distribution Plant		2,127,736,635	40.68%
5	General Plant Depreciated		165,287,758	3.16%
6	General Plant Amortized		263,735,777	5.04%
7	Total	\$	<u>5,230,006,753</u>	<u>100.00%</u>

These amounts delineated by individual utility plant account are shown in G-1, Item 18.

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Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Exhibit_(PKP-3)

1A

Accumulated Depreciation of Property Used and Useful
at December 31, 2018

1	Intangible Plant	\$	3,088,881	0.21%
2	Storage Plant		34,014,016	2.32%
3	Transmission Plant		340,827,769	23.27%
4	Distribution Plant		896,053,559	61.18%
5	General Plant Depreciated		61,078,553	4.17%
6	General Plant Amortized		129,500,306	8.84%
7	Total	\$	<u>1,464,563,084</u>	<u>100.00%</u>

These amounts delineated by individual utility plant account are shown in G-1, Item 22.

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Exhibit_(PKP-4)

1A

Allowance for Working Capital
13-Month Average at December 31, 2018

1	Natural Gas Stored	\$	39,714,182
2	Cash Working Capital Per Lead-Lag Study		37,151,580
3	Materials and Supplies		1,432,123
4	Fleet and Other Overheads		681,358
5	Accrued Vacation Liability		(10,610,719)
6	Accrued Interest on Customer Deposits		(3,573,419)
7	Customer Deposits		(9,113,721)
8	Cash Working Funds		107,078
9	Prepaid Insurance		947,936
10	Deferred Revenue and Other WIP		(21,765,774)
11	Regulatory Assets for Deferred Expenses		47,976,134
12	Pension Accrual and OPEB		87,203,917
13	Total Allowance for Working Capital	\$	<u>170,150,675</u>

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Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Exhibit_(PKP-5)

1A

Accumulated Deferred Income Taxes
at December 31, 2018

1	Accumulated Deferred Income Taxes	\$ (388,502,412)
2	Regulatory Liabilities Related to Income Taxes	(438,458,301)
3	Total Accumulated Deferred Income Taxes (ADIT)	<u>\$ (826,960,713)</u>
4	Portion of Total ADIT that is Protected Excess the 2017 Federal Tax Cuts and Jobs Act	\$ (214,876,299)
5	Portion of Total ADIT that is Unprotected Excess - PPE created by the 2017 Federal Tax Cuts and Jobs Act	(57,202,133)
6	Portion of Total ADIT that is Unprotected Excess - Non PPE created by the 2017 Federal Tax Cuts and Jobs Act	(19,018,156)
7	Portion of Total ADIT that is Excess created by the 2017 Federal Tax Cuts and Jobs Act	<u>(291,096,587)</u>
8	Portion of Total ADIT that is Unprotected Excess created by the decreases in NC FIT rate since 2015	(43,280,669)
9	Grand Total Excess ADIT	<u>\$ (334,377,257)</u>

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1A

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Depreciation Policy & Rates

Depreciation expense is computed monthly using the straight-line method applied to end-of-the-month depreciable costs.

The Commission requires a periodic review of the Company's depreciation rates. The depreciation rates currently in effect are from a study performed in 2010/2011 based on the estimated remaining service lives of depreciable property in service as of October 31, 2009. Piedmont adopted these rates effective January 1, 2014, as approved by the Commission in Docket No. G-9 Sub 631 (order dated December 17, 2013). In 2016 Piedmont filed a depreciation study in Docket No. G-9 Sub 77H, based on the estimated remaining service lives of depreciable property in service as of October 31, 2014. In this current rate case proceeding, Piedmont is filing a new depreciation study based on the estimated remaining service lives of depreciable property in service as of September 30, 2018. Piedmont is requesting approval from the Commission to begin using these new depreciation rates concurrent with the month that new billing rates take effect from this general rate case proceeding.

Depreciation of Piedmont's LNG plant located in North Carolina is allocated between North Carolina and South Carolina on the basis of design day demand. Depreciation on other jointly-used property is allocated between North Carolina, South Carolina and Tennessee, or between North Carolina and South Carolina only, on the basis of net plant, depending on the actual usage of the property.

Listed below are the composite depreciation rates by major asset category based on pro forma plant in service balances presented in Exhibit_(PKP-7). The proposed depreciation rates for each specific utility plant account are shown in the depreciation study presented in this application as an exhibit accompanying the direct filed testimony of witness Dane Watson.

Intangible Plant	11.47%
Storage Plant	2.43%
Transmission Plant	1.84%
Distribution Plant	2.23%
General Plant Depreciated	4.09%
General Plant Amortized	8.62%
Total Gas Plant	2.48%

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
North Carolina Operations
Net Operating Income and Rate of Return
For the 12 Months Ended December 31, 2018

EXHIBIT_(PKP-7)
Page 1 of 5

1A

Line No.		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
		Per Books Test Period	Accounting & Pro Forma Adjustments	After Accounting & Pro Forma Adjustments	Proposed Margin Increase	After Adjustments For Proposed Margin Increase	Cost of Gas Adjustment	Subtotal	EDIT Rider	Total Proposed Revenues After All Adjustments
1	Operating Revenues									
2	Sale and Transportation of Gas	883,966,319	32,300,788 (1)	916,267,107	118,116,597 (13)	1,034,383,704	1,665,536 (17)	1,036,049,240	(36,963,249) (20)	999,085,991
3	Other Operating Revenues	7,005,460	(2,662,085) (2)	4,343,374	-	4,343,374	-	4,343,374	-	4,343,374
3	Total Operating Revenues	890,971,779	29,638,703	920,610,481	118,116,597	1,038,727,078	1,665,536	1,040,392,615	(36,963,249)	1,003,429,366
4	Operating Expenses									
5	Cost of Gas	345,999,746	(12,979,307) (3)	333,020,439	-	333,020,439	1,645,341 (18)	334,665,780	-	334,665,780
6	Operations and Maintenance	206,849,014	21,044,045 (4)	227,893,060	1,432,223 (14)	229,325,283	20,195 (19)	229,345,478	(448,198) (21)	228,897,280
7	Depreciation	115,752,686	20,854,632 (5)	136,607,318	-	136,607,318	-	136,607,318	-	136,607,318
8	General Taxes	29,415,586	1,987,117 (6)	31,402,703	-	31,402,703	-	31,402,703	-	31,402,703
9	State Income Taxes	7,466,107	(4,483,469) (7)	2,982,638	2,917,109 (15)	5,899,747	-	5,899,747	(10,834,636) (22)	(4,934,889)
10	Federal Income Taxes	28,265,034	(3,837,227) (8)	24,427,807	23,891,126 (16)	48,318,933	-	48,318,933	(13,426,511) (23)	34,892,422
11	Amortization of Investment Tax Credits	(118,395)	38,971 (9)	(79,424)	-	(79,424)	-	-	-	(79,424)
11	Total Operating Expenses	733,629,778	22,624,762	756,254,541	28,240,458	784,494,999	1,665,536	786,160,535	(12,253,904)	761,451,189
12	Net Operating Income	157,342,000	7,013,940	164,355,941	89,876,139	254,232,081	-	254,232,081	(12,253,904)	241,978,177
13	Interest on Customers' Deposits	796,448	-	796,448	-	796,448	-	796,448	-	796,448
14	Amortization of Overcollected FIT Revenues	-	-	-	-	-	-	-	(12,253,904) (24)	(12,253,904)
15	Net Operating Income for Return	156,545,553	7,013,940	163,559,493	89,876,140	253,435,633	-	253,435,633	-	253,435,633
16	Original Cost Rate Base									
17	Plant in Service	5,230,006,753	285,082,725 (10)	5,515,089,478						5,515,089,478
18	Accumulated Depreciation	(1,464,563,084)	(64,257,073) (11)	(1,528,820,157)						(1,528,820,157)
18	Net Plant in Service	3,765,443,669	220,825,652	3,986,269,321						3,986,269,321
19	Allowance for Working Capital	170,150,675	18,082,740 (12)	188,233,415						188,233,415
20	Accumulated Deferred Income Taxes	(826,960,713)	(48,364,846) (12a)	(875,325,559)						(875,325,559)
21	Original Cost Rate Base	3,108,633,631	190,543,546	3,299,177,177						3,299,177,177
22	Rate of Return									
22	On Original Cost Rate Base	5.04%		4.96%						7.68%

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Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
North Carolina Operations
Return on Common Equity and Original Cost Net Investment
At December 31, 2018

EXHIBIT_(PKP-7)
Page 2 of 5

Line No.		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
		Test Period			After Accounting and Pro Forma Adjustments				
		Per Books @ 12/31/2018	Per Books Ratio	Cost Net Investment	Pro Forma Ratio	Cost Net Investment	Embedded Cost	Weighted Cost	Net Operating Income
1	Long-Term Debt	1,783,237,924	45.56%	1,416,243,157	47.18%	1,556,492,778	4.55%	2.15%	70,820,421
2	Short-Term Debt Proxy	39,714,182	1.01%	31,540,905	0.82%	27,112,267	2.82%	0.02%	764,566
3	Common Equity	2,091,229,831	53.43%	1,660,849,569	52.00%	1,715,572,132	5.36%	2.79%	91,974,506
4	Total	\$ 3,914,181,937	100.00%	\$ 3,108,633,631	100.00%	\$ 3,299,177,177		4.96%	\$ 163,559,493

After Adjustments for Proposed Rates.

	Cost Net Investment	Embedded Cost	Weighted Cost	Net Operating Income
5 Long-Term Debt	1,556,492,778	4.55%	2.15%	70,820,421
6 Short-Term Debt Proxy	27,112,267	2.82%	0.02%	764,566
7 Common Equity	1,715,572,132	10.60%	5.51%	181,850,646
8 Total	\$ 3,299,177,177		7.68%	\$ 253,435,633

After Adjustments for Proposed Rates

	Retention Factor	(Pre-Tax ROR) Gross Rev. Factor	Tax Factor	Net of Tax Weighted Cost
9 Long-Term Debt	0.9878745	2.18%	0.7609103	1.64%
10 Short-Term Debt Proxy	0.9878745	0.02%	0.7609103	0.02%
11 Common Equity	0.7609103	7.24%	1.0000000	5.51%
12 Total		9.44%		7.16%

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Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
North Carolina Operations
Pro Forma Adjustments
For the 12 Months Ended December 31, 2018

Line
No.

1	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues to the going-level basis per present rates.	<u>32,300,788</u>
2	<u>Operating Revenues - Other Revenues</u> To decrease revenues to the going-level basis.	<u>(2,662,085)</u>
3	<u>Cost of Gas</u> To decrease cost of gas to the going-level basis per present rates.	<u>(12,979,307)</u>
4	<u>Operations and Maintenance Expenses</u>	
A	To increase salaries & wages expense to the going-level basis.	2,407,546
B	To increase short-term incentive plan expense to the going-level basis.	203,929
C	To increase long-term incentive plan expense to the going-level basis.	617,434
D	To decrease pension expense to the going-level basis.	(2,028,528)
E	To increase employee benefits expense to the going-level basis.	1,411,576
F	To increase rents expense to the going-level basis.	228,686
G	To increase GTI program dues expense to the going-level basis.	135,000
H	To increase energy efficiency program expense to the going-level basis.	1,225,000
I	To increase the provision of uncollectibles expense to the going-level basis.	1,020,327
J	To decrease expenses for allocations to non-utility activities.	(44,703)
K	To increase expenses to reflect customer growth.	256,028
L	To increase line locates expense to the going-level basis.	1,691,666
M	To decrease the regulatory amortization expense for deferred environmental cleanup costs.	(1,461,658)
N	To increase the regulatory amortization expense for deferred transmission integrity management program costs.	12,202,827
O	To decrease the regulatory amortization expense for deferred NCNG OPEB costs.	(70,735)
P	To increase the regulatory amortization expense for deferred rate case costs.	348,458
Q	To increase regulatory amortization expense for deferred regulatory fee costs.	124,899
R	To increase current regulatory fee expense to the going-level.	407,989
S	To increase risk insurance expense to the going level.	775,944
T	To increase expenses for inflation and going-level jurisdictional allocations.	<u>1,592,360</u>
	Total	<u>21,044,045</u>

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Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
North Carolina Operations
Pro Forma Adjustments
For the 12 Months Ended December 31, 2018

Line
No.

5	<u>Depreciation and Amortization Expense</u> To increase depreciation and amortization expense to the going-level basis, based on new depreciation rates and following adjustment 10.	<u>20,854,632</u>
6	<u>General Taxes</u>	
	A To increase payroll tax expense to the going-level basis following adjustment 4.	278,332
	B To increase property tax expense to the going-level basis.	2,276,162
	C To decrease NC franchise tax expense to the going-level basis.	<u>(567,377)</u>
	Total	<u>1,987,117</u>
7	<u>State Income Taxes</u> To decrease state income tax expense (rate of 2.5%) following all adjustments to operating revenues and expenses described previously.	<u>(4,483,469)</u>
8	<u>Federal Income Taxes</u> To decrease federal income tax expense (rate of 21%) following all adjustments to operating revenues, expenses and state income tax expense described previously.	<u>(3,837,227)</u>
9	<u>Amortization of Investment Tax Credits</u> To increase amortization of investment tax credits to the going-level basis.	<u>38,971</u>
10	<u>Plant in Service</u> To increase plant in service for projected additions through June 30, 2019.	<u>285,082,725</u>
11	<u>Accumulated Depreciation</u> To increase accumulated depreciation following adjustment 10.	<u>(64,257,073)</u>
12	<u>Allowance for Working Capital</u> To increase the allowance for working capital to reflect anticipated changes through June 30, 2019.	<u>18,082,740</u>
12a	<u>Accumulated Deferred Income Taxes</u> To increase accumulated deferred income taxes through June 30, 2019, as projected.	<u>(48,364,846)</u>
13	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues for the sale and transportation of gas following all accounting and pro forma adjustments previously described.	<u>118,116,597</u>
14	<u>Operations and Maintenance Expenses</u>	
	A To increase the provision for uncollectible accounts (rate of 1.07405%) following adjustment 13.	1,268,631
	B To increase regulatory fee expense (rate of .14% after the provision for uncollectible accounts) following adjustment 13.	<u>163,591</u>
	Total	<u>1,432,222</u>

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North Carolina Operations
Pro Forma Adjustments
For the 12 Months Ended December 31, 2018

Line
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15	<u>State Income Taxes</u> To increase state income tax expense (rate of 2.5%) following adjustments 13 and 14.	<u>2,917,109</u>
16	<u>Federal Income Taxes</u> To increase federal income tax expense (rate of 21%) following adjustments 13, 14 and 15.	<u>23,891,126</u>
17	<u>Operating Revenues - Sales and Transportation of Gas</u> To increase revenues for the sale and transportation of gas following adjustments 18 and 19.	<u>1,665,536</u>
18	<u>Cost of Gas</u> To increase the demand cost of gas to the going-level basis.	<u>1,645,341</u>
19	<u>Operations and Maintenance Expenses</u> A To increase the provision for uncollectible accounts (rate of 1.07405%) following adjustment 17. B To increase regulatory fee expense (rate of .14% after the provision for uncollectible accounts) following adjustment 17.	17,888 <u>2,307</u>
	Total	<u>20,195</u>
20	<u>Operating Revenues - Sale and Transportation of Gas</u> To decrease revenues for the sale and transportation of gas pursuant to the EDIT Rider.	<u>(36,963,249)</u>
21	<u>Operations and Maintenance Expenses</u> A To decrease the provision for uncollectible accounts (rate of 1.07405%) following adjustment 20. B To decrease regulatory fee expense (rate of .14% after the provision for uncollectible accounts) following adjustment 20.	(397,003) <u>(51,194)</u>
	Total	<u>(448,197)</u>
22	<u>State Income Taxes</u> To decrease state income tax expense (rate of 2.5%) following the proposed amortized return of excess accumulated deferred income taxes pursuant to the EDIT Rider.	<u>(10,834,636)</u>
23	<u>Federal Income Taxes</u> To decrease state income tax expense (rate of 2.5%) following the proposed amortized return of excess accumulated deferred income taxes pursuant to the EDIT Rider.	<u>(13,426,511)</u>
24	<u>Amortization of Overcollected FIT Revenues</u> To decrease revenues for the amortized return of certain overcollected federal income tax revenues pursuant to the EDIT Rider.	<u>(12,253,904)</u>

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Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743

Exhibit_(PKP-8)
Page 1 of 2

1A

Consolidated Income Statement
for the Twelve Months Ending December 2018

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	Piedmont Natural Gas
Revenues	
Regulated Natural Gas	\$ 1,365,257,342
Non-Regulated Electric, Natural Gas and Other	9,925,240
Total Operating Revenues	1,375,182,582
Cost of Natural Gas and Coal Sold	584,410,907
Operations, Maintenance and Other	356,878,998
Depreciation and Amortization	159,455,243
Property and Other Taxes	48,587,550
Total Operating Expenses	1,149,332,699
Other Operating Gains and Losses	(550)
Operating Income	225,849,334
71XX_OTHER_INCOME - Other Income	13,012,216
7310_INT_DIV - Interest and Dividends	163,397
7330_INTERCO_INT - Intercompany Interest Income	300,640
Other Income and Expenses	13,476,253
Interest Expense	81,198,097
Earnings From Continuing Operations Before Income Taxes	158,127,489
Net Income (Loss) attributable to non controlling interests	0
Pretax Income Attributable to Duke Energy Corp	158,127,489
Income Tax Expense (Benefit) From Continuing Operations	34,989,774
Income From Continuing Operations Attributable to Duke Energy Corp	123,137,715
Income (Loss) From Continuing Operations	123,137,715
Earnings (Loss) of Subsidiaries	5,396,877
Consolidated Net Income	128,534,592
Less: Net Income (Loss) attributable to non controlling interests	0
Net Income Attributable to Controlling Interest	\$ 128,534,592

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743

Exhibit_(PKP-8)
Page 2 of 2

Consolidated Balance Sheet
As of December 31, 2018

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Aug 26 2019

ASSETS

	Piedmont Natural Gas
Cash and Cash Equivalents	\$ (1,951,648)
Receivables	254,902,762
Receivables from affiliated companies	81,270,401
Inventory	69,501,088
Regulatory Assets	30,117,125
Other	19,671,296
Total Current Assets	453,511,023
Net Property Plant and Equipment	5,911,127,854
Goodwill	48,852,311
Regulatory Assets	303,468,674
Investment in Consolidated Subsidiaries	(15,575,584)
Other	49,365,349
Total Other Noncurrent Assets	386,110,750
Total Assets	<u>\$ 6,750,749,626</u>

LIABILITIES AND EQUITY

Accounts Payable	\$ 188,066,366
Accounts payable to affiliated companies	38,454,986
Notes payable to affiliated companies	197,905,000
Taxes Accrued	83,786,481
Interest Accrued	31,188,708
Current Maturities of Long-Term Debt	349,898,423
Regulatory Liabilities	11,018,591
Other	57,889,387
Total Current Liabilities	958,207,941
2507_LTD_UNSEC_FIX - Long-Term Debt - Unsec Fix	1,800,000,000
2520_UNAMT_DEBT_DISC - Unamortized Debt Discount	\$ (861,280)
1812_UNAMORT_DEBT - Unamortized Debt Expense	11,193,588
*Long-Term Debt	1,787,945,132
Deferred Income Taxes	533,851,260
Asset Retirement Obligations	18,862,522
Regulatory Liabilities	1,182,983,149
Accrued Pension and Other Post-Retirement Benefit Costs	4,067,424
Investment Tax Credit	545,118
Other	173,057,248
Total Other Noncurrent Liabilities	1,913,366,721
Common Stock	859,846,537
Additional Paid in Capital	300,000,000
Retained Earnings	931,005,587
Accumulated Other Comprehensive Income	377,709
Equity	2,091,229,833
Total Liabilities and Common Stockholders' Equity	<u>\$ 6,750,749,626</u>

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Exhibit_(PKP-1 UPDATED)

1A

Summary of Rate Base

		ESTIMATE PER COMPANY'S ORIGINAL FILED APPLICATION		AS UPDATED TO ACTUALS
		As of December 31, 2018	As of June 30, 2019	As of June 30, 2019
1	Utility Plant in Service	\$ 5,230,006,753	\$ 5,515,089,478	\$ 5,524,939,964
2	Accumulated Depreciation	(1,464,563,084)	(1,528,820,157)	(1,508,506,101)
3	Allowance for Working Capital	170,150,675	188,233,415	197,312,173
4	Accumulated Deferred Income Taxes	(826,960,713)	(875,325,559)	(849,671,872)
5	Total End of Period Net Investment	<u>\$ 3,108,633,631</u>	<u>\$ 3,299,177,177</u>	<u>\$ 3,364,074,164</u>

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Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Exhibit_(PKP-2 UPDATED)

1A

Utility Plant in Service:
Original Cost of Property Used and Useful

		As of December 31, 2018*		As of June 30, 2019		As of June 30, 2019		
		\$						
1	Intangible Plant	\$	3,088,881	0.06%	3,088,881	0.06%	3,088,881	0.06%
2	Storage Plant		111,416,739	2.13%	140,123,679	2.54%	159,098,556	2.88%
3	Transmission Plant		2,558,740,963	48.92%	2,705,040,119	49.05%	2,692,141,198	48.73%
4	Distribution Plant		2,127,736,635	40.68%	2,215,946,424	40.18%	2,227,786,535	40.32%
5	General Plant Depreciated		165,287,758	3.16%	174,126,717	3.16%	184,228,066	3.33%
6	General Plant Amortized		263,735,777	5.04%	276,763,656	5.02%	258,596,728	4.68%
7	Total	\$	5,230,006,753	100.00%	\$ 5,515,089,478	100.00%	5,524,939,964	100.00%

*These amounts delineated by individual utility plant account are shown in G-1, Item 18.

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Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Exhibit_(PKP-3 UPDATED)

1A

Accumulated Depreciation of Property Used and Useful

				ESTIMATE PER COMPANY'S ORIGINAL FILED APPLICATION		AS UPDATED TO ACTUALS		
As of December 31, 2018*				As of June 30, 2019		As of June 30, 2019		
1	Intangible Plant	\$	3,088,881	0.21%	3,088,881	0.20%	3,088,881	0.20%
2	Storage Plant		34,014,016	2.32%	35,144,592	2.30%	34,240,780	2.27%
3	Transmission Plant		340,827,769	23.27%	363,719,322	23.79%	362,505,890	24.03%
4	Distribution Plant		896,053,559	61.18%	925,046,334	60.51%	922,121,916	61.13%
5	General Plant Depreciated		61,078,553	4.17%	62,388,999	4.08%	64,729,848	4.29%
6	General Plant Amortized		129,500,306	8.84%	139,432,028	9.12%	121,818,785	8.08%
7	Total	\$	1,464,563,084	100.00%	1,528,820,157	100.00%	1,508,506,101	100.00%

*These amounts delineated by individual utility plant account are shown in G-1, Item 22.

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Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Allowance for Working Capital

Exhibit_(PKP-4 UPDATED)

A

ESTIMATE
PER COMPANY'S ORIGINAL
FILED APPLICATION

AS UPDATED TO ACTUALS

	As of 12/31/2018	As of June 30, 2019	As of June 30, 2019
1 Natural Gas Stored	\$ 39,714,182	\$ 39,788,868	39,391,976
2 Cash Working Capital Per Lead-Lag Study	37,151,580	54,375,609	56,088,683
3 Materials and Supplies	1,432,123	1,478,078	1,472,326
4 Fleet and Other Overheads	681,358	447,958	452,126
5 Accrued Vacation Liability	(10,610,719)	(10,752,214)	(10,898,946)
6 Accrued Interest on Customer Deposits	(3,573,419)	(3,573,419)	(3,698,051)
7 Customer Deposits	(9,113,721)	(9,113,721)	(9,764,884)
8 Cash Working Funds	107,078	107,078	(349,349)
9 Prepaid Insurance	947,936	960,577	655,495
10 Deferred Revenue and Other WIP	(21,765,774)	(21,765,774)	(23,116,989)
11 Regulatory Assets for Def Expenses & Spec Supplier Refund	47,976,134	47,542,585	52,657,038
12 Pension Accrual and OPEB	87,203,917	88,737,790	94,422,748
13 Total Allowance for Working Capital	<u>\$ 170,150,675</u>	<u>\$ 188,233,415</u>	<u>\$ 197,312,173</u>

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Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Accumulated Deferred Income Taxes

Exhibit_(PKP-5 UPDATED)

A

	As of December 31, 2018	ESTIMATE PER COMPANY'S ORIGINAL FILED APPLICATION As of June 30, 2019	AS UPDATED TO ACTUALS As of June 30, 2019
1 Accumulated Deferred Income Taxes	\$ (388,502,412)	\$ (436,867,259)	\$ (411,212,918)
2 Regulatory Liabilities Related to Income Taxes	(438,458,301)	(438,458,301)	(438,458,954)
3 Total Accumulated Deferred Income Taxes (ADIT)	<u>\$ (826,960,713)</u>	<u>\$ (875,325,559)</u>	<u>\$ (849,671,872)</u>
4 Portion of Total ADIT that is Protected Excess the 2017 Federal Tax Cuts and Jobs Act	\$ (214,876,299)	\$ (214,876,299)	\$ (214,876,299)
5 Portion of Total ADIT that is Unprotected Excess - PPE created by the 2017 Federal Tax Cuts and Jobs Act	(57,202,133)	(57,202,133)	(57,202,133)
6 Portion of Total ADIT that is Unprotected Excess - Non PPE created by the 2017 Federal Tax Cuts and Jobs Act	(19,018,156)	(19,018,156)	(19,018,156)
7 Portion of Total ADIT that is Excess created by the 2017 Federal Tax Cuts and Jobs Act	<u>(291,096,587)</u>	<u>(291,096,587)</u>	<u>(291,096,587)</u>
8 Portion of Total ADIT that is Unprotected Excess created by the decreases in NC FIT rate since 2015	(43,280,669)	(43,280,669)	(43,280,669)
9 Grand Total Excess ADIT	<u>\$ (334,377,257)</u>	<u>\$ (334,377,257)</u>	<u>\$ (334,377,257)</u>

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Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743
North Carolina Operations

Depreciation Policy & Rates

Depreciation expense is computed monthly using the straight-line method applied to end-of-the-month depreciable costs.

The Commission requires a periodic review of the Company's depreciation rates. The depreciation rates currently in effect are from a study performed in 2010/2011 based on the estimated remaining service lives of depreciable property in service as of October 31, 2009. Piedmont adopted these rates effective January 1, 2014, as approved by the Commission in Docket No. G-9 Sub 631 (order dated December 17, 2013). In 2016 Piedmont filed a depreciation study in Docket No. G-9 Sub 77H, based on the estimated remaining service lives of depreciable property in service as of October 31, 2014. In this current rate case proceeding, Piedmont is filing a new depreciation study based on the estimated remaining service lives of depreciable property in service as of September 30, 2018. Piedmont is requesting approval from the Commission to begin using these new depreciation rates concurrent with the month that new billing rates take effect from this general rate case proceeding.

Depreciation of Piedmont's LNG plant located in North Carolina is allocated between North Carolina and South Carolina on the basis of design day demand. Depreciation on other jointly-used property is allocated between North Carolina, South Carolina and Tennessee, or between North Carolina and South Carolina only, on the basis of net plant, depending on the actual usage of the property.

Listed below are the composite depreciation rates by major asset category based on pro forma plant in service balances presented in Exhibit_(PKP-7) and Exhibit_(PKP-7 UPDATED), respectively. The proposed depreciation rates for each specific utility plant account are shown in the depreciation study presented in this application as an exhibit accompanying the direct filed testimony of witness Dane Watson.

	ESTIMATE PER COMPANY'S ORIGINAL FILED APPLICATION	AS UPDATED TO ACTUALS
	As of June 30, 2019*	As of June 30, 2019*
Intangible Plant	11.47%	11.44%
Storage Plant	2.43%	2.39%
Transmission Plant	1.84%	1.87%
Distribution Plant	2.23%	2.24%
General Plant Depreciated	4.09%	4.19%
General Plant Amortized	8.62%	8.43%
Total Gas Plant	2.48%	2.47%

*Incorporates the realignment of certain plant balances consistent with the plant categorizations in the current depreciation study.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
North Carolina Operations
Net Operating Income and Rate of Return
For the 12 Months Ended December 31, 2018

EXHIBIT_(PKP-7 UPDATED)
Page 1 of 5

1A

Line No.	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
	Per Books Test Period	Accounting & Pro Forma Adjustments	After Accounting & Pro Forma Adjustments	Proposed Margin Increase	After Adjustments For Proposed Margin Increase	Cost of Gas Adjustment	Subtotal	EDIT Rider	Total Proposed Revenues After All Adjustments
<u>Operating Revenues</u>									
1 Sale and Transportation of Gas	883,966,319	11,928,203 (1)	895,894,522	143,635,886 (13)	1,039,530,408	1,668,024 (17)	1,041,198,432	(36,867,060) (20)	1,004,331,372
2 Other Operating Revenues	7,005,460	(2,662,085) (2)	4,343,374	-	4,343,374	-	4,343,374	-	4,343,374
3 Total Operating Revenues	890,971,779	9,266,118	900,237,896	143,635,886	1,043,873,782	1,668,024	1,045,541,806	(36,867,060)	1,008,674,746
<u>Operating Expenses</u>									
4 Cost of Gas	345,999,746	(12,997,431) (3)	333,002,315	-	333,002,315	1,651,155 (18)	334,653,470	-	334,653,470
5 Operations and Maintenance	206,849,014	22,435,220 (4)	229,284,234	1,452,575 (14)	230,736,809	16,869 (19)	230,753,678	(372,833) (21)	230,380,845
6 Depreciation	115,752,686	20,924,022 (5)	136,676,708	-	136,676,708	-	136,676,708	-	136,676,708
7 General Taxes	29,415,586	2,010,517 (6)	31,426,103	-	31,426,103	-	31,426,103	-	31,426,103
8 State Income Taxes	7,466,107	(5,004,839) (7)	2,461,268	3,554,583 (15)	6,015,851	-	6,015,851	(10,834,636) (22)	(4,818,785)
9 Federal Income Taxes	28,265,034	(8,107,253) (8)	20,157,781	29,112,033 (16)	49,269,814	-	49,269,814	(13,426,511) (23)	35,843,303
10 Amortization of Investment Tax Credits	(118,395)	38,971 (9)	(79,424)	-	(79,424)	-	(79,424)	-	(79,424)
11 Total Operating Expenses	733,629,778	19,299,207	752,928,985	34,119,191	787,048,176	1,668,024	788,716,200	(24,633,980)	764,082,220
12 Net Operating Income	157,342,000	(10,033,089)	147,308,911	109,516,695	256,825,604	-	256,825,604	(12,233,080)	244,592,523
13 Interest on Customers' Deposits	796,448	-	796,448	-	796,448	-	796,448	-	796,448
14 Amortization of Overcollected FIT Revenues	-	-	-	-	-	-	-	(12,233,080) (24)	(12,233,080)
15 Net Operating Income for Return	156,545,553	(10,033,089)	146,512,463	109,516,693	256,029,156	-	256,029,156	-	256,029,156
<u>Original Cost Rate Base</u>									
16 Plant in Service	5,230,006,753	294,933,211 (10)	5,524,939,964						5,524,939,964
17 Accumulated Depreciation	(1,464,563,084)	(43,943,017) (11)	(1,508,506,101)						(1,508,506,101)
18 Net Plant in Service	3,765,443,669	250,990,194	4,016,433,863						4,016,433,863
19 Allowance for Working Capital	170,150,675	27,161,498 (12)	197,312,173						197,312,173
20 Accumulated Deferred Income Taxes	(826,960,713)	(22,711,159) (124)	(849,671,872)						(849,671,872)
21 Original Cost Rate Base	3,108,633,631	255,440,533	3,364,074,164						3,364,074,164
<u>Rate of Return</u>									
22 On Original Cost Rate Base	5.04%		4.36%						7.61%

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
North Carolina Operations
Return on Common Equity and Original Cost Net Investment
At December 31, 2018

EXHIBIT_(PKP-7 UPDATED)
Page 2 of 5

Line No.		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
		Test Period			After Accounting and Pro Forma Adjustments				
		Per Books @ 12/31/2018	Per Books Ratio	Cost Net Investment	Pro Forma Ratio	Cost Net Investment	Embedded Cost	Weighted Cost	Net Operating Income
1	Long-Term Debt	1,783,237,924	45.56%	1,416,243,157	47.18%	1,587,110,016	4.40%	2.08%	69,832,841
2	Short-Term Debt Proxy	39,714,182	1.01%	31,540,905	0.82%	27,645,583	2.78%	0.02%	768,547
3	Common Equity	2,091,229,831	53.43%	1,660,849,569	52.00%	1,749,318,565	4.34%	2.26%	75,911,075
4	Total	<u>\$ 3,914,181,937</u>	<u>100.00%</u>	<u>\$ 3,108,633,631</u>	<u>100.00%</u>	<u>\$ 3,364,074,164</u>		<u>4.36%</u>	<u>\$ 148,512,463</u>

After Adjustments for Proposed Rates

		Cost Net Investment	Embedded Cost	Weighted Cost	Net Operating Income
5	Long-Term Debt	1,587,110,016	4.40%	2.08%	69,832,841
6	Short-Term Debt Proxy	27,645,583	2.78%	0.02%	768,547
7	Common Equity	1,749,318,565	10.60%	5.51%	185,427,768
8	Total	<u>\$ 3,364,074,164</u>		<u>7.61%</u>	<u>\$ 256,029,156</u>

After Adjustments for Proposed Rates

		Retention Factor	(Pre-Tax ROR) Gross Rev. Factor	Tax Factor	Net of Tax Weighted Cost
9	Long-Term Debt	0.9898871	2.10%	0.7702500	1.60%
10	Short-Term Debt Proxy	0.9898871	0.02%	0.7702500	0.02%
11	Common Equity	0.7624605	7.23%	1.0000000	5.51%
12	Total		<u>9.35%</u>		<u>7.13%</u>

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Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
North Carolina Operations
Pro Forma Adjustments
For the 12 Months Ended December 31, 2018

Line No.	PER COMPANY'S ORIGINAL FILED APPLICATION	PER COMPANY'S ORIGINAL FILED APPLICATION	AS UPDATED	CAUSE OF UPDATE
1	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues to the going-level basis per present rates.	32,300,788	11,928,203	no change
2	<u>Operating Revenues - Other Revenues</u> To decrease revenues to the going-level basis.	(2,662,085)	(2,662,085)	no change
3	<u>Cost of Gas</u> To decrease cost of gas to the going-level basis per present rates.	(12,979,307)	(12,997,431)	to align with updated pro forma revenue computation (COG revenues)
4	<u>Operations and Maintenance Expenses</u>			
A	To increase salaries & wages expense to the going-level basis.	2,407,546	2,659,050	to align with actual employee salary and wage rates at June 30, 2019
B	To increase short-term incentive plan expense to the going-level basis.	203,929	223,883	to align with the update to Adjustment 4A
C	To increase long-term incentive plan expense to the going-level basis.	617,434	617,434	no change
D	To decrease pension expense to the going-level basis.	(2,028,528)	(2,028,528)	no change
E	To increase employee benefits expense to the going-level basis.	1,411,576	1,411,576	no change
F	To increase rents expense to the going-level basis.	228,686	228,686	no change
G	To increase GTI program dues expense to the going-level basis.	135,000	135,000	no change
H	To increase energy efficiency program expense to the going-level basis.	1,225,000	1,225,000	no change
I	To increase the provision of uncollectibles expense to the going-level basis.	1,020,327	(276,897)	to align with the updated pro forma revenue computation and the correction of error in computation of uncollectibles factor
J	To decrease expenses for allocations to non-utility activities.	(44,703)	(44,703)	no change
K	To increase expenses to reflect customer growth.	256,028	256,028	no change
L	To increase line locates expense to the going-level basis.	1,691,666	1,691,666	no change
M	To decrease the regulatory amortization expense for deferred environmental cleanup costs.	(1,461,658)	(1,426,128)	to update to actual deferred expenses thru June 30, 2019
N	To increase the regulatory amortization expense for deferred transmission integrity management program costs.	12,202,827	14,691,803	to update to actual deferred expenses thru June 30, 2019
O	To decrease the regulatory amortization expense for deferred NONG OPEB costs.	(70,735)	(70,735)	no change
P	To increase the regulatory amortization expense for deferred rate case costs.	348,458	348,458	no change
Q	To increase regulatory amortization expense for deferred regulatory fee costs.	124,899	133,566	to update to actual deferred expenses thru June 30, 2019
R	To increase current regulatory fee expense to the going-level.	407,989	291,758	to align with the updated NCUC regulatory fee rate
S	To increase risk insurance expense to the going level.	775,944	775,944	no change
T	To increase expenses for inflation and going-level jurisdictional allocations.	1,592,360	1,592,360	no change
Total		21,044,045	22,435,220	

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
North Carolina Operations
Pro Forma Adjustments
For the 12 Months Ended December 31, 2018

Line No.	PER COMPANY'S ORIGINAL FILED APPLICATION	PER COMPANY'S ORIGINAL FILED APPLICATION	AS UPDATED	CAUSE OF UPDATE
5	<u>Depreciation and Amortization Expense</u> To increase depreciation and amortization expense to the going-level basis, based on new depreciation rates and following adjustment 10.	20,854,632	20,924,022	to align with actual utility plant in service amounts at June 30, 2019 (Updated Adjustment 10) and to incorporate the accrual for the reallocation of the reserve balance at June 30, 2019
6	<u>General Taxes</u> A To increase payroll tax expense to the going-level basis following adjustment 4. B To increase property tax expense to the going-level basis. C To decrease NC franchise tax expense to the going-level basis.	278,332 2,276,162 (567,377)	301,732 2,276,162 (567,377)	to align with the updates to Adjustments 4A & 4B no change no change
	Total	1,987,117	2,010,517	
7	<u>State Income Taxes</u> To decrease state income tax expense (rate of 2.5%) following all adjustments to operating revenues and expenses described previously.	(4,483,469)	(5,004,839)	to align with all the pro forma updates
8	<u>Federal Income Taxes</u> To decrease federal income tax expense (rate of 21%) following all adjustments to operating revenues, expenses and state income tax expense described previously.	(3,837,227)	(6,107,253)	to align with all the pro forma updates
9	<u>Amortization of Investment Tax Credits</u> To increase amortization of investment tax credits to the going-level basis.	38,971	38,971	no change
10	<u>Plant in Service</u> To increase plant in service for projected additions through June 30, 2019.	285,082,725	294,933,211	to update to actual utility plant in service amounts at June 30, 2019
11	<u>Accumulated Depreciation</u> To increase accumulated depreciation following adjustment 10.	(64,257,073)	(43,943,017)	to update to actual accumulated depreciation at June 30, 2019
12	<u>Allowance for Working Capital</u> To increase the allowance for working capital to reflect anticipated changes through June 30, 2019.	18,082,740	27,161,498	to update the allowance for working capital for actuals through June 30, 2019
12a	<u>Accumulated Deferred Income Taxes</u> To increase accumulated deferred income taxes through June 30, 2019, as projected.	(48,364,846)	(22,711,159)	to update to the actual accumulated deferred income tax balance at June 30, 2019
13	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues for the sale and transportation of gas following all accounting and pro forma adjustments previously described.	118,116,597	143,635,886	to align with the updated pro forma & proposed adjustments
14	<u>Operations and Maintenance Expenses</u> A To increase the provision for uncollectible accounts (rate of 1.07405%) following adjustment 13. B To increase regulatory fee expense (rate of .14% after the provision for uncollectible accounts) following adjustment 13.	1,268,631 163,591	1,267,501 185,075	to align with the updated pro forma and proposed adjustments, and using the corrected uncollectibles factor. to align with the updated pro forma and proposed adjustments, and using the updated regulatory fee rate
	Total	1,432,222	1,452,576	

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
North Carolina Operations
Pro Forma Adjustments
For the 12 Months Ended December 31, 2018

Line No.	PER COMPANY'S ORIGINAL FILED APPLICATION	PER COMPANY'S ORIGINAL FILED APPLICATION	AS UPDATED	CAUSE OF UPDATE
15	<u>State Income Taxes</u>			
	To increase state income tax expense (rate of 2.5%) following adjustments 13 and 14.	2,917,109	3,554,583	to align with the updated pro forma and proposed adjustments previously described
16	<u>Federal Income Taxes</u>			
	To increase federal income tax expense (rate of 21%) following adjustments 13, 14 and 15.	23,891,126	29,112,033	to align with the updated pro forma and proposed adjustments previously described
17	<u>Operating Revenues - Sales and Transportation of Gas</u>			
	To increase revenues for the sale and transportation of gas following adjustments 18 and 19.	1,665,536	1,668,024	to align with the update to Adjustments 18 and 19
18	<u>Cost of Gas</u>			
	To increase the demand cost of gas to the going-level basis.	1,645,341	1,651,155	to align with the update to Adjustment 3
19	<u>Operations and Maintenance Expenses</u>			
A	To increase the provision for uncollectible accounts (rate of 1.07405%) following adjustment 17.	17,888	14,719	to align with the update to Adjustment 3, and using the corrected uncollectibles factor
B	To increase regulatory fee expense (rate of .14% after the provision for uncollectible accounts) following adjustment 17.	2,307	2,149	to align with the update to Adjustment 3, and using the updated regulatory fee rate
	Total	20,195	16,868	
20	<u>Operating Revenues - Sale and Transportation of Gas</u>			
	To decrease revenues for the sale and transportation of gas pursuant to the EDIT Rider.	(36,963,249)	(36,867,060)	to align with the update to Adjustments 22, 23 and 24, using
21	<u>Operations and Maintenance Expenses</u>			
A	To decrease the provision for uncollectible accounts (rate of 1.07405%) following adjustment 20	(397,003)	(325,329)	to align with the updated pro forma and proposed adjustments, and using the corrected uncollectibles factor
B	To decrease regulatory fee expense (rate of .14% after the provision for uncollectible accounts) following adjustment 20.	(51,194)	(47,503)	to align with the updated pro forma and proposed adjustments, and using the updated regulatory fee rate
	Total	(448,197)	(372,832)	
22	<u>State Income Taxes</u>			
	To decrease state income tax expense (rate of 2.5%) following the proposed amortized return of excess accumulated deferred income taxes pursuant to the EDIT Rider.	(10,834,636)	(10,834,636)	no change
23	<u>Federal Income Taxes</u>			
	To decrease state income tax expense (rate of 2.5%) following the proposed amortized return of excess accumulated deferred income taxes pursuant to the EDIT Rider.	(13,426,511)	(13,426,511)	no change
24	<u>Amortization of Overcollected FIT Revenues</u>			
	To decrease revenues for the amortized return of certain overcollected federal income tax revenues pursuant to the EDIT Rider.	(12,253,904)	(12,233,080)	to update for the balance of FIT overcollected revenues due customers

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743

Consolidated Income Statement

Exhibit_(PKP-8)
Page 1 of 2
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	For the Twelve Months Ending December 2018	For the Twelve Months Ending June 2019
Revenues		
Regulated Natural Gas	\$ 1,365,257,342	1,384,574,723
Non-Regulated Electric, Natural Gas and Other	9,925,240	10,819,382
Total Operating Revenues	1,375,182,582	1,395,394,105
Cost of Natural Gas and Coal Sold	584,410,907	589,638,787
Operations, Maintenance and Other	356,878,998	353,180,643
Depreciation and Amortization	159,455,243	164,861,273
Property and Other Taxes	48,587,550	49,804,297
Total Operating Expenses	1,149,332,699	1,157,485,000
Other Operating Gains and Losses	(550)	(550)
Operating Income	225,849,334	237,908,555
71XX_OTHER_INCOME - Other Income	13,012,216	15,431,011
7310_INT_DIV - Interest and Dividends	163,397	131,042
7330_INTERCO_INT - Intercompany Interest Income	300,640	159,598
Other Income and Expenses	13,476,253	15,721,651
Interest Expense	81,198,097	83,085,802
Earnings From Continuing Operations Before Income Taxes	158,127,489	170,544,404
Net Income (Loss) attributable to non controlling interests	0	-
Pretax Income Attributable to Duke Energy Corp	158,127,489	170,544,404
Income Tax Expense (Benefit) From Continuing Operations	34,989,774	36,955,896
Income From Continuing Operations Attributable to Duke Energy Corp	123,137,715	133,588,508
Income (Loss) From Continuing Operations	123,137,715	133,588,508
Earnings (Loss) of Subsidiaries	5,396,877	6,097,874
Consolidated Net Income	128,534,592	139,686,382
Less: Net Income (Loss) attributable to non controlling interests	0	-
Net Income Attributable to Controlling Interest	\$ 128,534,592	139,686,382

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 743

Exhibit_(PKP-8)
Page 2 of 2
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Consolidated Balance Sheet

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JUL 29 2019
AUG 26 2019

	@ December 31, 2018	@ June 30, 2019
ASSETS		
Cash and Cash Equivalents	\$ (1,951,648)	\$ (4,499,583)
Receivables	254,902,762	94,657,244
Receivables from affiliated companies	81,270,401	94,055,982
Notes receivable from affiliated companies	0	15,768,000
Inventory	69,501,088	32,651,590
Regulatory Assets	30,117,125	27,168,665
Other	19,671,296	57,556,379
Total Current Assets	453,511,023	317,358,278
Net Property Plant and Equipment	5,911,127,854	6,346,058,994
Goodwill	48,852,311	48,852,311
Regulatory Assets	303,468,674	279,915,396
Operating Lease Right-of-Use assets	0	26,230,111
Investment in Consolidated Subsidiaries	(15,575,584)	(12,817,219)
Other	49,365,349	57,934,272
Total Other Noncurrent Assets	386,110,750	400,114,871
Total Assets	\$ 6,750,749,626	\$ 7,063,532,143
LIABILITIES AND EQUITY		
Accounts Payable	\$ 188,066,366	\$ 143,909,036
Accounts payable to affiliated companies	38,454,986	57,731,861
Notes payable to affiliated companies	197,905,000	-
Taxes Accrued	83,786,481	24,486,066
Interest Accrued	31,188,708	33,077,444
Current Maturities of Long-Term Debt	349,898,423	-
Regulatory Liabilities	11,018,591	43,948,962
Other	57,889,387	59,989,924
Total Current Liabilities	958,207,941	363,143,292
2506_LTD_UNSEC_FLT - Long-Term Debt - Unsec Flt	-	600,000,000
2507_LTD_UNSEC_FIX - Long-Term Debt - Unsec Fix	1,800,000,000	1,800,000,000
2520_UNAMT_DEBT_DISC - Unamortized Debt Discount	\$ (861,280)	(2,333,555)
1812_UNAMORT_DEBT - Unamortized Debt Expense	11,193,588	(13,630,071)
Long-Term Debt	1,787,945,132	2,384,036,374
Deferred Income Taxes	533,851,260	576,218,921
Asset Retirement Obligations	18,862,522	19,383,090
Regulatory Liabilities	1,182,983,149	1,195,120,889
Operating Lease Liability	0	24,946,893
Accrued Pension and Other Post-Retirement Benefit Costs	4,067,424	6,154,169
Investment Tax Credit	545,118	521,109
Other	173,057,248	140,422,805
Total Other Noncurrent Liabilities	1,913,366,721	1,962,767,876
Common Stock	859,846,537	859,846,537
Additional Paid in Capital	300,000,000	450,000,000
Retained Earnings	931,005,587	1,043,608,411
Accumulated Other Comprehensive Income	377,709	129,653
Equity	2,091,229,833	2,353,584,601
Total Liabilities and Common Stockholders' Equity	\$ 6,750,749,626	\$ 7,063,532,143

Settlement Exhibit (PKP-1)

1A

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
SUMMARY OF SETTLEMENT ADJUSTMENTS
For The Test Year Ended December 31, 2018

Line No.	Item	Settlement
1	Original Application - Increase in Revenue Requirement filed by the Company	\$118,116,597
2	Additional Increase in Revenue Requirement due to June 2019 update	25,519,289
3	Increase in Margin Revenue Requested due to Company Update	\$143,635,886
	Settlement Adjustments:	
4	Change in Equity ratio from 52% to 52%	(16,459)
5	Change in cost of long-term debt from 4.40% to 4.41%	159,698
6	Change in cost of short-term debt from 2.78% to 2.72%	(17,274)
7	Change in return on equity from 10.60% to 9.70%	(20,579,402)
8	Plant in Service Updates and Related Items at June 30, 2019	(865,491)
9	ADIT - updated to June 30, 2019	(137,715)
10	Adjustment to exclude Federal Tax EDIT	6,638,773
11	Adjustment to exclude State Tax EDIT	3,769,738
12	Adjust working capital for lead lag to reflect reclassifying lead lag adjustment from Proposed to Pro Forma	(1,189,797)
13	Adjustment to end of period revenue - weather, growth, and commodity costs	5,818
14	Adjustment to other operating revenues	(143,469)
15	Customer Conservation Program	(1,233,358)
16	Special Contract - remove PIS associated with facilities	(112,358)
17	Payroll and Related Expenses	(169,581)
18	Overtime	(234,480)
19	Employee Benefits	(836,922)
20	Board Expenses	(422,000)
21	Executive Compensation	(1,484,492)
22	Incentives	(1,185,815)
23	Rate Case Expenses - updated, 4 year amortization, no rate base	(268,917)
24	Sponsorships & Donations	(119,152)
25	Uncollectibles	(45,603)
26	Inflation Adjustment - removed certain expenses and updated rate	(635,832)
27	Nonutility Adjustment - O&M and plant	(1,364,212)
28	Pension Expense	(844,683)
29	Deferral: PIM Transmission Costs - update actual expenses @ June 30, 2019, 4 year amortization	(5,450,230)
30	Deferral: Environmental Costs - update actual expenses @ June 30, 2019, 4 year amortization	(11,359)
31	Deferral: NCNG OPEB Liability, remove balance	(829)
32	Deferral EasternNC, 4 year amortization	(846,566)
33	Undercollection of Regulatory Fee, 4 year amortization	(22,368)
34	Line Locates Expense	(465,162)
35	Regulatory Fee Expense - change to 0.13% per Commission Order	2,242
36	Advertising - remove promotional, image, competitive, & non-recurring	(297,937)
37	Miscellaneous General Expenses	(358,102)
38	Aviation Expense	(485,760)
39	Gas Technology Institute (GTI) Funding	(352,387)
40	Lobbying Expenses	(156,536)
41	Amortization of protected EDIT, net of tax	(4,954,772)
42	Rents Expense	(497,525)
43	Change in retention factor - Uncollectibles and Regulatory Fee changes	(482,492)
44	Adjust cash working capital for revenue impact of Settlement adjustments	872,742
45	Rounding	929
46	Settlement Adjustments	(34,839,098)
47	Settlement Recommended Change in Margin Revenue	\$108,796,788
	Rider impacts on Settlement Revenue Requirement:	
48	Federal Unprotected EDIT Rider, 5 year flow back	(\$23,304,269)
49	State EDIT, 3 year flow back	(20,735,154)
50	Overcollection of Revenues from Federal Tax Change, 1 year flow back	(36,699,240)
51	Settlement Recommended Change in Revenue Requirement due to Riders (Sum of Lines 48-50)	(\$80,738,663)
52	Settlement Recommended Change in Revenue Requirement for Year 1	\$28,058,125
53	Settlement Recommended Change in Revenue Requirement for Years 2 -3	\$64,757,365
54	Settlement Recommended Change in Revenue Requirement for Years 4 -5	\$85,492,519
55	Settlement Recommended Change in Revenue Requirement for Year 6	\$108,796,788

Moody's A-Rated Utility Bond Yields

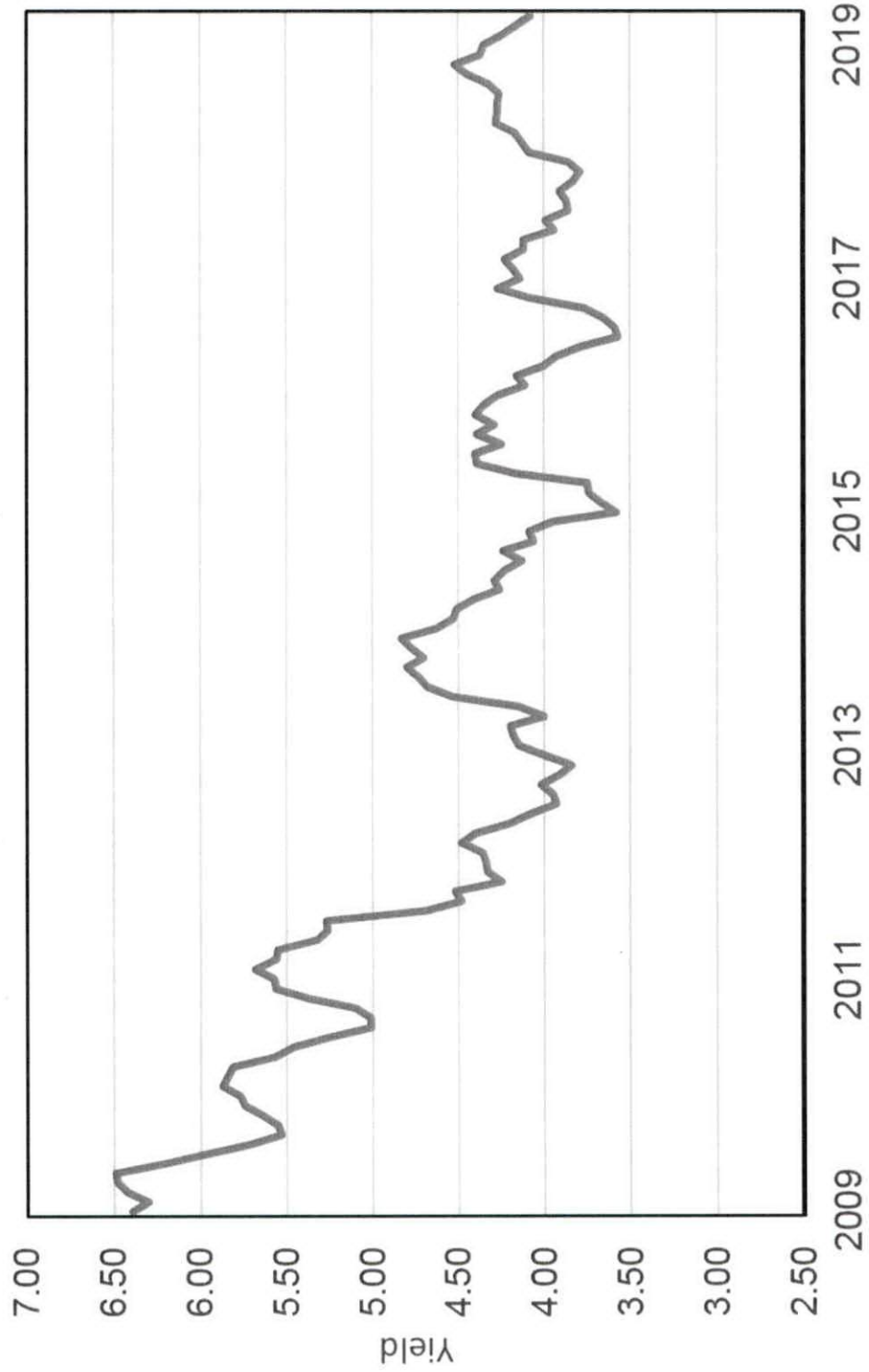


Exhibit JRH-1

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Piedmont Natural Gas
13 Month Average Capital Structure
as of May 31, 2019

	Amount (\$)	Ratio
Long-Term Debt	2,121,868,055	49.94%
Short-Term Debt	36,169,890	0.85%
Common Equity	2,090,579,172	49.21%
Total	4,248,617,117	100.00%

	Monthly Balance	Long-Term Debt	Short-Term Debt ¹	Common Equity	Total Capitalization
1	May-18	2,033,352,298	36,169,890	1,774,521,713	3,844,043,901
2	Jun-18	2,033,449,291	36,169,890	2,064,117,125	4,133,736,306
3	Jul-18	2,033,546,277	36,169,890	2,058,471,976	4,128,188,143
4	Aug-18	2,033,643,271	36,169,890	2,050,188,708	4,120,001,869
5	Sep-18	2,133,740,260	36,169,890	2,043,977,639	4,213,887,789
6	Oct-18	2,133,837,253	36,169,890	2,044,531,594	4,214,538,737
7	Nov-18	2,133,934,243	36,169,890	2,066,456,102	4,236,560,235
8	Dec-18	2,133,237,924	36,169,890	2,091,229,833	4,260,637,647
9	Jan-19	2,133,350,623	36,169,890	2,158,859,020	4,328,379,533
10	Feb-19	2,133,463,323	36,169,890	2,182,026,721	4,351,659,934
11	Mar-19	2,133,266,802	36,169,890	2,210,326,342	4,379,763,034
12	Apr-19	2,133,381,530	36,169,890	2,219,574,190	4,389,125,610
13	May-19	2,382,081,620	36,169,890	2,213,248,279	4,631,499,789
	Month Average	2,121,868,055	36,169,890	2,090,579,172	4,248,617,117

¹. Gas Inventory per Public Staff witness Jayasheela, Exhibit I, Schedule 2-2.

Piedmont's Capital Accounts

	[A]=[B+C-D]	[B]	[C]	[D]	[E]	[G]	[H]	[I]	[J]	[K]=[G+H+I+J]
Total Capitalization	Total Long-Term Debt	Long-Term Debt	Current Maturities	Unamortized Debt Expense	Gas Inventory	Common Stock	Retained Earnings	Other Comprehensive Income	Equity Indusions from Parent	Total Common Equity
3,826,681,033	2,033,352,298	1,800,000,000	250,000,000	16,647,702	36,169,890	859,846,537	914,338,357	336,819	0	1,774,521,713
4,120,821,697	2,033,449,291	1,800,000,000	250,000,000	16,550,709	36,169,890	859,846,537	903,933,769	336,819	300,000,000	2,064,117,125
4,119,612,547	2,033,546,277	1,800,000,000	250,000,000	16,453,723	36,169,890	859,846,537	898,288,620	336,819	300,000,000	2,058,471,976
4,114,940,422	2,033,643,271	1,800,000,000	250,000,000	16,356,729	36,169,890	859,846,537	889,963,378	378,793	300,000,000	2,050,188,708
4,211,270,922	2,133,740,260	1,800,000,000	350,000,000	16,259,740	36,169,890	859,846,537	883,752,309	378,793	300,000,000	2,043,977,639
4,214,277,761	2,133,837,253	1,800,000,000	350,000,000	16,162,747	36,169,890	859,846,537	884,306,264	378,793	300,000,000	2,044,531,594
4,252,574,642	2,133,934,243	1,800,000,000	350,000,000	16,065,757	36,169,890	859,846,537	906,231,856	377,709	300,000,000	2,066,456,102
4,275,356,567	2,133,237,924	1,800,000,000	350,000,000	16,762,076	36,169,890	859,846,537	931,005,587	377,709	300,000,000	2,091,229,833
4,328,047,533	2,133,350,623	1,800,000,000	350,000,000	16,649,377	36,169,890	859,846,537	998,634,774	377,709	300,000,000	2,158,859,020
4,342,440,092	2,133,463,323	1,800,000,000	350,000,000	16,536,677	36,169,890	859,846,537	1,021,802,475	377,709	300,000,000	2,182,026,721
4,361,724,003	2,133,266,802	1,800,000,000	350,000,000	16,733,198	36,169,890	859,846,537	1,050,196,127	283,678	300,000,000	2,210,326,342
4,375,681,000	2,133,381,530	1,800,000,000	350,000,000	16,618,470	36,169,890	859,846,537	1,059,443,975	283,678	300,000,000	2,219,574,190
4,624,852,295	2,382,081,620	2,400,000,000	0	17,918,380	36,169,890	859,846,537	1,053,272,089	129,653	300,000,000	2,213,248,279

Exhibit JRH-2
Page 2 of 2

I/A

Investment Risk Measures

Company Name	Value Line ¹					S&P ² Beta	S&P ²	S&P ³	Moody's ³
	Safety Rank	Beta	Price Stability	Earnings Predict.	Financial Strength		Quality Ranking	Bond Rating	Bond Rating
Duke Energy Corp.	2	0.50	100	85	A	0.14	A-	A-	Baa1
Piedmont Natural Gas	NA	NA	NA	NA	NA	NA	A-	A-	A3
1 Atmos Energy	1	0.65	100	100	A+	0.20	A	A	A2
2 Chesapeake Utilities	2	0.65	75	90	A	0.28	A	B+	B1
3 New Jersey Resources	1	0.70	80	50	A+	0.39	B+	NA	Aa3
4 Northwest Natural	1	0.60	95	10	A	0.31	B	A+	Baa1
5 ONE Gas Inc.	2	0.65	90	95	A	0.35	NR	A	A2
6 South Jersey Inds.	2	0.80	80	65	A	0.77	B+	BBB	NA
7 Southwest Gas	3	0.70	80	90	B++	0.35	A-	BBB+	Baa1
8 Spire Inc.	2	0.65	95	70	B++	0.25	A-	A-	Baa2
9 UGI Corp.	2	0.80	90	85	B++	0.62	A-	NA	Ba2
Average	1.8	0.69	87	73		0.39			

Source:

¹ Value Line Investment Survey, Standard Edition, May 17, 2019 and May 31, 2019.² S&P Global Market Intelligence, CFRA Stock Report, July 7, 2019.³ S&P Global Market Intelligence, downloaded on July 11, 2019.

DCF Analysis
Group of LDC Utilities

Company Name	Yield ¹	Value Line ² Historical						Value Line ² Forecasts			Yahoo Forecast ³
		EPS	DPS	BPS	EPS	DPS	BPS	EPS	DPS	BPS	EPS
		10-Yr	10-Yr	10-Yr	5-Yr	5-Yr	5-Yr	5-Yr	5-Yr	5-Yr	5-Yr
1 Atmos Energy	2.2	6.5	3.5	5.5	10.0	4.8	7.0	5.6	7.0	7.0	6.5
2 Chesapeake Utilities	1.8	9.0	5.0	10.0	8.0	6.7	10.5	5.0	9.0	9.0	6.0
3 New Jersey Resources	2.4	7.0	7.5	6.5	8.5	10.2	8.0	2.5	4.0	7.0	6.0
4 Northwest Natural	2.8	-10.5	2.5	2.0	-18.0	2.1	NA	3.5	2.5	1.0	4.0
5 ONE Gas Inc.	2.3	NA	NA	NA	NA	3.7	NA	4.8	8.5	4.0	5.0
6 South Jersey Inds.	3.8	1.5	8.0	6.5	-2.5	1.7	6.0	2.4	4.0	4.5	5.5
7 Southwest Gas	2.6	7.0	8.5	5.5	4.5	3.6	6.0	5.9	5.0	7.5	6.1
8 Spire Inc.	2.8	4.0	4.0	7.5	7.5	4.7	8.0	5.0	4.0	4.0	3.5
9 UGI Corp.	2.2	7.0	7.5	9.0	11.5	8.4	7.0	3.6	6.5	8.5	6.5
Average	2.5	6.0	5.8	7.2	8.3	5.1	7.5	4.2	5.6	5.8	5.5
Estimated Cost of Equity		8.5	8.3	9.7	10.9	7.6	10.0	6.8	8.1	8.4	8.0

Source:

¹ Value Line Investment Survey, Summary and Index from April 5, 2019 to June 28, 2019, Expected Dividend Yield.

² Value Line Investment Survey, Standard Edition, May 31, 2019.

³ Yahoo Earnings Forecast as of July 8, 2019.

Note: Negative values are excluded from the average calculation.

Exhibit JRH-4

11/11

I/A

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REGRESSION ANALYSIS OF APPROVED RETURNS ON EQUITY

Year	[A] Gas Utility Approved Returns on Equity ¹	[B] Moody's A-Rated Bond Yields ²	[C]=[A]-[B] Gas Utility Risk Premium
2000	11.34%	8.24%	3.10%
2001	10.96%	7.80%	3.16%
2002	11.17%	7.37%	3.80%
2003	10.99%	6.58%	4.41%
2004	10.63%	6.16%	4.47%
2005	10.41%	5.65%	4.76%
2006	10.40%	6.07%	4.33%
2007	10.22%	6.05%	4.17%
2008	10.39%	6.51%	3.88%
2009	10.22%	6.04%	4.19%
2010	10.15%	5.47%	4.68%
2011	9.92%	5.04%	4.88%
2012	9.94%	4.13%	5.81%
2013	9.68%	4.48%	5.20%
2014	9.78%	4.28%	5.50%
2015	9.60%	4.12%	5.49%
2016	9.54%	3.93%	5.61%
2017	9.72%	4.00%	5.72%
2018	9.59%	4.13%	5.46%
2019	9.55%	4.25%	5.30%
		Average	4.70%

Sources:

¹ S&P Global Market Intelligence, Regulatory Research Associates, "Major Rate Case Decisions: January - March 2019", April 11, 2019.

² Moody's Bond Yields with annual data from January 2000 through March 30, 2019.

Regression Analysis of Allowed Returns on Equity

Regression Statistics of 2000-2019 data

Multiple R	0.95572
R Square	0.91341
Adjusted R Square	0.90860
Standard Error	0.00172
Observations	20

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	0.000562843	0.000562843	189.8739	5.2864E-11
Residual	18	5.33573E-05	2.9643E-06		
Total	19	0.0006162			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	0.079856861	0.00165950	48.12113248	1.8E-20
X Variable 1	0.403360358	0.02927255	13.77947462	5.29E-11

	Moody's A-Rated Public Utility Bond Yield
Month	
Jan-19	4.35%
Feb-19	4.25%
Mar-19	4.16%
Apr-19	4.08%
May-19	3.98%
Jun-19	3.82%
Average	4.11%

Predicted Cost of Equity 9.64%

Formula for the Predicted Cost of Equity of 9.64% = $0.07986 + 0.40336 \times 4.11\%$.

I/A

Comparable Earnings Analysis

	2014	2015	2016	2017	2018	2019	2020
1 Atmos Energy	9.40%	9.90%	10.10%	9.80%	9.30%	9.00%	9.00%
2 Chesapeake Utilities	12.00%	11.12%	10.00%	9.00%	10.90%	9.50%	10.00%
3 New Jersey Resources	18.30%	13.90%	11.80%	12.10%	17.10%	12.00%	12.00%
4 Northwest Natural	7.60%	6.90%	6.90%	NMF	8.80%	9.00%	9.00%
5 ONE Gas Inc.	6.10%	6.50%	7.40%	8.20%	8.40%	8.50%	8.50%
6 South Jersey Inds.	11.20%	9.50%	8.00%	8.20%	9.20%	6.50%	9.00%
7 Southwest Gas	9.50%	8.70%	9.10%	9.60%	8.10%	9.00%	9.50%
8 Spire Inc.	5.60%	8.70%	8.20%	8.10%	9.50%	8.00%	7.50%
9 UGI Corp.	12.70%	13.10%	12.60%	12.90%	13.20%	11.50%	12.50%
Average	10.27%	9.81%	9.34%	9.74%	10.50%	9.22%	9.67%

	<u>Average</u>	<u>Median</u>
Historical ROEs, 63 observations	9.85%	9.45%
Predicted ROEs, 18 observations	9.44%	9.00%

Source:

¹ Value Line Investment Survey, Standard Edition, May 31, 2019.

IA

Capital Asset Pricing Model

Expected Return based on the Geometric Mean of Returns
of the S&P 500 from 1926-2018

	(R_{fi})	(β)	(R_m)	(K)
Company	Risk free Rate ¹	Value Line Beta ²	Expected Return on Market ³	CAPM
1 Atmos Energy	2.89%	0.65	10.00%	7.51%
2 Chesapeake Utilities	2.89%	0.65	10.00%	7.51%
3 New Jersey Resources	2.89%	0.70	10.00%	7.87%
4 Northwest Natural	2.89%	0.60	10.00%	7.16%
5 ONE Gas Inc.	2.89%	0.65	10.00%	7.51%
6 South Jersey Inds.	2.89%	0.80	10.00%	8.58%
7 Southwest Gas	2.89%	0.70	10.00%	7.87%
8 Spire Inc.	2.89%	0.65	10.00%	7.51%
9 UGI Corp.	2.89%	0.80	10.00%	8.58%
Average				7.79%

Note:

CAPM formula, $K = R_{fi} + \beta(R_m - R_{fi})$

Sources:

¹ Federal Reserve System, U.S. Long-Term Treasury Yields, 30-year.

² Value Line Investment Survey, May 31, 2019.

³ Duff and Phelps, SBBI Valuation Edition, 2019 Yearbook, Exhibit 2.3.

Capital Asset Pricing Model

Expected Return based on the Arithmetic Mean of Returns
of the S&P 500 from 1926-2018

	(R_{rf})	(β)	(R_m)	(K)
	Risk free	Value Line	Expected	
Company	Rate ¹	Beta ²	Return on	CAPM
			Market ³	
1 Atmos Energy	2.89%	0.65	11.90%	8.75%
2 Chesapeake Utilities	2.89%	0.65	11.90%	8.75%
3 New Jersey Resources	2.89%	0.70	11.90%	9.20%
4 Northwest Natural	2.89%	0.60	11.90%	8.30%
5 ONE Gas Inc.	2.89%	0.65	11.90%	8.75%
6 South Jersey Inds.	2.89%	0.80	11.90%	10.10%
7 Southwest Gas	2.89%	0.70	11.90%	9.20%
8 Spire Inc.	2.89%	0.65	11.90%	8.75%
9 UGI Corp.	2.89%	0.80	11.90%	10.10%
Average				9.10%

Note:

CAPM formula, $K = R_{rf} + \beta(R_m - R_{rf})$

Sources:

¹ Federal Reserve System, U.S. Long-Term Treasury Yields, 30-year.

² Value Line Investment Survey, May 31, 2019.

³ Duff and Phelps, SBBI Valuation Edition, 2019 Yearbook, Exhibit 2.3.

Exhibit JRH-8

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Summary for the Cost of Common Equity

<u>DCF Method</u>	
Based on Historical & Forecasted Growth Rates	9.00%
Based on Historical Growth Rates	9.25%
Based on Predicted Growth Rates	8.63%
Risk Premium Method	9.64%
Average	9.13%

I/A

Experts Forecast Long-Term Stock and Bond Returns: 2019 Edition

Christine Benz
Jan 10, 2019

Savvy investors might view market predictions as pure folly. After all, it's next to impossible to predict what the market will return, especially over shorter time periods, so why bother?

It's certainly a mistake to try to predict the market in an effort to determine whether, when, and how much to hold in stocks and other asset classes. Even professional investors have struggled with tactical asset allocation, casting doubt on the ability of individual investors or even financial advisors to outperform strategic asset allocation with the approach.

But the fact is, even long-term, strategically minded investors need some type of market-return forecast to craft a financial plan. Without any view on how much stocks, bonds, and cash are apt to return, it's impossible to know how much you'll need to save and for how long. You can't know whether saving for retirement should be your sole financial preoccupation or whether you can hit other goals, such as college funding, along the way. To help turn your financial goals into reality, it's crucial to make assumptions about what the major asset classes, and in turn your own portfolio, are apt to return. That way you can determine how much of the heavy lifting for your plan will come from market appreciation and how much will have to come from your own contributions.

To help you arrive at an educated guess of how much the market will contribute to the success of your plan, I've been compiling annual looks at return expectations from market experts both inside and outside of Morningstar. Note that the parameters for these return estimates vary a bit; some of the return expectations are inflation-adjusted while others are not (nominal). Some of them are quite recent, while others date to earlier in 2018. In addition, some of the experts forecast returns for the next decade, while others employ slightly shorter time horizons.

Yet there were some commonalities among many of the forecasts. First, starting yields on intermediate-term bonds, historically a good predictor of future returns from bonds, suggest that bonds will give U.S. equities a run for their money over the next decade. In addition, many of the market forecasts suggest higher returns

from non-U.S. stocks, especially emerging markets, than U.S. over the next decade.

Before you take those return forecasts to the bank, however, it's important to bear in mind that these return estimates are more intermediate term than they are long. As such, they're the most relevant to investors whose time horizons are in that ballpark, or to new retirees who face sequence-of-return risk in the next decade. Investors with very long time horizons of 20 to 30 years or longer can reasonably assume that market returns will run in line with their very long-term historic norms: 8% to 10% for stocks and half that amount for bonds.

BlackRock Investment Institute

Highlights: 7% nominal (non-inflation-adjusted) return for U.S. large caps over the next decade; 9% for non-U.S. large caps; 3.3% for the U.S. Aggregate Bond index(December 2018).

Bond index(December 2018).

BlackRock Investment Institute's Capital Markets Assumption report is heavy on the disclaimers, noting that the assumptions are "not intended as a recommendation to invest in any particular asset class or strategy or as a promise--or even estimate--of future performance." For each asset class, the firm provides a median expected return, as well as "uncertainty bands" depicting returns in a range. The firm provides assumptions for conventional asset classes as well as nontraditional ones such as hedge funds and private equity.

BlackRock Investment Institute's 7% median expected return for U.S. stocks put it at the high end of our sampling, but its expectation that foreign stocks would outperform (9% for foreign large caps) was a common theme across many of the firms. Notably, however, BlackRock Investment Institute is less sanguine about the prospects for emerging markets than it is for the broad universe of global non-U.S. equities, making it something of an outlier among many of the firms in our sample.

John C. Bogle, founder of Vanguard Group

Highlights: 4%-5% returns for stocks (nominal); 4% nominal returns for bonds over the next decade (October 2018).

In an interview in October (prior to the recent market volatility), the Vanguard founder was a bit more optimistic about returns from U.S. stocks over the next decade than he had been in previous years. As always, Bogle backs into his

return forecast by looking at the equity market's current dividend yield, then factors in expected earnings growth and P/E multiple expansion or contraction. The S&P 500 currently yields about 2%, and Bogle expected in late October that earnings growth would run in the range of 5%. He then gave that 7% expected return (the 2% dividend yield plus 5% earnings growth) a haircut to account for his expected P/E contraction, bringing his self-described "reasonable expectation" for stocks down to between 4% and 5%. To arrive at his 4% return expectations for bonds over the next decade, Bogle uses a blend of the starting yields for Treasuries and high-quality corporates.

GMO

Highlights: negative 4.1% real (inflation-adjusted) returns for U.S. large caps over the next seven years; negative 0.2% real returns for U.S. bonds; 4.4% real returns for emerging-markets equities; 2.9% real returns for emerging-markets debt (November 2018).

As always, the return expectations from the notoriously pessimistic Grantham Mayo Van Otterloo run toward the gloomy side of our collected prognostications. The firm expects U.S. large caps and hedged international bonds to post the worst performance of all of its major asset classes over the next 7 years: It's forecasting negative 4.1% real returns for the former and negative 2.1% real returns from dollar-hedged international bonds from developed markets. The firm expects U.S. small-cap stocks to perform much better than large, but still believes that U.S. small-cap investors will sink into the red on an inflation-adjusted basis, losing 0.7%.

Consistent with its recent expectations, the firm is most sanguine about the prospects for emerging-markets equities and bonds, forecasting 4.4% real returns for emerging-markets equities and 2.9% gains for emerging-markets bonds. The firm is more optimistic still for the subset of emerging-markets equities it considers emerging markets value stocks, predicting a nearly 8% real return for the asset class.

It's worth noting that the firm's pessimism on U.S. equities and positive outlook for emerging markets has cost it on the return front over the past several years: Wells Fargo Absolute Return (WARAX), which GMO manages, has recently struggled and earns a Neutral rating from Morningstar's analyst team. The fund made up ground during the recent market weakness, however, finishing 2018 in its category's top 10%.

J.P. Morgan Asset Management

Highlights: 5.25% return assumption (nominal) for U.S. equities over a 10- to 15-year horizon; 4.5% nominal return assumption for U.S. investment-grade corporate bonds over 10- to 15-year holding period (October 2018).

J.P. Morgan Asset Management updates its capital return assumptions for major asset classes annually, and notes that its assumptions are little changed from 2018. One of the biggest upward revisions in the firm's return assumptions was in the realm of U.S. high-quality corporate bonds, from 3.5% to 4.5%. As with several of the other firms, J.P. Morgan Asset Management is more sanguine about the prospects for emerging markets equities than developed markets stocks; the firm's assumption is for an 8.5% return from the asset class over the next 10 to 15 years, a function of lower starting valuations.

Note that J.P. Morgan Asset Management expresses its return assumptions in nominal, rather than inflation-adjusted, terms. However, the firm describes its inflation expectations as dovish, meaning that it expects inflation to continue to be mild. Additionally, it's important to note that the firm published its report before markets took a dive at the end of 2018.

Morningstar Investment Management

Highlights: 1.8% 10-year nominal returns for U.S. stocks; 3.3% 10-year nominal returns for U.S. bonds (Sept. 30, 2018).

The headline here is that as of Sept. 30, 2018, Morningstar Investment Management expected higher gains from U.S. bonds than U.S. stocks over the next decade. As with GMO, however, the outlook is more optimistic for foreign equities: MIM expects U.S. holders of international developed equities to earn nearly 6% on a nominal (noninflation-adjusted) basis, and U.S. holders of emerging-markets equities to earn nearly 7% nominally. Morningstar Investment Management provides its latest return expectations in Morningstar Markets Observer; the latest issue will be out this month.

Research Affiliates

Highlights: 0.7% real returns for U.S. large caps during the next 10 years; 0.5% real returns for the Barclays U.S. Aggregate Bond Index (Dec. 31, 2018; valuation-dependent model).

Research Affiliates deserves plaudits for its intuitive and user-friendly scatter plot depicting the firm's expectations for 10-year returns and volatility from the major asset classes as well as portfolios. Users can see the firm's return/volatility expectations for numerous asset classes, as well as backward-looking data; they

can also adjust to see return expectations based on a valuation-focused model and one focused on dividends and growth.

The firm's recent 10-year risk/return expectations suggest that U.S. investors relying strictly on U.S. stocks and bonds could be disappointed over the next decade: The firm's valuation-dependent model calls for a 0.7% real return for U.S. large-cap stocks and 0.5% inflation-adjusted gains for the U.S. Aggregate Bond Index. Real return expectations are more encouraging for those two asset classes using the firm's "yield and growth" model--3.3% for U.S. large caps and 0.6% for the U.S. Aggregate Bond Index.

Like GMO and Morningstar, the firm has higher return expectations from foreign stocks and especially emerging markets. Its valuation-dependent model suggests a nearly 6% real return over the next decade from the MSCI EAFE index (developed markets foreign stocks) and a nearly 8% return from emerging markets equities.

Vanguard

Highlights: Nominal U.S. equity-market returns in the 3% to 5% range during the next decade; 6% to 8% returns for non-U.S. equities; 2.5% to 4.5% expected returns for global fixed-income markets (December 2018).

In its 2019 Economic and Market Outlook, Vanguard's Investment Strategy Group wrote that its 10-year return assumptions for global stocks and bonds are modestly higher than this time last year. But the firm isn't forecasting blockbuster gains from any of the major asset classes. It's expecting U.S. equities to post gains in the 3% to 5% range, lower than its forecast for non-U.S. equities (6% to 8%). Thus, like other firms, it's emphasizing the importance of geographic diversification. In contrast with several of the aforementioned firms, however, Vanguard calls valuations in emerging markets "stretched." Ditto for valuations in the U.S., which Vanguard's economists expect to contract as yields rise over the next decade.

Note that Vanguard expresses its capital markets return assumptions in nominal rather than inflation-adjusted terms. However, the report's authors don't see any reason for investors to expect runaway inflation.

Source:

<https://www.morningstar.com/articles/907378/experts-forecast-longterm-stock-and-bond-returns-2>

I/A

Piedmont Natural Gas
Cost of Capital and Capital Structure
as of May 31, 2019

	Amount (\$)	Ratio	Cost Rate	Weighted Cost Rate	Tax Retention Factors ¹	Pre-Tax Cost of Capital
Long-Term Debt	2,121,868,055	49.94%	4.41%	2.20%	0.9880	2.23%
Short-Term Debt	36,169,890	0.85%	2.72%	0.02%	0.9880	0.02%
Common Equity	2,090,579,172	49.21%	9.13%	4.49%	0.7610	5.90%
Total	4,248,617,117	100.00%		6.71%		8.15%
Pre-Tax Interest Coverage ²						3.6

Note:

¹. The pre-tax cost of debt and equity is grossed up by tax retention factors.

². Pre-Tax Interest Coverage: 3.6 times = 8.15% / 2.22%.

I/A

Piedmont Natural Gas
Cost of Capital and Capital Structure
as of June 30, 2019

	Amount (\$)	Ratio	Cost Rate	Weighted Cost Rate	Tax Retention Factors	Pre-Tax Cost of Capital ¹
Long-Term Debt	2,148,186,829	47.15%	4.41%	2.08%	0.9932	2.09%
Short-Term Debt	39,391,976	0.85%	2.72%	0.02%	0.9932	0.02%
Common Equity	2,123,584,913	52.00%	9.70%	5.04%	0.7650	6.59%
Total	4,311,163,718	100.00%		7.14%		8.70%

Pre-Tax Interest Coverage ratio² 4.1

Note:

¹ The pre-tax cost of debt and equity is grossed up by tax retention factors.

² Pre-Tax Interest Coverage: 4.1 times = 8.71% / (2.09% + 0.02%).

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
ADJUSTMENT TO RATEBASE FOR TREATMENT AS A RIDER
For the Test Period Ended December 31, 2018

Revised Perry Exhibit I
Schedule 1

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Aug 26 2019

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Adjustments required to flow back refunds to customers through a Rider:	
2	Adjustment to remove federal unprotected EDIT from rate base	(\$76,220,289) 1/
3	Adjustment to remove state EDIT from rate base	(43,280,669) 1/
4	Adjustment to remove overcollection of revenues due to FIT rate change from rate base	2/
5	Public Staff Adjustments to rate base for tax changes (Line 2 +Line 3+Line 4)	(\$119,500,958)

1/ Per Barkley Exhibit_(BPB-2), Page 1 of 4, Line 1 - net of gross-up.

2/ Amount was not included in the Company's rate base.

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
**ADJUSTMENT TO FLOWBACK PROTECTED EDIT DUE TO TAX CUTS
AND JOBS ACT**
For the Test Period Ended December 31, 2018

Line No.	Item	Amount
	<u>Income Statement</u>	
1.	Regulatory liability for federal tax change related to protected EDIT - NC	(\$214,876,299) 1/
2	Annual amortization percentage	1.89% 1/
3	Annual amortization of protected EDIT - NC (L2 x L3)	(4,061,162)
4	Income tax impact	0 2/
5	Annual amortization of protected EDIT - NC, net of tax (L3 + L4)	(\$4,061,162)
	<u>Rate Base</u>	
6	Adjustment to regulatory assets and liabilities (L3)	\$4,061,162
7	One minus composite income tax rate	100.0000% 3/
8	Impact to accumulated deferred income taxes (L6 x L7)	0
9	Adjustment to rate base (L6 + L8)	\$4,061,162

1/ Per Barkley Exhibit (BPB-2), Page 1 of 4, Column (A), Line 1 - net of gross-up.

2/ Amount is net of taxes. There is no income tax impact.

3/ Amount is net of taxes, therefore we do not need to apply the composite income tax rate.

Revised Perry Exhibit I
Schedule 3

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
CALCULATION OF LEVELIZED FEDERAL UNPROTECTED EDIT
RIDER CREDIT
For the Test Period Ended December 31, 2018

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Year 3 Revenue Requirement (c)	Year 4 Revenue Requirement (d)	Year 5 Revenue Requirement (e)	Total Revenue Requirement (f)
	<u>Annuity Factor</u>						
1	Number of years	5	1/				
2	Payment per period	1					
3	After tax rate of return	6.207%	2/				
4	Present value of 1 dollar over number of years with						
5	with 1 payment per year	4.1888					
6	1 plus (interest rate divided by two)	1.0310					
7	Annuity factor (L4 x L5)	4.3187					
8	Total NC retail regulatory liability to be amortized	(\$76,220,289) 3/	(\$76,220,289) 3/	(\$76,220,289) 3/	(\$76,220,289) 3/	(\$76,220,289) 3/	
9	Line 7	4.3187	4.3187	4.3187	4.3187	4.3187	
10	Levelized rider federal EDIT regulatory liability (L8 / L9)	(17,648,896)	(17,648,896)	(17,648,896)	(17,648,896)	(17,648,896)	(88,244,480) 6/
11	One minus composite income tax rate	100.0000% 4/	100.0000% 4/	100.0000% 4/	100.0000% 4/	100.0000% 4/	100.0000% 4/
12	Net operating income effect (L10 x L11)	(17,648,896)	(17,648,896)	(17,648,896)	(17,648,896)	(17,648,896)	(88,244,480)
13	Retention factor	0.7655013 5/	0.7655013 5/	0.7655013 5/	0.7655013 5/	0.7655013 5/	0.7655013 5/
14	Levelized rider federal EDIT credit (L5 / L6)	(\$23,055,345)	(\$23,055,345)	(\$23,055,345)	(\$23,055,345)	(\$23,055,345)	(\$115,276,724)

- 1/ Rider period recommended by Public Staff.
2/ Perry Exhibit I, Schedule 3(a), Line 3.
3/ Barkely Exhibit (BPB-2), page 1 of 4, Line, Column B + Column C, Line 1, before gross-up amount.
4/ Amount is net of taxes, therefore we do not need to apply the composite income tax rate.
5/ Revised Jayasheela Exhibit I, Schedule 5(a), Line 13.
6/ Column (a) plus Column (b).

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
**CALCULATION OF ANNUITY FACTOR FOR EDIT LIABILITY
RIDER**

For the Test Period Ended December 31, 2018

Line No.	Item	Amount
	<u>Annuity Factor</u>	
1	Number of years	5. 1/
2	Payment per period	1
3	After tax rate of return (L9)	6.207%
4	Present value of 1 dollar over number of years with with 1 payment per year	4.1888
5	1 plus (interest rate divided by two)	1.0310
6	Annuity factor (L4 x L5)	<u>4.3187</u>

	Capital Structure (a)	Cost Rates (b)	Overall Rate of Return (c)	Net of Tax Rate (d)
	<u>After Tax Rate of Return</u>			
7	Long-term debt	49.94% 2/	4.41% 5/	2.202%
8	Short-term debt	0.85% 3/	2.72% 6/	0.023%
9	Common equity	49.21% 4/	9.13% 7/	4.493%
10	Total	<u>100.00%</u>	<u>6.718%</u>	<u>6.207%</u>

- 1/ Rider period per the Public Staff.
- 2/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (a), Line 1.
- 3/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (a), Line 2.
- 4/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (a), Line 3.
- 5/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (b), Line 1.
- 6/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (b), Line 2.
- 7/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (b), Line 3.
- 8/ Column (a) times Column (b).
- 9/ Column (c) times (1 minus combined income tax rate of 22.975%)
- 10/ Amount from Column (c).

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
CALCULATION OF LEVELIZED STATE EDIT RIDER CREDIT
For the Test Period Ended December 31, 2018

Revised Perry Exhibit I
Schedule 4

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Total Revenue Requirement (c)	5/
1	Total NC retail regulatory liability to be amortized	(\$43,280,669) 1/	(\$43,280,669) 1/		
2	Annuity factor	1.8848 2/	1.8848 2/		
3	Levelized rider EDIT regulatory liability (L1 / L2)	(22,963,004)	(22,963,004)	(\$45,926,008)	
4	One minus composite income tax rate	100.0000% 3/	100.0000% 3/	100.0000% 3/	
5	Net operating income effect (L3 x L4)	(22,963,004)	(22,963,004)	(45,926,008)	
6	Retention factor	0.7655013 4/	0.7655013 4/	0.7655013 4/	
7	Levelized rider EDIT credit (L5 / L6)	(\$29,997,342)	(\$29,997,342)	(\$59,994,685)	

- 1/ Barkely Exhibit (BPB-2) page 1 of 4, Line, Column B + Column C, Line 1, before gross-up amount.
- 2/ Perry Exhibit I, Schedule 4(a), Line 3.
- 3/ Amount is net of taxes, therefore we do not need to apply the composite income tax rate.
- 4/ Revised Jayasheela Exhibit I, Schedule 5(a), Line 13.
- 5/ Column (a) plus Column (b).

Revised Perry Exhibit I
Schedule 4(a)

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
CALCULATION OF ANNUITY FACTOR FOR EDIT LIABILITY RIDER
For the Test Period Ended December 31, 2018

Line No.	Item	Amount
	<u>Annuity Factor</u>	
1	Number of years	2 1/
2	Payment per period	1
3	After tax rate of return (L9)	6.207%
4	Present value of 1 dollar over number of years with with 1 payment per year	1.8281
5	1 plus (interest rate divided by two)	1.0310
6	Annuity factor (L4 x L5)	<u>1.8848</u>

	Capital Structure	Cost Rates	Overall Rate of Return	8/	Net of Tax Rate
	(a)	(b)	(c)		(d)
	<u>After Tax Rate of Return</u>				
7	Long-term debt	49.94% 2/	4.41% 5/	2.202%	1.696% 9/
8	Short-term debt	0.85% 3/	2.72% 6/	0.023%	0.018% 9/
9	Common equity	49.21% 4/	9.13% 7/	4.493%	4.493% 10/
10	Total	<u>100.00%</u>		<u>6.718%</u>	<u>6.207%</u>

- 1/ Rider period per the Public Staff.
2/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (a), Line 1.
3/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (a), Line 2.
4/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (a), Line 3.
5/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (b), Line 1.
6/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (b), Line 2.
7/ Revised Jayasheela Exhibit I, Schedule 5(a), Column (b), Line 3.
8/ Column (a) times Column (b).
9/ Column (c) times (1 minus combined income tax rate of 22.975%)
10/ Amount from Column (c).

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

Revised Perry Exhibit II
Schedule 1

I/A

Line No.	Account No.	Description	Merchandising, Jobbing, and CNG	Nonutility Equity Investments	[1]	NC Total	[5]
Expenses subject to allocation:							
1.	90370	Postage	\$2,073,541	[1]			
2.	90500	Misc. Customer Acctg. Exp	4,964	[1]			
3.	92000	Admin & General Salaries - officers	\$8,107,997	[2]	\$8,107,997	[2]	
4.		Corporate Office Rent	\$9,736,978	[3]			
5.		Incentive Pay - LTIP, STIP	7,036,827	[3]	\$7,036,827	[3]	
6.	92110	Supplies and Expenses	8,778,454	[3]			
7.	9232000	Outside services	8,056,847	[3]			
8.	92320	Computer Services & rent	4,316,056	[3]	4,316,056	[3]	
9.	92510	Insurance Premiums	2,222,443	[3]	2,222,443	[3]	
10.	92520	Safety Programs, Materials	808,027	[1]			
11.	93230	Maintenance Other General Plant	585,658	[1]	585,658		
12.		Total (Sum of L1 thru L12)	\$51,727,793		\$22,268,981		
13.		Allocation factors	1.3911%		1.0099%		
14.		Public Staff Amount (L13 x L14)	719,239		224,963		\$944,202
15.		Company Amount	44,703		0		44,703
16.		Public Staff adjustment (L15 - L16)	\$674,536		\$224,963		\$899,499
Plant-related nonutility adjustment:							
		Decrease in Plant in Service	\$4,297,229	[4]			
		Decrease in Accumulated Depreciation	2,561,935	[4]			
		Decrease Net Nonutility PIS	\$6,859,164				
		Decrease Depreciation Expense	\$260,567	[4]			
		Decrease Property Tax	(\$17,065)	[4]			
Allocation Ratios:							
		Revenues	Payroll	Property	Average		
Utility		96.16%	98.05%	98.59%	97.60%		
Merchandise and Jobbing		2.22%	1.95%	0.00%	1.39%		
Other Non-Utility		1.62%	0.00%	1.41%	1.01%		
Total		100.00%	100.00%	100.00%	100.00%		
					2.40%		

[1] Per Company's adjustment, G-1, Item 4a.

[2] Per Data Request Response 30-1

[3] Per Data Request Response 49-11, Supplemental Response.

[4] Per Revised Feasel Exhibit I, Schedule 2.

[5] Column (a) + Column (b) + Column(c).

Revised Perry Exhibit II
Schedule 2

PIEDMONT NATURAL GAS COMPANY
Docket No. G-9, Sub 743
ADJUSTMENT FOR REGULATORY ASSET TREATMENT FOR PLANT RELATED TO ACP
For The Test Year Ended December 31, 2018

Line No.	Item	Amount
Expenses:		
1	Depreciation	\$745,653 [1]
2	Property Taxes	29,828 [1]
3	Total expenses	\$775,481
4	Retention factor	0.993834881 [2]
5	Revenue requirement impact for expenses	780,291
Rate Base:		
6	End of period plant	113,719,719 [1]
7	End of period accumulated depreciation	(124,736) [1]
8	Depreciation Jan 1 - May 31	(323,117)
9	Acc. Depr. Annualization	(327,628)
9	Total rate base impact (Sum of Lines 6 through 11)	112,944,238
10	Rate base revenue factor	0.0810847 [2]
11	Revenue requirement impact	9,158,050
12	Total revenue requirement impact	9,938,341
13	Piedmont contracts / Total project (26 miles / 35 miles)	0.7428571 [3]
14	Portion assigned to Duke - revenue level	7,382,767
15	Expense factor	0.9938349 [2]
16	Portion assigned to Duke - expense level (credit to expenses, debit to rate base)	\$7,337,252

[1] Informal Company Repose - Line 434 plant and expenses for 2018.

[2] Per Revised Jayasheela Exhibit I, Schedule 5(a).

[3] Based on number of pipeline miles to be paid for by DEP as compared to total number of pipeline miles added

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
ADJUSTMENT TO PAYROLL EXPENSES
For the Test Year Ended December 31, 2018

Coleman Exhibit I
Schedule 1

A

Line No.	Item	Amount (a)	Total (b)
1	Total Company Straight Time Payroll Expenses at May 31, 2019 (Excluding DEBS and Overtime)	\$ 119,470,104 [1]	
2	Piedmont NC O&M Expense %	51.04% [2]	
3	Total Piedmont NC Straight Time Payroll Expenses at May 31, 2019 (Excluding DEBS and Overtime)	60,977,541	
4	Pro Forma NC Straight Time Payroll Expense per Company	60,679,483 [3]	
5	Adjustment to Piedmont NC Straight Time Payroll Expenses per Public Staff (L3-L4)		298,058 [4]
6	Total DEBS Straight Time Payroll Expenses at May 31, 2019	769,099,535 [5]	
7	% of DEBS O&M Payroll Expense charged to Piedmont NC	2.08% [6]	
8	Annual DEBS Straight Time Payroll charged to Piedmont NC Public Staff (L6 x L7)	15,997,270	
9	Pro Forma DEBS NC Straight Time Payroll Expense per Company	16,082,795 [7]	
10	Adjustment to DEBS Straight Time Payroll Charged to Piedmont per Public Staff (L8 - L9)		(85,524) [8]
11	Total Other Duke Companies Straight Time Payroll Expenses at May 31, 2019	102,558,347 [9]	
12	% of Other Duke Companies Straight Time Expenses charged to Piedmont NC	0.70% [10]	
13	Annual Other Companies Straight Time Expenses charges to per Public Staff (L11 x L12)	717,908	
14	Pro Forma Other Duke Companies	740,010 [11]	
15	Adjustment to salaries and wages for DEBS employees per Public Staff (L13 - L14)		(22,102)
16	Adjustment for Overtime Charged to Piedmont O&M (+Overtime/E20)		(\$680,698) [12]
17	Total Public Staff Adjustment to O&M Payroll Expenses and Overtime (G5+G10+G15+G16)		(490,266)
18	Payroll tax percentage		7.65% [13]
19	Public Staff Adjustment to Payroll Taxes (L17 x L18)		(\$37,505) [14]

[1] Public Staff Data Request Response 13-1

[2] Company provided in response to Data Request 13-7

[3] Company provided on Informal Data Request 1 update

[4] Line 3 minus Line 4

[5] Provided by Company on DR 1 update

[6] Company provided on Pro Forma 2019-04-04 File 4, Tab A, Line 28

[7] Informal DR 1 update, Tab A, Line 40 - Estimate of Other 2019 Payroll charged to Piedmont

[8] Line 10 minus Line 11

[9] Informal DR 1 update, Tab A, R19/S19 - Computation of Straight Time Pro Forma O&M Expense

[10] Informal DR 1 update, Tab A, Line 19 - Computation of Straight Time Pro Forma O&M Expense

[11] Informal DR 1 update, Tab A, Line 40 - Estimate of Other 2019 Payroll charged to Piedmont

[12] Public Staff Overtime 2 schedule, E9

[13] Company response to Data Request 55-7

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
OVERTIME ADJUSTMENT
For the Test Year Ended December 31, 2018

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	2016 Overtime per Company	4,615,967 [1]
2	2017 Overtime per Company	5,283,216 [1]
3	2018 Overtime per Company	5,691,994 [1]
4	Total Overtime for 2016-2018 (Sum of L1 through L3)	15,591,176
5	Number of years	3
6	3 Year Average for Overtime (L4 / L5)	5,197,059 [2]
7	Amount of Overtime Pay allowed per Public Staff	5,197,059
8	Amount of Overtime per Company	5,877,757 [3]
9	Adjustment per Public Staff for Test Year Overtime	<u>(\$680,698)</u>

- [1] Company response to Data Request Response 13-18
[2] Three Year Average to adjust Overtime to an ongoing level
[3] Informal Data Request 1, update provided by company

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
PAYROLL BENEFITS PERCENTAGE ADJUSTMENT
For the Test Year Ended December 31, 2018

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Total Benefits provided to Piedmont charged to Piedmont (NC Portion)	\$18,971,998 [1]
2	Total Piedmont NC Test Year Payroll	75,254,238 [2]
3	Benefits to Total Payroll Percentage (L1/ L2)	<u>25.21%</u>
4	Public Staff's Pro Forma Payroll (NC O&M)	77,692,720 [3]
5	Public Staff Proposed Benefits (L4 times L3)	19,586,752
6	Piedmont Pro Forma Benefits Amount	<u>20,383,574 [4]</u>
7	Public Staff Adjustment to Payroll (L5 minus L6)	<u>(\$796,822)</u>

[1] Company provided 2019-04-04 File 7 Line 24

[2] Company provided in response to Data Request 13-8

[3] Public Staff's Pro Forma Payroll amount

[4] Company provided 2019-04-04 File 7, Pro Forma Benefits

Coleman Exhibit I
Schedule 4

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
Adjustment to Executive Compensation
For the Test Year Ended December 31, 2018

Line No.	Piedmont Executive	Annual Salary	(1)	Short Term Incentive Plan	(1)	Long Term Incentive Plan	(1)	Benefits	(1)	Total Compensation	(2)	NC Allocation %	North Carolina Amount
1	Total	<u>\$1,094,797</u>		<u>\$651,673</u>		<u>\$1,617,493</u>		<u>\$461,886</u>		<u>\$3,825,850</u>			<u>2,739,308</u>
2	Portion of Executive Compensation Removed from Piedmont NC expenses												<u>50.00% [2]</u>
3	Executive Compensation per Public Staff												<u>1,369,654</u>
4	Company Adjustment to Executive Compensation												<u>0</u>
5	Public Staff Adjustment to O&M Executive Compensation												<u>\$1,369,654</u>

[1] Company Response to Public Staff Data Request 30-1
[2] Recommended by Public Staff

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
ADJUSTMENT TO BOARD OF DIRECTORS EXPENSES
For the Test Year Ended December 31, 2018

Line No.	Item	Amount
1	Total Allocated Board of Directors (BOD) compensation	\$215,140 [1]
2	Percentage of exclusion per Public Staff	50% [2]
3	Public Staff adjustment to BOD compensation (L1 x L2)	<u>(107,570)</u>
4	Board of Directors insurance charged to Piedmont	589,451 [3]
5	Percentage of exclusion per Public Staff	50% [2]
6	Public Staff adjustment to BOD insurance (L4 x L5)	<u>(294,726)</u>
7	Board of Directors executive members expenses allocated to Piedmont	33,690 [4]
8	Percentage of exclusion per Public Staff	50% [2]
9	Public Staff adjustment to BOD and executive members expenses (L7 x L8)	<u>(16,845)</u>
10	Total Public Staff adjustment to BOD compensation and expenses (L3 + L6 + L9)	(419,141)
11	NC retail percentage	100.00% [5]
12	Public Staff adjustment to BOD expenses - NC retail (L10 x L11)	<u><u>(\$419,141)</u></u>

- [1] Company Response to Public Staff Data Request 34-1
[2] Recommended by Public Staff
[3] Company Response to Public Staff Data Request 34-6a
[4] Company Response to Public Staff Data Request 34-4

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

Revised Feasel Exhibit I
Schedule 1

HA

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 accumulate 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 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.

Platinum Natural Gas Company
 Declat No. 04, Sub 743
 CALCULATION OF PLANT IN SERVICE AND
 DEPRECIATION EXPENSE
 For the Test Year Ended December 31, 2019

Revised Federal Exhibit 1
 Schedule 1-1

Line No.	Description	Actual amounts as of 12/31/2019										Total MC Plant	Corporate Depreciation	Proposed Depreciation	NC Proposed Depreciation	Present Net Depreciation
		June 3-2019 Property	100% 3-2019 Allocation	June 3-2019 Property	100% 3-2019 Allocation	June 3-2019 Property	100% 3-2019 Allocation	June 3-2019 Property	100% 3-2019 Allocation	June 3-2019 Property	100% 3-2019 Allocation					
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
INTANGIBLE PLANT																
1	20100 Organization	-	-	-	-	-	-	-	-	-	-	15,171	-	-	-	-
2	20200 Franchises and Concessions	-	-	-	-	-	-	-	-	-	-	668,766	-	-	-	-
3	20300 & Year Software	-	-	-	-	-	-	-	-	-	-	20,338,878	20.00%	-	-	4,067,775
4	20310 10 Year Software	26,789,121	26,789,121	-	-	20,338,878	20,338,878	-	-	-	-	-	10.00%	-	-	8,444,890
5	20320 Multitouch Interplay PI	128,972,871	128,972,871	-	-	-	-	-	-	-	-	2,444,825	-	-	-	2,444,825
6	20330 Customer Contracts	-	-	-	-	-	-	-	-	-	-	67,800	-	-	-	67,800
7	Total Intangible Plant (Sum of L1 thru L6)	155,688,892	155,688,892	-	-	20,338,878	20,338,878	-	-	-	-	2,512,601	-	-	-	13,572,315
OTHER STORAGE PLANT																
8	20500 Land and Land Rights	-	-	3,714,622	3,714,622	-	-	263,886	263,886	-	-	3,427,961	0.00%	-	-	-
9	20510 Structures & Improvements	-	-	33,883,880	33,883,880	-	-	258,718	258,718	-	-	33,625,162	2.02%	-	-	682,718
10	20520 Gas Meters	-	-	16,959,287	16,959,287	-	-	-	-	-	-	17,468,970	1.24%	-	-	352,683
11	20530 Purification Equipment	-	-	16,175,018	16,175,018	-	-	-	-	-	-	12,822,828	3.49%	-	-	318,183
12	20540 Liquefaction Equipment	-	-	1,142,643	1,142,643	-	-	-	-	-	-	8,940,823	2.09%	-	-	183,881
13	20550 Venting Equipment	-	-	41,982,437	41,982,437	-	-	30,781,839	30,781,839	-	-	10,200,598	3.47%	-	-	352,683
14	20560 Compressor Equipment	-	-	6,841,376	6,841,376	-	-	4,880,818	4,880,818	-	-	1,960,558	2.61%	-	-	172,006
15	20570 Measuring & Reg Equipment	-	-	282,510	282,510	-	-	250,180	250,180	-	-	32,330	3.10%	-	-	2,154
16	20580 Other Equipment	-	-	-	-	150,127,278	150,127,278	-	-	-	-	150,127,278	2.89%	-	-	2,828,278
17	Total Other Storage Plant (Sum of L8 thru L16)	-	-	121,858,096	121,858,096	-	-	111,652,632	111,652,632	-	-	172,253,333	-	-	-	3,822,551
TRANSMISSION PLANT																
18	20610 Land and Land Rights	-	-	-	-	-	-	-	-	-	-	68,324,892	0.00%	-	-	-
19	20620 Rights-of-Way	-	-	-	-	-	-	-	-	-	-	332,938,823	1.25%	-	-	4,161,688
20	20630 Structures & Improvements	-	-	-	-	-	-	-	-	-	-	17,468,970	3.10%	-	-	352,683
21	20640 Sal - Linear Station Street	-	-	-	-	-	-	-	-	-	-	11,245,513	3.10%	-	-	228,147
22	20650 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	11,245,513	3.10%	-	-	228,147
23	20660 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
24	20670 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
25	20680 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
26	20690 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
27	20700 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
28	20710 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
29	20720 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
30	20730 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
31	20740 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
32	20750 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
33	20760 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
34	20770 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
35	20780 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
36	20790 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
37	20800 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
38	20810 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
39	20820 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
40	20830 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
41	20840 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
42	20850 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
43	20860 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
44	20870 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
45	20880 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
46	20890 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
47	20900 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
48	20910 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
49	20920 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
50	20930 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
51	20940 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
52	20950 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
53	20960 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
54	20970 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
55	20980 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
56	20990 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
57	21000 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
58	21010 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
59	21020 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
60	21030 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
61	21040 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
62	21050 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
63	21060 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
64	21070 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
65	21080 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
66	21090 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
67	21100 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
68	21110 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
69	21120 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
70	21130 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
71	21140 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
72	21150 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
73	21160 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
74	21170 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
75	21180 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
76	21190 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
77	21200 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
78	21210 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
79	21220 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
80	21230 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
81	21240 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
82	21250 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
83	21260 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,965,869
84	21270 Sal - Bulk Station Street	-	-	-	-	-	-	-	-	-	-	1,800,508,147	1.44%	-	-	18,9

Predecessor Natural Gas Company
 Document No. G-9, Sub 743
 CALCULATION OF ACCUMULATED DEPRECIATION
 For the Test Year Ended December 31, 2018

Line	No.	Item	3-Stage Depreciable (1)	2-Stage Depreciable (2)	1-Stage Depreciable (3)	Total Depreciable (4)	Total Accum. Deprec. (5)
1	2010	Organization	\$0	\$0	\$0	\$0	\$15,171
2	2000	Production and Compressor					558,786
3	2000	MC NCHG Fr. & Compressor					0
4	2000	Production and Compressor					2,444,025
5	2001	Customer Contracts					42,500
6		Total Intangible Plant (Sum of L1 thru L5)	0	0	0	0	3,088,681
7		OTHER STORAGE PLANT					0
8	26100	Gas Wellbore					6,022,438
9	26200	Purification Equipment					8,156,747
10	26300	Liquidation Equipment					2,227,121
11	26310	Vaporization Equipment					8,945,842
12	26320	Compressor Equipment					2,790,504
13	26330	Compressor Equipment					67,785
14	26340	Ball Equipment					1,865,837
15	26350	Other Equipment					34,976,782
16		Total Other Storage Plant (Sum of L7 thru L15)	0	41,033,657	34,877,250	75,910,907	0
17	26510	Land Rights					142,753
18	26520	Land Rights					16,021,827
19	26530	Well - Meter Station Build					36,218,681
20	26540	Well - Meter Station Str					25,850,530
21	26700	Meter					277,215,164
22	26701	Meter, Compressor Protection					3,379,114
23	26800	Compressor Station Equip					0
24	26900	System Meter & Reg Station					359,645,409
25		Total Transmission Plant (Sum of L17 thru L24)	0	0	0	0	359,645,409
26	27400	Non-depr Land					40,643
27	27500	Land Rights					721,528
28	27600	Meter					418,059
29	27700	Meter					494,081,827
30	27800	MC Compressor Protect-47105					7,823,647
31	27830	Meter Station Equipment					11,231,123
32	27900	Meter City Data Equipment					329,282,265
33	28100	Meter					29,302,408
34	28101	Meter					1,449,221
35	28104	Meters - Meter Accessories					894,668
36	28105	Meters - Meter Acc. ERTs					4,149,961
37	28200	Meter Regulators					0
38	28400	House Regulator Installation					0
39	28401	House Regulator Installation					0
40	28700	Other Property on Customer Premises					16,018,570
41	28701	Other Equipment					10,948
42		Total Distribution Plant (Sum of L26 thru L42)	1,853,439	1,302,105	4,399,274	7,554,818	818,491,577
43		GENERAL PLANT					0
44	29000	Non-depr Land					22,899,938
45	29000	S&L					6,086,685
46	29010	Former Operating Equipment					0
47	29110	CNG Station Equipment					33,056,244
48	29200	Transportation Equipment					0
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 Tractor & Driver					0
53	29210	Flat, Crane & Site Work					0
54	29211	Gas NC Light Truck 1/2 T					0
55	29212	Gas NC Light Truck 1/2 T					0
56	29213	Gas NC Truck 2 ton & over					0
57	29214	Gas NC Truck 2 ton & over					0
58	29215	Gas NC Truck 2 ton & over					0
59	29216	Gas NC Truck 2 ton & over					0
60	29217	Gas NC Truck 2 ton & over					0
61	29218	Gas NC Truck 2 ton & over					0
62	29219	Gas NC Truck 2 ton & over					0
63	29220	Gas NC Truck 2 ton & over					0
64	29221	Gas NC Truck 2 ton & over					0
65	29222	Gas NC Truck 2 ton & over					0
66	29223	Gas NC Truck 2 ton & over					0
67	29224	Gas NC Truck 2 ton & over					0
68	29225	Gas NC Truck 2 ton & over					0
69	29226	Gas NC Truck 2 ton & over					0
70	29227	Gas NC Truck 2 ton & over					0
71	29228	Gas NC Truck 2 ton & over					0
72	29229	Gas NC Truck 2 ton & over					0
73	29230	Gas NC Truck 2 ton & over					0
74	29231	Gas NC Truck 2 ton & over					0
75	29232	Gas NC Truck 2 ton & over					0
76	29233	Gas NC Truck 2 ton & over					0
77	29234	Gas NC Truck 2 ton & over					0
78	29235	Gas NC Truck 2 ton & over					0
79	29236	Gas NC Truck 2 ton & over					0
80	29237	Gas NC Truck 2 ton & over					0
81	29238	Gas NC Truck 2 ton & over					0
82	29239	Gas NC Truck 2 ton & over					0
83	29240	Gas NC Truck 2 ton & over					0
84	29241	Gas NC Truck 2 ton & over					0
85	29242	Gas NC Truck 2 ton & over					0
86	29243	Gas NC Truck 2 ton & over					0
87	29244	Gas NC Truck 2 ton & over					0
88	29245	Gas NC Truck 2 ton & over					0
89	29246	Gas NC Truck 2 ton & over					0
90	29247	Gas NC Truck 2 ton & over					0
91	29248	Gas NC Truck 2 ton & over					0
92	29249	Gas NC Truck 2 ton & over					0
93	29250	Gas NC Truck 2 ton & over					0
94	29251	Gas NC Truck 2 ton & over					0
95	29252	Gas NC Truck 2 ton & over					0
96	29253	Gas NC Truck 2 ton & over					0
97	29254	Gas NC Truck 2 ton & over					0
98	29255	Gas NC Truck 2 ton & over					0
99	29256	Gas NC Truck 2 ton & over					0
100	29257	Gas NC Truck 2 ton & over					0
101	29258	Gas NC Truck 2 ton & over					0
102	29259	Gas NC Truck 2 ton & over					0
103	29260	Gas NC Truck 2 ton & over					0
104	29261	Gas NC Truck 2 ton & over					0
105	29262	Gas NC Truck 2 ton & over					0
106	29263	Gas NC Truck 2 ton & over					0
107	29264	Gas NC Truck 2 ton & over					0
108	29265	Gas NC Truck 2 ton & over					0
109	29266	Gas NC Truck 2 ton & over					0
110	29267	Gas NC Truck 2 ton & over					0
111	29268	Gas NC Truck 2 ton & over					0
112	29269	Gas NC Truck 2 ton & over					0
113	29270	Gas NC Truck 2 ton & over					0
114	29271	Gas NC Truck 2 ton & over					0
115	29272	Gas NC Truck 2 ton & over					0
116	29273	Gas NC Truck 2 ton & over					0
117	29274	Gas NC Truck 2 ton & over					0
118	29275	Gas NC Truck 2 ton & over					0
119	29276	Gas NC Truck 2 ton & over					0
120	29277	Gas NC Truck 2 ton & over					0
121	29278	Gas NC Truck 2 ton & over					0
122	29279	Gas NC Truck 2 ton & over					0
123	29280	Gas NC Truck 2 ton & over					0
124	29281	Gas NC Truck 2 ton & over					0
125	29282	Gas NC Truck 2 ton & over					0
126	29283	Gas NC Truck 2 ton & over					0
127	29284	Gas NC Truck 2 ton & over					0
128	29285	Gas NC Truck 2 ton & over					0
129	29286	Gas NC Truck 2 ton & over					0
130	29287	Gas NC Truck 2 ton & over					0
131	29288	Gas NC Truck 2 ton & over					0
132	29289	Gas NC Truck 2 ton & over					0
133	29290	Gas NC Truck 2 ton & over					0
134	29291	Gas NC Truck 2 ton & over					0
135	29292	Gas NC Truck 2 ton & over					0
136	29293	Gas NC Truck 2 ton & over					0
137	29294	Gas NC Truck 2 ton & over					0
138	29295	Gas NC Truck 2 ton & over					0
139	29296	Gas NC Truck 2 ton & over					0
140	29297	Gas NC Truck 2 ton & over					0
141	29298	Gas NC Truck 2 ton & over					0
142	29299	Gas NC Truck 2 ton & over					0
143	29300	Gas NC Truck 2 ton & over					0
144	29301	Gas NC Truck 2 ton & over					0
145	29302	Gas NC Truck 2 ton & over					0
146	29303	Gas NC Truck 2 ton & over					0
147	29304	Gas NC Truck 2 ton & over					0
148	29305	Gas NC Truck 2 ton & over					0
149	29306	Gas NC Truck 2 ton & over					0
150	29307	Gas NC Truck 2 ton & over					0
151	29308	Gas NC Truck 2 ton & over					0
152	29309	Gas NC Truck 2 ton & over					0
153	29310	Gas NC Truck 2 ton & over					0
154	29311	Gas NC Truck 2 ton & over					0
155	29312	Gas NC Truck 2 ton & over					0
156	29313	Gas NC Truck 2 ton & over					0
157	29314	Gas NC Truck 2 ton & over					0
158	29315	Gas NC Truck 2 ton & over					0
159	29316	Gas NC Truck 2 ton & over					0
160	29317	Gas NC Truck 2 ton & over					0
161	29318	Gas NC Truck 2 ton & over					0
162	29319	Gas NC Truck 2 ton & over					0
163	29320	Gas NC Truck 2 ton & over					0
164	29321	Gas NC Truck 2 ton & over					0
165	29322	Gas NC Truck 2 ton & over					0
166	29323	Gas NC Truck 2 ton & over					0
167	29324	Gas NC Truck 2 ton & over					0
168	29325	Gas NC Truck 2 ton & over					0
169	29326	Gas NC Truck 2 ton & over					0
170	29327	Gas NC Truck 2 ton & over					0
171	29328	Gas NC Truck 2 ton & over					0
172	29329	Gas NC Truck 2 ton & over					0
173	29330	Gas NC Truck 2 ton & over					0
174	29331	Gas NC Truck 2 ton & over					0
175	29332	Gas NC Truck 2 ton & over					0
176	29333	Gas NC Truck 2 ton & over					0
177	29334	Gas NC Truck 2 ton & over					0
178	29335	Gas NC Truck 2 ton & over					0
179	29336	Gas NC Truck 2 ton & over					0
180	29337	Gas NC Truck 2 ton & over					0
181	29338	Gas NC Truck 2 ton & over					0
182	29339	Gas NC Truck 2 ton & over					0
183	29340	Gas NC Truck 2 ton & over					0
184	29341	Gas NC Truck 2 ton & over					0
185	29342	Gas NC Truck 2 ton & over					0
186	29343	Gas NC Truck 2 ton & over					0
187	29344	Gas NC Truck 2 ton & over					0
188	29345	Gas NC Truck 2 ton & over					0
189	29346	Gas NC Truck 2 ton & over					0
190	29347	Gas NC Truck 2 ton & over					0
191	29348	Gas NC Truck 2 ton & over					0
192	29349	Gas NC Truck 2 ton & over					0
193	29350	Gas NC Truck 2 ton & over					0
194	29351	Gas NC Truck 2 ton & over					0
195	29352	Gas NC Truck 2 ton & over					0
196	29353	Gas NC Truck 2 ton & over					0
197	29354	Gas NC Truck 2 ton & over					0
198	29355	Gas NC Truck 2 ton & over					0
199	29356</						

Piedmont Natural Gas Company
 Docent No. G-8, Sub 743
 ADJUSTMENT OF PLANT RELATED ITEMS TO
 NON UTILITY OPERATIONS
 For The Test Year Ended December 31, 2018

Revised Fossil Exhibit I
 Schedule 2

Balances at May 31, 2019													Allocable To Non Utility												
Line No.	Acct. No.	Item	Corporate Utility Plant In Service (1)	NC Direct Utility Plant In Service (2)	Total Utility Plant In Service (3)	Total Accumulated Depreciation (4)	Non Utility % (5)	Corporate Utility Plant In Service (6)	NC Direct Utility Plant In Service (7)	Total Utility Plant In Service (8)	Accumulated Depreciation (9)	Corporate Depreciation Expense % (10)	NC Depreciation Expense % (11)	Total Depreciation Expense Amount (12)											
1	28900	28900 Non-deer Land & Land Rights	(a) 0	(b) 3,243,728	(c) 3,243,728	(d) 0	1.3911%	(f) 0	(g) 45,124	(h) 45,124	(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	22,699,938	1.3911%	37,282	1,272,580	1,309,862	318,562	2.10%	2.00%	28,234											
3	29410	29410 CNG Station Equipment	2,210	22,022,949	22,025,159	0	1.3911%	31	308,352	308,383	0	4.08%	3.90%	11,949											
4	29500	29500 Power Operated Equipment	777,258	12,868,718	13,645,976	6,085,865	1.3911%	10,812	176,235	187,047	84,675	3.71%	3.28%	8,182											
5	29210	29210 Pass, Cars & Sta Wagon	0	2,955,756	2,955,756	1,978,269	1.3911%	0	41,118	41,118	27,520	0.00%	11.70%	4,835											
6	29201	29201 Transportation - 5 Year Rural Use	79,329	11,669,229	11,748,558	0	1.3911%	1,104	182,331	183,435	0	15.40%	12.82%	20,885											
7	29202	29202 Transportation - 7 Year Urban Use	983,362	28,350,249	29,333,611	0	1.3911%	13,763	394,382	408,145	0	8.83%	7.54%	30,652											
8	29203	29203 Transportation - 10 Year Heavy Duty	1,291,100	15,302,821	16,593,921	0	1.3911%	16,709	212,876	229,585	0	7.29%	6.14%	14,288											
9	29204	29204 Transportation - 15 Year Trailers & Other	60,708	1,138,898	1,199,606	0	1.3911%	845	15,843	16,688	0	4.84%	4.55%	707											
10	29200	29200 Transportation Equipment	0	292,765	292,765	33,095,244	1.3911%	0	4,073	4,073	460,390	0.00%	18.07%	736											
11	29001	29001 S&I - Leasehold Improv	4,859,887	0	4,859,887	3,023,228	1.3911%	67,608	0	67,608	42,058	4.76%	5.00%	3,218											
12	29100	29100 Office Furniture and Equipm	7,144,454	9,354,693	16,499,147	8,948,373	1.3911%	99,397	130,134	229,531	92,466	5.00%	5.00%	11,478											
13	29101	29101 Electronic Data Processing	0	0	0	137,237	1.3911%	0	0	0	1,908	0	0	0											
14	29102	29102 PC Equipment	29,807,697	0	29,807,697	10,071,180	1.3911%	414,656	0	414,656	140,101	20.00%	0	82,931											
15	29103	29103 Customer Information System	13,456,747	0	13,456,747	20,458,608	1.3911%	187,337	0	187,337	284,740	5.00%	0	9,367											
16	29104	29104 Client Service Applications	0	0	0	58,028,059	1.3911%	0	0	0	779,382	0	0	0											
17	29300	29300 Stores Equipment	0	3,385	3,385	(24,234)	1.3911%	0	47	47	(337)	0	5.00%	2											
18	29400	29400 Tools, Shop & Garage Equip	2,983,275	12,685,570	15,668,845	7,830,511	1.3911%	41,501	176,470	217,970	106,148	5.00%	5.00%	10,899											
19	29700	29700 Communication Equipment	22,834,109	8,853,113	29,687,221	14,698,583	1.3911%	317,647	85,362	403,009	204,473	5.56%	5.56%	22,063											
20	29800	29800 Miscellaneous Equipment	155,886	3,844,631	4,000,517	1,425,480	1.3911%	2,170	53,483	55,653	19,830	5.00%	5.00%	2,783											
21	Total plant-related nonutility adjustment (Sum of L1 thru L20)		\$87,040,696	\$221,666,799	\$308,907,495	\$184,165,379		\$1,210,828	\$3,086,401	\$4,297,229	\$2,561,935			\$280,567											

[1] Fossil Exhibit I, Schedule 1-1, Column (e)
 [2] Fossil Exhibit I, Schedule 1-1, Column (f)
 [3] Column (a) + Column (b)
 [4] Fossil Exhibit I, Schedule 1-2, Column (e)
 [5] For Public Staff with no Pay
 [6] Column (a) * Column (e)

[7] Column (b) * Column (e)
 [8] Column (f) * Column (g)
 [9] Column (d) * Column (e)
 [10] Fossil Exhibit I, Schedule 1-1, Column (h)
 [11] Fossil 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

1A

Line No.	Item	Amount
1	Remove South 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.

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Aug 26 2019

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PIEDMONT NATURAL GAS COMPANY, INC.
Docket No. G-9 Sub 743
SUMMARY OF VOLUME AND BILL ADJUSTMENT
FOR END OF PERIOD

RATE SCHEDULE (1)	DESCRIPTION (2)	S E A S O N (3)	BILLS/ DEMAND UNITS (4)	VOLUMES (DTS) (5)	WEATHER NORMALIZATION		CUSTOMER GROWTH		TOTAL	
					ADJUSTMENT (DTS) (6)	TOTAL (DTS) (7) (5) + (6)	ADJUSTMENT (BILLS) (8)	(DTS) (9)	(BILLS) (10) (4) + (8)	(DTS) (11) (7) + (9)
101 Residential Service		W	3,356,241	31,358,694.70	(768,577)	30,585,631	42,926	395,744	3,399,167	30,981,375
101 Residential Service		S	<u>4,644,245</u>	<u>9,210,542.30</u>	<u>(1,038,575)</u>	<u>8,172,062</u>	<u>59,354</u>	<u>104,380</u>	<u>4,703,599</u>	<u>8,276,442</u>
			8,000,486	40,569,237.00	(1,807,152)	38,757,693	102,281	500,124	8,102,766	39,257,817
102 Small General Service		W	352,778	18,078,392	(200,051)	17,878,341	4,535	229,831	357,313	18,108,172
102 Small General Service		S	<u>489,883</u>	<u>9,446,837</u>	<u>(647,437)</u>	<u>8,799,400</u>	<u>6,298</u>	<u>113,119</u>	<u>496,181</u>	<u>8,912,519</u>
			842,661	27,525,229	(847,487)	26,677,741	10,833	342,950	853,494	27,020,691
143/102 Exp Mot Veh Fuel_SG Svc		W	46	5,113	171	5,284	(2)	(269)	44	5,015
143/102 Exp Mot Veh Fuel_SG Svc		S	<u>56</u>	<u>8,100</u>	<u>(11)</u>	<u>8,089</u>	<u>(3)</u>	<u>(412)</u>	<u>53</u>	<u>7,677</u>
			102	13,212	160	13,372	(5)	(681)	97	12,691
152 Medium General Service	first 500	W	2,374	1,053,649	(6,618)	1,047,031	(68)	(30,050)	2,306	1,016,981
	over 500			1,710,375	(10,742)	1,699,633		(48,779)		1,650,854
152 Medium General Service	first 500	S	3,288	1,213,822	(32,262)	1,217,425	(94)	(34,940)	3,194	1,182,485
	over 500			<u>1,105,234</u>	<u>(29,377)</u>	<u>1,108,515</u>		<u>(31,814)</u>		<u>1,076,701</u>
			5,662	5,083,080	(78,999)	5,072,604	(162)	(145,584)	5,500	4,927,022
142 Natural Gas Vehicle Fuel - Company Premise		W	0	30,503	0	30,503	0	0	0	30,503
		S	<u>0</u>	<u>47,315</u>	<u>0</u>	<u>47,315</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,315</u>
			0	77,818	0	77,818	0	0	0	77,818
103 Large General Service	Demand		148,524 dts				8,020 dts		156,543 dts	
	1,500	W	316	439,773	0	439,773	17	23,746	333	463,519
	3,000	W		416,993	0	416,993		22,516		439,509
	9,000	W		179,657	0	179,657		9,701		189,358
	16,500	W		36,110	0	36,110		1,950		38,060
	30,000	W		0	0	0		0		0
	60,000	W		<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>		<u>0</u>
				1,072,534		1,072,534		57,913		1,130,447

PIEDMONT NATURAL GAS COMPANY, INC.
Docket No. G-9 Sub 743
SUMMARY OF VOLUME AND BILL ADJUSTMENT
FOR END OF PERIOD

RATE SCHEDULE (1)	DESCRIPTION (2)	S E A S O N (3)	BILLS/ DEMAND UNITS (4)	VOLUMES (DTS) (5)	WEATHER NORMALIZATION		CUSTOMER GROWTH		TOTAL	
					ADJUSTMENT (DTS) (6)	TOTAL (DTS) (7) (5) + (6)	ADJUSTMENT (BILLS) (8)	(DTS) (9)	(BILLS) (10) (4) + (8)	(DTS) (11) (7) + (9)
103 Large General Service	1500	S	457	576,369	0	576,369	25	31,121	482	607,490
	3000	S		371,464	0	371,464		20,057		391,521
	9000	S		114,445	0	114,445		6,180		120,625
	16500	S		78,270	0	78,270		4,226		82,496
	30000	S		0	0	0		0		0
	60000	S		0	0	0		0		0
				1,140,548		1,140,548		61,584		1,202,132
			773	2,213,082		2,213,082	42	119,497	815	2,332,579
143/103 Exp Mot Veh Fuel-LGSS	Demand		7,040 dts				2,796		9,836	
	1,500	W		24,073	0	24,073		7		33,635
	3,000	W		27,014	0	27,014				37,745
	9,000	W		4,883	0	4,883		1,939		6,822
	16,500	W		0	0	0		0		0
	30,000	W		0	0	0		0		0
	60,000	W		0	0	0		0		0
				55,970		55,970		22,232		78,202
143/103 Exp Mot Veh Fuel-LGSS	1500	S	26	37,372	0	37,372	10	14,845	36	52,217
	3000	S		48,935	0	48,935		19,438		68,373
	9000	S		14,538	0	14,538		5,775		20,313
	16500	S		0	0	0		0		0
	30000	S		0	0	0		0		0
	60000	S		0	0	0		0		0
				100,845		100,845		40,058		140,903
			43	156,815		156,815	17	62,290	60	219,105
104 Interruptible Service	1,500	W	81	115,234	0	115,234	(1)	(1,600)	80	113,634
	3,000	W		171,323	0	171,323		(2,379)		168,944
	9,000	W		139,386	0	139,386		(1,936)		137,450
	16,500	W		6,828	0	6,828		(95)		6,733
	30,000	W		0	0	0		0		0
	60,000	W		0	0	0		0		0
				432,771		432,771		(6,010)		426,761

PIEDMONT NATURAL GAS COMPANY, INC.
Docket No. G-9, Sub 743
SUMMARY OF VOLUME AND BILL ADJUSTMENT
FOR END OF PERIOD

RATE SCHEDULE (1)	DESCRIPTION (2)	S E A S O N (3)	BILLS/ DEMAND UNITS (4)	VOLUMES (DTS) (5)	WEATHER NORMALIZATION		CUSTOMER GROWTH		TOTAL	
					ADJUSTMENT (DTS) (6)	TOTAL (DTS) (7) (5) + (6)	ADJUSTMENT (BILLS) (8)	(DTS) (9)	(BILLS) (10) (4) + (8)	(DTS) (11) (7) + (9)
104 Interruptible Service	1500	S	114	153,542	0	153,542	(2)	(2,133)	112	151,409
	3000	S		163,040	0	163,040		(2,264)		160,776
	9000	S		136,804	0	136,804		(1,900)		134,904
	16500	S		4,370	0	4,370		(61)		4,309
	30000	S		0	0	0		0		0
	60000	S		0	0	0		0		0
				457,755		457,755		(6,358)		451,397
			195	890,525		890,525	(3)	(12,368)	192	878,158
113 Large General Transportation Service			1,661,230 dts				(44,620)		1,616,610	
	1,500	W	1,512	2,010,192	0	2,010,192	(41)	(53,992)	1,471	1,956,200
	3,000	W		2,840,512	0	2,840,512		(76,294)		2,764,218
	9,000	W		2,910,877	0	2,910,877		(78,184)		2,832,693
	30,000	W		1,933,655	0	1,933,655		(51,937)		1,881,718
	46,500	W		1,701,371	0	1,701,371		(45,698)		1,655,673
	60,000	W		<u>2,782,340</u>	<u>0</u>	<u>2,782,340</u>		<u>(74,732)</u>		<u>2,707,608</u>
				14,178,947		14,178,947		(380,837)		13,798,110
	1,500	S	2,099	2,712,613	0	2,712,613	(56)	(72,859)	2,043	2,639,754
	3,000	S		3,343,969	0	3,343,969		(89,817)		3,254,152
	9,000	S		3,388,085	0	3,388,085		(91,002)		3,297,083
	16,500	S		2,360,563	0	2,360,563		(63,403)		2,297,160
	30,000	S		2,129,656	0	2,129,656		(57,201)		2,072,455
	60,000	S		<u>3,196,566</u>	<u>0</u>	<u>3,196,566</u>		<u>(85,858)</u>		<u>3,110,708</u>
				17,131,451		17,131,451		(460,140)		16,671,311
			3,611	31,310,398		31,310,398	(97)	(840,977)	3,514	30,469,421

PIEDMONT NATURAL GAS COMPANY, INC.
Docket No. G-9, Sub 743
SUMMARY OF VOLUME AND BILL ADJUSTMENT
FOR END OF PERIOD

RATE SCHEDULE (1)	DESCRIPTION (2)	S E A S O N (3)	BILLS/ DEMAND UNITS (4)	VOLUMES (DTS) (5)	WEATHER NORMALIZATION		CUSTOMER GROWTH		TOTAL	
					ADJUSTMENT (DTS) (6)	TOTAL (DTS) (7) (5) + (6)	ADJUSTMENT (BILLS) (8)	(DTS) (9)	(BILLS) (10) (4) + (8)	(DTS) (11) (7) + (9)
143/113 Exp Mot Veh Fuel-LGTS			30,916 dts				6,982 dts		37,898 dts	
	1,500	W	35	50,571	0	50,571	8	11,421	43	61,992
	3,000	W		63,605	0	63,605		14,365		77,970
	9,000	W		52,755	0	52,755		11,915		64,670
	30,000	W		82,500	0	82,500		18,632		101,132
	46,500	W		24,655	0	24,655		5,568		30,223
	60,000	W		0	0	0		0		0
				274,085		274,085		61,901		335,986
143/113 Exp Mot Veh Fuel-LGTS	1,500	S	51	75,802	0	75,802	12	17,119	63	92,921
	3,000	S		93,471	0	93,471		21,110		114,581
	9,000	S		72,153	0	72,153		16,295		88,448
	16,500	S		115,500	0	115,500		26,085		141,585
	30,000	S		24,690	0	24,690		5,576		30,266
	60,000	S		0	0	0		0		0
				381,615		381,615		66,185		467,800

Naba Exhibit 1
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PIEDMONT NATURAL GAS COMPANY, INC.
Docket No. G-9 Sub 743
SUMMARY OF VOLUME AND BILL ADJUSTMENT
FOR END OF PERIOD

RATE SCHEDULE (1)	DESCRIPTION (2)	S E A S O N (3)	BILLS/ DEMAND UNITS (4)	VOLUMES (DT) (5)	WEATHER NORMALIZATION		CUSTOMER GROWTH		TOTAL	
					ADJUSTMENT (DT) (6)	TOTAL (DT) (7) (5) + (6)	ADJUSTMENT (BILLS) (8)	(DT) (9)	(BILLS) (10) (4) + (8)	(DT) (11) (7) + (9)
114 Interruptible Transportation Service	1,500	W	1,229	1,593,934	0	1,593,934	(4)	(5,450)	1,225	1,588,484
	3,000	W		2,420,506	0	2,420,506		(8,276)		2,412,230
	9,000	W		3,101,909	0	3,101,909		(10,806)		3,091,303
	16,500	W		2,221,916	0	2,221,916		(7,597)		2,214,319
	30,000	W		1,991,676	0	1,991,676		(6,810)		1,984,866
	60,000	W		<u>1,678,837</u>	<u>0</u>	<u>1,678,837</u>		<u>(5,740)</u>		<u>1,673,097</u>
				13,008,778		13,008,778		(44,479)		12,964,299
114 Interruptible Transportation Service	1500	S	1,709	2,298,148	0	2,298,148	(6)	(7,858)	1,703	2,290,290
	3000	S		3,358,393	0	3,358,393		(11,483)		3,346,910
	9000	S		3,955,977	0	3,955,977		(13,526)		3,942,451
	16500	S		2,590,797	0	2,590,797		(8,859)		2,581,938
	30000	S		2,332,451	0	2,332,451		(7,975)		2,324,476
	60000	S		<u>1,610,935</u>	<u>0</u>	<u>1,610,935</u>		<u>(5,508)</u>		<u>1,605,427</u>
				16,146,700		16,146,700		(55,209)		16,091,491
			<u>2,938</u>	<u>29,155,477.90</u>		<u>29,155,478</u>	<u>(10)</u>	<u>(99,688)</u>	<u>2,928</u>	<u>29,055,790</u>
105 Outdoor Gaslight Service	Fixtures	W S	5,537				(296)		5,241	
			313	3,694	0	3,694	(17)	(197)	296	3,497
			<u>431</u>	<u>5,165</u>	<u>0</u>	<u>5,165</u>	<u>(23)</u>	<u>(276)</u>	<u>408</u>	<u>4,889</u>
			744	8,859		8,859	(40)	(473)	704	8,386

Naba Exhibit 1
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PIEDMONT NATURAL GAS COMPANY, INC.
0
SUMMARY OF VOLUME AND BILL ADJUSTMENT
FOR END OF PERIOD

RATE SCHEDULE (1)	DESCRIPTION (2)	S E A S O N (3)	BILLS/ DEMAND UNITS (4)	VOLUMES (DT) (5)	WEATHER NORMALIZATION		CUSTOMER GROWTH		TOTAL	
					ADJUSTMENT (DT) (6)	TOTAL (DT) (7) (5) + (6)	ADJUSTMENT (BILLS) (8)	(DT) (9)	(BILLS) (10) (4) + (8)	(DT) (11) (7) + (9)
T-10 Transportation for Rate 10	Demand	W	84,000							
T-10 Transportation for Rate 10		S	5	835,938	0	835,938	0	20,932	5	856,870
			7	479,521	0	479,521	0	6,932	7	486,453
			12	1,315,459		1,315,459		27,864	12	1,343,323
Special Contracts-Military		W	7	414,340	0	414,340	3	63,350	10	477,690
Special Contracts-Military		S	13	336,223	0	336,223	1	66,297	14	402,520
			20	750,564		750,564	4	129,647	24	880,210
Special Contracts-Lg Volume		W	62	2,066,166	0	2,066,166	7	0	69	2,066,166
Special Contracts-Lg Volume		S	85	2,655,109	0	2,655,109	7	0	92	2,655,109
			147	4,721,275		4,721,275	14	0	161	4,721,275
Power Generation Contracts		W	72	123,110,706	0	123,110,706	(5)	5,037,620	67	128,148,326
Power Generation Contracts		S	101	194,333,184	0	194,333,184	(7)	11,464,976	94	205,798,160
			173	317,443,890		317,443,890	(12)	16,502,596	161	333,946,486
Special Contracts-Munis		W	16	4,656,388	0	4,656,388	0	0	16	4,656,388
Special Contracts-Munis		S	21	2,685,539	0	2,685,539	0	0	21	2,685,539
			37	7,341,927		7,341,927		0	37	7,341,927
SUBTOTAL			4,071	360,737,451		360,737,451	(44)	16,559,946	4,027	377,297,397
Total Throughput			8,857,690	469,232,548	(2,733,478)	466,563,200	112,881	16,733,284	8,970,571	483,296,485
Subtotal Without Power Generation			8,857,517	151,788,657	(2,733,478)	149,119,310	112,893	230,688	8,970,410	149,349,999
Total			8,857,690	469,232,548	(2,733,478)	466,563,200	112,881	16,733,284	8,970,571	483,296,485

* Schedules 2 and 5
are confidential
and filed under
seal.
KTM

Allison Exhibit I
Schedule 1

1A

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
ADJUSTMENT TO LOBBYING EXPENSE
For the Test Year ended December 31, 2018

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Remove Test Year Stakeholder Strategy charges related to lobbying	\$144,450 [1]
2	Remove Federal Government Affairs charges related to lobbying	289,841 [1]
3	Total Public Staff adjustment to remove lobbying expenses (L1 + L2)	<u>\$434,291</u>
4	NC Allocation Percentage	71.6000% [2]
5	Public Staff adjustment to lobbying expense (L3 X L4)	<u><u>\$310,952</u></u>

[1] Based on Company response to Public Staff Data Request 84-1 i-vii, and 84-3

[2] NC allocation factor.

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Aug 26 2019

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
ADJUSTMENT TO LINE LOCATES
For The Test Year Ended December 31, 2018

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Line Locates Test Year - Outside Services	\$9,789,733 [1]
2	Public Staff Line Locates Growth Rate	12.11% [2]
3	Line Locates Increase per Public Staff (L1 x L2)	1,185,692
4	Line Locates Pro Forma Increase per Company	1,691,666 [1]
5	Public Staff Adjustment to Line Locates(L3 - L4)	<u>(\$505,974)</u>

[1] Per Company Filing G-1 Item 4a; 2019-04-04 File 13.xls

[2] Line Locate data for 12 months ended:

May 31, 2018	712,681
May 31, 2019	<u>798,998</u>
% Change	<u>12.11%</u>

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
ADJUSTMENT TO INFLATION EXPENSE
For The Test Year Ended December 31, 2018

Line No.	Item	Amount
1	Non-adjusted O&M expenses per the Company	\$206,849,014 [1]
2	Less adjusted expenses per Company filing	143,401,160 [1]
3	Total expenses subject to inflation per Company	63,447,854
4	Less: Additional Expenses adjusted by Company Test Year Customer Growth Expenses	(17,437,444) [1]
	Less: Additional Expenses adjusted by Public Staff elsewhere	
5	Misc General	(355,675) [2]
6	Aviation	(826,692) [2]
7	Remove lobbying expenses	(310,852) [2]
8	Remove sponsorships and donations	(118,345) [2]
9	Remove Board of Directors Expenses	(838,281) [2]
10	Test Year Advertising Expenses	(665,990) [2]
11	Adjusted expenses not subject to inflation adjustment (Sum of L5 through L10)	(3,115,935)
12	Non-adjusted O&M expenses per the Public Staff (L3 + L4 + L11)	\$42,894,475
13	Inflation Index	2.24% [3]
14	Inflation adjustment per Public Staff (L12 x L13)	960,836
15	Inflation adjustment per Company	1,592,360 [1]
16	Adjustment to non-adjusted O&M expenses increased for inflation (L14 - L15)	(\$631,524)

[1] G-1 Item 4a, Page 102. Native file 2019-04-04 File 16.xls

[2] Revised Jayasheela Exhibit 1, Schedule 3

[3] Per Public Staff Witness Hinton

Piedmont Natural Gas Company
Docket No. G-9, Sub 743
ADJUSTMENT TO CUSTOMER RELATED EXPENSES
For The Test Year Ended December 31, 2018

<u>Line No.</u>	<u>Item</u>	<u>Amounts</u>
	<u>Change in number of bills:</u>	
1	Public Staff end of period bills at May 31, 2019	8,970,570 [1]
2	Pro forma end of period customer bills per Company	<u>8,981,458 [2]</u>
3	Change in number of bills per Public Staff (L1 - L2)	(10,888)
4	Customer growth expenses per bill	<u>\$1.97 [3]</u>
5	Public Staff Adjustment to customer growth expenses (L 3 X L 4)	<u>(\$21,499)</u>

[1] Per Public Staff Engineer Naba

[2] G-1 Item 4a, Page 82. Native file 2019-04-04 File 12.xls

[3] Customer Accounts & Service Expense per Item 4, Adjustment
divided by number of customer bills at end of test period

*Schedules 1-1 through
1-7 are confidential
and filed under
seal.
KTM

Allison Exhibit II
Schedule 1

/A

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
SUMMARY OF PUBLIC STAFF ADVERTISING ADJUSTMENTS
For the Test Year Ended December 31, 2018

Line No.	Item	Amount Per Company				Public Staff Adjustments				After Public Staff Adjustments			
		Acct 909 [1] (a)	Acct 913 [2] (b)	Other [3] (c)	Total (c)	Acct 909 (d)	Acct 913 [2] (e)	Other (f)	Total (f)	Acct 909 (g)	Acct 913 (h)	Other (i)	Total (i)
1	Newspaper and Magazine	\$82,016	\$0	\$36,545	\$98,561	\$0	\$0	(\$9,080)	(\$9,080)	\$82,016	\$0	\$27,465	\$89,481
2	TV & Radio	\$0	\$143,285	\$12,783	\$156,068 [5]	\$0	(\$143,219)	(\$8,601)	(\$151,820)	\$0	\$66	\$4,182	\$4,248
3	Outdoor Advertising	\$0	\$32,102	\$716	\$32,818	\$0	(\$32,102)	(\$716)	(\$32,818)	\$0	\$0	\$0	\$0
4	Direct Mail	\$25,545	\$132,498	\$157	\$158,200	(\$3,622)	\$0	(\$7)	(\$3,629)	\$21,924	\$132,498	\$150	\$154,572
5	Sales Promotions	\$0	\$0	\$29,929	\$29,929 [4]	\$0	\$0	(\$27,105)	(\$27,105)	\$0	\$0	\$2,824	\$2,824
6	Bill Insert	\$20,842	\$105,925	\$23,537	\$150,304	(\$12,417)	(\$31,077)	(\$5,510)	(\$49,004)	\$8,426	\$74,847	\$18,027	\$101,300
7	Social Media	\$6,888	\$32,571	\$4,684	\$44,143 [5]	(\$4,955)	(\$13,028)	(\$4,479)	(\$22,462)	\$1,933	\$19,543	\$205	\$21,681
8	Total	\$115,291	\$446,381	\$108,350	\$670,023	(\$20,993)	(\$219,426)	(\$55,498)	(\$295,918)	\$94,298	\$226,954	\$52,852	\$374,105

[1] Data Request Response 54-4 Attachment File

[2] Type of advertisement determined using Commission Rule R12-12

[3] Amount allowed following Commission Rules R12-12 and R12-13

[4] Data Request Response 54-2, corrected formula error increased by \$4,032

[5] Reclassified \$2,388 from social media to radio

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Aug 26 2019

1A

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
STATEMENT OF NET OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
For The Test Year Ended December 31, 2018

Line No.	Item	Per Company (a)	Public Staff (b)	After Public Staff Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
NET OPERATING INCOME FOR RETURN						
Operating Revenues:						
1	Sales and transportation of gas	\$823,416,406	(\$23,952,052)	\$799,464,354	\$61,720,090	\$861,184,444
2	Other operating revenues	4,343,374	143,469	4,486,843		4,486,843
3	Operating revenues, excl special contracts	827,759,780	(23,808,583)	803,951,197	61,720,090	865,671,287
4	Electric Generation & Special Contract Revenues	92,850,701	3,122,188	95,972,889		95,972,889
5	Total operating revenues	920,610,481	(20,686,395)	899,924,086	61,720,090	961,644,176
6	Cost of gas	333,020,439	229,454	333,249,893		333,249,893
7	Margin	587,590,042	(20,915,849)	566,674,193	61,720,090	628,394,283
Operating Expenses:						
8	Operating and maintenance	227,893,060	(27,883,174)	200,009,885	380,512	\$200,390,397
9	Depreciation	136,607,318	(3,130,444)	133,476,874		133,476,874
10	General taxes	31,402,703	165,679	31,568,382		31,568,382
11	State income tax (2.5%)	2,982,638	195,854	3,178,492	1,528,415	4,706,907
12	Federal income tax (21%)	24,427,807	1,604,028	26,031,835	12,517,720	38,549,555
13	Amortization of investment tax credits	(79,424)	0	(79,424)		(79,424)
14	Amortization of EDIT	0	(4,061,162)	(4,061,162)		(4,061,162)
15	Total operating expenses	423,234,102	(33,109,219)	390,124,882	14,426,647	404,551,530
16	Interest on customer deposits	(796,448)	0	(796,448)		(796,448)
17	Net operating income for return	\$163,559,493	\$12,193,370	\$175,752,863	\$47,293,443	\$223,046,306
RATE BASE						
19	Plant in service	\$5,515,089,478	(\$79,312,206)	\$5,435,777,272	\$0	\$5,435,777,272
20	Accumulated depreciation	(1,528,820,157)	20,091,851	(1,508,728,306)	0	(1,508,728,306)
21	Net plant in service	3,986,269,321	(59,220,355)	3,927,048,966	0	3,927,048,966
22	Working Capital - Other	(2,422,570)	(6,386,807)	(8,809,377)	0	(8,809,377)
23	Working Capital - Lead Lag	54,375,609	(20,944,846)	33,430,763	9,064,134	42,494,897
24	Deferred Regulatory Assets		131,281,230	131,281,230		131,281,230
25	Deferred Income Taxes	(875,325,559)	103,263,637	(772,061,922)	0	(772,061,922)
26	Original cost rate base	\$3,162,896,801	\$147,992,859	\$3,310,889,660	\$9,064,134	\$3,319,953,794
27	Overall Rate of Return on Rate Base	5.17%		5.31%		6.72%

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Aug 26 2019

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743

RECONCILIATION OF GROSS REVENUE INCREASE REQUESTED BY THE COMPANY TO THE PUBLIC
STAFF AMOUNT

For The Test Year Ended December 31, 2018

Line No.	Item	Amount
1	Increase in revenue requirement requested by the Company	\$118,116,597
	Public Staff Adjustments:	
2	Change in Equity ratio from 52% to 49.21%	(8,548,987)
3	Change in cost of long-term debt from 4.55% to 4.41%	(2,320,961)
4	Change in cost of short-term debt from 2.82% to 2.72%	(28,217)
5	Change in return on equity from 10.60% to 9.13%	(31,178,718)
6	Plant In Service Updates and Related Items at May 31, 2019	(8,271,068)
7	Working Capital Updates at May 31, 2019	(517,872)
8	ADIT - updated to May 31, 2019	(1,713,271)
9	Adjustment to exclude Federal Tax EDIT	6,180,299
10	Adjustment to exclude State Tax EDIT	3,509,400
11	Adjust working capital for lead lag to reflect reclassifying lead lag adjustment from Proposed to Pro Forma	(1,698,307)
12	Adjustment to end of period revenue - weather, growth, and commodity costs	21,038,977
13	Adjustment to other operating revenues	(143,468)
14	Customer Conservation Program	(1,232,599)
15	Special Contract - remove PIS associated with facilities	(104,598)
16	Payroll and Related Expenses	206,271
17	Overtime	(737,317)
18	Employee Benefits	(801,765)
19	Board Expenses	(421,741)
20	Executive Compensation	(1,483,579)
21	Incentives	(1,651,210)
22	Rate Case Expenses - updated through May 31, 2019, 5 year amortization, no rate base	(325,312)
23	Sponsorships & Donations	(119,079)
24	Uncollectibles	(1,914,146)
25	Inflation Adjustment - removed certain expenses and updated rate	(635,441)
26	Nonutility Adjustment - O&M and plant	(103,894)
27	Pension Expense	(1,465,971)
28	Deferral: PIM Transmission Costs - update actual expenses @ May 31, 2019, 5 year amortization	(5,685,517)
29	Deferral: Environmental Costs - update actual expenses @ May 31, 2019, 5 year amortization	(1,082)
30	Deferral: NCNG OPEB Liability, remove balance	(772)
31	Deferral Eastern NCNG, 5 year amortization	(906,109)
32	Undercollection of Regulatory Fee, 5 year amortization	(29,200)
33	Deferred Revenue - additional cost-free capital	(491,732)
34	Line Locates Expense	(509,113)
35	Regulatory Fee Expense - change for 0.14% to 0.13% per Commission Order	(89,514)
36	Advertising - remove promotional, image, competitive, & non-recurring	(297,754)
37	Miscellaneous General Expenses	(357,882)
38	Aviation Expense	(485,482)
39	Gas Technology Institute (GTI) Funding	(352,171)
40	Lobbying Expenses	(312,881)
41	Amortization of protected EDIT, net of tax	(4,975,934)
42	ACP Regulatory Asset	(6,787,630)
43	Rents Expense	(660,591)
44	Change in retention factor - Uncollectibles and Regulatory Fee changes	(708,381)
45	Adjust cash working capital for revenue impact of Public Staff adjustments	735,016
46	Rounding	973
47	Public Staff Adjustments	(56,396,507)
48	Recommended Change in Margin	\$61,720,090
	Rider Impacts on Revenue Requirement:	
49	Federal Unprotected EDIT Rider, 5-year amortization period	(\$23,055,345)
50	State EDIT, 2 year flowback	(29,997,342)
51	Overcollection of Revenues from Federal Tax Change, 1 year flowback	(36,699,240)
52	Public Staff Recommended change due to Riders (Sum of Lines 49-51)	(\$89,751,927)
53	Public Staff Recommended change in revenue requirement for Year 1	(\$28,031,838)
54	Public Staff Recommended change in revenue requirement for Years 2	\$8,667,403
54	Public Staff Recommended change in revenue requirement for Years 3 through 5	\$38,664,745
55	Public Staff Recommended change in revenue requirement for Year 6	\$61,720,090

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
SUPPORT FOR RECONCILIATION SCHEDULE
For The Test Year Ended December 31, 2018

Revised Jayasheela Exhibit I
Schedule 1-1

Line No.	Item	Amount
<u>Plant in Service Updates and Related Items at May 31, 2019</u>		
1	Rate base	(\$5,186,065) [1]
2	Income statement	(3,085,003) [2]
3	Total (L1 + L2)	<u>(\$8,271,068)</u>
<u>Special Contract Adjustment</u>		
4	Rate base	(\$104,598) [1]
5	Income statement	0 [2]
6	Total (L4 + L5)	<u>(\$104,598)</u>
<u>Environmental Remediation</u>		
7	Rate base	(\$182,508) [1]
8	Income statement	181,426 [2]
9	Total	<u>(\$1,082)</u>
<u>Amortization of PIM Costs</u>		
10	Rate base	(\$323,588) [1]
11	Income statement	(5,361,929) [2]
12	Total (L4 + L5)	<u>(\$5,685,517)</u>
<u>ACP Regulatory Asset</u>		
13	Rate base	\$594,939 [1]
14	Income statement	(7,382,769) [3]
15	Total (L4 + L5)	<u>(\$6,787,830)</u>
<u>Undercollection of Regulatory Fee</u>		
16	Rate base	\$7,999
17	Income statement	(37,199) [2]
18	Total	<u>(\$29,200)</u>
<u>Deferred Revenues - Cost Free Capital</u>		
19	Rate base	(\$491,732) [1]
20	Income statement	0
21	Total	<u>(\$491,732)</u>
<u>Amortization FIT- Protected EDIT</u>		
22	Rate base	\$329,298 [1]
23	Income statement	(5,305,232) [2]
24	Total	<u>(\$4,975,934)</u>
<u>Rate Case Expense</u>		
25	Rate base	(\$9,692) [1]
26	Income statement	(315,620) [2]
27	Total	<u>(\$325,312)</u>
<u>Nonutility Adjustment</u>		
28	Rate base	\$556,173 [1]
29	Income statement	(660,087) [2]
30	Total (L4 + L5)	<u>(\$103,894)</u>

[1] Revised Jayasheela Exhibit I, Schedule 2 (a).

[2] Revised Jayasheela Exhibit I, Schedule 3.

[3] Revised Jayasheela Exhibit I, Schedule 3-8.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
CALCULATION OF GROSS REVENUE EFFECT FACTORS
For The Test Year Ended December 31, 2018

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factors (c)	Gross Revenue Effect (d)
<u>Rate Base Factor:</u>					
1	Long-term debt	49.94%	4.41%	0.9938349	0.02216016
2	Short-term debt	0.85%	2.72%	0.9938349	0.00023263
3	Common equity	49.21%	9.13%	0.7655013	0.05869191
4	Total (Sum of L1 thru L3)	<u>100.00%</u>			<u>0.0810847</u>
<u>Net Income Factor:</u>					
5	Total revenue				1.0000000
6	Uncollectibles				0.0048714
7	Balance (L5 - L6)				0.9951286
8	Regulatory fee (L7 x current regulatory fee rate)				0.0012937
9	Balance (L7 - L8)				0.9938349
10	Less: State income tax (L9 x 2.5%)				0.0248459
11	Balance (L9 - L10)				0.9689890
12	Less: Federal income tax (L11 x 21%)				0.2034877
13	Gross up factor (L11 - L12)				<u>0.7655013</u>

Revised Jayasheela Exhibit I
Schedule 2

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2018

Line No.	Item	Under Present Rates			After Public Staff Recommended Increase		
		Company Adjusted Per Company	[1]	Public Staff Adjustments	[2]	After Public Staff Adjustments	[3]
		(a)		(b)		(c)	
1	Plant in service	\$5,515,089,478		(79,312,206)		\$5,435,777,272	
2	Accumulated depreciation	(1,528,820,157)		20,091,851		(1,508,728,306)	
3	Net plant in service (Sum of L1 thru L3)	3,986,269,321		(59,220,355)		3,927,048,966	
4	Working Capital - Other	(2,422,570)		(6,386,807)		(8,809,377)	
5	Working Capital - Lead Lag	54,375,609		(20,944,846)		33,430,763	[4]
6	Deferred Regulatory Assets	136,280,375		(4,999,145)		131,281,230	
7	Deferred Income Taxes	(875,325,559)		103,263,637		(772,061,922)	
8	Original cost rate base (Sum of L4 thru L7)	\$3,299,177,177		\$11,712,484		\$3,310,889,660	
						\$9,064,134	
						\$3,319,953,794	

[1] Powers Exhibit (PKP-7), Page 1 of 5, Column (3)

[2] Revised Jayasheela Exhibit I, Schedule 2(a).

[3] Column (a) plus Column (b).

[4] Revised Jayasheela Exhibit I, Schedule 2-3, Column (d).

[5] Revised Jayasheela Exhibit I, Schedule 2-4, Column (k), Line 50.

[6] Column (c) plus Column (d).

Piedmont Natural Gas Company, Inc.
 Document No. G-4, Sub 743
 ADJUSTMENTS TO RATE BASE
 For The Year View Ended December 31, 2019

Revised Jayashada Exhibit I
 Schedule 2(a)

Line No.	Item	Update PIS & Acc Dep. May 31, 2019 (1)	Adjust Cash Working Capital (2)	Nonutility on May 31, 2019 (3)	Special Contracts (4)	ACP Plant (5)	ADIT Utilities (6)	Amort. Precedent EMT (7)	Federal Tax EMT (8)	State Tax EMT (9)	Deferred PIM Asset (10)	Deferred Environmental Costs (11)	NCVG OPEB Liability (12)	Deferred Revenues (13)	Undercollection of Regulatory Fee (14)	Deferred Rate Costs Expense (15)	Adjust WIC for Load Loss (16)	Total Rate Base Adjustments (17)
1	Plant in service	(178,564,653)		\$4,297,229	(84,014,733)													(178,312,108)
2	Accumulated depreciation	18,538,258		3,293,895	1,833,859													(18,029,183)
3	Net plant in service (Sum of 1 thru 2)	(160,026,395)		8,591,124	(82,180,874)													(176,341,291)
4	Working Capital - Other	(3,958,817)		8,858,164	(2,120,902)													(36,388,907)
5	Working Capital - Load Loss		(28,348,807)															(28,348,807)
6	Deferred Regulatory Asset		0															
7	Deferred Pipeline Taxes																	
8	Original cost rate base (Sum of 1 thru 5)	(163,985,612)	(28,348,807)	9,649,288	(11,299,920)													(193,985,051)
9	Revenue requirement impact	(15,185,092)	(13,17,872)	(155,172)	(8104,598)													(30,282,734)

(1) Revised Jayashada Exhibit I, Schedule 2-1.
 (2) Revised Jayashada Exhibit I, Schedule 2-2.
 (3) Revised Perry Exhibit I, Schedule 1, Line 18.
 (4) Per Public Staff witness Perry.
 (5) Revised Perry Exhibit I, Schedule 1, Line 18.
 (6) Per Responses to Case Request SA-SACET 5-11-19.
 (7) Revised Perry Exhibit I, Schedule 2, Line 9.
 (8) Revised Perry Exhibit I, Schedule 1, Line 2.
 (9) Revised Perry Exhibit I, Schedule 1, Line 3.

(10) Revised Jayashada Exhibit I, Schedule 3-4, Line 18.
 (11) Revised Jayashada Exhibit I, Schedule 3-7, Line 18.
 (12) Revised Jayashada Exhibit I, Schedule 3-8, Column (d), Line 10.
 (13) Revised Jayashada Exhibit I, Schedule 2-2, Column (d), Line 14.
 (14) Revised Jayashada Exhibit I, Schedule 3-4, Line 17.
 (15) Revised Jayashada Exhibit I, Schedule 2-2, Column (d), Line 18.
 (16) Revised Jayashada Exhibit I, Schedule 2-3, Column (d), Line 35.
 (17) Sum of Columns (a) through (p).

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
SUPPORT FOR UPDATED PLANT IN SERVICE
For The Test Year Ended December 31, 2018

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 adjusted plant in service per Company	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 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 accumulated depreciation at May 31, 2019 (L4 + L5)	<u>(1,513,184,081)</u>
7	Less accumulated depreciation per Company	<u>(1,528,820,157) [5]</u>
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 reserve account	(267,118) [7]
11	Adjustments to depreciation expense to reflect the impact of reallocation of Corporate reserve account	<u>(168,028) [8]</u>
12	Depreciation Expense per Public Staff	133,216,307
13	Depreciation Expense Per Company	<u>136,607,318 [9]</u>
14	Adjustment per Public Staff	<u>(\$3,391,011)</u>
	<u>Property Taxes</u>	
16	Plant in Service at May 31, 2019	\$5,435,494,795 [1]
17	North Carolina tax rate	\$0.00397 [10]
18	Adjustment to property taxes for additions (L16 x L19 x L20)	21,578,914
19	Property Tax for additions per Company Application	<u>21,253,887 [11]</u>
20	Public Staff's adjustment to property taxes (L21 - L22)	<u>\$325,028</u>

- [1] Revised 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] Revised 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] Revised 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.

Revised Jayasheela Exhibit I
Schedule 2-2

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2018

Line No.	Item	Amount Per Company (a)	[1]	Company Ratemaking Adjustments (b)	[2]	After Company Adjustments (c)	[3]	Public Staff Working Capital Adjustments (d)	[4]	Amount Per Public Staff (f)	[6]
1	Lead Lag Study										
	Lead Lag Study	\$37,151,580		17,224,029		\$54,375,609		(\$20,944,846)	[5]	\$33,430,763	
	<u>Average materials and supplies:</u>										
2	Operating and construction supplies	1,432,123		\$45,955		1,478,078		(\$129,772)		\$1,348,306	
3	Natural gas stored	39,714,182		74,686		39,788,868		(3,618,978)		\$36,169,890	
4	Totals (L2 + L3)	41,146,305		120,641		41,266,946		(3,748,750)		37,518,196	
	<u>Cash working capital:</u>										
5	Fleet & Other Overheads	681,358		(233,400)		447,958		19,627		467,585	
6	Accrued Vacation Liability	(10,610,719)		(141,495)		(10,752,214)		(122,668)		(10,874,882)	
7	Accrued Interest on Customer Deposits	(3,573,419)		0		(3,573,419)		(103,643)		(3,677,062)	
8	Customer Deposits	(9,113,721)		0		(9,113,721)		(563,994)		(9,677,715)	
9	Other Work in Progress	(81,584)		0		(81,584)		121,166		39,582	
10	Deferred Pipeline Integrity Management Costs	45,365,430		0		45,365,430		(3,990,740)		41,374,690	[7]
11	Deferred NCNG OPEB	35,367		(25,845)		9,522		(9,522)		0	[8]
12	Cash Working Funds	107,078		0		107,078		(197,630)		(90,552)	
13	Prepaid Insurance	947,936		12,641		960,577		(257,042)		703,535	
14	Deferred Revenue	(21,684,190)		0		(21,684,190)		(6,064,430)		(27,748,620)	
15	Undercollection of NCUC Regulatory Fees	253,064		0		253,064		98,652		351,716	[9]
16	Pension/OPEB Asset (Liability)	87,203,917		1,533,873		88,737,790		(1,533,873)		87,203,917	
17	Special Supplier Refunds	0		(407,704)		(407,704)		0		(407,704)	
18	Rate Case Expense Accrued	119,527		0		119,527		(119,527)		0	
19	Environmental Expenses Incurred	2,202,746		0		2,202,746		(2,250,829)		(48,083)	[10]
20	Total Cash Working Capital	91,852,790		738,070		92,590,860		(14,974,454)		77,616,406	
21	Total working capital (L1 + L4 + L16)	\$170,150,675		\$18,082,740		\$188,233,415		(\$39,668,050)		\$148,565,365	

[1] Per Powers Exhibit (PKP-4).

[2] G-1, Item 4a, Pages 128 to 145.

[3] Column (a) + Column (b)

[4] Column (f) - Column (c)

[5] Revised Jayasheela Exhibit I, Schedule 2-1(d), Line 35.

[6] Data Request Response 19-4.

[7] Revised Jayasheela Exhibit I, Schedule 3-6, Line 14.

[8] Revised Jayasheela Exhibit I, Schedule 3-8, Line 8.

[9] Revised Jayasheela Exhibit I, Schedule 3-7, Line 14.

[10] Revised Jayasheela Exhibit I, Schedule 3-10, Line 15.

ADJUSTMENT TO WORKING CAPITAL COMPONENTS
 For the Test Year Ended December 31, 2018
 Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 743

Line No.	Item	(a) Per Books Amounts	(b) Company Retirements Adjustments	(c) Company Retirements Adjustments	(d) Public Staff Adjustments	(e) After Public Staff Adjustments	(f) Days (Lead / Lag)	(g) Working Capital From Lead Lag Study
1.	Operating Revenues	\$893,665,319	\$32,300,788	\$916,267,107	(\$23,952,052)	\$892,315,055	54.68	\$133,676,129
2.	Other Operating Revenues	7,005,460	(2,662,083)	4,343,375	143,469	4,486,844	84.58	\$1,039,719
3.	Total Operating Revenues	\$890,671,779	\$29,638,703	\$920,610,482	(\$23,808,583)	\$896,801,899		\$134,715,848
4.	Operation & Maintenance Expense	345,998,746	(12,879,307)	\$333,020,439	0	\$333,020,439	(36.60)	(\$33,571,675)
5.	Labor	80,948,230	2,407,546	83,353,776	81,469,858		(10)	(2,214,042)
6.	Incentive Pay STIP	6,423,879	203,828	6,627,808	(1,502,310)	5,125,478	(22)	(3,545,092)
7.	Incentive Pay LTIIP	2,968,866	617,434	2,886,422	(138,700)	2,847,722	(62)	(4,646,229)
8.	Employee Pensions & Benefits - Act 925	15,804,562	(618,952)	15,187,610	(2,253,755)	12,933,855	(10)	(337,469)
9.	Prepaid Expenses	8,385	0	8,385	0	8,385	0	0
10.	Insurance - Other Act 925	147,805	0	147,805	0	147,805	0	0
11.	Insurance - Property	636,065	0	636,065	0	636,065	0	0
12.	Insurance - Liability	3,279,110	0	3,279,110	0	3,279,110	0	0
13.	Fleet Expense	10,524,703	0	10,524,703	0	10,524,703	(38)	(345,666)
14.	Credit Card Expense	4,241,287	0	4,241,287	0	4,241,287	(32)	(906,146)
15.	Virtual Card Expense - Vendors	6,160,676	11,743,792	17,244,468	(36,870)	17,287,498	(3)	(367,092)
16.	Regulatory Commission Amortization - Act 928.014	874,296	407,889	1,282,285	1,186,431	1,186,431	(80)	(254,305)
17.	Regulatory Commission Exp - Act 928.014	5,334,020	1,020,327	6,354,347	(2,003,117)	(4,936,552)	(59)	(54,838,781)
18.	Uncollectible Accounts - Act 904	70,075,007	5,859,861	75,937,868	(24,033,889)	51,904,289	(5)	(\$4,418,351)
19.	Other O&M Expenses	552,946,769	8,804,739	560,813,499	(31,844,338)	528,969,161		0
20.	Depreciation Expense	115,752,688	20,854,832	136,607,316	0	136,607,316	0	0
21.	Other Taxes Excluding Property Taxes	4,119,819	(567,377)	3,552,442	325,028	3,552,442	(281)	(2,732,886)
22.	Property Taxes	18,877,725	2,276,162	21,578,887	6,454,090	21,578,887	(196)	(10,891,049)
23.	Payroll Taxes	8,318,042	278,332	8,596,374	(142,284)	8,454,090	(24)	(432,592)
24.	Federal Income Taxes	72,272,961	(4,837,227)	68,435,734	64,598,527	133,034,261	(38)	(13,759,025)
25.	State Income Taxes	3,389,447	(4,483,469)	(1,094,023)	241,454	(848,569)	(38)	87,783
26.	Provision for Deferred Income Taxes	(39,835,287)	(39,835,287)	0	0	(39,835,287)	0	0
27.	Amount Investment Tax Credit	(118,395)	38,871	(79,424)	0	(79,424)	0	0
28.	Interest On Customers' Deposits	796,448	0	796,448	0	796,448	0	0
29.	Return	64,460,703	8,359,718	70,820,421	2,447,896	73,268,417	(83)	(18,576,596)
30.	Interest on Long-Term Debt (Act 0427450)	1,223,847	(458,281)	764,566	4,585	769,161	(25)	(51,659)
31.	Income for Return	90,861,003	1,113,504	91,974,506	6,108,885	98,083,501	0	0
32.	Total Requirements	890,971,779	29,638,703	920,610,481	41,838,875	962,449,356		(101,265,085)
33.	Working capital from lead / lag study per Public Staff							\$33,430,763
34.	Amount per Company application							\$54,375,609
35.	Adjustment to working capital from lead / lag study							(\$20,944,866)

Working Capital From Lead Lag Study

(g)

(f)

(e)

(d)

(c)

(b)

(a)

Item

Line No.

Revised Jayshree's Exhibit 1
 Schedule 2-3

[1] G-1, Item 26, Lead Lag Summary.
 [2] G-1, Item 44, Page 48.
 [3] Column (b) plus Column (c).
 [4] Revised Jayshree's Exhibit 1, Schedule 2-3(a). Column (a) plus Column (b).
 [5] Column (d).
 [6] Column (e) divided by 365 times column (f).

Revised Jayasheel Exhibit I
Schedule 2-3(a)
Page 1 of 5

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2018

Line No.	Item	Update Plant to May 31, 2019 (a)	Other Operating Revenue Adjustment (b)	End of period Revenue Adjustment (c)	Customer Conservation Program (d)	Rents (e)	ACP (f)	Payroll and Related Costs (g)
1.	Operating Revenues							
2.	Gas Sales and Transportation		\$0	(\$23,952,052)				
3.	Other Operating Revenues		143,469					
3.	Total Operating Revenues	0	143,469	(23,952,052)	0	0	0	0
	Operation & Maintenance Expense							
4.	Purchased Gas							
5.	Labor							190,432
6.	Incentive Pay STIP							
7.	Incentive Pay LTIP							
8.	Employee Pensions & Benefits - Acct 926							
9.	Prepaid Expenses							
10.	Insurance - Other Acct 925							
11.	Insurance - Property							
12.	Insurance - Liability							
13.	Fleet Expense							
14.	Credit Card Expense							
15.	Virtual Card Expense - Vendors							
16.	Regulatory Commission Amortization - Acct 928,000							
17.	Regulatory Commission Exp - Acct 928,014		187	(27,079)				
18.	Uncollectible Accounts - Acct 904		899	(101,471)				
19.	Other O&M Expenses		(21,499)		(1,225,000)	(856,518)	(7,337,252)	
20.	Total O&M expenses	0	(20,614)	(128,550)	(1,225,000)	(656,518)	(7,337,252)	190,432
21.	Depreciation Expense	(3,391,011)						
	Other Taxes							
22.	Other Taxes Excluding Property Taxes							
23.	Property Taxes	325,028						
24.	Payroll Taxes							14,568
	Income Taxes							
25.	Federal Income Taxes	627,760	29,194	(4,281,173)	250,819	134,422	1,502,302	(41,974)
26.	State Income Taxes	78,650	3,565	(522,732)	30,625	16,413	183,431	(5,125)
27.	Provision for Deferred Income Taxes							
28.	Amort Investment Tax Credit							
29.	Interest On Customers' Deposits							
	Return							
30.	Interest on Long-Term Debt (Acct 0427480)							
31.	Interest on Short-Term Debt (Acct 0430216)							
32.	Income for Return	2,361,574	131,324	(19,019,597)	943,556	595,683	5,651,519	(157,901)
33.	Total Requirement	0	143,469	(23,952,052)	0	0	0	0

[1] Based on adjustments made by Public Staff in Revised Jayasheel Exhibit 1, Schedule 3.
[2] Sum of Columns (a) through (ee).

Revised Jayasheel Exhibit 1
Schedule 2-3(a)
Page 2 of 5

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2018

Line No.	Item	Overtime (h)	Employee Benefits (i)	Board Expenses (j)	Executive Compensation (k)	Incentives (l)	Pension Expense (m)	Rate Case Expenses (n)
1.	Operating Revenues							
2.	Gas Sales and Transportation							
3.	Other Operating Revenues							
3.	Total Operating Revenues	0	0	0	0	0	0	0
4.	Operation & Maintenance Expense							
5.	Purchased Gas							
6.	Labor	(680,698)			(1,369,654)			
7.	Incentive Pay STIP					(1,502,330)		
8.	Incentive Pay LTIP					(138,700)		
9.	Employee Pensions & Benefits - Acct 926		(798,822)				(1,456,933)	
10.	Prepaid Expenses							
11.	Insurance - Other Acct 925							
12.	Insurance - Property							
13.	Insurance - Liability							
14.	Fleet Expense							
15.	Credit Card Expense							
16.	Virtual Card Expense - Vendors							
17.	Regulatory Commission Amortization - Acct 928,000							
18.	Regulatory Commission Exp - Acct 928,014							
19.	Uncollectible Accounts - Acct 904							
20.	Other O&M Expenses			(419,141)				(313,675)
20.	Total O&M expenses	(680,698)	(798,822)	(419,141)	(1,369,654)	(1,641,030)	(1,456,933)	(313,675)
21.	Depreciation Expense							
22.	Other Taxes							
23.	Other Taxes Excluding Property Taxes							
24.	Property Taxes							
24.	Payroll Taxes	(52,073)			(104,779)			
25.	Income Taxes							
26.	Federal Income Taxes	150,035	183,149	85,610	301,890	336,001	298,307	64,225
28.	State Income Taxes	18,310	18,821	10,478	36,661	41,020	36,423	7,642
27.	Provision for Deferred Income Taxes							
28.	Amort Investment Tax Credit							
29.	Interest On Customers' Deposits							
30.	Return							
31.	Interest on Long-Term Debt (Acct 0427490)							
32.	Interest on Short-Term Debt (Acct 0430216)							
32.	Income for Return	564,417	613,752	322,643	1,135,682	1,264,003	1,122,203	241,608
33.	Total Requirement	0	0	0	0	0	0	0

(1) Based on adjustments made by Public Staff in Revised Jayasheel Exhibit 1, Schedule 3.

(2) Sum of Columns (a) through (ee).

Revised Jayasheela Exhibit I
Schedule 2-3(a)
Page 3 of 5

Piedmont Natural Gas Company, Inc.
Docket No. G-8, Sub 743
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2018

Line No.	Item	Sponsorships & Donations (c)	[1] Uncollectibles (p)	[1] Inflation (q)	[1] Nonutility Expenses (r)	[1] PIM (s)	[1] Environmental Costs (t)	[1] Line Locales (u)	[1]
Operating Revenues									
1.	Gas Sales and Transportation								
2.	Other Operating Revenues								
3.	Total Operating Revenues	0	0	0	0	0	0	0	
Operation & Maintenance Expense									
4.	Purchased Gas								
5.	Labor								
6.	Incentive Pay STIP								
7.	Incentive Pay LTIP								
8.	Employee Pensions & Benefits - Acct 928								
9.	Prepaid Expenses								
10.	Insurance - Other Acct 925								
11.	Insurance - Property								
12.	Insurance - Liability								
13.	Fleet Expense								
14.	Credit Card Expense								
15.	Virtual Card Expense - Vendors								
16.	Regulatory Commission Amortization - Acct 928.000								
17.	Regulatory Commission Exp - Acct 928.014								
18.	Uncollectible Accounts - Acct 904		(1,902,345)						
19.	Other O&M Expenses	(118,345)		(831,524)	(899,499)	(5,328,872)	180,308	(505,974)	
20.	Total O&M expenses	(118,345)	(1,902,345)	(831,524)	(899,499)	(5,328,872)	180,308	(505,974)	
21.	Depreciation Expense								
Other Taxes									
22.	Other Taxes Excluding Property Taxes								
23.	Property Taxes								
24.	Payroll Taxes								
Income Taxes									
25.	Federal Income Taxes	24,231	389,505	129,305	134,315	1,091,087	(38,918)	103,599	
26.	State Income Taxes	2,959	47,559	15,788	16,400	133,222	(4,508)	12,648	
27.	Provision for Deferred Income Taxes								
28.	Amort Investment Tax Credit								
29.	Interest On Customers' Deposits								
Return									
30.	Interest on Long-Term Debt (Acct 0427460)								
31.	Interest on Short-Term Debt (Acct 0430216)								
32.	Income for Return	91,155	1,465,281	468,431	748,784	4,104,563	(138,882)	389,727	
33.	Total Requirement	0	0	0	0	0	0	0	

[1] Based on adjustments made by Public Staff in Revised Jayasheela Exhibit 1, Schedule 3.
[2] Sum of Columns (a) through (ee).

Revised Jayasheeta Exhibit 1
Schedule 2-3(a)
Page 4 of 5

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2018

Line No.	Item	Regulatory Fee (v)	(1) Advertising (w)	Misc General Expenses (x)	(1) Aviation (y)	EDIT - FIT Amortization (z)	(1) Eastern NCNG (aa)	(1) GTI (bb)	(1)
Operating Revenues									
1.	Gas Sales and Transportation								
2.	Other Operating Revenues								
3.	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Operation & Maintenance Expense									
4.	Purchased Gas								
5.	Labor								
6.	Incentive Pay STIP								
7.	Incentive Pay LTIP								
8.	Employee Pensions & Benefits - Acct 926								
9.	Prepaid Expenses								
10.	Insurance - Other Acct 925								
11.	Insurance - Property								
12.	Insurance - Liability								
13.	Fleet Expense								
14.	Credit Card Expense								
15.	Virtual Card Expense - Vendors								
16.	Regulatory Commission Amortization - Acct 928,000								
17.	Regulatory Commission Exp - Acct 928,014	(88,962)							
18.	Uncollectible Accounts - Acct 904								
19.	Other O&M Expenses		(265,918)	(355,675)	(482,489)	(4,061,162)	(900,523)	(350,000)	
20.	Total O&M expenses	<u>(88,962)</u>	<u>(265,918)</u>	<u>(355,675)</u>	<u>(482,489)</u>	<u>(4,061,162)</u>	<u>(900,523)</u>	<u>(350,000)</u>	
21.	Depreciation Expense								
Other Taxes									
22.	Other Taxes Excluding Property Taxes								
23.	Property Taxes								
24.	Payroll Taxes								
Income Taxes									
25.	Federal Income Taxes	18,215	60,589	72,824	98,785	0	184,382	71,563	
26.	State Income Taxes	2,224	7,398	8,892	12,062	0	22,513	8,750	
27.	Provision for Deferred Income Taxes								
28.	Amort Investment Tax Credit								
29.	Interest On Customers' Deposits								
Return									
30.	Interest on Long-Term Debt (Acct 0427460)								
31.	Interest on Short-Term Debt (Acct 0430218)								
32.	Income for Return	<u>68,523</u>	<u>227,931</u>	<u>273,959</u>	<u>371,622</u>	<u>4,061,162</u>	<u>693,628</u>	<u>269,587</u>	
33.	Total Requirement	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	

[1] Based on adjustments made by Public Staff in Revised Jayasheeta Exhibit 1, Schedule 3.
[2] Sum of Columns (a) through (ee).

Revised Jayasheel Exhibit 1
Schedule 2-3(e)
Page 5 of 5

Piedmont Natural Gas Company, Inc.
Docket No. G-8, Sub 743
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2018

Line No.	Item	Undercollection of Regulatory Fee (cc)	[1]	Lobbying Expense (dd)	[1]	Interest Synchronization (ee)	[1]	Total Public Staff Adjustments (ff)	[2]
Operating Revenues									
1.	Gas Sales and Transportation							(23,952,052)	
2.	Other Operating Revenues							143,469	
3.	Total Operating Revenues	<u>0</u>		<u>0</u>		<u>0</u>		<u>(23,808,583)</u>	
Operation & Maintenance Expense									
4.	Purchased Gas							0	
5.	Labor							(1,859,020)	
6.	Incentive Pay STIP							(1,502,330)	
7.	Incentive Pay LTIP							(138,700)	
8.	Employee Pensions & Benefits - Acct 926							(2,253,755)	
9.	Prepaid Expenses							0	
10.	Insurance - Other Acct 925							0	
11.	Insurance - Property							0	
12.	Insurance - Liability							0	
13.	Fleet Expense							0	
14.	Credit Card Expense							0	
15.	Virtual Card Expense - Vendors							0	
16.	Regulatory Commission Amortization - Acct 928,000	(36,970)						(36,970)	
17.	Regulatory Commission Exp - Acct 928,014							(115,854)	
18.	Uncollectible Accounts - Acct 904							(2,003,117)	
19.	Other O&M Expenses			(310,952)				(24,033,689)	
20.	Total O&M expenses	<u>(36,970)</u>		<u>(310,952)</u>		<u>0</u>		<u>(31,944,338)</u>	
21.	Depreciation Expense								
Other Taxes									
22.	Other Taxes Excluding Property Taxes							0	
23.	Property Taxes							325,028	
24.	Payroll Taxes							(142,284)	
Income Taxes									
25.	Federal Income Taxes	7,570		7,570		563,483		2,540,980	
26.	State Income Taxes	924		924				241,454	
27.	Provision for Deferred Income Taxes							0	
28.	Amort Investment Tax Credit							0	
29.	Interest On Customers' Deposits							0	
Return									
30.	Interest on Long-Term Debt (Acct 0427480)					2,447,998		2,447,998	
31.	Interest on Short-Term Debt (Acct 0430216)					4,585		4,585	
32.	Income for Return	28,478		302,458		(3,018,075)		8,108,095	
33.	Total Requirement	<u>0</u>		<u>0</u>		<u>0</u>		<u>(23,808,583)</u>	

[1] Based on adjustments made by Public Staff in Revised Jayasheel Exhibit 1, Schedule 3.

[2] Sum of Columns (a) through (ee).

Piedmont Natural Gas Company, Inc.
Docket No. G-6, Sub 743
ADJUSTMENT TO WORKING CAPITAL COMPONENTS
For The Test Year Ended December 31, 2018
After Rate Increase

Revised Jayashree Exhibit I
Schedule 2-4

Line	Item	Under Present Rates		(Lead Lag Days)	Iteration 1			Iteration 2			Iteration 3			After Increase	
		After Adjustments	(1)		Increase	With Increase	CWC Change	Increase	With Increase	CWC Change	Increase	With Increase	CWC Change	Cumulative Increase	After Increase
INVESTOR SUPPLIED CASH WORKING CAPITAL (FROM SCHEDULE A)															
		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1.	Operating Revenues														
2.	Gas Sales and Transportation (L3 - L2)	\$916,267,107	54.68	\$74,173,048	\$990,440,153	\$11,111,732	\$585,352	\$991,025,505	87,891	\$2,062	\$991,027,567	\$309	\$74,760,460	\$991,027,567	
3.	Other Operating Revenues	4,343,375	84.58		4,343,375	0		4,343,375						4,343,375	
3.	Total Operating Revenues	\$920,610,482		\$74,173,048	\$994,783,528	(13)	\$585,352	\$995,368,880	(11)	\$87,891	\$2,062	\$995,370,942	\$309	\$74,760,460	\$995,370,942
Operation & Maintenance Expense															
4.	Purchased Gas	\$333,020,439	(36.80)		\$333,020,439	0		\$333,020,439			\$333,020,439	0		\$333,020,439	
5.	Labor	83,353,778	(9.82)		83,353,778	0		83,353,778			83,353,778	0		83,353,778	
6.	Incentive Pay STIP	6,827,808	(252.48)		6,827,808	0		6,827,808			6,827,808	0		6,827,808	
7.	Incentive Pay LTIP	2,888,422	(621.50)		2,888,422	0		2,888,422			2,888,422	0		2,888,422	
8.	Employee Pensions & Benefits - Acct 928	15,187,810	(8.52)		15,187,810	0		15,187,810			15,187,810	0		15,187,810	
9.	Prepaid Expenses					0						0			
10.	Insurance - Other Acct 925	9,385	0.00		9,385	0		9,385			9,385	0		9,385	
11.	Insurance - Property	147,805	0.00		147,805	0		147,805			147,805	0		147,805	
12.	Insurance - Liability	636,065	0.00		636,065	0		636,065			636,065	0		636,065	
13.	Fleet Expense	3,279,110	(39.48)		3,279,110	0		3,279,110			3,279,110	0		3,279,110	
14.	Credit Card Expense	10,524,703	(31.43)		10,524,703	0		10,524,703			10,524,703	0		10,524,703	
15.	Virtual Card Expense - Vendors	4,241,287	(31.59)		4,241,287	0		4,241,287			4,241,287	0		4,241,287	
16.	Regulatory Commission Amortization - Acct 928,000	17,324,468	0.00		17,324,468	0		17,324,468			17,324,468	0		17,324,468	
17.	Regulatory Commission Exp - Acct 928,014	1,282,235	(79.56)		1,278,710	(21,023)	877	1,379,837	(202)	3	1,379,640	44	67,355	1,379,640	
18.	Uncollectible Accounts - Acct 904	6,354,347	0.00		6,354,347	0	3,487	6,715,834	0	10	6,715,844	0	364,825	6,715,844	
19.	Other O&M Expenses	75,937,988	(69.41)		75,937,988	0		75,937,988			75,937,988	0		75,937,988	
20.	Total O&M Expense	\$560,813,499		\$457,753	\$561,271,252	(821,023)	\$4,415	\$561,275,666	(3202)	\$19	\$561,275,676	\$44	\$462,180	\$561,275,679	
21.	Depreciation Expense	136,607,318	0.00		136,607,318	0		136,607,318			136,607,318	0		\$136,607,318	
Other Taxes															
22.	Other Taxes Excluding Property Taxes	3,552,442	(280.78)		3,552,442	0		3,552,442	0		3,552,442	0		3,552,442	
23.	Property Taxes	21,253,887	(105.74)		21,253,887	0		21,253,887	0		21,253,887	0		21,253,887	
24.	Payroll Taxes	8,598,374	(24.40)		8,598,374	0		8,598,374	0		8,598,374	0		8,598,374	
Income Taxes															
25.	Federal Income Taxes	68,435,754	(37.75)	13,250,407	81,686,161	(1,370,418)	94,781	81,780,923	(8,801)	273	81,781,195	(28)	13,345,441	81,781,195	
26.	State Income Taxes	(1,090,023)	(37.78)	1,453,838	363,864	(150,575)	10,412	378,276	(1,077)	30	378,305	(7)	1,468,328	378,305	
27.	Provision for Deferred Income Taxes	(39,935,287)	0.00		(39,935,287)	0		(39,935,287)	0		(39,935,287)	0		(39,935,287)	
28.	Amort Investment Tax Credit	(79,424)	0.00		(79,424)	0		(79,424)	0		(79,424)	0		(79,424)	
29.	Interest on Customers' Deposits	796,448	0.00		796,448	0		796,448	0		796,448	0		796,448	
30.	Interest on Long-Term Debt (Acct 0427460)	70,820,431	(92.54)	2,097,530	72,917,911	(531,700)	199,048	73,116,559	(12)	573	73,117,131	(145)	2,296,710	73,117,131	
31.	Interest on Short-Term Debt (Acct 0430216)	764,568	(24.63)	912	765,479	(62)	2,000	767,567	(12)	8	767,573	(9)	3,007	767,573	
32.	Income for Return	81,874,508	0.00	58,779,592	140,654,099	0	408,064	141,062,163	(12)	1,168	141,063,331	0	57,189,794	141,063,331	
33.	Total requirement	\$920,610,481		\$74,041,810	\$994,652,291	(87,073,777)	\$716,789	\$995,368,880	(861,688)	\$2,062	\$995,370,942	(1,133)	\$74,760,461	\$995,370,942	
34.	Cumulative change in working capital					\$9,037,958							\$9,064,134		
35.	Rate base under present rates					\$3,310,889,650	(8)				\$3,310,889,650		\$3,310,889,650		
36.	Rate base after rate increase	\$3,310,889,650				\$3,319,927,615					\$3,319,927,615		\$3,319,927,615		
37.	Overall rate of return (L32 / L36)	2.78%					4.48%			4.49%			4.49%		
38.	Target rate of return	6.72%					6.72%			6.73%			7.68%		

[1] Revised Jayashree Exhibit I, Schedule 2-3, Column (c).

[2] Revised Jayashree Exhibit I, Schedule 2-3, Column (f).

[3] Column (a) plus Column (c).

[4] Column (c) divided by 365 times Column (b).

[5] Column (g) minus Column (d).

[6] Revised Jayashree Exhibit I, Schedule 2, Column (c), Line 8.

[7] Uncollectible factor X (Sum of taxes and Return on Column (f)/(1-Uncollectible factor).

[8] Column (f), Line 32 - Line 28, divided by (1 - Federal income tax percentage) - Line 32, Column (f).

[9] Column (f), Line 32, divided by (1 - State income tax percentage) - Line 32, Column (f).

[10] Column (d) plus Column (f).

[11] Column (g), sum of Lines 20 to 32.

[12] Column (e), Line 35 (times appropriate percentage and cost factor).

[13] Column (f) divided by 365 times Column (b).

[14] Column (g) minus Column (d).

[15] Column (g) plus Column (f).

[16] Column (b) times X Column (h).

[17] Column (c) + Column (f) + Column (g).

[18] Column (a) plus Column (f).

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
NET OPERATING INCOME FOR RETURN
For The Test Year Ended December 31, 2018

Revised Jayasheel Exhibit I
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Line No.	Item	Per Company (a)	Plant Updates @ May 31, 2019 (b)	Other Operating Revenue Adjustment (c)	End of period Revenue Adjustment (d)	Customer Conservation Program (e)	Rents Expense (f)	ACP Adjustment (g)
		[1]	[2]	[3]	[3]	[4]	[5]	[6]
	Operating Revenues:							
1	Sales and transportation of gas	\$823,416,406			(\$23,852,052)			
2	Electric Generation Revenues	83,780,874			\$3,122,188			
3	Special Contract Revenues	9,069,827						
4	Other operating revenues	4,343,374		143,469				
5	Total operating revenues (L1 - L3)	920,610,481	0	143,469	(20,829,864)	0	0	0
6	Cost of gas	333,020,439			229,454			
7	Margin (L4 - L5)	587,590,042	0	143,469	(21,059,318)	0		0
	Operating Expenses:							
8	Operating and maintenance	227,893,060		885	(150,049)	(1,225,000)	(656,518)	(7,337,252)
9	Depreciation	136,607,318	(3,391,011)					
10	General taxes	31,402,703	325,028					
11	State income tax (2.5%)	2,982,638	76,650	3,565	(522,732)	30,625	19,413	183,431
12	Federal income tax (21%)	24,427,807	627,760	29,194	(4,281,173)	250,819	134,422	1,502,302
13	Amortization of investment tax credits	(79,424)						
14	Amortization of EDIT	0						
15	Total operating expenses (Sum of L4 thru L10)	423,234,102	(2,361,574)	33,644	(4,953,954)	(943,556)	(505,683)	(5,651,519)
16	Interest on customer deposits	(796,448)						
17	Net operating income for return (L3 - L12+L11+L12)	\$163,559,493	\$2,361,574	\$109,825	(\$16,105,384)	\$943,556	\$505,683	\$5,651,519
18	Revenue Requirement Effect		\$3,085,003	\$143,468	(\$21,038,977)	\$1,232,599	\$660,591	\$7,382,769

- [1] Revised Jayasheel Exhibit I, Schedule 3(a).
[2] Revised Jayasheel Exhibit I, Schedule 2-1.
[3] Per Public Staff witness Naba.
[4] Per Public Staff witness Gilbert.
[5] Per Public Staff witness Patel.
[6] Revised Perry Exhibit II, Schedule 2.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
NET OPERATING INCOME FOR RETURN
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Revised Jayasheela Exhibit I
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Line No.	Item	Payroll and Related Costs (h)	[7] Overtime (i)	[8] Employee Benefits (j)	[9] Board Expenses (k)	[10] Executive Compensation (l)	[11] Incentives (m)	[12] Pension Expense (n)	[13] Rate Case Expenses (o)	[14] Sponsorships & Donations (p)	[15] Uncollectibles (q)	[16]
Operating Revenues:												
1	Sales and transportation of gas											
2	Electric Generation Revenues											
3	Special Contract Revenues											
4	Other operating revenues											
5	Total operating revenues (L1 - L3)	0	0	0	0	0	0	0	0	0	0	
6	Cost of gas											
7	Margin (L4 - L5)	0	0	0	0	0	0	0	0	0	0	
Operating Expenses:												
8	Operating and maintenance	190,432	(680,698)	(796,822)	(419,141)	(1,369,654)	(1,641,030)	(1,456,933)	(313,676)	(118,345)	(1,902,345)	
9	Depreciation											
10	General taxes	14,568	(52,073)			(104,779)						
11	State income tax (2.5%)	(5,125)	18,319	19,921	10,479	38,861	41,026	36,423	7,842	2,959	47,559	
12	Federal income tax (21%)	(41,974)	150,035	163,149	85,819	301,890	336,001	288,307	64,225	24,231	389,505	
13	Amortization of investment tax credits											
14	Amortization of EDIT											
15	Total operating expenses (Sum of L4 thru L10)	157,901	(584,417)	(613,752)	(322,843)	(1,135,682)	(1,264,003)	(1,122,203)	(241,608)	(81,155)	(1,485,281)	
16	Interest on customer deposits											
17	Net operating income for return (L3 - L12+L11+L12)	(\$157,901)	\$584,417	\$613,752	\$322,843	\$1,135,682	\$1,264,003	\$1,122,203	\$241,608	\$91,155	\$1,485,281	
18	Revenue Requirement Effect	(\$206,271)	\$737,317	\$801,765	\$421,741	\$1,483,579	\$1,651,210	\$1,465,971	\$315,620	\$119,079	\$1,914,146	

[7] Coleman Exhibit I, Schedule 1
[8] Coleman Exhibit I, Schedule 2
[9] Coleman Exhibit I, Schedule 3
[10] Coleman Exhibit I, Schedule 5
[11] Coleman Exhibit I, Schedule 4
[12] Revised Jayasheela Exhibit I, Schedule 3-2.
[13] Revised Jayasheela Exhibit I, Schedule 3-5.
[14] Revised Jayasheela Exhibit I, Schedule 3-3.
[15] Allison Exhibit I, Schedule 2.

Piedmont Natural Gas Company, Inc.
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NET OPERATING INCOME FOR RETURN
For The Test Year Ended December 31, 2018

Revised Jayasheela Exhibit I
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Line No.	Item	Inflation [17]	Nonutility Expenses [18]	PIM Transmission Costs [19]	Environmental Costs [20]	Line Locates [21]	Regulatory Fee [22]	Advertising [23]	Miscellaneous General Expenses [24]
		(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
Operating Revenues:									
1	Sales and transportation of gas								
2	Electric Generation Revenues								
3	Special Contract Revenues								
4	Other operating revenues								
5	Total operating revenues (L1 - L3)	0	0	0	0	0	0	0	0
6	Cost of gas								
7	Margin (L4 - L5)	0	0	0	0	0	0	0	0
Operating Expenses:									
8	Operating and maintenance	(631,524)	(899,499)	(5,328,872)	180,308	(505,974)	(88,962)	(295,918)	(355,675)
9	Depreciation		\$260,567						
10	General taxes		(17,085)						
11	State income tax (2.5%)	15,788	18,400	133,222	(4,508)	12,849	2,224	7,398	8,882
12	Federal income tax (21%)	129,305	134,315	1,081,087	(36,918)	103,598	18,215	60,589	72,824
13	Amortization of investment tax credits								
14	Amortization of EDIT								
15	Total operating expenses (Sum of L4 thru L10)	(486,431)	(505,282)	(4,104,563)	138,882	(389,727)	(68,523)	(227,931)	(273,959)
16	Interest on customer deposits								
17	Net operating income for return (L3 - L12+L11+L12)	\$486,431	\$505,282	\$4,104,563	(\$138,882)	\$389,727	\$88,523	\$227,931	\$273,959
18	Revenue Requirement Effect	\$635,441	\$660,067	\$5,361,929	(\$181,426)	\$509,113	\$89,514	\$287,754	\$357,882

- [16] Revised Jayasheela Exhibit I, Schedule 3-4.
[17] Allison Exhibit I, Schedule 4.
[18] Revised Perry Exhibit II, Schedule 2.
[19] Revised Jayasheela Exhibit I, Schedule 3-6.
[20] Revised Jayasheela Exhibit I, Schedule 3-7.
[21] Allison Exhibit I, Schedule 3.
[22] Revised Jayasheela Exhibit I, Schedule 3-11.
[23] Allison Exhibit II, Schedule 1.
[24] Fossil Exhibit II, Schedule 1.

Piedmont Natural Gas Company, Inc.
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NET OPERATING INCOME FOR RETURN
For The Test Year Ended December 31, 2018

Revised Jayasheelu Exhibit I
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Page 4 of 4

Line No.	Item	Aviation (2)	Amortization EDIT - FIT Protected (aa) [25]	Eastern NCNG (bb) [26]	GTI (cc) [27]	Undercollection of Regulatory Fee (dd) [28]	Lobbying Expense (ee) [29]	Interest Synchronization (ff) [30]	After Public Staff Adjustments (gg) [31]	[32]
Operating Revenues:										
1	Sales and transportation of gas									\$799,464,354
2	Electric Generation Revenues									86,903,062
3	Special Contract Revenues									9,069,827
4	Other operating revenues									<u>4,486,843</u>
5	Total operating revenues (L1 - L3)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		898,824,086
6	Cost of gas									<u>333,249,893</u>
7	Margin (L4 - L5)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		568,874,193
Operating Expenses:										
8	Operating and maintenance	(462,468)	0	(900,523)	(350,000)	(36,970)	(310,952)			200,009,885
9	Depreciation									133,476,874
10	General taxes									31,568,382
11	State income tax (2.5%)	12,062	0	22,513	8,750	924	7,774	(52,450)		3,178,492
12	Federal income tax (21%)	98,785	0	184,382	71,663	7,570	63,667	(429,566)		26,031,835
13	Amortization of investment tax credits									(79,424)
14	Amortization of EDIT		<u>(\$4,061,162)</u>							<u>(4,061,162)</u>
15	Total operating expenses (Sum of L4 thru L10)	<u>(371,622)</u>	<u>(4,061,162)</u>	<u>(693,628)</u>	<u>(269,587)</u>	<u>(28,476)</u>	<u>(239,511)</u>	<u>(482,016)</u>		<u>390,124,882</u>
16	Interest on customer deposits									(786,448)
17	Net operating income for return (L3 - L12+L11+L12)	<u>\$371,622</u>	<u>\$4,061,162</u>	<u>\$693,628</u>	<u>\$269,587</u>	<u>\$28,476</u>	<u>\$239,511</u>	<u>\$482,016</u>		<u>\$175,752,883</u>
18	Revenue Requirement Effect	\$485,462	\$5,305,232	\$906,109	\$352,171	\$37,199	\$312,881	\$629,674		

[25] Revised Jayasheelu Exhibit I, Schedule 3-12.
[26] Revised Perry Exhibit I, Schedule 1.
[27] Revised Jayasheelu Exhibit I, Schedule 3-9.
[28] Revised Jayasheelu Exhibit I, Schedule 3-13.
[29] Revised Jayasheelu Exhibit I, Schedule 3-10.
[30] Allison Exhibit I, Schedule 1.
[31] Revised Jayasheelu Exhibit I, Schedule 3-14.
[32] Sum of columns (a) through (f).

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO COMPANY FILED COST OF SERVICE
For The Test Year Ended December 31, 2018

Line No.	Description	Company Before Increase	Interest Synch on CWC Increase [1]	Company Without Rate Increase [3]	Company Without Rate Increase New Tax
	Operating Revenues:				
1.	Sale and transportation of gas	\$823,416,406		\$823,416,406	\$823,416,406
2.	Electric Generation Revenues	83,780,874		83,780,874	83,780,874
	Special Contract Revenues	9,069,827		9,069,827	9,069,827
3.	Other operating revenues	4,343,374		4,343,374	4,343,374
4.	Total operating revenues (Sum of L1 thru L3)	920,610,481	0	920,610,481	920,610,481
5.	Cost of gas	333,020,439	0 [2]	333,020,439	333,020,439
6.	Margin (L4 - L5)	587,590,042	0	587,590,042	587,590,042
7.	Operation and maintenance	227,893,060	0 [2]	227,893,060	227,893,060
8.	Depreciation	136,607,318		136,607,318	136,607,318
9.	General taxes	31,402,703		31,402,703	31,402,703
10.	State income taxes	2,982,638	[2]	2,982,638	2,982,638
11.	Federal income taxes	24,427,807	[2]	24,427,807	24,427,807
12.	Amortization of investment tax credits	(79,424)		(79,424)	(79,424)
13.	Amortization of EDIT			0	0
14.	Total operating expenses (Sum of L7 thru L13)	423,234,102	0	423,234,102	423,234,102
15.	Net operating income	164,355,941	0	164,355,941	164,355,941
16.	Interest on customer deposits	(796,448)		(796,448)	(796,448)
17.	Net operating income for return (L6 less L14)	\$163,559,493	\$0	\$163,559,493	\$163,559,493

[1] Powers Exhibit 7, Page 1 of 5, "After Accounting and Pro Forma Adjustments" column.

[2] Interest synchronization effect of increase in CWC due to rate increase

[3] Column (a) plus Column (b).

Revised Jayasheela Exhibit I
Schedule 3B

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
SUMMARY OF REVENUE AND
COST OF GAS ADJUSTMENTS
For The Test Year Ended December 31, 2018

Line No.	Item	Sales and Transportation Revenues (a)	Electric Generation Revenues (b)	Special Contract Revenues (c)	Other Operating Revenues (d)	Cost of Gas (e)	Regulatory Fee (f)	[5] Uncollectibles (g)	[6]
1	Company amount per application	\$823,416,406 [1]	83,780,874 [1]	\$9,069,827	\$4,343,374 [1]	\$333,020,439 [1]			
2	Operating Revenues EOP - Public Staff Volumes	(23,952,052) [2]		3,122,188			(27,079)	(101,471)	
3	On-going level of cost of gas, commodity gas costs					229,454 [3]			
4	Adjustment to other operating revenues				143,469 [4]		187	699	
5	Public Staff Amount (Sum of L1 thru L5)	\$799,464,354	\$83,780,874	\$12,192,015	\$4,486,843	\$333,249,893	(\$26,892)	(\$100,772)	
	Total Revenues	\$899,924,086							

[1] Powers Exhibit 7, Page 1 of 5, "After Accounting and Pro Forma Adjustments" column.

[2] Per Public Staff Witness Naba.

[3] Per Public Staff Witness Patel.

[4] Revised Jayasheela Exhibit I, Schedule 3-5, Column (b), Line 5.

[5] Updated Regulatory Fee multiplied with Columns (a), (c) and (e)

[6] Public Staff Uncollectible factor multiplied with Columns (a), (c) and (e)

Revised Jayasheela Exhibit I
Schedule 3-1

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
OTHER OPERATING REVENUES
For The Test Year Ended December 31, 2018

Line No.	Item	Amount Per Company [1] (a)	Adjustment Amount (b)	Amount Per Public Staff (c)
1	Late payment revenues	\$2,423,246	\$32,714	\$2,455,960 [2]
2	Miscellaneous service revenues	1,794,164	24,221	1,818,385 [2]
3	Rent from gas properties	125,964	0	125,964
4	Ft Bragg Privatization		86,534 [3]	86,534
5	Total other operating revenues (Sum of L1 thru L)	<u>\$4,343,374</u>	<u>\$143,469</u>	<u>\$4,486,843</u>

[1] Per Company filing, MFR, G-1, Item 4a, Page 46.

[2] Applied the Public Staff growth rate of 1.35%.

[3] Formula error in Company filing did not pick up amount

Revised Jayasheela Exhibit I
Schedule 3-2

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO INCENTIVES
For The Test Year Ended December 31, 2018

Line No.	Item	Amount	
	Short Term Incentive Plan (STIP)		
1	Total Company STIP pay accrued expense associated with earnings per share (EPS)	\$2,139,576	[1]
2	Total Company STIP accrual	6,423,879	[1]
3	Percentage of STIP related to EPS (L1 / L2)	33.31%	
4	STIP at target level associated with O&M expense per Company	6,360,276	[2]
5	Adjustment to remove STIP related to EPS outcomes - NC (-L3 x L4)	(2,118,392)	
6	NC O&M Payroll percentage	73.62%	[3]
7	Adjustment to remove STIP related to EPS outcomes - NC (L5 x L6)	(1,559,560)	
8	Executive STIP already removed in executive compensation adjustment	57,230	[5]
9	Adjustment to STIP (L7 + L8)	(\$1,502,330)	
	Long Term Incentive Plan (LTIP)		
10	LTIP Performance Shares associated with EPS and TSR at target	\$715,908	[4]
11	Total Company LTIP accrual	2,368,988	[4]
12	Percentage of LTIP related to EPS and TSR (L10 / L11)	30.22%	
13	LTIP at target level associated with O&M expense per Company	2,317,581	[2]
14	Adjustment to remove LTIP associated with EPS and TSR - total system (L12 X -L13)	(700,373)	
15	NC O&M Payroll percentage	73.62%	[3]
16	Adjustment to remove LTIP associated with EPS and TSR - NC (L14 x L15)	(515,614)	
17	Executive LTIP already removed in executive compensation adjustment	376,914	[5]
18	Adjustment to LTIP (L16 + L17)	(\$138,700)	
19	Total adjustment to incentive pay (L9 + L18)	(\$1,641,030)	

[1] From Company Response to Public Staff Data Request No. 12, Item 7.

[2] From Company Response to an informal follow-up Data Request to Data Request No. 12.

[3] Per Company

[4] From Company Response to Public Staff Data Request No. 12, Item 15.

[5] Based on Public Staff executive compensation adjustment.

Revised Jayasheela Exhibit I
Schedule 3-3

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

Line No.	Item	Company Amount [1]	Actual Payments as of July 11, 2019 [2]	Difference [3]	50% of Difference [4]	Public Staff Amount [5]	Public Staff Adjustment [6]
		(a)	(b)	(c)	(d)	(e)	(f)
1	Legal (McGuire Woods)	\$900,000	\$162,788	\$737,212	\$368,606	\$531,394	(\$368,606)
2	Witness (Hevert, Scott Madden)	120,000	26,846	93,154	46,577	73,423	(46,577)
4	Witness (Dan Yardley, Yardley Associates)	160,000	77,700	82,300	41,150	118,850	(41,150)
5	Witness Watson (Alliance)	75,000	74,674	326	163	74,837	(163)
6	Witness (Paul Normand, Management Application Consulting)	75,000	35,249	39,751	19,876	55,124	(19,876)
7	Regulatory Notices						
8	Newspapers	200,000	201,452	(1,452)		201,452 [4]	1,452
9	Customer Mailings (a)	134,863	241,341	(106,478)		241,341 [4]	106,478
10	PNG Travel and Misc Expense	77,429	621	76,808	38,404	39,025	(38,404)
11	Total Amount	\$1,742,292	\$820,671	\$921,621	\$514,776	\$1,335,446	(\$406,846)
12	Amortization Period					5 [5]	
13	Public Staff Proposed annual amortization expense					267,089	
14	Company Proposed Annual Amortization Expense					580,764	
						<u>(\$313,675)</u>	
	Rate Base Effect:						
15	Unamortized Rate Case Expenses per Public Staff		\$0				
16	Less: Ongoing amortization reflected in O&M expenses		0				
17	Unamortized Rate Case balance per Public Staff		0				
18	Rate Case Expense Accrued per Company		119,527				
19	Unamortized Rate Case Expenses per Public Staff		<u>(\$119,527)</u>				

[1] G-1, Item 4a, Page 92

[2] Per updated Company data request responses to DR 25, Item 2

[3] Actual Payments as of July 11, 2019 X 50% of Difference

[4] Same as Column (b)

[5] Per Public Staff.

Revised Jaysheets Exhibit
Schedule 3-4

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

Line No.	Item	NC Net Charge-Offs (a)	Gas Cost Deferrals	Total net gas costs	Sales & Transportation Revenues (b)
1	Year Ended December 31, 2016	\$3,738,196	(1) (\$925,805)	\$2,810,391	\$788,734,107 (3)
2	Year Ended December 31, 2017	5,451,269	(1) (1,495,506)	3,955,763	874,040,293 (3)
3	Year Ended December 31, 2018	7,862,280	(1) (2,139,364)	5,722,896	890,971,779 (3)
4	Total for three year period (Sum of L1, L2 and L3)			\$12,489,080	\$2,563,748,179
5	Number of years presented			3 (2)	3 (2)
6	Three-year average: (L4 / L5)			\$4,163,027	\$854,582,060
7	Uncollectibles percentage per Public Staff (L6, Column (c) / L5, Column (d))				0.4871%
8	Pro Forma Revenues from sales and transportation of gas, net of gas costs				885,437,243 (3)
9	Uncollectibles per Public Staff (L7 x L8)				4,382,050
10	Uncollectibles per Company				8,264,395 (4)
11	Adjustment to uncollectibles (L9 - L10)				(\$1,602,345)

[1] Per Public Staff DR Response file 10-1 Attachment.

[2] Per Public Staff.

[3] Per monthly financial reports.

[4] Per Company filing, 2019-04-04 File 10, Filename: 2019-04-04 File 10.xlsx

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO PENSION EXPENSE
For The Test Year Ended December 31, 2018

Line No.	Item	Amount
1	North Carolina Pension pro forma expense	(\$3,321,784) [1]
2	Updated based on Jan 31, 2019, to May 31, 2019, Pension expense	<u>(4,778,717) [2]</u>
3	Adjustment to North Carolins Pension pro forma expense	<u>(\$1,456,933)</u>

[1] G-1, Item 4a, Page 61

[2] From Company Response to Public Staff Data Request No. 77, Item 4.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
AMORTIZATION OF PIPELINE INTEGRITY MANAGEMENT - TRANSMISSION COSTS
For The Test Year Ended December 31, 2018

Line No.	Item	North Carolina Amount	
	<u>Income Statement Effect:</u>		
1	Unamortized Pipeline Integrity Costs @ August 31, 2013	\$17,348,593	[1]
2	Add: Incremental deferred PIM expenses 9/1/2013 - 12/31/2018	49,874,448	[2]
3	Add: Updated deferred PIM expenses 1/1/2019 - 5/31/2019	5,602,779	[3]
		<u>72,825,820</u>	
4	Less: Amortization expense 10/1/2013 to 12/31/2013	(\$867,430)	
5	Less: Amortization expense 1/1/2014 to 11/1/2019	<u>(20,240,028)</u>	
6	Total amortization expense through November 1, 2019	<u>(21,107,457)</u>	
7	Total Deferred PIM Costs per Public Staff	51,718,363	
8	Amortization period in years	<u>5</u>	[4]
9	Amortization of Deferred PIM Costs per Public Staff	10,343,673	
10	Amortization of Deferred PIM Costs per Company	<u>15,672,545</u>	[1]
11	Public Staff Adjustment to Amortization of PIM Costs	<u>(\$5,328,872)</u>	
	<u>Rate Base Effect:</u>		
12	Unamortized Pipeline Integrity Costs at October 31, 2019	\$51,718,363	[5]
13	Less: Ongoing amortization reflected in O&M expenses	<u>(10,343,673)</u>	[6]
14	Unamortized PIM balance per Public Staff	41,374,690	
15	Deferred Pipeline Integrity Costs per Company	<u>45,365,430</u>	[7]
16	Unamortized Pipeline Integrity Costs per Public Staff	<u>(\$3,990,740)</u>	

[1] G-1, Item 4a, Page 89.

[2] G-1, Item 4a, Page 89 and excluded the amount OF \$34,620 due to missing invoices.

[3] Per updated Company data request response .

[4] Per Public Staff.

[5] Line 7.

[6] Line 9.

[7] G-1, Item 4a, Page 135, line 15.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO AMORTIZATION OF ENVIRONMENTAL COSTS
For The Test Year Ended December 31, 2018

Line No.	Item	Amount
<u>Income Statement Effect:</u>		
1	Unamortized Environmental Costs @ August 31, 2013	\$6,346,642 [1]
2	Add: Incremental deferred Environmental expenses 9/1/2013 - 12/31/2018	903,895 [1]
3	Add: Updated deferred Environmental expenses 1/1/2019 - 5/31/2019	93,772 [2]
		<u>7,344,309</u>
4	Less: Amortization expense 10/1/2013 to 12/31/2013	\$0
5	Less: Amortization expense 1/1/2014 to 10/31/2019	<u>(7,404,413)</u>
6	Total amortization expense through November 1, 2019	<u>(7,404,413)</u>
7	Total Deferred Environmental Costs per Public Staff	(60,104)
8	Amortization period in years	<u>5 [3]</u>
9	Amortization of Deferred Environmental Costs per Public Staff	(12,021)
10	Amortization of Deferred Environmental Costs per Company	<u>(192,329) [4]</u>
11	Public Staff Adjustment to Amortization of Environmental Costs	<u>\$180,308</u>
<u>Rate Base Effect:</u>		
12	Unamortized Environmental Costs @ December 31, 2013	(\$60,104) [5]
13	Less: Ongoing amortization reflected in O&M expenses	<u>\$12,021 [6]</u>
14	Unamortized Environmental balance per Public Staff	(\$48,083)
15	Deferred Environmental Costs per Company	<u>2,202,746 [7]</u>
16	Unamortized Environmental Costs per Public Staff	<u>(\$2,250,829)</u>

[1] G-1, Item 4a, Page 87

[2] Per updated Company data request response after excluding the amount of \$8,529 due to a missing invoice

[3] Per Public Staff.

[4] G-1, Item 4a, Page 87

[5] Line 7.

[6] Line 9.

[7] G-1, Item 4a, Page 145, line 15

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO DEFERRED NCNG OPEB LIABILITY
For The Test Year Ended December 31, 2018

Line No.	Item	Amount
<u>Income Statement Effect:</u>		
1	Balance in Deferred NCNG OPEB Liability per G-9, Sub 631	\$414,650
2	Less: Amortization expense 1/1/2014 to 10/31/2019	<u>(483,758)</u>
3	Fully amortized NCNG OPEB Liability at October 31, 2019 (line 1+line 2)	<u>(69,108)</u>
4	Amortization per Public Staff due to fully amortized NCNG OPEB Liability	0
5	Amortization of Deferred NCNG OPEB amortization per Company	<u>0</u>
6	Adjustment to NCNG OPEB Liability amortization	<u>\$0</u>
<u>Balance Sheet Effect:</u>		
7	Unamortized NCNG OPEB Liability at December 31, 2013 (from line 3)	<u>(\$69,108)</u>
8	Unamortized NCNG OPEB Liability per Public Staff	0
9	Unamortized NCNG OPEB Liability per Company	<u>9,522</u> [1]
10	Unamortized NCNG OPEB Liability per Public Staff	<u>(\$9,522)</u>

[1] Per G-1 filing, 2019-04-04 File 20, Tab 127 Summary, Line 10

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO AMORTIZE EASTERN NC DEFERRED O&M EXPENSES
For The Test Year Ended December 31, 2018

<u>Line No.</u>	<u>Item</u>	<u>North Carolina Amount</u>
1	Remaining Eastern NC Deferred O&M expenses+Interest	\$1,188,132 [1]
2	Amortization period per Public Staff	5 [2]
3	Amortization of Deferred Eastern O&M per Public Staff	238,066
4	Amortization of Deferred Eastern O&M per Company	1,138,589 [3]
5	Adjustment to Deferred Eastern O&M Amortization (L1-L2)	<u>(\$900,523)</u>

[1] Per Schedule 3-9, Page 2 of 2.

[2] Per Public Staff witness

[3] Public Staff settlement exhibit: Docket No. G-9, Sub 631, Exhibit I, Schedule 3-8, Line 1.

PIEDMONT NATURAL GAS COMPANY
Docket No. G-9, Sub 631
Eastern Deferred O&M Amortization
For The Test Year Ended December 31, 2018

Assumptions:

Annual Interest Rate 6.20%
Term in number of months 12
Principal Subject to Amortization 1,149,174

Period	Beginning Balance	Monthly Charge	Amortization of Principal	Interest Income	Ending Balance
Nov-19	\$1,149,174 [1]	\$99,011	\$93,074	\$5,937	\$1,056,101
Dec-19	1,056,101	99,011	93,555	5,456	962,546
Jan-20	962,546	99,011	94,038	4,973	868,508
Feb-20	868,508	99,011	94,524	4,487	773,985
Mar-20	773,985	99,011	95,012	3,999	678,973
Apr-20	678,973	99,011	95,503	3,508	583,470
May-20	583,470	99,011	95,996	3,015	487,473
Jun-20	487,473	99,011	96,492	2,519	390,981
Jul-20	390,981	99,011	96,991	2,020	293,990
Aug-20	293,990	99,011	97,492	1,519	196,498
Sep-20	196,498	99,011	97,996	1,015	98,502
Oct-20	\$98,502	\$99,011	\$98,502	\$509	-
Sum of Monthly Charge from Nov-19 to Oct -20		\$1,188,132			

[1] Based on Ending Balance in Docket No. G-9, Sub 631

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
AMORTIZATION DUE TO REGULATORY FEE UNDERCOLLECTION
For The Test Year Ended December 31, 2018

Line No.	Item	Public Staff Amount (a)		Company Amount (b)		Public Staff Adjustment (c)
1	Undercollection of Regulatory Fees at December 31, 2018	\$392,791	[3]	\$349,697	[1]	
2	Additional Undercollection through May 31, 2019	46,854	[4]	25,000	[2]	
3	Projected Balance for Recovery (Line 1 + Line 2)	439,645		374,697		
4	Proposed amortization period, in years	5	[5]	3		
5	Proposed annual amortization expense (Line 3 / Line 4)	87,929		124,899		
6	Less: Amortized expense amount included in the Test Period	0		0		
7	Undercollection for Recovery (Line 5 - Line 6)	\$87,929		\$124,899		(\$36,970)
8	Rate Base Effect:					
9	Unamortized Regulatory Fee Costs @ May 31, 2019	\$439,645				
10	Less: Ongoing amortization reflected in O&M expenses	(87,929)				
11	Unamortized Regulatory Fee balance per Public Staff	\$351,716				
12	Deferred Regulatory Fee Costs per Company	253,064	[6]			
13	Unamortized Regulatory Fee Costs per Public Staff	\$98,652				

[1] G-1, Item 4a, Page 93, Line 1

[2] G-1, Item 4a, Page 93, Line 2

[3] Public Staff adjustment due to the inclusion of deferred Reg fee from July 1, 2014 to June 30, 2015 and G-1, Item 4a, Pages 94 and 95

[4] DR 86 Deferred Reg Fee Expense 2

[5] Per Public Staff witness

[6] Per G-1 filing, 2019-04-04 File 20, Tab 127 Summary, Line 14

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO CHANGES FOR REGULATORY FEE EXPENSE
For The Test Year Ended December 31, 2018

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Adjusted Test Year Sales and Transportation Revenues	\$920,610,481 [1]
2	Less:	
3	Uncollectibles	4,362,050 [2]
4	Amount Subject to Fee	916,248,431
5	Fee Percentage	0.130% [3]
6	Adjusted Fee per Public Staff (L4 x L5)	1,191,123
7	Adjusted Fee per Company	1,280,085 [1]
8	Public Staff Adjustment to Regulatory Fee (L6 - L7)	(\$88,962)

[1] MFR G-1, Item 4a, Page 96.

[2] Revised Jayasheela Exhibit I, Schedule 3-4, Line 9.

[3] Per Commission Order on June 18, 2019, in Docket No. M-100, Sub 142.

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

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Utility Patrol expense allocated to NC	\$288,181 [1]
2	Total DEBS Operating Units	<u>538,511 [1]</u>
		<u>826,692</u>
3	Total Aviation Expense Allocated to NC Operations in 2018	\$538,511 [1]
4	Percentage to be excluded per Public Staff	<u>89.59% [2]</u>
5	Public Staff adjustment to aviation O&M expenses (L7 x L8)	<u>\$482,469</u>
6	Percentage of Aviation expenses to be excluded:	
7	Total miles	427,907 [3]
8	Miles allowed	<u>44,532 [4]</u>
9	Miles disallowed (line 7 - line 8)	<u>383,375</u>
10	Percentage of Aviation expenses to be disallowed (line 7/line 9)	<u>89.59%</u>

[1] Company response to Public Staff Data Request No. 43, Item 2

[2] From Line 8

[3] Calculated by Public Staff based on Company response to Public Staff Data Request No. 43, Item 4

[4] Calculated by Public Staff based on Company response to Public Staff Data Request No. 43, Item 4 and Company response to Public Staff Data Request No. 75.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
ADJUSTMENT TO GTI Programs
For The Test Year Ended December 31, 2018

Line No.	Item	Public Staff Amount (a)	Company Amount (b)	[1]	Public Staff Adjustment (c)	[2]
1	<u>GTI Programs:</u>					
2	OTD Amount	\$375,000	\$375,000		\$0	
3	UTD Amount	-	350,000		(350,000)	
4	Total GTI Expense	<u>\$375,000</u>	<u>\$725,000</u>		<u>(\$350,000)</u>	

[1] Amounts per Company MFR, Item 4, p. 73.

[2] Column (a) minus Column (b).

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
INTEREST SYNCHRONIZATION ADJUSTMENT
For The Test Year Ended December 31, 2018

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Interest expense assigned to rate base per Company	\$71,584,987 [1]
2	Interest expense assigned to rate base per Public Staff	<u>73,682,989 [2]</u>
3	Difference in interest expense tax deduction (L2 - L1)	<u>2,098,002</u>
4	Adjustment to state income taxes (L3 x 2.5%)	<u>(52,450)</u>
5	Adjustment to federal income taxes (L3 + L4 x 21%)	<u>(429,566)</u>
6	Total adjustment to income taxes	<u>(\$482,016)</u>

[1] Powers Exhibit (PKP-6), Page 2.

[2] Revised Jayasheela Exhibit I, Schedule 4, Column (e), Line 1 + Line 2.

Revised Jayasheela Exhibit I
Schedule 4

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
RETURN ON EQUITY AND ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2018

Line No.	Item	Capitalization Ratios (a)	Original Cost Rate Base (b)	Before Recommended Increase			After Recommended Increase			
				Embedded Cost/Return % (c)	Weighted Cost/Return % (d)	Net Operating Income (e)	Rate Base (f)	Embedded Cost/Return % (g)	Weighted Cost/Return % (h)	Net Operating Income (i)
1	Long term debt	49.94%	\$1,653,458,296 [2]	4.41% [1]	2.20% [5]	\$72,917,511 [7]	\$1,657,984,925	4.41%	2.20% [10]	\$73,117,135 [12]
2	Short term debt	0.85%	28,142,562 [2]	2.72% [1]	0.02% [5]	765,478 [7]	28,219,607	2.72%	0.02% [10]	767,573 [12]
3	Common equity	49.21%	1,629,288,802 [2]	6.26% [4]	3.08% [5]	102,069,874 [8]	1,633,749,262	9.13%	4.49% [10]	149,161,308 [12]
4	Totals	100.00%	\$3,310,889,660 [3]		5.30% [6]	\$175,752,863 [9]	\$3,319,953,794		6.71% [11]	\$223,046,016 [13]

- [1] Per Public Staff Witness Hinton.
[2] Column (a) x Column (b), Line 4.
[3] Revised Jayasheela Exhibit I, Schedule 2.
[4] Column (e) / Column (b).
[5] Column (a) x Column (c).
[6] Column (e), Line 4 / Column (b), Line 4.
[7] Column (b) x Column (c).

- [8] Column (e), Line 4 - Line 1 - Line 2.
[9] Revised Jayasheela Exhibit I, Schedule 3.
[10] Column (a) x Column (f).
[11] Column (h), Line 4 / Column (b), Line 4.
[12] Column (b) x Column (f).
[13] Sum of Line 1 thru L3.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
CALCULATION OF INCREASE (DECREASE) IN
REVENUE REQUIREMENT
For The Test Year Ended December 31, 2018

Line No.	Item	Debt		Equity (c)	Total (d)
		Long Term (a)	Short Term (b)		
1	Required net operating income	\$73,117,135 [1]	-\$767,573 [1]	\$149,161,308 [1]	\$223,046,016
2	Net operating income before proposed increase	72,917,511 [2]	765,478 [2]	102,069,874 [2]	175,752,863
3	Additional net operating income requirement (L1 - L2)	199,624	2,095	47,091,434	47,293,153
4	Retention factor	0.993835 [3]	0.993835 [3]	0.7655013 [4]	
5	Additional gross revenue requirement (L3 / L4)	<u>\$200,862</u>	<u>\$2,108</u>	<u>\$61,517,119</u>	<u>\$61,720,090</u>

- [1] Revised Jayasheelu Exhibit I, Schedule 4, Column (h).
[2] Revised Jayasheelu Exhibit I, Schedule 4, Column (e).
[3] Revised Jayasheelu Exhibit I, Schedule 5 (a), Column (d), Line 10.
[4] Revised Jayasheelu Exhibit I, Schedule 5 (a), Column (d), Line 13.

PUBLIC STAFF
SUMMARY OF ALLOCATED COST OF SERVICE STUDY UNDER EXISTING RATES

Patel Exhibit I
Page 1 of 1

Piedmont Natural Gas Company, Inc.
Docket Number G-9, Sub 743

LINE NO.	SUMMARY DESCRIPTION	UNIT	TOTAL COMPANY	RESIDENTIAL RATE 101/105	SMALL GENERAL RATE 102/142	MEDIUM GENERAL RATE 152	LARGE GENERAL SALES RATE 103 /113	INTERRUPTIBLE SALES RATE 104 /114	MILITARY INSTALL. RATE 10 /T10	POWER GENERATION	MUNIS & SPECIAL CONTRACTS
1	Operating Revenues:										
2	Gas Sales and Transportation	\$	895,230,721	464,903,596	223,265,460	33,887,531	48,056,202	26,874,751	2,270,290	83,780,875	12,192,015
3	Other Operating Revenues	\$	4,418,444	3,820,103	534,781	55,199	5,221	419	371	1	2,349
4	Total Operating Revenues	\$	899,649,165	468,723,699	223,800,241	33,942,730	48,061,423	26,875,170	2,270,661	83,780,876	12,194,364
5	Operating Expenses & Taxes:										
6	Cost of Gas	\$	335,375,076	155,785,981	101,582,604	17,385,691	26,073,395	13,311,413	1,138,437	15,261,813	4,835,742
7	Operation and Maintenance Expenses	\$	199,712,704	92,953,521	79,832,444	2,903,834	6,420,300	2,211,537	402,905	12,274,920	2,464,569
8	Depreciation Expense	\$	133,296,085	60,619,000	24,588,265	2,638,663	8,920,436	2,905,521	665,476	28,134,591	4,207,427
9	General Taxes	\$	31,402,703	13,710,709	7,304,634	598,025	1,962,322	650,224	140,934	5,995,876	907,911
10	Federal Income Tax	\$	26,060,707	19,101,730	1,298,306	1,368,639	598,127	1,025,317	(11,856)	2,854,247	(40,077)
11	State Income Tax	\$	3,182,017	2,332,325	158,523	167,111	73,031	125,191	(1,448)	348,504	(4,893)
12	Amortization of EDIT	\$	(3,128,110)	(1,347,363)	(590,748)	(63,480)	(220,758)	(72,049)	(16,121)	(698,006)	(104,294)
13	Amortization of Investment Tax	\$	(79,424)	(34,210)	(14,999)	(1,612)	(5,605)	(1,829)	(409)	(17,723)	(2,648)
14	Total Operating Expenses & Taxes	\$	725,821,758	343,121,693	214,159,029	24,996,872	43,821,248	20,155,324	2,317,917	64,154,222	12,263,738
15	Interest On Customer Deposits	\$	(796,448)	(512,801)	(246,268)	(37,379)	0	0	0	0	0
16	Amort. of Debt Redemption Premium	\$	0	0	0	0	0	0	0	0	0
17	Net Operating Income for Return	\$	173,827,407	125,602,007	9,641,212	8,945,858	4,240,176	6,719,845	(47,257)	19,626,654	(69,374)
18	Rate Base:										
19	Utility Plant	\$	5,425,034,069	2,339,980,950	1,025,959,213	110,246,310	383,393,583	125,128,516	27,997,791	1,212,235,715	181,128,352
20	Accumulated Depreciation	\$	(1,507,447,063)	(761,653,908)	(274,279,724)	(31,434,484)	(96,879,812)	(30,678,468)	(6,995,429)	(255,777,905)	(43,675,868)
21	Net Plant in Service	\$	3,925,178,794	1,578,327,043	751,679,489	78,811,826	286,513,771	94,450,047	21,002,362	956,457,810	137,452,484
22	Allowance for Working Capital	\$	188,279,764	71,031,843	30,977,101	4,426,367	14,308,588	7,471,693	858,428	52,414,130	5,493,973
23	Excess Accumulated Deferred Income Taxes	\$	(826,960,713)	(358,936,166)	(170,943,630)	(17,923,038)	(65,157,697)	(21,479,413)	(4,776,264)	(75,700,403)	(31,258,837)
24	Total Rate Base	\$	3,362,624,738	1,290,422,719	611,712,960	65,315,156	235,664,662	80,442,327	17,084,526	933,171,537	111,687,620
25	Rate of Return		5.17%	9.73%	1.58%	13.70%	1.80%	8.35%	-0.28%	2.10%	-0.06%

PUBLIC STAFF
SUMMARY OF ALLOCATED COST OF SERVICE STUDY UNDER PROPOSED RATES

Patel Exhibit II
Page 1 of 1

Piedmont Natural Gas Company, Inc.
Docket Number G-9, Sub 743

LINE NO.	SUMMARY DESCRIPTION	UNIT	TOTAL COMPANY	RESIDENTIAL RATE 101/105	SMALL GENERAL RATE 102/142	MEDIUM GENERAL RATE 152	LARGE GENERAL SALES RATE 103/113	INTERRUPTIBLE SALES RATE 104/114	MILITARY INSTALL. RATE 107/110	POWER GENERATION	MUNIS & SPECIAL CONTRACTS
1	Operating Revenues:										
2	Gas Sales and Transportation	\$	956,881,989	504,577,319	243,508,024	35,609,646	50,697,819	26,772,177	2,398,342	83,780,875	9,537,786
3	Other Operating Revenues	\$	4,418,444	3,820,103	534,781	55,199	5,221	419	371	1	2,349
4	Total Operating Revenues	\$	961,300,433	508,397,423	244,042,805	35,664,845	50,703,040	26,772,596	2,398,712	83,780,876	9,540,135
5	Operating Expenses & Taxes:										
6	Cost of Gas	\$	335,375,076	155,785,981	101,582,604	17,385,691	26,073,395	13,311,413	1,138,437	15,261,813	4,835,742
7	Operation and Maintenance Expenses	\$	199,712,704	92,953,521	79,832,444	2,903,834	6,420,300	2,211,537	402,905	12,274,920	2,464,569
8	Depreciation Expense	\$	133,296,085	60,619,000	24,588,265	2,638,663	8,920,436	2,905,521	665,476	28,134,591	4,207,427
9	General Taxes	\$	31,402,703	13,710,709	7,304,634	598,025	1,962,322	650,224	140,934	5,995,876	907,911
10	Federal Income Tax	\$	26,060,707	18,545,528	3,030,115	1,215,778	721,840	770,340	3,887	2,173,247	(298,209)
11	State Income Tax	\$	3,182,017	2,264,412	369,978	148,447	88,137	94,059	475	265,354	(36,411)
12	Amortization of EDIT	\$	(3,128,110)	(1,347,363)	(590,748)	(63,480)	(220,758)	(72,049)	(16,121)	(698,008)	(104,294)
13	Amortization of Investment Tax	\$	(79,424)	(34,210)	(14,999)	(1,612)	(5,605)	(1,829)	(409)	(17,723)	(2,648)
14	Total Operating Expenses & Taxes	\$	725,821,758	342,497,579	216,102,292	24,825,347	43,960,067	19,869,214	2,335,583	63,390,072	11,974,088
15	Interest On Customer Deposits	\$	(796,448)	(512,801)	(246,268)	(37,379)	0	0	0	0	0
16	Amort. of Debt Redemption Premium	\$	0	0	0	0	0	0	0	0	0
17	Net Operating Income for Return	\$	235,478,675	165,899,844	27,940,513	10,839,498	6,742,974	6,903,382	63,129	20,390,804	(2,433,954)
18	Rate Base:										
19	Utility Plant	\$	5,425,034,069	2,339,980,950	1,025,959,213	110,246,310	383,393,583	125,128,516	27,997,791	1,212,235,715	181,128,352
20	Accumulated Depreciation	\$	(1,507,447,063)	(761,653,908)	(274,279,724)	(31,434,484)	(96,879,812)	(30,678,468)	(6,995,429)	(255,777,905)	(43,675,868)
21	Net Plant in Service	\$	3,925,178,794	1,578,327,043	751,679,489	78,811,826	286,513,771	94,450,047	21,002,362	956,457,810	137,452,484
22	Allowance for Working Capital	\$	188,279,764	71,031,843	30,977,101	4,426,367	14,308,588	7,471,693	858,428	52,414,130	5,493,973
23	Excess Accumulated Deferred Income Taxes	\$	(826,960,713)	(358,936,166)	(170,943,630)	(17,923,038)	(65,157,697)	(21,479,413)	(4,776,264)	(75,700,403)	(31,258,837)
24	Total Rate Base	\$	3,362,624,738	1,290,422,719	611,712,960	65,315,156	235,664,662	80,442,327	17,084,526	933,171,537	111,687,620
25	Rate of Return		7.00%	12.86%	4.57%	16.60%	2.86%	8.58%	0.37%	2.19%	-2.18%

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
PUBLIC STAFF RECOMMENDED
MARGIN CHANGES AND FLOWBACK OF EDIT

Rate Schedule	Change in Margin		Flow Back of EDIT	
			Year 1	Year 2
	(\$)	(%)	(\$)	(\$)
101	\$39,660,620	7.86%	(\$49,652,058)	(\$26,160,874)
102	20,100,280	8.29%	(19,463,929)	(10,255,232)
152	1,722,115	4.84%	(3,549,102)	(1,869,965)
142	38,881	6.38%	(56,055)	(29,534)
103	467,455	3.53%	(195,297)	(102,899)
104	125,096	3.13%	(63,262)	(33,332)
113	917,632	3.09%	(2,393,542)	(1,261,119)
114	711,185	3.00%	(2,093,162)	(1,102,854)
<u>T-10</u>	<u>127,918</u>	<u>5.33%</u>	<u>(102,813)</u>	<u>(54,171)</u>
Overall	\$63,871,181	7.47%	(\$77,569,220)	(\$40,869,980)

Combined Margin & Flow Back of EDIT				
Rate Schedule	Year 1 (Nov'19 - Oct'20)		Year 2 (Nov'20 - Oct'21)	
	(\$)	(%)	(\$)	(%)
101	(\$9,991,438)	-2.15%	\$13,499,745	2.90%
102	636,351	0.29%	9,845,048	4.43%
152	(1,826,988)	-5.40%	(147,851)	-0.44%
142	(17,174)	-3.01%	9,347	1.64%
103	272,158	2.13%	364,556	2.85%
104	61,834	1.60%	91,764	2.37%
113	(1,475,910)	-5.13%	(343,487)	-1.19%
114	(1,381,977)	-6.01%	(391,668)	-1.70%
<u>T-10</u>	<u>25,104</u>	<u>1.11%</u>	<u>73,747</u>	<u>3.25%</u>
Overall	(\$13,698,039)	-1.53%	\$23,001,201	2.57%

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. G-9, SUB 743

1A

In the Matter of
 Application of Piedmont Natural Gas Company,)
 Inc., for an Adjustment of Rates, Charges, and)
 Tariffs Applicable to Service in North Carolina,)
 Continuation of its IMR Mechanism, Adoption)
 of an EDIT Rider, and Other Relief)

STIPULATION

Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company"), the Public Staff – North Carolina Utilities Commission ("Public Staff"), Carolina Utility Customers Association, Inc. ("CUCA"), and Carolina Industrial Group for Fair Utility Rates IV ("CIGFUR IV") (collectively the "Stipulating Parties"), through counsel and pursuant to Section 62-69 of the North Carolina General Statutes and Rule R1-24(c) of the Rules and Regulations of the North Carolina Utilities Commission ("Commission"), respectfully submit the following Stipulation for consideration by the Commission in this proceeding. The Stipulating Parties hereby stipulate and agree as follows:

1. Background.

A. On February 27, 2019, Piedmont gave notice of its intent to file a general rate case.

B. On March 6, 2019, CUCA, filed a petition to intervene, which was granted by the Commission on March 20, 2019.

C. On March 12, 2019, Fayetteville Public Works Commission filed a petition to intervene, which was granted by the Commission on March 20, 2019.

D. On April 1, 2019, Piedmont filed a petition in this proceeding seeking: (1) a general increase in and revisions to the rates and charges for customers served by the Company; (2) continuation of Piedmont's Integrity Management Rider ("IMR") contained in Appendix E to its approved service regulations; (3) regulatory asset treatment for certain incremental Distribution Integrity Management Program ("DIMP") Operations and Maintenance ("O&M") expenses; (4) adoption of revised and updated depreciation rates for the Company's North Carolina and joint property assets; (5) updates and revisions to Piedmont's rate schedules and service regulations; (6) revised and updated amortizations and recovery of certain regulatory assets accrued since Piedmont's last general rate case proceeding; (7) approval of expanded energy efficiency and conservation program spending; and (8) adoption of an Excess Deferred Income Taxes ("EDIT") Rider mechanism to manage the flowback to customers of deferrals and excess deferred income taxes created by changes to state and federal income tax rates ("Petition"). The Petition included information and data required by NCUC Form G-1, and the testimony and exhibits of Company witnesses Frank Yoho, Victor M. Gaglio, Jack L. Sullivan, III, Bruce P. Barkley, Pia K. Powers, Kally A. Couzens, Robert B. Hevert, Daniel P. Yardley, Dane A. Watson, and Paul M. Normand. In its Petition, Piedmont projected various items reflected in its cost of service calculation through June 30, 2019 and reserved its right to offer additional evidence as to the Company's costs, revenues, volumes, rate base, return or any other

matter relevant to the Commission's determination as may be permitted by N.C. Gen. Stat. § 62-133(c).

E. On April 22, 2019, the Commission issued its *Order Establishing General Rate Case and Suspending Rates*. Also on April 22, 2019, Piedmont filed a supplemental G-1 filing.

F. On April 23, 2019, Nucor Steel-Hertford filed a petition to intervene, which was granted by the Commission on May 7, 2019.

G. On May 16, 2019, the Commission issued its *Order Scheduling Investigation and Hearings, Establishing Intervention and Testimony Due Dates and Discovery Guidelines and Requiring Public Notice*.

H. On June 10, 2019, the North Carolina Attorney General's Office filed a notice of intervention in this proceeding, and CIGFUR IV filed a petition to intervene, which was granted by the Commission on June 20, 2019.

I. On July 19, 2019, the Public Staff filed the testimony and exhibits of its witnesses R. Tyler Allison, Mary A. Coleman, Lynn Feasel, Geoffrey M. Gilbert, John R. Hinton, Poornima Jayasheela, Jan A. Larsen, Zarka H. Naba, Neha Patel, and Julie G. Perry. The testimony and exhibits of Public Staff witness Allison were subsequently withdrawn and public and confidential versions were filed on July 29, 2019. Also on July 19, 2019, the Attorney General filed the testimony of its witness J. Randall Woolridge,

CUCA filed the testimony of its witness Kevin W. O'Donnell, and CIGFUR IV filed the testimony of its witness, Nicholas Phillips, Jr.

J. On July 26, 2019, the Public Staff filed the revised exhibits of its witnesses Feasel, Jayasheela, and Perry.

K. On July 29, 2019, pursuant to its reservation of its right to do so in its Petition, Piedmont filed updated versions of its schedules reflecting updates to its rates, revenues, plant, depreciation expense, accumulated depreciation, and expenses as of June 30, 2019. Piedmont also filed supporting supplemental testimony and exhibits of its witnesses Powers and Couzens.

L. On August 9, 2019, Piedmont filed the rebuttal testimony of its witnesses Hevert and Barkley.

M. Subsequent to the filing of the Company's Petition in this docket, the Public Staff engaged in substantial discovery of Piedmont regarding the matters addressed by the Company's Petition and further examined the relevant books and records of Piedmont with respect to the Company's Petition. The Public Staff's discovery efforts spanned a period of more than 18 weeks, entailed 95 sets of data requests directed to the Company containing approximately 600 discrete questions (not including parts and subparts), and numerous informal follow-up questions, and involved 5 days of on-site audit activities at the Company's headquarters.

N. The Attorney General's Office also engaged in discovery of Piedmont regarding the matters addressed by the Company's Petition. The

Attorney General's discovery efforts spanned a period of 6 weeks and entailed 3 sets of data requests directed to the Company containing 33 discrete questions (not including parts and subparts).

O. Piedmont also responded to discovery served by CUCA and CIGFUR IV regarding the matters addressed by the Company's Petition. CUCA's discovery efforts spanned a period of 9 weeks and entailed 4 sets of data requests directed to the Company containing 24 discrete questions (not including parts and subparts); CIGFUR IV's discovery efforts spanned a period of 3 weeks and entailed 1 set of data requests directed to the Company containing 36 discrete questions (not including parts and subparts).

P. Following completion of the Public Staff's investigation of the Company's Petition and accompanying documents, review of the results of its examination of the Company's books and records, and review of the Company's responses to the Public Staff's Data Requests, as well as those served by other parties, the Public Staff and Piedmont met at the offices of the Public Staff and participated in conference calls over the course of several business days to discuss possible settlement. A representative of the Attorney General was also present at the substantive settlement discussions between Piedmont and the Public Staff. Following these negotiations, Piedmont also met with representatives of CUCA and CIGFUR IV to discuss possible settlement.

Q. After significant and complex negotiations, in which substantial concessions from their litigation positions were made by the Stipulating Parties, the Stipulating Parties were ultimately able to arrive at a settlement, the terms of which are reflected in the following sections of this Stipulation and the schedules and exhibits attached hereto. The Stipulation involved substantial adjustments to the Company's filed case.

2. Test Period. The test period for this rate case is the twelve months ending December 31, 2018, adjusted for certain changes in plant, throughput, and costs that were not known at the time the case was filed but are based upon circumstances occurring or becoming known through June 30, 2019.

3. Throughput.

A. The appropriate level of adjusted gas sales and transportation quantities for use herein, as reflected on Exhibit C attached hereto, is comprised of 74,815,358 dekatherms (dts) of sales quantities and 61,600,268 dts of transportation quantities, for a total gas sales and transportation of 136,415,626 dts. The total gas throughput, which reflects the total gas sales and transportation quantities plus electric generation and other special contract quantities, is 483,305,524 dts.

B. The appropriate level for company use and lost and unaccounted for gas herein is 2,594,219 dts.

4. Cost of Gas.

A. The appropriate benchmark commodity cost of gas for use in the financial exhibits in this proceeding and in subparagraph B of this Paragraph is \$2.75 per dt. The rates that will go into effect under this Stipulation will be based on the Company's benchmark commodity cost of gas in effect on November 1, 2019, the agreed effective date of the new rates.

B. The appropriate level for the total cost of gas for use in this proceeding is \$334,653,470, as determined and reflected on Exhibit I attached hereto, encompassing commodity gas costs and fixed gas costs as follows:

Commodity Cost of Gas ¹ :	\$215,392,832
Fixed Cost of Gas:	\$119,260,638
Total Cost of Gas:	\$334,653,470.

5. **Rate Base.** The original cost rate base used and useful in providing service to the Company's customers is \$3,450,610,950, consisting of gas plant in service of \$5,516,373,281, cash working capital of \$52,447,941, and deferred regulatory assets of \$135,551,187, reduced by accumulated depreciation of \$1,520,637,505, other working capital of \$6,264,000, and accumulated deferred income taxes of \$726,859,954, as shown on Exhibit A attached hereto and incorporated herein by reference.

¹ Of this total amount of commodity cost of gas, \$7,134,102 is the commodity cost of gas for company use and lost and unaccounted for gas quantities.

6. Revenue Requirement.

A. The appropriate level of operating revenues under present rates for use in this proceeding, as shown on Exhibit A attached hereto, is \$902,043,536. This amount is comprised of \$795,174,869 of gas sales and transportation revenues, \$102,381,824 of electric generation and other special contract revenues, and \$4,486,843 of other operating revenues.

B. The appropriate level of margin revenues under present rates for use in this proceeding is \$567,390,066, as shown on Exhibit A. This amount is computed as total operating revenues under present rates less the total cost of gas.

C. The overall level of operating expenses under present rates appropriate for use in this proceeding is \$403,279,191 as shown on Exhibit A. Further, interest on customers' deposits of \$796,448, as shown on Exhibit A, are subtracted from margin revenues to arrive at net operating income for return under present rates.

D. The capital structure appropriate for use in this proceeding consists of 52.00% common equity, 47.15% long-term debt at a cost of 4.41%, and 0.85% short-term debt at a cost of 2.72%, as shown on Exhibit B.

E. The rate of return on common equity ("ROE") that the Company should be allowed an opportunity to earn is 9.70%, as shown on Exhibit B. This agreed level of ROE represents a significant compromise by each of the Stipulating Parties from their respective litigation positions.

This agreed ROE is deemed by each Stipulating Party to be a reasonable ROE for use in this proceeding that will provide the Company with a reasonable opportunity, by sound management, to produce a fair return for its shareholders, and a just and reasonable result for its customers considering changing economic conditions and other factors, to maintain its facilities and services in accordance with the reasonable requirements of its customers in the territory covered by its franchise, and to compete in the market for capital funds on terms that are fair to its customers and to its existing investors. Each of the Stipulating Parties further agrees that such agreed ROE, together with the agreed capital structure and adjustments to the Company's rate base and operating expenses, results in a revenue requirement that is just and reasonable to the Company's customers in light of changing economic conditions.

F. The overall rate of return that the Company should be allowed an opportunity to earn on its rate base is 7.14%, as shown on Exhibit A. Furthermore, this rate should be used by the Company as its Allowance for Funds Used During Construction ("AFUDC") rate effective November 1, 2019.

G. Through the rates and charges approved in this case, the Company should be authorized to increase its annual level of operating revenues (in each instance compared to the current level of such revenues), by \$28,058,125 in the first year and \$64,757,365 in the second and third years. After giving effect to the first year and second year increases, the

annual operating revenues for the Company would be \$930,101,661 and \$966,800,901, respectively. Subsequent to year three, capping the increase based on the amount requested in the Petition and public Notice of Hearings in this case, Piedmont is authorized to increase its annual level of operating revenues by \$82,820,089, as compared to the current level of such revenues.

7. Rate Design. The rate schedules reflecting new volumetric rates, monthly charges, and demand charges are shown on Exhibit C attached hereto and incorporated herein by reference. The Stipulating Parties agree that the Commission should determine in this case that these rates, as adjusted to reflect any Commission-approved: (a) changes in the Company's benchmark commodity gas cost on or before the date that the rates approved in this docket become effective; and (b) changes in the gas demand and storage charges (components of the fixed cost of gas shown in Exhibit I) that occur between the date of this Stipulation and the date that the rates approved in this docket become effective, are just and reasonable. The relative impact of the stipulated rates on each Piedmont customer class is reflected on Exhibit J hereto.

8. Fixed Gas Cost Apportionment Percentages. The fixed gas cost apportionment percentages embedded in the proposed rates and to be used in future true-ups of fixed gas costs in proceedings under Commission Rule R1-17(k) until the resolution of Piedmont's next general rate proceeding are set forth in Exhibit D attached hereto and incorporated herein by reference.

9. Continuation of Integrity Management Rider. As authorized by N.C. Gen. Stat. § 62-133.7A, the Stipulating Parties agree that it is appropriate to continue the Company's IMR mechanism in the form attached as Appendix E to Piedmont's current North Carolina Service Regulations subject to the following clarifications: (A) In updating the rate base computation for the Integrity Management Revenue Requirement ("IMRR"), Piedmont will use end of period numbers on a consistent basis; and (B) the IMRR shall be reduced by a Special Contract Credit to compute the net IMRR that forms the basis for determining the Integrity Management Adjustment (the Special Contract Credit represents the amount provided by the Special Contracts towards the Integrity Management Plant Investment). A revised Appendix E is attached hereto as Exhibit F.

10. Margin Decoupling Factors. The "R" values, heat load factors and base load factors to be used in the Company's approved Margin Decoupling Tracker Mechanism on and after the effective date of rates hereunder are set forth in Exhibit E attached hereto and incorporated by reference herein.

11. Amortization of Deferred Assets.

A. Transmission Integrity Management Operating and Maintenance Costs. The Commission has previously approved regulatory asset treatment for Piedmont's Transmission Integrity Management Program ("TIMP") O&M costs incurred as a result of the implementation of the Pipeline Safety Improvement Act of 2002. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of \$54,449,944, which reflects actual deferred expenses through June 30, 2019, net of regulatory

amortizations through October 31, 2019, over a four-year period beginning with the effective date of rates in this proceeding. The Stipulating Parties further agree that it is appropriate to continue regulatory asset treatment for these costs and to defer and treat such costs as a regulatory asset until the resolution of the Company's next general rate proceeding.

B. EasternNC Deferred O&M Expenses. The Commission has previously approved the amortization of certain O&M expenses associated with EasternNC. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of the remaining balance of \$1,191,036 over a four-year period, on a levelized basis that includes the accrual of interest at the net-of-tax overall rate of return, beginning on the effective date of rates in this proceeding. The appropriate interest rate to use for this purpose is the net of tax overall rate of return of 6.66%.

C. Deferred Environmental Compliance Assessment and Clean-Up O&M Costs. The Commission has previously authorized the Company to defer certain environmental compliance assessment and clean-up costs. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of (\$55,817), which reflects actual deferred expenses through June 30, 2019, net of regulatory amortizations through October 31, 2019, over a four-year period beginning with the effective date of rates in this proceeding.

D. Under-Collected Regulatory Fee. The Company has previously under-collected its regulatory fee payments made to the

Commission in the amount of \$443,793 as of June 30, 2019. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of the balance over a four-year period beginning with the effective date of rates in this proceeding.

12. Non-Utility Adjustment. The annual operating revenues stipulated herein include an agreed upon adjustment attributable to non-utility operations of (\$1,364,212).

13. Board of Directors Expenses. The annual operating revenues stipulated herein include an agreed upon reduction in Board of Directors expense of Duke Energy Corporation (Duke Energy) allocated to Piedmont of (\$422,000).

14. Compensation Adjustments. The annual operating revenues stipulated to herein include downward adjustments, in the amounts indicated, for each of the following categories of compensation related expense: Payroll (\$169,581), Pension and Other Benefits (\$844,683), Employee Benefits (\$836,922), Executive Compensation (\$1,484,492) and Incentives (\$1,185,815).

15. Miscellaneous Expense Adjustments. In addition to the reductions to the Company's proposed annual revenue requirement reflected herein, the Stipulating Parties have also agreed that the annual revenue requirement for Piedmont reflected on Exhibit A includes downward adjustments (in the amounts indicated) to the following areas of Piedmont's filed, and later updated O&M expenses: Advertising Expense (\$297,937); Aviation Expense (\$485,760); Lobbying Expense (\$156,536); Rents (\$497,525); Sponsorships & Donations (\$119,152); Inflation Adjustment (\$635,832); and Miscellaneous

General Expense (\$358,102). These adjustments benefit ratepayers and reduce Piedmont's projected O&M expense by the amounts indicated.

16. Implementation of Federal Tax Cuts and Jobs Act of 2017 ("TCJA") and State Excess Deferred Income Tax Amortization. Effective January 1, 2018, pursuant to the TCJA, the federal corporate income tax rate applicable to Piedmont was reduced from 35% to 21%. This action, in combination with various orders of the Commission in Docket Nos. M-100, Sub 148 and G-9, Sub 731, caused the creation of several regulatory liabilities resulting in cost savings to customers. First, pursuant to the Commission's March 25, 2019 Order in Docket Nos. M-100, Sub 148, G-9, Sub 731, and G-9, Sub 737, Piedmont implemented a change in customer billing rates to reflect the reduction in the federal corporate income tax rate from 35% to 21% and in the state corporate income tax rate from 3% to 2.5%. Those rate reductions became effective on May 1, 2019. Second, pursuant to the Commission's January 3, 2018 Order in Docket No. M-100, Sub 148, Piedmont deferred, as a regulatory liability, the revenues received from customers equivalent to the savings represented by the change in corporate tax rates established by the TCJA. That deferral became effective January 1, 2018, and ran through April 30, 2019. The balance of that regulatory liability, including accrued interest, is projected to be \$36,699,240 as of October 31, 2019. Pursuant to this Stipulation, the Stipulating Parties agree that this balance should be returned to customers through a rider mechanism over a period of one year beginning with the effective date of rates in this proceeding. Third, the TCJA's reduction in corporate federal income tax rates also resulted in several

categories of EDIT owed by the Company to customers. The Stipulating Parties agree that "Protected EDIT" should be amortized and returned to customers, through base rates, over the remaining lives of the property giving rise to the EDIT obligation utilizing the Internal Revenue Service's Average Rate Assumption Method ("ARAM") beginning on the effective date of rates in this proceeding. For "Unprotected EDIT" which is not subject to the Internal Revenue Service's ARAM requirements, the Stipulating Parties agree that such EDIT amounts, should be amortized and returned to customers, on a levelized basis through a rider mechanism, over a five-year period beginning with the effective date of rates in this proceeding. Finally, Piedmont has an existing regulatory liability on its books consisting of EDIT associated with the North Carolina state corporate income tax rate reductions since 2014. The Stipulating Parties agree that this regulatory liability should be amortized and returned to customers, on a levelized basis through a rider mechanism, over a three-year period beginning with the effective date of rates in this proceeding. Consistent with the approach to amortize and return state and federal unprotected EDIT balances reflected above, the Stipulating Parties agree to remove these regulatory liability balances from Piedmont's ADIT balance used to determine rate base in this proceeding. The Stipulating Parties recognize that upon the expiration of the amortizations set forth above, the revenues produced by Piedmont's base rates will effectively increase by an offsetting amount (subject to the regulatory cap discussed earlier). In recognition of this fact, Piedmont agrees to cap its base rates during the effective

period of rates in this proceeding at an amount equal to the noticed requested revenue increase in this proceeding.

17. Lead/Lag. In calculating cash working capital, the Stipulating Parties agree that it is appropriate to include adjustments, totaling (\$317,055), to reflect the stipulated revenue requirement in the lead/lag study.

18. Uncollectibles Adjustment. The Stipulating Parties agree that the revenue requirement reflected herein reflects a downward adjustment in the amount of non-gas cost uncollectibles expense after applying the non-gas cost uncollectibles ratio to the pro forma revenues which results in a (\$45,294) decrease to O&M expenses. The Stipulating Parties also agree to reflect the non-gas cost uncollectibles ratio of .5484% in the revenue requirement retention factor used to compute the amount of the rate increase.

19. Regulatory Fee Adjustment. The Stipulating Parties agree that the annual revenue requirement set forth herein reflects an adjustment to bring regulatory fee expense to a level based on the current effective rate of 0.13% as adopted by the Commission in its Order dated June 18, 2019, in Docket No. M-100, Sub 142.

20. Rate Case Expense. The Stipulating Parties agree that for purposes of this rate case, it is appropriate to use an updated rate case expense amount of \$1,309,862, representing a reduction of \$432,430 to the Company's filed rate case expense, to be amortized and collected over a four-year period beginning with the effective date of rates in this proceeding.

21. Depreciation Study. The Stipulating Parties agree that it is appropriate to adopt the revised depreciation rates and reallocations of book reserves reflected in the depreciation study attached to the prefiled direct testimony of Piedmont witness Watson in this proceeding to be effective as of the effective date of rates in this proceeding. The Stipulating Parties also agree that it is appropriate to reduce depreciation expense to reflect the impacts of the reallocation of the reserve accounts related to the NC direct and corporate allocated general plant accounts. The Stipulating Parties further agree that the filing of the Depreciation Study attached to witness Watson's testimony satisfies the five-year depreciation study filing requirement of Commission Rule R6-80.

22. Tariffs and Service Regulations. The Stipulating Parties agree that the Tariffs and Service Regulations attached hereto as Exhibits G and H respectively, and reflecting the tariff changes proposed by the Company in its Petition, with the exception of Appendix E, should be approved.

23. Gas Technology Institute ("GTI") Funding. The Stipulating Parties agree that the Company's proposed funding for the Utilization Technology Development Program operated by GTI is not included in the annual revenue requirement reflected herein, but that the proposed funding for the Operations Technology Development Program, in the amount of \$375,000, is included in the annual revenue requirement reflected herein.

24. Rate Elements. The Stipulating Parties agree that the rates reflected on Exhibit C are comprised of the rate elements reflected on Exhibits K and L attached hereto.

25. DIMP O&M Deferral. The Stipulating Parties agree that it is appropriate to grant Piedmont regulatory asset treatment for O&M expenses arising out of activities required to comply with federal DIMP requirements as requested by Piedmont in its Petition.

26. Annual TIMP and DIMP Deferred O&M Reports. Piedmont agrees to provide an annual report to the Public Staff providing transactional details showing allocated or directly assigned NC amounts, a description of the nature of the expense, and supporting documentation (i.e., invoices) for the O&M expenses incurred and deferred in relation to federal TIMP and DIMP requirements and treated by Piedmont as regulatory assets. This report will be filed annually, beginning on January 31, 2020, for the 12-month period ending on November 30 of each year.

27. Consolidation of Common Gas Areas. The Stipulating Parties agree that it is appropriate to consolidate the eleven common gas areas currently utilized by Piedmont for purposes of measuring the heat content of gas flowing on its system to two common gas areas, one in the eastern part of the state and the other in the western part of the state.

28. Transparency of Affiliate Cost Allocations. Piedmont shall work together in good faith with the Public Staff to improve the transparency and reporting of costs allocated to Piedmont from Duke Energy Business Services, LLC, or other subsidiaries of Duke Energy in order to facilitate the Public Staff's ability to efficiently audit such cost allocations in the future.

29. Conservation Program Spending. The Stipulating Parties agree that Piedmont's proposed additional conservation program expense of \$1,225,000 is not included in the annual revenue requirement agreed to herein, and that Conservation Program Spending will remain at its current level of \$1,275,000.

30. Line Locate Expense Increase. The Stipulating Parties agree that the annual revenue requirement reflected herein includes an increase in line locate expense of 12.56% from test period actuals to reflect a significant increase in this activity, which still resulted in a Line Locates Expense adjustment of (\$465,162).

31. Line 434 Revenue Rider. With regard to any demand charges that may begin to be recovered by Piedmont subsequent to the effective date of the rates approved in this case related to Line 434, but before the effective date of the next general rate case, Piedmont agrees that it will begin contemporaneously flowing through such revenues to reduce the rates of its customers through a separate rate rider (Line 434 Revenue Rider). For purposes of the rates made effective as part of this proceeding, the Line 434 Revenue Rider (including all related billing factors) will be initially set at \$0.0000 per dt. Piedmont shall make a filing with the Commission setting forth and requesting approval of the Line 434 Revenue Rider rates it proposes to put in place to flow through such revenues to its customers. These rates shall be based on the rate class margin percentages approved in the IMR mechanism. Piedmont and the Public Staff shall consult with each other regarding the calculation and determination of the Line 434 Revenue Rider billing factors prior to and at the times Piedmont files for any changes to those factors.

The Line 434 Revenue Rider established in this proceeding shall remain in effect until such time as it can be incorporated into base rates in the first general rate case proceeding after the beginning of the receipt of demand charges. The appropriateness and necessity of continuing, modifying, replacing, or eliminating the Line 434 Revenue Rider shall be considered in said general rate case.

32. Electric Generation Contract and Other Special Contract Customer Contributions to Overall Systems Support. Piedmont agrees to implement a system support volumetric rate component, to be implemented on a prospective basis, in all special and electric generation contract sales or transportation service arrangements filed with the Commission after the effective date of rates in this proceeding. Such volumetric rate component shall be included in future special and electric generation contract arrangements unless and to the extent that Piedmont and the Public Staff agree, and the Commission ultimately concludes, that it is just and reasonable and not unduly discriminatory to exclude such rate component from a special or electric generation contract arrangement in discrete circumstances. The purpose of the special and electric generation contract volumetric rate component is to ensure that special and electric generation contract customers provide adequate support for existing Piedmont infrastructure and operations and are not subsidized by Piedmont's other customers. If Piedmont and the Public Staff are unable to agree to the nature and design of the special or electric generation contract volumetric rate component to be implemented hereunder, Piedmont and the Public Staff will bring this matter to the Commission for resolution.

33. Agreement to Support Settlement; Non-Waiver. The Stipulating Parties will support this Stipulation in any proposed order or brief and in any hearing before the Commission in this docket; provided, however, that the settlement of any issue pursuant to this Stipulation shall not be cited as precedent by any of the Stipulating Parties in any other proceeding or docket before this Commission. The provisions of this Stipulation do not necessarily reflect any position asserted by any of the Stipulating Parties. Rather, they reflect a settlement among the Stipulating Parties as to all issues, and no Stipulating Party waives the right to assert any position in any future docket before the Commission.

34. Introduction/Withdrawal of Testimony and Waiver of Cross-Examination. The Stipulating Parties agree that all pre-filed testimony and exhibits of the Stipulating parties, including the supplemental testimony filed by in support of this Stipulation, may be introduced into evidence without objection, and the parties hereto waive their respective right to cross-examine all witnesses with respect to all such pre-filed testimony and exhibits. If questions should be asked by any person, including a Commissioner, who is not a Stipulating Party, the Stipulating Parties may present testimony and/or exhibits to respond to such questions and may cross-examine any witnesses with respect to such testimony and/or exhibits; provided, however, that such testimony, exhibits, and/or cross-examination shall not be inconsistent with this Stipulation. The Stipulating Parties further agree that the Company and the Public Staff will file supplemental testimony in support of the Stipulation provided that such testimony shall not be inconsistent with this Stipulation.

35. Binding Only if Entire Stipulation Accepted. This Stipulation is the product of give-and-take negotiations and reflects various concessions made by each Stipulating Party as to the items herein. On balance, the Stipulating Parties believe the Stipulation provides a reasonable resolution of the contested issues when considered in its entirety. No portion of this Stipulation shall be binding on the Stipulating Parties unless the entire Stipulation is accepted by the Commission. The terms and conditions set forth above represent, in full, the agreement of the Stipulating Parties.

The foregoing is agreed and stipulated to this the 12th day of August, 2019.

Piedmont Natural Gas Company, Inc.



Public Staff – North Carolina Utilities Commission

Carolina Utility Customers Association, Inc.

Carolina Industrial Group for Fair Utility Rates IV

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Piedmont Natural Gas Company, Inc.

Public Staff – North Carolina Utilities Commission

Elizabeth D. Culpepper
ELIZABETH D. CULPEPPER
STAFF ATTORNEY

Carolina Utility Customers Association, Inc.

Carolina Industrial Group for Fair Utility Rates IV

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Piedmont Natural Gas Company, Inc.

Public Staff – North Carolina Utilities Commission

Carolina Utility Customers Association, Inc.

Sharon C. Miller

Carolina Industrial Group for Fair Utility Rates IV

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Piedmont Natural Gas Company, Inc.

Public Staff – North Carolina Utilities Commission

Carolina Utility Customers Association, Inc.

Carolina Industrial Group for Fair Utility Rates IV

Warren K. Hicks

Stipulation

EXHIBIT A

/A

**Net Operating Income,
Rate Base and Overall Return**

Exhibit A

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
STATEMENT OF NET OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
For The Test Year Ended December 31, 2018

Line No.	Item	Per Company Update (a)	Settlement (b)	After Settlement Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
NET OPERATING INCOME FOR RETURN						
Operating Revenues:						
1	Sales and transportation of gas	\$795,180,723	(\$5,854)	\$795,174,869	\$108,796,788	\$903,971,657
2	Other operating revenues	4,343,374	143,469	4,486,843		4,486,843
3	Operating revenues, excl special contracts	799,524,097	137,615	799,661,712	108,796,788	908,458,500
4	Electric Generation & Special Contract Revenues	102,381,824	0	102,381,824		102,381,824
5	Total operating revenues	901,905,921	137,615	902,043,536	108,796,788	1,010,840,324
6	Cost of gas	334,653,470	0	334,653,470		334,653,470
7	Margin	567,252,451	137,615	567,390,066	108,796,788	676,186,854
Operating Expenses:						
8	Operating and maintenance	229,301,103	(15,961,067)	213,340,036	737,266	\$214,077,302
9	Depreciation	136,676,708	(371,051)	136,305,657		136,305,657
10	General taxes	31,426,103	446,065	31,872,168		31,872,168
11	State income tax (2.5%)	2,461,268	357,222	2,818,490	2,696,186	5,514,676
12	Federal income tax (21%)	20,157,781	2,925,645	23,083,426	22,081,762	45,165,188
13	Amortization of investment tax credits	(79,424)	0	(79,424)		(79,424)
14	Amortization of EDIT	0	(4,061,162)	(4,061,162)		(4,061,162)
15	Total operating expenses	419,943,539	(16,664,348)	403,279,191	25,515,213	428,794,405
16	Interest on customer deposits	(796,448)	0	(796,448)		(796,448)
17	Net operating income for return	\$146,512,464	\$16,801,963	\$163,314,427	\$83,281,574	\$246,596,002
RATE BASE						
19	Plant in service	\$5,524,939,964	(\$8,566,684)	\$5,516,373,281	\$0	\$5,516,373,281
20	Accumulated depreciation	(1,508,506,101)	(12,131,404)	(1,520,637,505)	0	(1,520,637,505)
21	Net plant in service	4,016,433,863	(20,698,087)	3,995,735,776		3,995,735,776
22	Working Capital - Other	(6,264,000)	0	(6,264,000)	0	(6,264,000)
23	Working Capital - Lead Lag	56,088,683	(13,660,157)	42,428,526	10,019,415	52,447,941
24	Deferred Regulatory Assets		135,551,187	135,551,187		135,551,187
25	Deferred Income Taxes	(849,671,872)	122,811,918	(726,859,954)	0	(726,859,954)
26	Original cost rate base	\$3,216,586,674	\$224,004,861	\$3,440,591,535	\$10,019,415	\$3,450,610,950
27	Overall Rate of Return on Rate Base	4.55%		4.74%		7.14%

Stipulation
EXHIBIT B

LA

Calculation of Gross Revenue Effect Factors

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743
CALCULATION OF GROSS REVENUE EFFECT FACTORS
For The Test Year Ended December 31, 2018

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factors (c)	Gross Revenue Effect (d)	Composite Tax Rate (e)	Net of Tax Overall Rate of Return (f)
<u>Rate Base Factor:</u>							
1	Long-term debt	47.15%	4.41%	0.9932235	0.02093502	0.77025	1.60%
2	Short-term debt	0.85%	2.72%	0.9932235	0.00023278	0.77025	0.02%
3	Common equity	52.00%	9.70%	0.7650304	0.06593202	1.00000	5.04%
4	Total (Sum of L1 thru L3)	<u>100.00%</u>			<u>0.08709982</u>		<u>6.66%</u>
<u>Net Income Factor:</u>							
5	Total revenue				1.0000000		
6	Uncollectibles				<u>0.0054836</u>		
7	Balance (L5 - L6)				0.9945164		
8	Regulatory fee (L7 x current regulatory fee rate)				<u>0.0012929</u>		
9	Balance (L7 - L8)				0.9932235		
10	Less: State income tax (L9 x 2.5%)				<u>0.0248306</u>		
11	Balance (L9 - L10)				0.9683929		
12	Less: Federal income tax (L11 x 21%)				<u>0.2033625</u>		
13	Gross up factor (L11 - L12)				<u>0.7650304</u>		

Supulation

EXHIBIT C

1A

**Rates/Rate Design/Proposed Revenue
by Customer Class**

Piedmont Natural Gas Company, Inc.
Proposed Rates
Docket No. G-9 Sub 743

Rate Schedule	Present Revenue Rates ¹	Stipulated Revenue Rates ²
101 - Residential Service		
Monthly Charge	10.00	10.00
Monthly Charge	10.00	10.00
Winter per DT	9.8345	10.3170
Summer per DT	9.4341	9.8072
102- Small General Service		
Monthly Charge	22.00	22.00
Winter per DT	8.0714	8.1332
Summer per DT	7.6818	7.7354
152- Medium General Service		
Monthly Charge	75.00	75.00
Winter - First 500 per DT	7.7168	7.2637
Winter - Over 500 per DT	7.3918	6.9327
Summer - First 500 per DT	7.1418	7.2061
Summer - Over 500 per DT	6.8418	6.9006
142 - Natural Gas Vehicle Fuel		
Winter per DT	7.5768	8.2386
Summer per DT	7.5768	8.2386
Compression Charge per DT (maximum rate)	4.0000	4.0000
143- Experimental Motor Vehicle Fuel		
Monthly Charge	<i>Monthly charge is reflected on corresponding rate schedule</i>	
Winter per DT	<i>Volumetric charge is reflected on corresponding rate schedule</i>	
Summer per DT	<i>Volumetric charge is reflected on corresponding rate schedule</i>	
Compression Charge per DT (maximum rate)	4.0000	4.0000
144- Experimental Medium Gen Motor Fuel - Transportation		
Monthly Charge	75.00	75.00
Winter - First 500 per DT	4.9668	4.5137
Winter - Over 500 per DT	4.6418	4.1827
Summer - First 500 per DT	4.3918	4.4561
Summer - Over 500 per DT	4.0918	4.1506
Compression Charge per DT (maximum rate)	4.0000	4.0000
103 - Large General Sales Service		
Monthly Charge	350.00	350.00
Demand Charge per DT	14.7500	14.9500
Winter - First 1,500 per DT	4.5133	4.4817
Winter - Next 3,000 per DT	3.9333	3.8490
Winter - Next 9,000 per DT	3.6333	3.5078
Winter - Next 16,500 per DT	3.4133	3.3595
Winter - Next 30,000 per DT	3.4133	3.3190
Winter - Over 60,000 per DT	3.0433	2.9340
Summer - First 1,500 per DT	3.9573	3.8611
Summer - Next 3,000 per DT	3.4670	3.5349
Summer - Next 9,000 per DT	3.2573	3.2909
Summer - Next 16,500 per DT	3.1470	3.1769
Summer - Next 30,000 per DT	3.0170	3.0088
Summer - Over 60,000 per DT	2.9573	2.8357
104 - Interruptible Sales Service		
Monthly Charge	350.00	350.00
Winter - First 1,500 per DT	4.7218	4.7588
Winter - Next 3,000 per DT	4.4688	4.5424
Winter - Next 9,000 per DT	4.1688	4.1974
Winter - Next 16,500 per DT	3.8088	3.9202
Winter - Next 30,000 per DT	3.6218	3.6626
Winter - Over 60,000 per DT	3.4684	3.4438
Summer - First 1,500 per DT	4.4368	4.4343
Summer - Next 3,000 per DT	4.1168	3.9704
Summer - Next 9,000 per DT	3.9668	3.9086
Summer - Next 16,500 per DT	3.7418	3.7534
Summer - Next 30,000 per DT	3.5868	3.6345
Summer - Over 60,000 per DT	3.4613	3.4605

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Piedmont Natural Gas Company, Inc.
Proposed Rates
Docket No. G-9 Sub 743

Rate Schedule	Present Revenue Rates ¹	Stipulated Revenue Rates ²
113 - Large General Transportation Service		
Monthly Charge	350.00	350.00
Demand Charge per DT	2.7500	2.9500
Standby Charge per DT	12.0000	eliminated
Winter - First 1,500 per DT	1.7633	1.7317
Winter - Next 3,000 per DT	1.1833	1.0990
Winter - Next 9,000 per DT	0.8833	0.7578
Winter - Next 16,500 per DT	0.6633	0.6095
Winter - Next 30,000 per DT	0.6633	0.5690
Winter - Over 60,000 per DT	0.2933	0.1840
Summer - First 1,500 per DT	1.2073	1.1111
Summer - Next 3,000 per DT	0.7170	0.7849
Summer - Next 9,000 per DT	0.5073	0.5409
Summer - Next 16,500 per DT	0.3970	0.4269
Summer - Next 30,000 per DT	0.2670	0.2588
Summer - Over 60,000 per DT	0.1320	0.0857
114 - Interruptible Transportation Service		
Monthly Charge	350.00	350.00
Winter - First 1,500 per DT	1.0718	1.8362
Winter - Next 3,000 per DT	1.0013	1.2490
Winter - Next 9,000 per DT	0.8168	0.9443
Winter - Next 16,500 per DT	0.5569	0.6054
Winter - Next 30,000 per DT	0.3718	0.4383
Winter - Over 60,000 per DT	0.2384	0.2213
Summer - First 1,500 per DT	1.1868	1.1461
Summer - Next 3,000 per DT	0.9168	0.6702
Summer - Next 9,000 per DT	0.7668	0.5568
Summer - Next 16,500 per DT	0.5376	0.4251
Summer - Next 30,000 per DT	0.5096	0.2804
Summer - Over 60,000 per DT	0.2118	0.1355
105 - Outdoor Gas Light Service		
Per Fixture Charge	16.50	18.83
T-10 - Military Operations Transportation		
Demand Charge per DT	10.0000	10.0000
Winter per DT	1.3263	1.3895
Summer per DT	0.4183	0.4795
12 - Military Installations in Onslow County - Sales		
Winter per DT	5.7501	5.6710
Summer per DT	5.2112	5.1321
T-12 - Military Installation in Onslow County - Transportation		
Winter per DT	3.0001	2.9210
Summer per DT	2.4512	2.3821
ST-1 - Standby On-Peak Supply Service		
Demand Charge per DT	4.2600	eliminated
Capacity Charge per DT	1.2700	eliminated
106 - Schedule For Limiting and Curtailing		
Emergency Gas per DT	10.0000	10.0000
Unauthorized Gas per DT	25.0000	25.0000
Reconnect Fees		
<u>Residential</u>		
February Through August	55.00	55.00
September Through January	85.00	85.00
<u>All Others</u>		
February Through August	55.00	55.00
September Through January	110.00	110.00
Returned Check Charge		
Returned Check Charge	25.00	25.00

1/ Present Revenue Rates, effective June 2019 in Docket G-9 Sub 748, include IMR base billing rates for the recovery of the current IMR revenue requirement and are exclusive of temporary increments or decrements.

2/ Settlement Revenue Rates shown above are aligned to the year one revenue increase (approximately \$28.1 million) per the Stipulation.

Piedmont Natural Gas Company, Inc.
Stipulated Proposed Revenue by Rate Class
Docket No. G-9 Sub 743

Page 1 of 8

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Sub-total Proposed Rates (6)	Sub-total Proposed Revenues (7)	Tax Rider Rates (8)	Tax Rider Revenues (9)	Line 434 Rider Rates (10)	Line 434 Rider Revenues (11)	Total Proposed Rates (12)	Total Proposed Revenues (13)
1	101 - Residential Service													
2	Bills - Winter		3,403,324	10.00			10.00	34,033,237					10.00	34,033,237
3	Bills - Summer		4,709,351	10.00			10.00	47,093,510					10.00	47,093,510
4	DTs - Winter	31,019,259		7.5076	1.3377	2.8023	11.6476	361,289,921	(1.3306)	(41,274,226)	-	-	10.3170	320,025,695
5	DTs - Summer	8,286,582		7.5076	0.8279	2.8023	11.1378	92,294,065	(1.3306)	(11,026,099)	-	-	9.8072	81,267,966
6	Integrity Management Rider Revenues							-						-
7														
8														
9	Experimental Motor Vehicle Fuel													
10	143 / 101 - Residential Service													
11	Bills - Winter		-	10.00			10.00	-					10.00	-
12	Bills - Summer		-	10.00			10.00	-					10.00	-
13	DTs - Winter	-		7.5076	1.3377	2.8023	11.6476	-	(1.3306)	-	-	-	10.3170	-
14	DTs - Summer	-		7.5076	0.8279	2.8023	11.1378	-	(1.3306)	-	-	-	9.8072	-
15														
16														
17														
18	RESIDENTIAL SERVICE		8,112,675											
19	Bills													
20	Winter Dts	31,019,259												
21	Summer Dts	8,286,582												
22	Total Dts	39,305,841												
23	Revenues							\$ 634,720,733		\$ (52,300,325)		\$ -		\$ 482,420,408
24														

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Piedmont Natural Gas Company, Inc.
Stipulated Proposed Revenue by Rate Class
Docket No. G-9 Sub 743

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Line No.	(rates and volumes per dekatherm)	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Sub-total Proposed Rates (6)	Sub-total Proposed Revenues (7)	Tax Rider Rates (8)	Tax Rider Revenues (9)	Line 434 Rider Rates (10)	Line 434 Rider Revenues (11)	Total Proposed Rates (12)	Total Proposed Revenues (13)
26	Rate Schedule													
27	102- Small General Service													
28	Bills		854,478	22.00			22.00	18,798,526					22.00	18,798,526
29	DTs - Winter	18,129,066		4.9685	1.1225	2.8023	8.8933	161,227,222	(0.7601)	(13,779,803)	-	-	8.1332	147,447,319
30	DTs - Summer	8,922,803		4.9685	0.7247	2.8023	8.4855	75,803,670	(0.7601)	(6,782,222)	-	-	7.7354	69,021,448
31	Integrity Management Rider Revenues													
32	Minimum Margin Agreement Revenues													
34	Experimental Motor Vehicle Fuel													
35	143 / 102- Small General Service													
36	Bills		86	22.00			22.00	2,119					22.00	2,119
37	Winter DTs	4,829		4.9685	1.1225	2.8023	8.8933	42,942	(0.7601)	(3,670)	-	-	8.1332	39,272
38	Summer DTs	7,650		4.9685	0.7247	2.8023	8.4855	64,987	(0.7601)	(5,814)	-	-	7.7354	59,173
41	152- Medium General Service													
42	Bills		5,485	75.00			75.00	411,355					75.00	411,355
43	Winter - First 500 DTs	1,014,250		4.2474	0.9741	2.8023	8.0238	8,138,138	(0.7601)	(770,831)	-	-	7.2637	7,367,204
44	Winter - Over 500 DTs	1,646,419		4.2474	0.6431	2.8023	7.6928	12,865,575	(0.7601)	(1,251,443)	-	-	6.9327	11,614,132
45	Total Winter DTs	2,660,669						20,803,711		(2,022,374)	-	-		18,781,338
48	Summer - First 500 DTs	1,179,308		4.2474	0.9165	2.8023	7.9662	6,394,810	(0.7601)	(896,383)	-	-	7.2061	8,498,217
49	Summer - Over 500 DTs	1,073,809		4.2474	0.6110	2.8023	7.6607	8,228,129	(0.7601)	(816,202)	-	-	6.9006	7,409,927
50	Total Summer DTs	2,253,118						17,620,739		(1,712,585)	-	-		15,908,144
52	Integrity Management Rider Revenues													
53	Minimum Margin Agreement Revenues							28,839						28,839
56	Experimental Motor Vehicle Fuel													
57	143 / 152- Medium General Service													
58	Bills		-	75.00			75.00	-					75.00	-
59	Winter - First 500 DTs	-		4.2474	0.9741	2.8023	8.0238	-	(0.7601)	-	-	-	7.2637	-
60	Winter - Over 500 DTs	-		4.2474	0.6431	2.8023	7.6928	-	(0.7601)	-	-	-	6.9327	-
61	Total Winter DTs	-						-		-	-	-		-
64	Summer - First 500 DTs	-		4.2474	0.9165	2.8023	7.9662	-	(0.7601)	-	-	-	7.2061	-
65	Summer - Over 500 DTs	-		4.2474	0.6110	2.8023	7.6607	-	(0.7601)	-	-	-	6.9006	-
66	Total Summer DTs	-						-		-	-	-		-
69	Experimental Motor Vehicle Fuel													
70	144- Medium General Transportation Service													
71	Bills		-	75.00			75.00	-					75.00	-
72	Winter - First 500 DTs	-		4.2474	0.9741	0.0523	5.2738	-	(0.7601)	-	-	-	4.5137	-
73	Winter - Over 500 DTs	-		4.2474	0.6431	0.0523	4.9428	-	(0.7601)	-	-	-	4.1827	-
74	Total Winter DTs	-						-		-	-	-		-
77	Summer - First 500 DTs	-		4.2474	0.9165	0.0523	5.2162	-	(0.7601)	-	-	-	4.4561	-
78	Summer - Over 500 DTs	-		4.2474	0.6110	0.0523	4.9107	-	(0.7601)	-	-	-	4.1506	-
79	Total Summer DTs	-						-		-	-	-		-
82	142 - Natural Gas Vehicle Fuel - Company Stations													
83	DTs - Winter	30,503		4.8515	1.3449	2.8023	8.9987	274,489	(0.7601)	(23,185)	-	-	8.2388	251,304
84	DTs - Summer	47,315		4.8515	1.3449	2.8023	8.9987	425,771	(0.7601)	(35,964)	-	-	8.2388	389,807
85	Compression Charge Revenues			4.0000			4.0000	311,272					4.0000	311,272
86	Integrity Management Rider Revenues													
87														
88														
89	SMALL & MEDIUM GENERAL / NGV FUEL SERVICE		860,059											
90	Bills													
91	Winter DTs	20,825,067												
92	Summer DTs	11,230,885												
93	Total DTs	32,055,951												
94	Revenues:							\$ 295,815,641		\$ (24,365,729)				\$ 271,449,913

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Line No.	Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Sub-total Proposed Rates (6)	Sub-total Proposed Revenues (7)	Tax Rider Rates (8)	Tax Rider Revenues (9)	Line 434 Rider Rates (10)	Line 434 Rider Revenues (11)	Total Proposed Rates (12)	Total Proposed Revenues (13)
103 - Large General Sales Service														
96	Bills													
97		157,272	819	350.00	12.7500	-	350.00	286,487					350.00	286,487
98	Demand	465,078		2.2000	0.8968	2.0023	14.9500	2,351,220					14.9500	2,351,220
99		441,556		0.9454	0.8918	2.0023	4.5445	2,116,272					4.4817	2,087,028
100	Winter - First 1,500 DTs			0.2177	0.8918	2.0023	3.9178	1,727,279		(28,245)			3.8480	1,699,034
101	Winter - Next 3,000 DTs			0.2215	0.5468	2.0023	3.5706	879,270		(11,947)			3.5078	867,323
102	Winter - Next 9,000 DTs			0.1762	0.4438	2.0023	3.4223	130,860		(2,401)			3.3595	128,459
103	Winter - Next 16,500 DTs			0.1427	0.4368	2.0023	3.3818	-		-			3.3180	-
104	Winter - Next 30,000 DTs			0.0977	0.0968	2.0023	2.0968	-		-			2.0940	-
105	Winter - Over 60,000 DTs							-		-				-
106	Total Winter DTs	1,135,711						4,653,680		(71,323)				4,582,358
107														
108	Summer - First 1,500 DTs	610,320		0.2600	0.8356	2.0023	3.9239	2,394,833		(38,328)			3.8811	2,356,505
109	Summer - Next 3,000 DTs	393,345		0.2098	0.5955	2.0023	3.5977	1,415,138		(24,702)			3.5349	1,390,436
110	Summer - Next 9,000 DTs	121,166		0.1908	0.3606	2.0023	3.3537	406,422		(7,610)			3.2909	398,812
111	Summer - Next 16,500 DTs	82,661		0.1718	0.2658	2.0023	3.2397	268,508		(5,205)			3.1769	263,303
112	Summer - Next 30,000 DTs			0.1337	0.1358	2.0023	3.0716	-		-			3.0088	-
113	Summer - Over 60,000 DTs			0.0956	0.0908	2.0023	2.0965	-		-			2.0357	-
114	Total Summer DTs	1,207,731						4,464,901		(75,846)				4,408,055
115														
116	Integrity Management Rider Revenues													
117	Minimum Margin Agreement Revenues							48,806						48,806
118														
119														
120														
103 - Large General Sales Service														
121	Bills		62	350.00	12.7500	-	350.00	21,572					350.00	21,572
122	Demand	10,080		2.2000	0.8968	2.0023	14.9500	150,849					14.9500	150,849
123		34,505		0.8454	0.8918	2.0023	4.5445	151,605		(2,167)			4.4817	149,438
124	Winter - First 1,500 DTs			0.2177	0.8918	2.0023	3.9178	151,465		(439)			3.8480	148,034
125	Winter - Next 3,000 DTs			0.2215	0.5468	2.0023	3.5706	24,988					3.5078	24,548
126	Winter - Next 9,000 DTs			0.1762	0.4438	2.0023	3.4223	-		-			3.3595	-
127	Winter - Next 16,500 DTs			0.1427	0.4368	2.0023	3.3818	-		-			3.3180	-
128	Winter - Next 30,000 DTs			0.0977	0.0968	2.0023	2.0968	-		-			2.0940	-
129	Winter - Over 60,000 DTs							-		-				-
130	Total Winter DTs	80,223						333,260		(5,038)				328,222
131														
132	Summer - First 1,500 DTs	53,557		0.2600	0.8356	2.0023	3.9239	210,192		(3,384)			3.8811	206,808
133	Summer - Next 3,000 DTs	70,140		0.2098	0.5955	2.0023	3.5977	255,342		(4,405)			3.5349	249,937
134	Summer - Next 9,000 DTs	20,838		0.1908	0.3606	2.0023	3.3537	69,884		(1,306)			3.2909	68,578
135	Summer - Next 16,500 DTs			0.1718	0.2658	2.0023	3.2397	-		-			3.1769	-
136	Summer - Next 30,000 DTs			0.1337	0.1358	2.0023	3.0716	-		-			3.0088	-
137	Summer - Over 60,000 DTs			0.0956	0.0908	2.0023	2.0965	-		-			2.0357	-
138	Total Summer DTs	144,545						532,416		(9,077)				523,340
139														
140	Integrity Management Rider Revenues													
141	Minimum Margin Agreement Revenues							144,522						144,522
142	Compressor Charge Revenues													
143														
144														
104 - Interruptible Sales Service														
145	Bills		162	350.00	1.1016	2.0023	350.00	67,216					350.00	67,216
146	Demand	113,498		0.9170	1.4218	2.0023	4.8211	547,137		(7,070)			4.7588	540,068
147	Winter - First 1,500 DTs			0.2177	0.8918	2.0023	3.9178	776,937		(10,512)			4.5424	766,425
148	Winter - Next 3,000 DTs			0.2215	0.5468	2.0023	3.5706	584,748		(8,552)			4.1874	576,196
149	Winter - Next 9,000 DTs			0.1762	0.4438	2.0023	3.4223	25,778		(418)			3.3595	25,360
150	Winter - Next 16,500 DTs			0.1427	0.4368	2.0023	3.3818	-		-			3.3180	-
151	Winter - Next 30,000 DTs			0.0977	0.0968	2.0023	2.0968	-		-			2.0940	-
152	Winter - Over 60,000 DTs							-		-				-
153	Total Winter DTs	428,213						1,935,600		(28,553)			3.4438	1,907,047
154														
155	Summer - First 1,500 DTs	151,215		0.2600	0.8356	2.0023	3.9239	679,955		(9,421)			4.4343	670,534
156	Summer - Next 3,000 DTs	160,569		0.2098	0.5955	2.0023	3.5977	255,342		(10,003)			3.8704	245,339
157	Summer - Next 9,000 DTs	134,731		0.1908	0.3606	2.0023	3.3537	535,003		(6,394)			3.2909	528,609
158	Summer - Next 16,500 DTs	4,303		0.1718	0.2658	2.0023	3.2397	16,421		(289)			3.1769	16,132
159	Summer - Next 30,000 DTs			0.1337	0.1358	2.0023	3.0716	-		-			3.0088	-
160	Summer - Over 60,000 DTs			0.0956	0.0908	2.0023	2.0965	-		-			2.0357	-
161	Total Summer DTs	450,819						1,876,906		(28,086)				1,850,820
162														
163	Integrity Management Rider Revenues													
164	Minimum Margin Agreement Revenues													
165														

Piedmont Gas Company, Inc.
Stipulated Proposed Revenue by Rate Class
Docket No. G-9 Sub 743

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Line No.	(rates and volumes per dekatherm)	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Sub-total Proposed Rates (6)	Sub-total Proposed Revenues (7)	Tax Rider Rates (8)	Tax Rider Revenues (9)	Line 434 Rider Rates (10)	Line 434 Rider Revenues (11)	Total Proposed Rates (12)	Total Proposed Revenues (13)
166	Rate Schedule													
167	Experimental Motor Vehicle Fuel													
168	143 / 104 - Interruptible Sales Service													
169	Bills		-	350.00			350.00	-					350.00	-
170	Winter - First 1,500 DTs	-		0.9170	1.1018	2.8023	4.8211	-	(0.0623)	-	-	-	4.7588	-
171	Winter - Next 3,000 DTs	-		0.3806	1.4218	2.8023	4.6047	-	(0.0623)	-	-	-	4.5424	-
172	Winter - Next 9,000 DTs	-		0.3806	1.0768	2.8023	4.2597	-	(0.0623)	-	-	-	4.1974	-
173	Winter - Next 18,500 DTs	-		0.3464	0.8338	2.8023	3.9825	-	(0.0623)	-	-	-	3.9202	-
174	Winter - Next 30,000 DTs	-		0.2808	0.6418	2.8023	3.7249	-	(0.0623)	-	-	-	3.6526	-
175	Winter - Over 60,000 DTs	-		0.1654	0.5384	2.8023	3.5061	-	(0.0623)	-	-	-	3.4438	-
176	Total Winter DTs	-						-		-	-	-		-
177	Summer - First 1,500 DTs	-		0.7194	0.9749	2.8023	4.4866	-	(0.0623)	-	-	-	4.4343	-
178	Summer - Next 3,000 DTs	-		0.3755	0.8549	2.8023	4.0327	-	(0.0623)	-	-	-	3.9704	-
179	Summer - Next 9,000 DTs	-		0.3537	0.8049	2.8023	3.9709	-	(0.0623)	-	-	-	3.9086	-
180	Summer - Next 18,500 DTs	-		0.3335	0.6799	2.8023	3.8157	-	(0.0623)	-	-	-	3.7534	-
181	Summer - Next 30,000 DTs	-		0.2388	0.8549	2.8023	3.6968	-	(0.0623)	-	-	-	3.6345	-
182	Summer - Over 60,000 DTs	-		0.1458	0.5749	2.8023	3.5228	-	(0.0623)	-	-	-	3.4605	-
183	Total Summer DTs	-						-		-	-	-		-
184														
185														
186														
187	113 - Large General Transportation Service													
188	Bills		3,505	350.00			350.00	1,226,818					350.00	1,226,818
189	Demand	1,612,554		2.2000	0.7500	-	2.9500	4,757,035					2,950.00	4,757,035
190														
191	Winter - First 1,500 DTs	1,951,291		0.8454	0.8968	0.0523	1.7845	3,501,592	(0.0628)	(122,541)	-	-	1,7317	3,379,050
192	Winter - Next 3,000 DTs	2,757,282		0.2177	0.8918	0.0523	1.1618	3,203,410	(0.0628)	(173,157)	-	-	1,0990	3,030,253
193	Winter - Next 9,000 DTs	2,825,585		0.2215	0.5468	0.0523	0.8206	2,318,875	(0.0628)	(177,447)	-	-	0.7578	2,141,229
194	Winter - Next 18,500 DTs	1,876,697		0.1762	0.4438	0.0523	0.6723	1,281,905	(0.0628)	(117,875)	-	-	0.6095	1,144,030
195	Winter - Next 30,000 DTs	1,851,518		0.1427	0.4368	0.0523	0.6318	1,043,430	(0.0628)	(103,715)	-	-	0.5690	939,714
196	Winter - Over 60,000 DTs	2,700,814		0.0977	0.0968	0.0523	0.2468	668,561	(0.0628)	(169,811)	-	-	0.1840	496,650
197	Total Winter DTs	13,763,488						11,985,573		(864,347)	-	-		11,131,225
198														
199	Summer - First 1,500 DTs	2,833,130		0.2860	0.8356	0.0523	1.1739	3,091,031	(0.0628)	(165,381)	-	-	1.1111	2,925,671
200	Summer - Next 3,000 DTs	3,246,887		0.2098	0.5856	0.0523	0.8477	2,751,623	(0.0628)	(203,848)	-	-	0.7849	2,547,775
201	Summer - Next 9,000 DTs	3,288,811		0.1908	0.3606	0.0523	0.6037	1,985,455	(0.0628)	(208,537)	-	-	0.5409	1,776,918
202	Summer - Next 18,500 DTs	2,281,396		0.1718	0.2656	0.0523	0.4897	1,122,097	(0.0628)	(143,800)	-	-	0.4269	978,297
203	Summer - Next 30,000 DTs	2,087,254		0.1337	0.1355	0.0523	0.3216	684,629	(0.0628)	(129,824)	-	-	0.2588	554,805
204	Summer - Over 60,000 DTs	3,102,803		0.0958	0.0906	0.0523	0.1485	480,781	(0.0628)	(184,652)	-	-	0.0857	296,129
205	Total Summer DTs	16,629,481						10,075,916		(1,044,331)	-	-		9,031,465
206														
207	Integrity Management Rider Revenues							243,364						243,364
208	Minimum Margin Agreement Revenues													
209														
210														
211	Experimental Motor Vehicle Fuel													
212	143 / 113 - Large General Transportation Service													
213	Bills		107	350.00			350.00	37,518					350.00	37,518
214	Demand	38,533		2.2000	0.7500	-	2.0500	113,673					2,950.00	113,673
215	Standby DTs	-												
216	Winter - First 1,500 DTs	63,030		0.8454	0.8968	0.0523	1.7845	113,108	(0.0628)	(3,858)	-	-	1,7317	109,149
217	Winter - Next 3,000 DTs	78,275		0.2177	0.8918	0.0523	1.1618	92,102	(0.0628)	(4,878)	-	-	1,0990	87,124
218	Winter - Next 9,000 DTs	65,753		0.2215	0.5468	0.0523	0.8206	53,957	(0.0628)	(4,129)	-	-	0.7578	49,828
219	Winter - Next 18,500 DTs	102,826		0.1762	0.4438	0.0523	0.6723	69,130	(0.0628)	(6,457)	-	-	0.6095	62,673
220	Winter - Next 30,000 DTs	30,729		0.1427	0.4368	0.0523	0.6318	18,415	(0.0628)	(1,930)	-	-	0.5690	17,485
221	Winter - Over 60,000 DTs	-		0.0977	0.0968	0.0523	0.2468	-	(0.0628)	-	-	-	0.1840	-
222	Total Winter DTs	341,814						347,711		(21,453)	-	-		326,258
223														
224	Summer - First 1,500 DTs	94,477		0.2860	0.8356	0.0523	1.1739	110,607	(0.0628)	(5,933)	-	-	1.1111	104,674
225	Summer - Next 3,000 DTs	116,501		0.2098	0.5856	0.0523	0.8477	88,758	(0.0628)	(7,316)	-	-	0.7849	81,441
226	Summer - Next 9,000 DTs	89,829		0.1808	0.3606	0.0523	0.6037	54,260	(0.0628)	(5,648)	-	-	0.5409	48,613
227	Summer - Next 18,500 DTs	143,957		0.1718	0.2656	0.0523	0.4897	70,468	(0.0628)	(9,040)	-	-	0.4269	61,428
228	Summer - Next 30,000 DTs	30,773		0.1337	0.1355	0.0523	0.3216	9,896	(0.0628)	(1,933)	-	-	0.2588	7,964
229	Summer - Over 60,000 DTs	-		0.0958	0.0906	0.0523	0.1485	-	(0.0628)	-	-	-	0.0857	-
230	Total Summer DTs	475,838						344,347		(29,870)	-	-		314,477
231														
232	Integrity Management Rider Revenues													
233	Minimum Margin Agreement Revenues													
234	Compression Charge Revenues													
235														

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Line No.	(rates and volumes per deferral)	Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Sub-total Proposed Rates (6)	Sub-total Proposed Revenues (7)	Tax Rider Rates (8)	Tax Rider Revenues (9)	Line 434 Rider Rates (10)	Line 434 Rider Revenues (11)	Total Proposed Rates (12)	Total Proposed Revenues (13)
226	114 - Interruptible Transportation Service														
227	Bills			2,927											
228	Winter - First 1,500 DTs		1,587,899		0.8170	0.8292	0.0523	350.00	1,024,464	(0.0623)	(98,832)	-	-	350.00	1,024,464
229	Winter - Next 3,000 DTs		2,411,477		0.3806	0.8784	0.0523	1,8865	3,014,796	(0.0623)	(150,235)	-	-	1,8862	2,864,561
230	Winter - Next 6,000 DTs		3,080,338		0.3806	0.5737	0.0523	1,0066	3,110,735	(0.0623)	(192,528)	-	-	1,2460	2,918,207
231	Winter - Next 15,500 DTs		2,213,628		0.3464	0.2890	0.0523	0.6677	1,470,038	(0.0623)	(137,808)	-	-	0.8443	1,332,230
232	Winter - Next 30,000 DTs		1,894,247		0.2808	0.1675	0.0523	0.5069	893,314	(0.0623)	(123,819)	-	-	0.4383	769,495
233	Winter - Over 60,000 DTs		1,672,575		0.1654	0.0659	0.0523	0.2836	472,342	(0.0623)	(104,221)	-	-	0.2213	378,121
234	Total Winter DTs		12,890,264						12,233,396		(807,424)				11,425,973
235	Summer - First 1,500 DTs		2,288,575		0.7184	0.4367	0.0523	1,2084	2,766,723	(0.0623)	(142,641)	-	-	1,1461	2,624,082
236	Summer - Next 3,000 DTs		3,345,865		0.3755	0.3047	0.0523	0.7325	2,450,847	(0.0623)	(208,447)	-	-	0.6702	2,242,399
237	Summer - Next 6,000 DTs		3,941,121		0.3537	0.2031	0.0523	0.6191	2,440,010	(0.0623)	(245,538)	-	-	0.5568	2,194,472
238	Summer - Next 15,500 DTs		2,581,133		0.3335	0.1016	0.0523	0.4874	1,256,044	(0.0623)	(160,809)	-	-	0.4251	1,095,235
239	Summer - Next 30,000 DTs		2,323,791		0.2386	0.0508	0.0523	0.3427	796,349	(0.0623)	(144,770)	-	-	0.2804	650,579
240	Summer - Over 60,000 DTs		1,604,925		0.1456	-	0.0523	0.1879	317,615	(0.0623)	(89,987)	-	-	0.1356	217,628
241	Total Summer DTs		16,066,472						10,020,588		(1,002,187)				9,018,401
242	Integrity Management Rider Revenues														
243	Minimum Margin Agreement Revenues								746,678						746,678
244	Experimental Motor Vehicle Fuel														
245	143 - 114 - Interruptible Transportation Service														
246	Bills														
247	Winter - First 1,500 DTs		-		0.9170	0.9292	0.0523	350.00	-	(0.0623)	-	-	-	350.00	-
248	Winter - Next 3,000 DTs		-		0.3806	0.8784	0.0523	1,8865	-	(0.0623)	-	-	-	1,8862	-
249	Winter - Next 6,000 DTs		-		0.3806	0.5737	0.0523	1,0066	-	(0.0623)	-	-	-	1,2460	-
250	Winter - Next 15,500 DTs		-		0.3464	0.2890	0.0523	0.6677	-	(0.0623)	-	-	-	0.8443	-
251	Winter - Next 30,000 DTs		-		0.2808	0.1675	0.0523	0.5069	-	(0.0623)	-	-	-	0.4383	-
252	Winter - Over 60,000 DTs		-		0.1654	0.0659	0.0523	0.2836	-	(0.0623)	-	-	-	0.2213	-
253	Total Winter DTs		-						-		-				-
254	Summer - First 1,500 DTs		-		0.7184	0.4367	0.0523	1,2084	-	(0.0623)	-	-	-	1,1461	-
255	Summer - Next 3,000 DTs		-		0.3755	0.3047	0.0523	0.7325	-	(0.0623)	-	-	-	0.6702	-
256	Summer - Next 6,000 DTs		-		0.3537	0.2031	0.0523	0.6191	-	(0.0623)	-	-	-	0.5568	-
257	Summer - Next 15,500 DTs		-		0.3335	0.1016	0.0523	0.4874	-	(0.0623)	-	-	-	0.4251	-
258	Summer - Next 30,000 DTs		-		0.2386	0.0508	0.0523	0.3427	-	(0.0623)	-	-	-	0.2804	-
259	Summer - Over 60,000 DTs		-		0.1456	-	0.0523	0.1879	-	(0.0623)	-	-	-	0.1356	-
260	Total Summer DTs		-						-		-				-
261	Large General Service														
262	Bills														
263	Demand Dis.		1,818,450		7,612										
264	Summer Dis.		28,707,603												
265	Winter Dis.		14,994,685												
266	Total Dis.		63,702,168												
267	Revenues								\$ 70,086,441		\$ (3,886,536)				\$ 66,200,905

Piedmont Natural Gas Company, Inc.
Stipulated Proposed Revenue by Rate Class
Docket No. G-9 Sub 743

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Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Sub-total Proposed Rates (6)	Sub-total Proposed Revenues (7)	Tax Rider Rates (8)	Tax Rider Revenues (9)	Line 434 Rider Rates (10)	Line 434 Rider Revenues (11)	Total Proposed Rates (12)	Total Proposed Revenues (13)
288	105 - Outdoor Gas Light Service													
289	Bills		701											
291	Fixtures		5,215	18.93			18.93	98,712					18.93	98,712
292	DTs - Winter	3,479												
293	DTs - Summer	4,884												
294														
295														
296	T-10 (575) - Military Operations Transportation													
297	Bills		12											
298	Demand	84,000		-	10,0000		10,0000	840,000					10.00	840,000
299	DTs - Winter	856,870		1.1484	0.2516	0.0523	1,4523	1,244,432	(0.0628)	(53,811)	-	-	1.3895	1,190,621
300	DTs - Summer	486,453		0.2384	0.2516	0.0523	0.5423	263,803	(0.0628)	(30,549)	-	-	0.4795	233,254
301	Integrity Management Rider Revenues													
302														
303	12 (567) Military Installations in Onslow County - Safes													
304	Bills		-											
305	DTs - Winter	-		2.8587	-	2.8023	5.6710	-					5.6710	-
306	DTs - Summer	-		2.3288	-	2.8023	5.1321	-					5.1321	-
307														
308														
309	T-12 (576) Military Installation in Onslow County - Transportation													
310	Bills		-											
311	DTs - Winter	-		2.8587	-	0.0523	2.0210	-					2.9210	-
312	DTs - Summer	-		2.3288	-	0.0523	2.3821	-					2.3821	-
313														
314														
315	Power Generation Contracts													
316	Bills		161											
317	DTs - Winter	128,148,326						34,992,463						34,992,463
318	DTs - Summer	205,798,160						48,788,411						48,788,411
319														
320														
321	Municipals Contracts													
322	Bills		37											
323	DTs - Winter	4,658,388						4,185,081						4,185,081
324	DTs - Summer	2,685,539						5,339,768						5,339,768
325														
326														
327	Special Contracts Military													
328	Bills		24											
329	DTs - Winter	477,690						3,098,501						3,098,501
330	DTs - Summer	402,520						3,310,432						3,310,432
331														
332														
333	Special Contracts													
334	Bills		161											
335	DTs - Winter	2,068,166						1,227,780						1,227,780
336	DTs - Summer	2,655,109						1,429,388						1,429,388
337														
338														
339	SPECIAL TARIFFS & CONTRACTS													
340	Bills		1,096											
341	Demand Dts	84,000												
342	Winter Dts	136,208,919												
343	Summer Dts	212,032,645												
344	Total Dts	348,241,564												
345														
346	Revenues							\$ 104,828,771		\$ (84,361)				\$ 104,744,410
347														

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Piedmont Natural Gas Company, Inc.
Stipulated Proposed Revenue by Rate Class
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Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Sub-total Proposed Rates (6)	Sub-total Proposed Revenues (7)	Tax Rider Rates (8)	Tax Rider Revenues (9)	Line 434 Rider Rates (10)	Line 434 Rider Revenues (11)	Total Proposed Rates (12)	Total Proposed Revenues (13)
348	GRAND TOTAL - ALL TARIFFS & CONTRACTS													
349	Bills		8,981,442											
350	Demand Dts	1,902,460												
351	Winter Dts	216,760,747												
352	Summer Dts	266,544,776												
353	Total Dts	483,305,524												
354	Revenues							\$ 1,006,351,586		\$ (80,735,950)				\$ 925,615,636
355														
356														
357														
358														
359	SALES AND TRANSPORTATION													
360	Total Sales	74,815,358						\$ 847,524,524		\$ (76,881,976)				\$ 770,642,548
361	Total Transportation	61,600,268						58,446,238		(3,653,673)				52,591,265
362	Total Special Contracts Including Power Generation	348,889,897						102,381,823						102,381,823
363	Total Annual	483,305,524						\$ 1,006,351,586		\$ (80,735,950)				\$ 925,615,636
364														
365	Other Operating Revenues per Exhibit A (Column E, Line 2)							4,486,843						4,486,843
366	Total Operating Revenue							\$ 1,010,838,429						\$ 1,030,102,479
367														
368	Rounding of Rates							1,895		(2,713)				(818)
369	Stipulated Revenues							\$ 1,010,840,324		\$ (80,738,663)				\$ 930,101,661

Piedmont Natural Gas Company, Inc.
Summary of Volumetric Throughput
Docket G-9 Sub 743

Description		Volumes (DT)
Line No.		
1	Sales	74,815,358 1/
2	Transportation	61,600,268
3	Total Sales and Transportation (Line 1 + Line 2)	136,415,626
4	Special Contracts including Power Generation	346,889,897
5	Total Throughput (Line 3 + Line 4)	483,305,524

1/ Sales throughput including Outdoor Gaslight Service.

Stipulation
EXHIBIT D *1A*

Fixed Gas Cost Apportionment Percentages

Piedmont Natural Gas Company, Inc.
Allocation of Fixed Gas Costs to Rate Schedules
Docket No. G-9 SUB 743

	Winter		Summer		Annual		Total Percentage
	Fixed Cost per therm (1)	Apportionment Percentage (2)	Fixed Cost per therm (3)	Apportionment Percentage (4)	Fixed Cost per therm (5)	Apportionment Percentage (6)	Columns (2) + (4) + (6) (7)
Residential							
Rate 101	\$ 0.13377	34.79%	\$ 0.08279	5.75%			40.54%
Small and Medium General							
Rate 102	\$ 0.11225	17.07%	\$ 0.07247	5.43%			22.49%
Rate 142	\$ 0.13449		\$ 0.13449			0.09%	0.09%
Rate 152 first 500	\$ 0.09741	0.83%	\$ 0.09165	0.91%			1.73%
over 500	\$ 0.06431	0.89%	\$ 0.06110	0.55%			1.44%
Firm Sales - Large General (103)							
Demand Charge					\$ 1.27500	1.79%	1.79%
Commodity							
1st Step Volumes	\$ 0.08968	0.38%	\$ 0.08356	0.47%			0.84%
2nd Step Volumes	\$ 0.08918	0.36%	\$ 0.05856	0.23%			0.59%
3rd Step Volumes	\$ 0.05468	0.09%	\$ 0.03606	0.04%			0.13%
4th Step Volumes	\$ 0.04438	0.01%	\$ 0.02656	0.02%			0.03%
5th Step Volumes	\$ 0.04368	0.00%	\$ 0.01356	0.00%			0.00%
6th Step Volumes	\$ 0.00968	0.00%	\$ 0.00006	0.00%			0.00%
Firm Transportation - Large General (113)							
Demand Charge					\$ 0.07500	1.04%	1.04%
Commodity							
1st Step Volumes	\$ 0.08968	1.51%	\$ 0.08356	1.91%			3.43%
2nd Step Volumes	\$ 0.08918	2.12%	\$ 0.05856	1.65%			3.77%
3rd Step Volumes	\$ 0.05468	1.33%	\$ 0.03606	1.02%			2.35%
4th Step Volumes	\$ 0.04438	0.74%	\$ 0.02656	0.54%			1.28%
5th Step Volumes	\$ 0.04368	0.62%	\$ 0.01356	0.24%			0.85%
6th Step Volumes	\$ 0.00968	0.22%	\$ 0.00006	0.00%			0.22%
Interruptible Sales - Large General (104)							
1st Step Volumes	\$ 0.11018	0.10%	\$ 0.09749	0.12%			0.23%
2nd Step Volumes	\$ 0.14218	0.20%	\$ 0.08549	0.12%			0.32%
3rd Step Volumes	\$ 0.10768	0.12%	\$ 0.08049	0.09%			0.21%
4th Step Volumes	\$ 0.08338	0.00%	\$ 0.08789	0.00%			0.01%
5th Step Volumes	\$ 0.06418	0.00%	\$ 0.06549	0.00%			0.00%
6th Step Volumes	\$ 0.05384	0.00%	\$ 0.05749	0.00%			0.00%
Interruptible Transportation - Large General (114)							
1st Step Volumes	\$ 0.09292	1.24%	\$ 0.04367	0.84%			2.08%
2nd Step Volumes	\$ 0.08784	1.78%	\$ 0.03047	0.85%			2.63%
3rd Step Volumes	\$ 0.05737	1.49%	\$ 0.02031	0.67%			2.16%
4th Step Volumes	\$ 0.02690	0.50%	\$ 0.01016	0.22%			0.72%
5th Step Volumes	\$ 0.01675	0.28%	\$ 0.00508	0.10%			0.38%
6th Step Volumes	\$ 0.00659	0.09%	\$ -	0.00%			0.09%
Other Special Contracts						3.03%	3.03%
Electric Generation Special Contracts						4.55%	4.55%
Military Operations (T 10)							
Demand Charge	\$ 0.02516	0.18%	\$ 0.02516	0.10%	\$ 1.00000	0.70%	0.70%
							0.28%
Military Onslow County (12, T12)	\$ -	0.00%	\$ -	0.00%			0.00%
Total		66.93%		21.87%		11.20%	100.00%

Supulation
EXHIBIT E

/A

Margin Decoupling Mechanism Factors

Piedmont Natural Gas Company, Inc
 Factors for the Margin Decoupling Tracker Mechanism
 Docket No. G-9 Sub 743

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	<u>"R" Value</u>		<u>Heat Factor (therms/HDD)</u>	<u>Base Factor (therms/month)</u>
	<u>Winter (\$/therm)</u>	<u>Summer (\$/therm)</u>		
101 - Residential Service	0.75076	0.75076	0.15203	7.80576
102- Small General Service	0.49685	0.49685	0.67579	136.17303
152- Medium General Service				
First 5,000 therms	0.42474	0.42474	9.27590	6475.30726
Over 5,000 therms	0.42474	0.42474	9.27590	6475.30726

<u>Normal Degree Days¹</u>	<u>15 - 15</u>	<u>1 - 31</u>
January	708.4	727.6
February	701.7	571.5
March	470.4	402.1
April	279.3	157.7
May	84.5	37.9
June	12.0	1.2
July	0.2	0.1
August	-	-
September	1.5	17.9
October	69.2	176.8
November	317.3	432.8
December	541.8	660.7
Winter	2,739.6	2,794.7
Summer	446.7	391.6
Annual	<u>3,186.3</u>	<u>3,186.3</u>

1/ Degree days are computed using 30 year average actual degree days through December 15, 2018.

Supulation 1A
EXHIBIT F

Revised Integrity Management Rider

APPENDIX E

Integrity Management Rider

Pursuant to G.S. 62-133.7A, “[i]n setting rates for a natural gas local distribution company in a general rate case proceeding under G.S. 62-133, the Commission may adopt, implement, modify, or eliminate a rate adjustment mechanism to enable the company to recover the prudently incurred capital investment and associated costs of complying with federal gas pipeline safety requirements, including a return based on the company's then authorized return.” These capital investment and associated costs are required in order to comply with federal laws and regulations, will generate no additional revenue for Piedmont Natural Gas Company, Inc. (Company), and vary significantly in nature, scope, and scale from prior system reinforcement/maintenance projects and also from the Company's more usual system expansion projects.

1. Provision for Adjustment

The base rates per therm (100,000 Btu) for gas service set forth in Rate Schedules 101, 102, 152, 142, 103, 104, 113, 114, T-10, 12, and T-12 of the Company shall be adjusted by an amount hereinafter described which amount is referred to as the “Integrity Management Adjustment.” The Integrity Management Adjustment shall be calculated as an increment and applied to Applicable Rate Schedules to recover the Integrity Management Revenue Requirement (IMRR). The Integrity Management Adjustment shall be implemented on a biannual basis subject to an audit and adjustment process as described herein. The Integrity Management Deferred Account shall be established to track the Company's recovery of the IMRR.

2. Definitions

For the purposes of this revised Rider:

“Applicable Rate Schedules” means Rate Schedules 101, 102, 152, 142, 103, 104, 113, 114, T-10, 12, and T-12.

“Commission” means the North Carolina Utilities Commission.

“Relevant Rate Order” means the final order of the Commission in the most recent litigated rate case of the Company fixing the rates of the Company or the most recent final order of the Commission specifically prescribing or fixing the factors and procedures to be used in the application of this revised Rider.

“Integrity Management Plant Investment” means the gross plant and associated costs incurred by the Company resulting from prevailing federal standards for pipeline integrity and safety and not otherwise included in current base rates. At the time of the Company's next general rate case proceeding, all prudently incurred Integrity Management Plant Investment associated with this revised Rider shall be included in base rates.

PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS

Page 2 of 6

APPENDIX E

Integrity Management Rider

“Special Contracts” has the same meaning as set forth in Section 2(cc) of the Company’s Service Regulations and includes electric generation contracts.

“Vintage Period” means the period of time during which the Integrity Management Plant Investment is made.

3. Computation of Integrity Management Revenue Requirement (IMRR)

The Company shall file by October 31st and April 30th of each year information showing the computation of the IMRR that forms the basis of the next biannual Integrity Management Adjustment. The total annual revenue requirement will be calculated for each Vintage Year of Integrity Management Plant Investment, as follows:

Integrity Management Plant Investment	\$X,XXX,XXX
Less: Accumulated Depreciation	XXX,XXX
Less: Accumulated Deferred Income Taxes	XXX,XXX
Net Plant Investment	\$X,XXX,XXX
Pre-Tax ROR set forth in the Relevant Rate Order	X.XX%
Allowed Pre-Tax Return	\$X,XXX,XXX
Plus: Depreciation Expense	XXX,XXX
Total	\$X,XXX,XXX

The total of the annual revenue requirements for each Vintage Year of Integrity Management Plant Investment is the annual IMRR. The IMRR shall be reduced by a Special Contract Credit to compute the Net IMRR that forms the basis for determining the Integrity Management Adjustment. The Special Contract Credit represents the amount provided by the Special Contracts towards the Integrity Management Plant Investment. The Special Contract Credit applicable to each twelve-month period beginning MONTH 1 are as follows:

MONTH 1, 2020	\$X,XXX,XXX
MONTH 1, 2021	\$X,XXX,XXX
MONTH 1, 2022	\$X,XXX,XXX
MONTH 1, 2023	\$X,XXX,XXX
MONTH 1, 2024	\$X,XXX,XXX

For the purposes of determining the Net IMRR on a biannual basis, the Special Contract Credit shall be prorated by month using the Integrity Management Month Factors shown below in this Section 3.

Each month the Company shall charge its Integrity Management Deferred Account for the portion of the Net IMRR (the IMRR as reduced by the Special Contract Credit), that

APPENDIX E

Integrity Management Rider

corresponds to that month. The monthly IMRR is the product of the annual Net IMRR and the Integrity Management Month Factor. The Integrity Management Month Factor represents the percentage of annualized and normalized therms as set forth in the Relevant Rate Order by month for the Applicable Rate Schedules. The Integrity Management Month Factors for each month are as follows:

January	XX.XX%
February	XX.XX%
March	XX.XX%
April	X.XX%
May	X.XX%
June	X.XX%
July	X.XX%
August	X.XX%
September	X.XX%
October	X.XX%
November	X.XX%
December	XX.XX%

4. Computation of Biannual Integrity Management Adjustment

The Company will file for Commission approval by November 15th and May 15th of each year information showing the computation of the Integrity Management Adjustment for each rate schedule and the revised tariffs that it proposes to charge customers during the six month period beginning the following December 1st and June 1st, respectively. To compute the Integrity Management Adjustment, the Net IMRR shall first be apportioned to each customer class based on margin apportionment established in the Relevant Rate Order. The customer class apportionment percentages are as follows:

Residential	Rate Schedule 101	64.78%
Small/Med General & NGV	Rate Schedules 102, 142, 152	30.18%
Large General - Firm	Rate Schedules 103, 113, T-10, T-12, 12	2.73%
Large General - Interruptible	Rate Schedules 104, 114	2.31%

The amount of the Net IMRR apportioned to each rate schedule shall then be divided by the annual therms as set forth in the Relevant Rate Order for each rate schedule to determine the Integrity Management Adjustment to the nearest one-thousandth cent per therm. The annual therms of throughput used in the computation of the Integrity Management Adjustment for each rate schedule are as follows:

Residential	Rate Schedule 101	393,058,205
Small/Med General & NGV	Rate Schedules 102, 142, 152	320,559,515
Large General - Firm	Rate Schedules 103, 113, T-10, T-12, 12	351,217,528
Large General - Interruptible	Rate Schedules 104, 114	299,237,581

APPENDIX E

Integrity Management Rider

Each month the Company shall credit the Integrity Management Deferred Account for the amount of the Integrity Management Adjustment collected from customers. The amount of the Integrity Management Adjustment collected from customers shall be computed by multiplying the Integrity Management Adjustment for each rate schedule by the corresponding actual terms of usage billed customers for the month.

5. Computation of Integrity Management Deferred Account True-Up Adjustment

The Company shall file with the Commission by November 15th to recover the balance in the Integrity Management Deferred Account as of October 31st. The Integrity Management Deferred Account True-Up Adjustment shall be computed by multiplying the balance of the Integrity Management Deferred Account as of October 31st, by the customer class apportionment percentages shown in Section 4 above. The Integrity Management Deferred Account balance apportioned to each customer class shall then be divided by the annual terms of throughput for each rate schedule shown in Section 4 above to determine the Integrity Management Deferred Account True-Up Adjustment applicable to each rate schedule for the following twelve-month period beginning December 1st. The Integrity Management Deferred Account True-Up Adjustment shall be computed to the nearest one-thousandth cent per therm. The Company may, at its discretion, file for further Integrity Management Deferred Account True-Up Adjustments throughout the year, upon 14 days notice to the Commission.

6. Interest

Interest will be applied to the Integrity Management Deferred Account at the Company's authorized net-of-tax overall rate of return.

7. Integrity Management Deferred Account

The Company shall maintain an Integrity Management Deferred Account for the purpose of recording the monthly (a) net IMRR, (b) Integrity Management Adjustment, (c) Integrity Management Deferred Account True-Up Adjustment, and (d) interest on the Integrity Management Deferred Account.

8. Monthly Filing with Commission

The Company shall file monthly (a) detail of the current month's Integrity Management Plant Investment, including supporting documentation for the amount incurred, (b) the cumulative Integrity Management Plant Investment subject to this revised Rider, and (c) a report of the activity recorded for the month in the Integrity Management Deferred Account. Such reports will be filed within 45 days after the end of the month for which the report is being filed.

9. Annual Integrity Management Plant Investment Forecast

APPENDIX E

Integrity Management Rider

The Company shall file by October 31st its projected three-year plan of Integrity Management Plant Investment, which will encompass Integrity Management Plant Investment planned for its next three fiscal years.

10. Review and Approval of Annual IMR Report and Rates

The Company shall file the Annual IMR Report summarizing the Integrity Management Plant Investment for the prior 12-month period ending September 30th and the data substantiating and supporting its IMRR calculation for the next biannual Integrity Management Adjustment by October 31st.

Upon the Annual IMR Report filing, the Public Staff and any other intervenors of record shall have until the following February 15th to review such filing and to prepare and file with the Commission a report of such review to include supporting testimony if disallowances or adjustments are proposed in such report. The Company shall have until March 1st to respond to any report or testimony filed with the Commission and, to the extent necessary to resolve disputes regarding the Company's Annual IMR Report, such disputes shall be promptly scheduled for hearing by the Commission with the goal of resolving such disputes by Commission order issued by May 15th with corresponding rate adjustments made on a prospective basis on June 1st.

11. Commission Review

The terms and conditions of this revised Rider shall be reviewed, and prospective modifications considered by the Commission: (1) in the Company's next general rate case; or (2) at the end of four years from the effective date of this revised Rider, whichever first occurs. Further any interested party may petition the Commission to modify or terminate the revised Rider on the grounds that the revised Rider, as approved, is no longer in the public interest

Stipulation
EXHIBIT G

1A

Tariffs

RATE SCHEDULE 101 RESIDENTIAL SALES SERVICE

Applicability and Character of Service

Gas Service under this Rate Schedule is available in the area served by the Company in the State of North Carolina to a residential unit which is individually metered and to family care homes as defined in G.S.168-21, upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations. The nature of Service provided by Company to Customer under this Rate Schedule is firm sales Service.

Rates and Charges

The rates to be charged for gas Service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Restriction on Right to Service

Company reserves the right to decline the provision of Service under this Rate Schedule where Customer's Service Line would attach directly to a Company transmission Main.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 25 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained with Rate Schedule 106, "Schedule for Limiting and Curtailing Service," and the Company's Service Regulations.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE 102
SMALL GENERAL SALES SERVICE**

Applicability and Character of Service

Gas Service under this Rate Schedule is available in the area served by the Company in the State of North Carolina to any full requirements non-residential Customer whose average daily usage is less than 20 dekatherms per day, upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations. Average daily gas usage will be based on the Customer's usage during the most recent past calendar year ended on December 31 and adjusted for cycle length. Availability of this Rate Schedule for new Customers or for Customers without at least one full year of usage history will be based on reasonably anticipated usage.

The nature of Service provided by Company to Customer under this Rate Schedule is firm sales Service. Any reclassification or change in quantity or character of Service to Customer will be subject to the procedures set forth in the Company's Service Regulations.

At its option, a family care home, as defined in G.S. 168-21, may elect service under Rate Schedule 101 – Residential.

Rates and Charges

The rates to be charged for gas Service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service," and the Company's Service Regulations.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE 103
LARGE GENERAL SALES SERVICE**

Availability

Gas Service under this Rate Schedule is available in the area served by the Company in the State of North Carolina to any full requirements non-residential Customer whose average daily gas usage is reasonably anticipated to equal or exceed 50 dekatherms per day, upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

Upon commencement of Service under this Rate Schedule, any reclassification or change in quantity or character of Service to Customer shall be subject to the provisions of this Rate Schedule 103 and the procedures set forth in the Company's Service Regulations.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule is firm sales Service.

Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule 113 by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer Large General Transportation Service under Rate Schedule 113, (b) the Company is able to provide Service under Rate Schedule 113 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company's Service Regulations support such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide service under Rate Schedule 113 effective the first June 1 following the notice.

All gas delivered pursuant to this Rate Schedule shall be metered by the Company separately from any gas delivered to Customer under any of the Company's other Rate Schedules.

Rates and Charges

The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Billing Demand

A Customer's billing demand determinant shall be the highest daily usage during the period from November 1 to March 31 of the previous winter period as metered and reported to the Company by the telemetering equipment installed by the Company.

Changes to the Customer's billing demand determinant will become effective June 1 of each year.

**RATE SCHEDULE 103
LARGE GENERAL SALES SERVICE**

For Customers commencing initial gas service under this Rate Schedule, the billing demand shall be the highest actual daily consumption to date during that initial partial year, but shall be a minimum of 50 dekatherms. If a Customer has received gas Service from the Company prior to receiving Service under this Rate Schedule but does not have daily telemetered records to determine peak day usage as described above, the Company shall use 6% of that Customer's highest previous winter month's consumption for the billing demand determinant.

The calculation of Customer billing determinants hereunder shall not create any right to Service at a specified level. All changes to character or quantity of Service shall be subject to the Company's consent based on the evaluation and analysis described in the Company's Service Regulations.

Volumetric Charges

The rate per therm shall be billed on the quantity of gas delivered by Company to Customer.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service," and the Company's Service Regulations.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE 104
LARGE GENERAL INTERRUPTIBLE SALES SERVICE**

Availability

Gas Service under this Rate Schedule is available in the area served by the Company in the State of North Carolina on an interruptible basis to any full requirements non-residential Customer whose average daily gas usage is reasonably anticipated to equal or exceed 50 dekatherms per day, upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

Upon commencement of Service under this Rate Schedule, any reclassification or change in quantity or character of Service to Customer shall be subject to the provisions of this Rate Schedule 104 and the procedures set forth in the Company's Service Regulations.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule is interruptible sales Service.

Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all Services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule 114 by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer large general interruptible transportation Service under Rate Schedule 114, (b) the Company is able to provide Service under Rate Schedule 114 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company's Service Regulations support such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide service under Rate Schedule 114 effective the first June 1 following the notice.

All gas delivered pursuant to this Rate Schedule shall be metered by the Company separately from any gas delivered to Customer under any of the Company's other Rate Schedules.

Customer at Risk in Case of Interruption or Curtailment of Service

Customers receiving Service under this Rate Schedule shall not be required to maintain alternate fuel capability; provided, however, that all business, operational, mechanical or other risks associated with the interruption or curtailment of service under this Rate Schedule shall be borne exclusively by Customer. Such interruption or Curtailment of Service may be ordered by Company at any time and for any reason deemed necessary or appropriate by Company and is an inherent risk of Service under this Rate Schedule. Such interruption or Curtailment shall be immediately effective upon verbal or written notification by the Company and Customer shall refrain from using gas until permitted to do so by the Company. It is understood and agreed that the Company will have the right to suspend gas Service without further notice to the Customer in the event Customer fails to cease Customer's use of gas in accordance with the Company's notice of interruption or Curtailment.

RATE SCHEDULE 104
LARGE GENERAL INTERRUPTIBLE SALES SERVICE

Rates and Charges

The rates to be charged for gas Service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Volumetric Charges

The rate per therm shall be billed on the quantity of gas delivered by Company to Customer.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service" and the Company's Service Regulations.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

RATE SCHEDULE 106
SCHEDULE FOR LIMITING AND CURTAILING SERVICE

Applicability and Character of Service

This Rate Schedule defines the types of Curtailment, Interruption and penalty charges that the Company may invoke for Customers receiving firm or interruptible Service due to the occurrence of extreme weather conditions, operating condition constraints, Force Majeure events, or other causes for limitation of Service specified in the Company's Service Regulations and Rate Schedules and describes the process and procedures to be followed in the implementation of gas Service restrictions.

Curtailment/Interruption of Interruptible Service

Service provided under any Rate Schedule where the character of Service is designated as "interruptible" may be Interrupted or Curtailed by the Company at any time and for any reason deemed necessary or appropriate by Company. Customers receiving "interruptible" Service will be Curtailed or Interrupted prior to Curtailment of Customers receiving "firm" service. Upon Interruption or Curtailment of Service to Customers receiving interruptible Transportation Service from the Company, such Customers shall take all reasonably available measures to adjust their deliveries to the Company in order to minimize any imbalances on upstream pipelines. Customer shall be responsible for resolving all such imbalances.

Curtailment of Firm Service

Whenever the Company curtails Service to firm Customers pursuant to the Service Regulations and/or Rate Schedules, Service shall be Curtailed in accordance with the provisions and priorities set forth in the Service Regulations. Whenever the Company limits or restricts service to firm Customers through the issuance of an Operational Order, such restrictions shall be set forth in the Operational Order. Upon Curtailment, limitation or restriction of Service to Customers receiving Transportation Service from the Company, such Customers shall take all reasonably available measures to adjust their deliveries to the Company in order to minimize any imbalances. Customer shall be responsible for resolving all such imbalances on upstream pipelines.

Emergency Service

The Company will make every reasonable effort to deliver plant protection volumes to industrial and commercial Customers that do not have standby fuel systems sufficient to prevent damage to facilities or danger to personnel, or to Customers that find it impossible to continue operations on the Customer's standby or alternate energy source as a result of a bona fide existing or threatened emergency. This includes the protection of such existing material in process that would otherwise be destroyed, or deliveries required to maintain plant production. All emergency gas Service is interruptible and is of a discretionary nature on the part of the Company and implies no present or future obligation of the Company to any Customer to provide such Service on either a temporary or continuing basis. Deliveries of emergency Service hereunder shall be made pursuant only to advance operating arrangements between the Company's authorized personnel and the Customer and shall be subject to curtailment and interruption at any time should the Company deem it necessary.

RATE SCHEDULE 106
SCHEDULE FOR LIMITING AND CURTAILING SERVICE

Rate for Emergency Service

If the Company has authorized the Customer to consume limited quantities of emergency gas as provided in the above paragraph, then all gas so delivered by the Company to the Customer will be at a rate set forth on the Company's "Rates and Charges" tariff sheet plus the higher of two commodity indices - a "Monthly Contract Price" or a "Daily Price" - for each dekatherm of consumption. "Monthly Contract" shall be defined as the monthly contract index price for the applicable calendar month as first published in Inside F.E.R.C.'s - Gas Market Report in the table titled "Monthly Bidweek Spot Gas Prices" under the heading "Louisiana/Southeast -Transco, zone 3" in the column titled "Index", plus Transco's zone 3 to zone 5 IT transportation rate inclusive of all surcharges and fuel. "Daily Price" shall be defined as the daily price for gas defined by Gas Daily as stated in the "Daily Price Survey", "Northeast", "Transco, zone 6 non-N.Y.", "Midpoint" price. For days of consumption when the "Monthly Contract Price" is not published, the "Monthly Contract Price" shall equal the corresponding "Daily Price" published for the first day of the month of flow. For days of consumption when the "Daily Price" is not published, the "Daily Price" shall equal the average of the corresponding "Daily Price" as published on the nearest preceding and nearest subsequent day. The gas delivery to Customer will continue to be billed hereunder until the Company notifies the Customer that either (1) further gas sales or Transportation may be made under the Customer's regular Rate Schedule or (2) complete curtailment is unavoidable and that further gas sales and Transportation will be considered unauthorized.

Penalty for Unauthorized Gas

If at any time a Customer fails to discontinue the consumption of gas limited by the Company pursuant to an Operational Order, fails to abide by any restrictions on imbalances imposed by the Company through the issuance of an Operational Order, or otherwise takes or delivers gas at levels in excess of the quantities specified by the Company or in violation of the provisions of the Company's Rate Schedules or Service Regulations, any such quantities shall constitute "Unauthorized Gas". For each dekatherm of such Unauthorized Gas, Customer shall pay to the Company a rate set forth on the Company's "Rates and Charges" tariff sheet plus the higher of two gas commodity indices - a "Monthly Contract Price" or a "Daily Price" as both are defined above plus the maximum transportation unit rate for Rate Schedule 114. Such three-part rate shall constitute the Unauthorized Gas penalty charge applicable except in instances of Customer's failure to abide by restrictions on long imbalances which shall be subject only to the standalone rate set forth on the Company's "Rates and Charges" tariff sheet. Customers causing Unauthorized Gas shall be further subject to immediate termination of Service or disconnection from the Company's system. In the event of such termination of Service or disconnection, Service shall not be restored until the reconnection fee specified in the Company's Service Regulations has been paid by Customer to Company.

The Customer's consumption and/or gas deliveries to the Company will continue to be unauthorized until the Company notifies the Customer that either (1) the Curtailment event, Operational Order or other imposed restriction has been lifted, thereby enabling further gas sales

RATE SCHEDULE 106
SCHEDULE FOR LIMITING AND CURTAILING SERVICE

or Transportation to be made under the Customer's regular Rate Schedule or (2) the Company agrees to provide emergency Service under this Rate Schedule.

The Customer shall be liable for the above penalty charges together with and in addition to any incremental charges or assessments (including, but not limited to penalties) by the upstream interstate pipeline during the time of the unauthorized usage by such Customer. The payment of a penalty for Unauthorized Gas shall not under any circumstances be considered as giving any such Customer the right to fail to comply with an Operational Order, nor shall such payment be considered as a substitute for any other remedies available to the Company or any other Customer against the offending Customer for failure to adhere to its obligations under the provisions of this Rate Schedule.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE 107
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION**

Applicability

The provisions of this Rate Schedule 107 shall apply to all tariffed transportation services provided by the Company under Rate Schedules 113, 114, T-10, and T-12, as well as all transportation special contracts, unless expressly provided otherwise therein.

Limitations on Intra-month Imbalances

Receipts and deliveries of gas hereunder shall be at uniform rates of flow with no significant fluctuations or imbalances. Customers (or its Agent) are responsible to match daily gas deliveries into the Company's system with daily gas consumption by Customer as closely as possible. Any imbalances shall be corrected by the Customer (or its Agent), insofar as practicable, during the month in which they occur. Customers (or its Agent) are expected to proactively manage intra-month imbalances. Customer (or its Agent) may adjust its daily nominations during a month in order to correct any accumulated imbalance and maintain a monthly balance subject to the operating limitations of the Company. The Company reserves the right to limit the amount of such imbalances to avoid operating problems, comply with balancing requirements of the upstream pipeline(s), and to mitigate the need to acquire additional daily supply at prices that would adversely affect sales customers. The Customer (or its Agent) will be responsible for any imbalance charges assessed by upstream pipeline(s) in connection with any gas transported by the Customer under this Rate Schedule.

In the event Customer (or its Agent) fails to abide by the requirements set forth above, the Company shall have the right to curtail deliveries to Customer (Customers in a transportation pool operated by a single Agent will be curtailed on a pro rata basis based on nominated quantities) if an imbalance is negative or reducing Customer's nominated quantities if an imbalance is positive. The Customer will be responsible for any imbalance charges assessed by upstream pipeline(s) in connection with any gas transported by the Customer. The Company reserves the right to take other reasonable action to mitigate system operational problems. The Company will use its reasonable efforts to notify the Customer or the Customer's Agent before proceeding with a unilateral nomination reduction or delivery curtailment and will notify Customer of any reduction to Customer's nomination that has been instituted by the Company. The Company reserves the right to initiate Standby Sales Service if elected by the Customer pursuant to Rate Schedule 113 when, in the judgment of the Company, such action is necessary to reduce or eliminate operational problems resulting from the gas imbalances of the Customer. The Company will use reasonable efforts to notify the Customer or the Customers' Agent before initiating Standby Sales Service hereunder.

No later than one-hour prior to the NAESB deadline for the timely nomination cycle on the fifth business day prior to the beginning of each month, the Customer must inform the Company of the nominating Agent for gas to be transported. If no notification to the contrary is provided, the Agent providing service during the prior month shall be deemed to be the nominating Agent by default. No later than one-hour prior to the NAESB deadline for the timely nomination cycle on the fourth business day prior to the beginning of each month, the Customer shall submit a timely and valid nomination for transportation. Changes to nominations for gas transportation within the month are due to the Company no later than one-hour prior to the NAESB deadline for the timely

RATE SCHEDULE 107
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION

nomination cycle on the day prior to gas flow. Company will have no obligation to accommodate post-timely nomination changes.

Balancing On Upstream Pipeline(s)

It shall be the Customer's responsibility to remain in balance on a daily and monthly basis with upstream pipeline(s) to avoid any assessment of penalties by such pipeline(s) against the Company. If the Company is assessed a penalty by an upstream pipeline, the Company shall have the right to pass-through all such penalties to the Customer or its Agent if the Customer has had an imbalance with the Company during the period for which the penalty was assessed.

Monthly Imbalance Resolution

Any differences between the monthly quantities delivered to the Company's city gate facilities for the account of the Customer monthly, and the monthly quantities consumed by the Customer as metered by the Company, shall be the monthly imbalance. The Percentage of Imbalance is defined as the monthly imbalance divided by the monthly quantities consumed by the customer. Unless the Company and Customer agree to correct imbalances "in kind," the imbalance shall be resolved monthly by "cashing out" the imbalances as they are known to exist at that time. If the Customer consumes more gas than it has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency, and the Company will sell the amount of the deficiency to the Customer by charging the price as specified below. If the Customer consumes less gas than has been delivered to the Company, the Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus from the Customer by paying the price as specified below.

If the Customer's imbalance is less than or equal to 2% of the total monthly volume consumed, or if the total aggregated imbalance for the Agent is less than or equal to 2% of the total volume consumed by all of the Agent's Customers in that transportation pool, then the price paid by the Company if the imbalance is long or the price paid by the Customer (or Agent) if the imbalance is short will be the sum of (a) the average of all published indices for the month as published in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from Zone 3 to Zone 5.

If the Customer's Percentage of Imbalance is more than 2%, or if the total aggregated Percentage of Imbalance for the Agent is more than 2% for all of the Agent's Customers in that transportation pool, then the price paid by the Company if the imbalance is long is the lower of the monthly index price listed in Platts Inside FERC's Gas Market Report for Transcontinental Gas Pipe Line Zone 3 deliveries plus applicable fuel and FT variable charges under Transcontinental Gas Pipe Line's Rate Schedule FT for service from Zone 3 to Zone 5 or the lowest weekly index price listed in Natural Gas Week's Gas Price Report "Delivered to Pipeline" for volumes listed under Louisiana - Gulf Coast, Onshore plus applicable fuel and FT variable charges under Transcontinental Gas Pipe Line's Rate Schedule FT for service from Zone 3 to Zone 5. If Customer (or Agent) imbalance is short, then the price paid by the Customer (or Agent) will be the higher of the monthly index price listed in Platts Inside FERC's Gas Market Report for

RATE SCHEDULE 107
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION

Transcontinental Gas Pipe Line Zone 3 deliveries plus applicable fuel and IT variable charges under Transcontinental Gas Pipe Line's Rate Schedule IT for service from Zone 3 to Zone 5 or the highest weekly index price listed in Natural Gas Week's Gas Price Report "Delivered to Pipeline" for volumes listed under Louisiana -- Gulf Coast, Onshore plus applicable fuel and IT variable charges under Transcontinental Gas Pipe Line's Rate Schedule IT for service from Zone 3 to Zone 5.

If the Percentage of Imbalance for the Customer (or Agent) is "short" by more than 2%, the price paid by the Customer (or Agent) to the Company for each dekatherm of the total deficiency will be equal to the price listed above for short imbalances times the premium percentage corresponding to the percentage of the deficiency listed in the table below.

If the Percentage of Imbalance for the Customer (or Agent) is "long" by more than 2%, the price paid by the Company to the Customer (or Agent) for each dekatherm of the total surplus will be equal to the price listed above for long imbalances times the discount percentage corresponding to the percentage of the surplus listed in the table below.

Percentage of the Imbalance	Short (Premium)	Long (Discount)
Over 2% & equal to or less than 5%	110%	90%
Over 5% & equal to or less than 10%	120%	80%
Over 10% & equal to or less than 15%	130%	70%
Over 15% & equal to or less than 20%	140%	60%
Over 20%	150%	50%

Agency Authorization Form

Certain Rate Schedules permit a Customer to appoint a Customer's Agent to act on its behalf with respect to nominations, imbalance resolution, and/or billing. Customer shall authorize a Customer's Agent by executing an Agency Authorization Form in the form attached to this Rate Schedule. In order to be considered a Customer's Agent, a third party must execute and be in compliance with all of the terms of the Customer Agent Agreement form set forth in Appendix B to the Company's Service Regulations. To the extent that the Agent appointed by the Customer is common to other Customers of the Company, the Company will permit such Agent to aggregate all such qualifying Customers' transportation quantities for purposes of administering service to such Agent. Once a Customer has designated an Agent, the Agent is then authorized to act on behalf of that Customer and as such, the Agent will be considered as the Customer in all corresponding references contained within this Rate Schedule. The Customer may not change Agents within the calendar month without the permission of the Company, unless the Agent's right to conduct business has been suspended by the Company, in which case, the Customer may act without an Agent or may provide written notice to the Company of the new Customer's Agent designated by the Customer. The Company will provide reasonable notice to Customer in the event of any suspension of Customer's Agent and will provide copies to Customer, on an expeditious basis and by electronic or other means, of any formal notices issued to the Customer's Agent. All Agents must utilize the electronic means made available by the Company

**RATE SCHEDULE 107
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION**

in order to submit nominations. The Company may recover from the Agent all costs incurred in providing the Agent access to the electronic bulletin board.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE 107
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION**

AGENCY AUTHORIZATION FORM

EFFECTIVE DATE _____

CUSTOMER _____

NAME OF FACILITY _____

ACCOUNT NUMBER (S) _____

AGENT _____

AGENT CONTACT _____

PHONE # _____

This is to advise Piedmont Natural Gas Company that _____ (Customer) has authorized _____ (Agent) to act on its behalf for the following transactions:

_____ nominations, _____ imbalance resolution _____ billing,

of gas for the above listed account(s). Piedmont Natural Gas Company is hereby authorized to deal with the Agent directly, and the **CUSTOMER AND THE AGENT UNDERSTAND THAT THEY ARE RESPONSIBLE, JOINTLY AND SEVERALLY, FOR ANY AMOUNTS DUE PIEDMONT NATURAL GAS COMPANY ARISING UNDER THIS RATE SCHEDULE, PIEDMONT'S NORTH CAROLINA SERVICE REGULATIONS, OR AGENT'S CUSTOMER AGENT AGREEMENT** which are not paid on these accounts. Customer will provide Piedmont Natural Gas Company with a revised "AGENCY AUTHORIZATION FORM" at least five (5) business days prior to the beginning of the month for the accounts designated, unless the Agent's right to conduct business has been suspended by Piedmont Natural Gas Company without prior notice.

AUTHORIZED

SIGNATURE _____

FOR THE CUSTOMER

AUTHORIZED

SIGNATURE _____

FOR THE AGENT

Please Print

AGENT'S NAME _____ **TITLE** _____

PHONE # _____ **FAX #** _____

MAILING ADDRESS

Please submit to: Pipeline Services

Transportation Piedmont Natural Gas Company OR Fax Number:

(704) 364-8320

P. O. Box 33068

Charlotte, N.C. 28233

**RATE SCHEDULE 108
NEGOTIATED SERVICE**

Applicability and Character of Service

On occasions, the Company may have gas that it cannot sell or transportation service that it cannot provide pursuant to its Rate Schedules because its maximum rates are not competitive with alternate fuels. On such occasions, a service opportunity is lost to the Company and to its Customers. This Rate Schedule is designed to permit the Company to provide Services at negotiated rates.

Gas Service under this Rate Schedule is available on a limited term basis to Customers in the area served by the Company in the State of North Carolina who receive Services under the Company's Rate Schedules 104 or 114 or those Special Contracts whose contracts permit negotiated service. The Company may provide negotiated transportation and sales Service to Customers who receive service under Rate Schedules 104 or 114 in order to compete with alternate fuels. In addition, the Company may negotiate to permit a Customer to recoup the cost of converting equipment from other fuels to natural gas; to induce any Customer or Applicant to attach new gas loads to Company's system which would not be attached to the system absent Company's agreement to use this Rate Schedule; to provide incentives for any Customer to use gas on weekends, holidays, and other off-peak periods so the Company may meet its obligations to firm suppliers or may avoid uneconomic storage injections or imbalance penalties from its interstate pipeline suppliers; and in similar circumstances where gas sales and/or transportation would otherwise be lost to the Company and its other Customers. Unless otherwise agreed to by the Company, Service under this Rate Schedule is interruptible and the Company has the right to discontinue such Service as provided by the Company's Rate Schedules and Service Regulations.

Rate

The rate to be charged for gas Service pursuant to this Rate Schedule is subject to negotiation between the Customer and the Company.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service," and the Company's Service Regulations.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE 113
LARGE GENERAL TRANSPORTATION SERVICE**

Availability

Gas Service under this Rate Schedule is available in the area served by the Company in the State of North Carolina to any full requirements non-residential Customer whose average daily gas usage is reasonably anticipated to equal or exceed 50 dekatherms per day, upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

Upon commencement of Service under this Rate Schedule, any reclassification or change in quantity or character of Service to Customer shall be subject to the provisions of this Rate Schedule 113 and the procedures set forth in the Company's Service Regulations.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule is firm Transportation Service.

Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all Services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule 103 by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer firm sales Service under Rate Schedule 103, (b) the Company is able to acquire firm gas supplies and capacity necessary to provide Service under Rate Schedule 103 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company's Service Regulations support such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide Service under Rate Schedule 103 effective the first June 1 following the notice.

All gas delivered pursuant to this Rate Schedule shall be metered by the Company separately from any gas delivered to Customer under any of the Company's other Rate Schedules.

The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

**RATE SCHEDULE 113
LARGE GENERAL TRANSPORTATION SERVICE**

Rates and Charges

The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Billing Demand

A Customer's billing demand determinant shall be the highest daily usage during the period from November 1 to March 31 of the previous winter period as metered and reported to the Company by the telemetering equipment installed by the Company. Changes to the Customer's billing demand determinant will become effective June 1 of each year.

For Customers commencing initial gas Service under this Rate Schedule, the billing demand shall be the highest actual daily consumption to date during the partial year, but shall be a minimum of 50 dekatherms. If a Customer has received gas Service from the Company prior to receiving Service under this Rate Schedule but does not have daily telemetered records to determine peak day usage as described above, the Company shall use 6% of that Customer's highest previous winter month's consumption for the billing demand determinate.

The calculation of Customer billing determinants hereunder shall not create any right to Service at a specified level. All changes to character or quantity of Service shall be subject to the Company's consent based on the evaluation and analysis described in the Company's Service Regulations.

Volumetric Charges

The rate per therm shall be billed on the quantity of gas delivered by Company to Customer.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service" and the Company's Service Regulations.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE 114
LARGE GENERAL INTERRUPTIBLE TRANSPORTATION
SERVICE**

Availability

Gas Service under this Rate Schedule is available in the area served by the Company in the State of North Carolina **on an interruptible basis** to any full requirements non-residential Customer whose average daily gas usage is reasonably anticipated to equal or exceed 50 dekatherms per day, upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

Upon commencement of Service under this Rate Schedule, any reclassification or change in quantity or character of Service to Customer shall be subject to the provisions of this Rate Schedule 114 and the procedures set forth in the Company's Service Regulations.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule is interruptible Transportation Service.

Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all Services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule 104 by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer interruptible sales Service under Rate Schedule 104, (b) the Company is able to acquire gas supplies and capacity necessary to provide Service under Rate Schedule 104 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company's Service Regulations supports such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide service under Rate Schedule 104 effective the first June 1 following the notice.

All gas delivered pursuant to this Rate Schedule shall be metered by the Company separately from any gas delivered to Customer under any of the Company's other Rate Schedules.

The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.

Customer at Risk in Case of Interruption or Curtailment of Service

Customers receiving Service under this Rate Schedule shall not be required to maintain alternate fuel capability; provided, however, that all business, operational, mechanical or other risks associated with the interruption or Curtailment of Service under this Rate Schedule shall be borne by Customer. Such interruption or Curtailment may be ordered by Company at any time and for any reason deemed necessary or appropriate by Company and is an inherent risk of Service under

**RATE SCHEDULE 114
LARGE GENERAL INTERRUPTIBLE TRANSPORTATION
SERVICE**

this Rate Schedule. Such interruption or curtailment shall be immediately effective upon verbal or written notification by the Company and Customer shall refrain from using gas until permitted to do so by the Company. It is understood and agreed that the Company will have the right to suspend gas Service without further notice to the Customer in the event Customer fails to cease Customer's use of gas in accordance with the Company's notice of interruption or Curtailment.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

Rates and Charges

The rates to be charged for gas Service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Volumetric Charges

The rate per therm shall be billed on the quantity of gas delivered by Company to Customer.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service," and the Company's Service Regulations.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE 142
NATURAL GAS VEHICLE FUEL INTERRUPTIBLE SALES
SERVICE**

Applicability and Character of Service

Gas Service under this Rate Schedule is available at Company-operated public stations to Customers seeking to obtain Gas for placement into the fuel tank of a motor vehicle. The nature of Service provided by Company to Customer under this Rate Schedule is interruptible sales Service.

Rates and Charges

The rates to be charged for Gas Service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates applicable to Service hereunder include a per therm charge designed to recover the costs associated with compression and related equipment necessary to provide this Service. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Highway Use Taxes

The rates to be charged for Service pursuant to this Rate Schedule do not include applicable federal, state and/or local road use or motor fuel taxes and fees. Such taxes and fees shall be added to Company's approved rates when calculating total Customer charges for Service under this Rate Schedule.

Payment of Bills

Bills for Service provided pursuant to this Rate Schedule shall be paid at the time of Service with a valid credit or debit card accepted by the Company.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service," and the Company's Service Regulations.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE 144
EXPERIMENTAL MEDIUM GENERAL MOTOR FUEL
TRANSPORTATION SERVICE**

Availability

Gas Service under this Rate Schedule is available, on an experimental basis, in the area served by the Company in the State of North Carolina to qualifying Customers seeking to transport Natural Gas for use as a motor fuel. Customers qualifying for this Service shall be non-residential Customers seeking to utilize Gas for motor fuel purposes only whose actual or projected average daily usage under this Rate Schedule is equal to or greater than 20 dekatherms per day but less than 50 dekatherms per day. All requests for Service under this Rate Schedule shall be subject to application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

This Rate Schedule is experimental in nature and designed to (a) determine if there is a market/need for medium general transportation service by Company to Customers who intend to utilize Gas as a motor fuel, and (b) to determine whether Company's existing facilities and structures can accommodate the provision of such Service. Company reserves the right, upon reasonable notice to the Commission, to suspend Service to new Customers under this Rate Schedule in the event further Service under this Rate Schedule would threaten, interfere with, or impede Piedmont's ability to meet its other contractual obligations or efficiently operate its system and/or facilities. Absent such suspension by Piedmont, this Rate Schedule shall remain in effect for a period of two (2) years after which Service hereunder may continue to be provided subject to any proposal by Piedmont or any other interested party to terminate, extend, modify or adjust the provision of such Service.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule is firm Transportation Service. Gas redelivered under this Rate Schedule shall be used for motor vehicle fuel purposes only.

All gas delivered pursuant to this Rate Schedule shall be metered and billed by the Company separately from any gas delivered to Customer under any of the Company's other Rate Schedules.

The Company will redeliver Gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service" and the Company's Service Regulations.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

**RATE SCHEDULE 144
EXPERIMENTAL MEDIUM GENERAL MOTOR FUEL
TRANSPORTATION SERVICE**

Rates and Charges

The rates to be charged for Gas Service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. Rates applicable to Service hereunder, to the extent such Service includes compression of Gas for utilization as a motor vehicle fuel, may include a per therm compression charge designed to recover the costs associated with such compression and related equipment. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Volumetric Charges

The rate per therm shall be billed on the quantity of Gas delivered by Company to Customer.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

Resale

Gas delivered to Customer under this Rate Schedule may be resold solely for use as a motor vehicle fuel.

Taxes

Customer shall be solely and exclusively responsible for the payment of any local, state, or federal road tax, motor fuel tax, or similar tax, fee, or charge attributable to or arising out of the utilization of Gas delivered hereunder as a motor vehicle fuel.

RATE SCHEDULE 152

MEDIUM GENERAL SALES SERVICE

Applicability and Character of Service

Gas Service under this Rate Schedule is available in the area served by the Company in the State of North Carolina to any full requirements non-residential Customer whose average daily usage is equal to or greater than 20 dekatherms per day but less than 50 dekatherms per day, upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations. Average daily gas usage will be based on the Customer's usage during the most recent calendar year ended on December 31 and adjusted for cycle length. Availability of this Rate Schedule for new Customers or for Customers without at least one full year of usage history will be based on reasonably anticipated usage.

The nature of Service provided by Company to Customer under this Rate Schedule is firm sales Service. Any reclassification or change in quantity or character of Service to Customer will be subject to procedures set forth in the Company's Service Regulations.

At its option, a family care home, as defined in G.S. 168-21, may elect service under Rate Schedule 101.

Rates and Charges

The rates to be charged for gas Service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service," and the Company's Service Regulations.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE T-10
TRANSPORTATION SERVICE TO MILITARY INSTALLATIONS WITH
CONTRACT DEMAND IN EXCESS OF 5,000 DT PER DAY**

Availability

Gas Service under this Rate Schedule is available for the delivery from Company of natural gas on a firm basis by any military installation (Customer) having natural gas requirements in excess of 5,000 dekatherms per day located adjacent to Company's mains or to whom Company will extend its mains upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations, and subject to the terms and conditions of this Rate Schedule.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule is firm Transportation Service.

All gas delivered pursuant to this Rate Schedule shall be metered by the Company separately from any gas delivered to or for Customer under any of the Company's other rate schedules.

The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

Rates and Charges

The rates to be charged for transportation service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Minimum Bill

Customer shall pay the monthly Demand Charge multiplied by the maximum daily demand set forth in the Service Agreement, regardless of the quantity of gas transported under this Rate Schedule during such month.

Volumetric Charges

The rate per therm shall be billed on the quantity of gas delivered by the Company to or for Customer.

Delivery Obligation

The Service Agreement shall set forth a maximum quantity in dekatherms per hour and per day that Company is required to deliver to Customer, which quantities shall not exceed the maximum delivery obligation per hour and per day specified in Customer's Service Agreement

**RATE SCHEDULE T-10
TRANSPORTATION SERVICE TO MILITARY INSTALLATIONS WITH
CONTRACT DEMAND IN EXCESS OF 5,000 DT PER DAY**

with the Company. Consumption in violation of this provision shall be subject to the Unauthorized Gas penalty provision of Rate Schedule 106.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service," and the Company's Service Regulations.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE T-12
TRANSPORTATION SERVICE TO MILITARY INSTALLATIONS
IN ONSLOW COUNTY**

Availability

Gas Service under this Rate Schedule is available for transportation by Company of natural gas for any military installation (Customer) located in Onslow County adjacent to Company's mains or to whom Company will extend its mains and who enters into a Service Agreement with the Company, upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations, and subject to the terms and conditions of this Rate Schedule.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule is firm Transportation Service.

All gas delivered pursuant to this Rate Schedule shall be metered by the Company separately from any gas delivered to or for Customer under any of the Company's other Rate Schedules.

The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

Rates and Charges

The rates to be charged for transportation service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Minimum Bill

The minimum bill for service under this rate schedule shall be satisfied by the minimum bill payable under Customer's Service Agreement with Company.

Volumetric Charges

The rate per therm shall be billed on the quantity of gas delivered by the Company to or for Customer.

Delivery Obligation

The Service Agreement shall set forth a maximum quantity in dekatherms per hour and per day that Company is required to deliver to Customer, which quantities shall not exceed the maximum delivery obligation per hour and per day specified in Customer's Service Agreement

**RATE SCHEDULE T-12
TRANSPORTATION SERVICE TO MILITARY INSTALLATIONS
IN ONSLOW COUNTY**

with the Company. Consumption in violation of this provision shall be subject to the Unauthorized Gas penalty provision of Rate Schedule 106.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service," and the Company's Service Regulations.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Applicable Documents Defining Obligations of the Company and Its Customers

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

RATE SCHEDULE 12
SERVICE TO MILITARY INSTALLATIONS LOCATED IN ONSLOW COUNTY

Availability

Gas Service under this Rate Schedule is available for the purchase from Company of natural gas by any military installation (Customer) located in Onslow County adjacent to Company's mains or to whom Company will extend its mains and who enters into a Service Agreement with the Company, pursuant to the Company's Service Regulations and subject to the terms and conditions of this Rate Schedule.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule is firm sales Service.

The Service Agreement shall stipulate the maximum hourly and daily demand in terms and gas shall not be consumed hereunder in excess of the maximum hourly or daily demand so specified without specific permission of Company's dispatcher. Consumption in violation of this provision shall be subject to the Unauthorized Over Run Penalty provision of Rate Schedule 106.

Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all Services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule T-12 by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer Transportation Service under Rate Schedule T-12, (b) the Company is able to provide Service under Rate Schedule T-12 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company's Service Regulations support such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide service under Rate Schedule T-12 effective the first June 1 following the notice.

All gas delivered pursuant to this Rate Schedule shall be metered by the Company separately from any gas delivered to Customer under any of the Company's other Rate Schedules.

Gas Service hereunder shall be through a single point of delivery or through such number of delivery points as Company and Customer may agree upon.

Rates and Charges

The rates to be charged for gas Service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

RATE SCHEDULE 12
SERVICE TO MILITARY INSTALLATIONS LOCATED IN ONSLOW COUNTY

Minimum Bill

The minimum bill shall be as provided in the Service Agreement.

Volumetric Charges

The rate per therm shall be billed on the quantity of gas delivered by Company to Customer.

Service Interruption and Curtailment

Gas Service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule Limiting and Curtailing Service," and the Company's Service Regulations.

In all cases where continuous operation of Customer's gas-using facilities is necessary, it shall be Customer's responsibility to provide, in useable condition, alternate fuel facilities and the fuel required for their operation to the extent necessary in Customer's opinion to supply 100% of the establishment's gas requirements during periods of gas interruption or curtailment.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Contract Period

The initial Service Agreement contract period for service to the military installations in Onslow County under this Rate Schedule shall be not less than ten years.

Applicable Documents Defining Obligations of the Company and Its Customer

The applicable documents defining the obligations of the Company and its Customers are those described in Section 3 of the Company's Service Regulations.

**RATE SCHEDULE ST-1
STANDBY ON-PEAK SUPPLY SERVICE**

Stipulation
EXHIBIT H

1A

Service Regulations

1. Foreword. Piedmont Natural Gas Company, Inc. is a natural gas distribution company and is engaged in the business of selling and transporting natural gas for various Customers. The purpose of these Service Regulations is to set forth the respective obligations of the Company and its North Carolina Customers. These Service Regulations, as well as the Company's approved Tariffs and Rate Schedules, apply to all Service rendered by the Company.

2. Definitions. As used in these Service Regulations, the following terms shall have the meanings assigned below:

- (a) "Applicant" shall mean any person, firm, association, partnership, joint venture, limited liability company, or corporation, or any agency of the Federal, State or local government applying for gas service from the Company.
- (b) "Bill Cycle Month" shall mean the period from a Customer's current meter read date to their previous meter read date.
- (c) "British Thermal Unit" (Btu) shall mean the quantity of heat necessary to raise the temperature of one (1) pound of water one (1) degree Fahrenheit from 58.5 to 59.5 degrees Fahrenheit under standard pressure of 30 inches of mercury at or near its point of maximum density.
- (d) "City Gate" shall mean the outlet side of the interstate pipeline meter that connects to the Company's system.
- (e) "Commission" shall mean the North Carolina Utilities Commission or any subsequent state administrative agency, which regulates gas utilities operating within the State of North Carolina.
- (f) "Commission Rules" shall mean the Rules and Regulations of the Commission.
- (g) "Company" shall mean Piedmont Natural Gas Company, Inc.
- (h) "Cubic Foot of Gas" is the volume of gas which occupies one (1) cubic foot at a temperature of 60 degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute (psia), except that when gas is delivered at a pressure normally used for residential appliances, a cubic foot of gas shall be deemed to be that quantity of gas which, at the temperature and pressure existing in the meter, occupies one (1) cubic foot. The Cubic Foot of Gas is the basic measurement unit used by the Company.

- (i) "Curtailment" or "Interruption" is the interruption or cessation of gas service as permitted by the Commission rules and the terms of the Company's Rate Schedules, Special Contracts, or Service Regulations.
- (j) "Customer" shall mean any person, firm, association, partnership, joint venture, limited liability company, or corporation, or any agency of the Federal, State or local government receiving Service at a Premises and through a single Gas Service Line from the Company. In the case of Service rendered in accordance with Chapter 24 of the Commission's Rules and Regulations, the term Customer shall include Providers as defined in Rule R24-2(d).
- (k) "Customer's Agent" shall mean a person or other entity authorized to act for or on behalf of a Customer.
- (l) "Cycle Month" is a period beginning on a gas Day, at the point of delivery on the first Day of the calendar month and ending at the aforesaid time on the first Day of the succeeding calendar month.
- (m) "Day" is a period of 24 consecutive hours as defined in the FERC Gas Tariff of Transcontinental Gas Pipe Line Corporation, or its successor.
- (n) "Dekatherm" is the basic energy unit purchased by the Company and shall mean the unit of energy equivalent to 1,000,000 Btus.
- (o) "Force Majeure" shall mean acts of God, extreme weather conditions, strikes, lockouts, or other industrial disturbances, acts of the public enemy or terrorists, war, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, arrests and restraints of governments and people, the order of any court or government authority having jurisdiction while the same is in force and effect, civil disturbances, explosions, act of sabotage or terrorism, breakages or freezing of or accidents or damage to wells, machinery, lines of pipe or the Company's other facilities (including, without limitation, Mains, Gas Service Lines, Service Facilities, Meter Assemblies, LNG facilities, and compression equipment), National Weather Service warnings or advisories, whether official or unofficial, that result in the evacuation of facilities, partial or complete curtailment of deliveries to the Company by its suppliers, reduction in gas pressure by its suppliers, inability to obtain or unavoidable delay in obtaining rights-of-way or permits or materials, equipment or supplies for use in the Company's facilities, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Company and which by the exercise of due diligence the Company is unable to prevent

or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Company, and that the Company shall not be required to settle strikes or lockouts when such course is inadvisable in the discretion of the Company.

- (p) "Gas" or "Natural Gas" shall mean processed or unprocessed natural gas, vaporized liquid natural gas, synthetic gas, gas from coal seams or any mixture of these gases.
- (q) "Gas Service Line(s)" shall mean the pipe or pipes that run between a Main or a pipe and a Customer's Meter. As determined by and in the Company's discretion, more than one Gas Service Line may be connected in order to deliver service to multiple Customer Meters from a single Main connection.
- (r) "Main" shall mean a gas pipe, owned, operated or maintained by the Company, which is used for the purpose of transmission or distribution of gas, but does not include Gas Service Line.
- (s) "Margin" for curtailment purposes, shall mean the filed tariff rate per unit of gas or negotiated rate per unit of gas for a Customer, less the per unit cost of gas, where applicable, as determined in the Company's last general rate case or Purchased Gas Adjustment Procedure, adjusted for any Commission approved temporary decrements or increments in the filed tariff rate.
- (t) "Meter", without other qualification, shall mean any device, or instrument which is used by the Company in measuring a quantity of gas.
- (u) "Meter Assembly" shall mean Company's meters, regulator, piping, valves, vents, relief valves, gauges and/or other apparatus required to meter and control the flow and/or pressure of gas.
- (v) "Operating Conditions" shall mean the prevailing conditions on the Company's system as they relate to conditions under which Piedmont is providing or attempting to provide service, including the impact of any modifications, tests or scheduled or unscheduled repairs to the Company's distribution system, which in the Company's discretion are necessary or appropriate to maintain the integrity of the Company's distribution system or to provide for the safety of the Company or the public.
- (w) "Operational Order" shall mean an order by Company's dispatcher, or other Company representative acting on behalf of Company's dispatcher, to limit, modify, curtail or interrupt the use of Natural Gas as required or permitted by the Commission Rules and the Company's Service Regulations, Special Contracts, and Rate Schedules.

- (x) "Premises" shall mean a single contiguous piece of land or real estate, including buildings and other appurtenances thereon.
- (y) "Rate Schedules" shall mean the Company's various rate schedules approved by and on file with the Commission, as the same may be changed or amended from time to time.
- (z) "Service(s)" shall mean any sales, Transportation, redelivery or other service provided by the Company to a Customer pursuant to the provisions of the Company's filed and approved Rate Schedules, Special Contracts, or Service Regulations.
- (aa) "Service Facilities" are all Natural Gas delivery equipment and gas service piping to a Customer's Meter that the Company considers necessary to safely serve the Customer's connected gas equipment.
- (bb) "Service Regulations" shall mean the Company's Service Regulations approved by and on file with the Commission as the same may be changed or amended from time to time.
- (cc) "Special Contract" shall mean any contract for Services entered into between the Company and a Customer that provides for rates, terms or conditions of service that vary from those set forth in the Company's tariffs, Rate Schedules or Service Regulations.
- (dd) "Transportation" shall mean the receipt of Natural Gas supplies that have been delivered by or on behalf of the Customer to the Company's City Gate and the redelivery of such Natural Gas supplies to the Customer's Premises.
- (ee) "Unauthorized Gas" shall have the meaning set forth in Rate Schedule 106.

3. Applicable Documents Defining Obligations of the Company and its Customers. The obligations of the Company to provide Service and the obligations of the Customer upon receipt of Service are governed by and set forth in (a) applicable statutes, including those set forth in Chapter 62 of the North Carolina General Statutes, (b) applicable Commission Rules, (c) applicable tariffs or Rate Schedule(s), (d) these Service Regulations, (e) any application, agreement, Special Contract, or similar document executed by Customer and approved, as necessary, by the Commission pertaining to such service, and (f) any standard operating procedures of the Company reasonably necessary for the provision of such Service and administered on a nondiscriminatory basis. Copies of Chapter 62 of the General Statutes, applicable Commission Rules, Rate Schedules, and these Service Regulations are available from the Company for public inspection, as are

copies of forms of applications, agreements, and other documents approved by the Commission. A copy of the Commission's Rules may also be obtained from the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina, 27699-4300, upon payment of the applicable fee or at the Commission's Web Site at www.ncuc.net. Unofficial copies of the Company's Rate Schedules and Service Regulations are also available at the Company's Web Site at www.piedmontng.com. The Company shall provide all new non-residential Customers with a copy of the applicable Rate Schedule(s) and written application for Service and/or other documents executed by the Company and the Customer pertaining to such Service. After a Customer has executed a written application and/or contract, no promise, statement or representation by an employee or agent of the Company or by any other person inconsistent with the written application and/or contract shall bind the Company to provide Service or to change the terms and conditions upon which Service will be rendered unless the same is in writing and is executed by an authorized representative of the Company. In the event there is a conflict between these Service Regulations and the provisions of the applicable currently effective Rate Schedule, the provisions of the Rate Schedule shall govern. The Commission Rules shall govern in the event of a conflict with these Service Regulations. The Company may not make any representation that conflicts with Commission Rules, its Rate Schedules or these Service Regulations.

4. Applicable Documents Subject to Change. All of the documents defining the obligations of the Company to provide Service and the obligations of the Customer upon the receipt of Service are subject to change from time to time upon order of or approval by the Commission and by other duly constituted governmental authorities. The Company does not undertake to advise any Customer of any such change except as may be required by the Commission or other duly constituted governmental authority.

5. Delivery Pressure. The Company will provide to Residential Customers a delivery pressure of either 7 inches water column (approximately ¼ pounds per square inch, gauge (psig)) or 2 psig. Small, Medium and Large General Customers can be provided a delivery pressure of up to 5 psig. The Company will consider providing delivery pressures greater than 5 psig on a case-by-case basis provided (1) it receives a request in writing, and (2) greater pressures are justified by requirements of Customer's Gas burning equipment or compression equipment. Approval will be conditioned on the Company's distribution system pressure availability and documentation supporting the need for a delivery pressure greater than 5 psig. Exceptions are subject to the approval of the Company.

6. Non-Waiver. The failure of the Company to enforce any provision of any applicable documents defining the obligations of the Company and its Customers shall not be deemed to be a continuing waiver of such provisions for any Customer or a waiver of any other provision of any of the applicable documents.

7. Process for Obtaining Consent to New or Changed Service. All Customers shall be required to make application to the Company for new or changed Service under any of the Company's Rate Schedules in such form and manner as may reasonably be required by the Company. Such applications shall be required in order to initiate Service under any Rate Schedule irrespective of whether Customer is then receiving service under any other Company Rate Schedule and for changes in the quantity of Service to be provided under an existing Rate Schedule. At a minimum, such application shall set forth the date of the application, the name of the Applicant, the location of the Premises for which Service is requested, the type of Service applied for and estimated Gas consumption. Prior to being obligated to provide Service to Customer pursuant to such application, Company shall conduct an examination and review of Customer's application for Service to determine: (1) that the Company has the operational ability to provide the Service requested, including the requisite upstream supply and/or capacity assets; (2) that the requested Service will not impede or interfere with the Company's ability to maintain Service to existing Customers with the same or a higher priority of service; (3) that provision of the requested Service will not have a materially adverse impact on the Company's ability to recover its approved margin; (4) that provision of the requested Service is economically feasible; and (5) that Customer is creditworthy as determined in accordance with the Commission's Rules and the Company's procedures. Provided that the Company's review and analysis indicates that Service can be provided as requested, the Company will then approve the requested Service. Company shall have no obligation to provide the requested Service absent such approval.

When the requested Service is to be provided to a Residential, Small or Medium General Service Customer, and the provision of such Service is economically feasible, the application and the Company's acceptance thereof may be oral at the Company's option. In such event, the Company's applicable Rate Schedules and these Service Regulations shall become effective and applicable to any Service rendered to such Applicant in the same manner as if the Company's standard written form of application for Service had been signed by the Applicant and accepted by the Company. Upon the provision of Service by the Company to such Customer, such oral service agreement shall be presumed to exist in any case where there is no written application accepted in writing by the Company.

In the event a Customer receiving Service under the Company's Large General sales Rate Schedules anticipates a reduction in its Gas consumption, it shall provide prompt notice thereof to Company.

8. Gas Quality and WAIVER OF WARRANTIES. All Gas delivered by the Company originates from upstream sources of supply over which the Company has no control. The quality requirements associated with such Gas are, for traditional sources of geologic natural gas, matters under the exclusive jurisdiction of the Federal Energy Regulatory Commission and, for non-geologic Alternative Gas, matters governed by Appendix F hereto. As such, the Company shall have no liability to Customer or to any third-party

recipient of Gas (in cases of Customer resales of Gas) for damages of any kind related to or arising from the quality or constituent characteristics of Gas delivered or sold to Customer. **ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE THAT MIGHT OTHERWISE ATTACH OR BE APPLICABLE TO THE SALE OF GAS FOR RESALE IS HEREBY DISCLAIMED AND WAIVED.** Company shall further have no responsibility to process, condition or otherwise modify Gas delivered to its system for Transportation or sale to Customers. It is Customer's (and any third-party recipient's) sole responsibility to install, adjust, maintain, and operate their Gas burning equipment in a manner consistent with the prevailing quality of Gas delivered to the Company.

9. Non-Assignability of Right to Service. Any rights which accrue to the Customer under any of the applicable documents defining the obligations of the Company and its Customers are personal to Customer and may not be transferred or assigned without the written consent of the Company.

10. Vacated Premises. The Customer will notify the Company before quitting or vacating the Premises served and will pay, upon presentation, all bills due the Company for Service at the Premises. In the absence of the notice required by this paragraph, Customer shall remain fully liable for all Gas usage at the Premises on a continuing basis.

11. Right-of-Way. The Customer shall at all times furnish the Company a satisfactory and lawful right-of-way, at no cost to the Company, onto the Customer's Premises for the installation or servicing of Mains, Gas Service Lines, Meter Assemblies and other apparatus or Service Facilities necessary or incidental to the furnishing of Service to the Customer. The obligation of the Company to supply Service is dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises or permits, for the delivery of such Service, and the Company shall not be liable to the Customer for any failure to deliver Service because of the Company's inability to secure or retain such rights-of-way, privileges, franchises or permits.

12. Access to Customer's Premises. The Company shall at all reasonable times have the right of ingress to and egress from the Premises of the Customer for any and all purposes connected with the delivery or termination of Service. The Company shall have the right, at its option and at its own expense, to place demand meters, pressure gauges, or other instruments on the Premises of the Customer for billing, testing, or other purposes with respect to the Customer's Service.

If a condition exists on a Premises, which in the Company's opinion is dangerous to Company employees or facilities and/or prevents normal access to the Company's facilities, including Meters, the Company may at its sole option and at the sole expense of the Customer remove or relocate its Service Facilities, Meter Assemblies and accessory equipment.

13. Installation and Maintenance of Facilities. The Company will install and maintain the necessary Mains, Gas Service Lines, Service Facilities, valves, regulators, Meter Assemblies, over-pressure devices, indexes, gauges, and/or other equipment or facilities required to provide Service. All facilities from the point of connection at the outlet of the Meter Assembly shall be owned, installed and maintained by and at the expense of the Customer. Notwithstanding the foregoing two sentences, Company and Customer may agree that the Company will construct compression and/or metering equipment required for utilization of Gas as a motor vehicle fuel and that such facilities shall remain the property of Company even if some or all such facilities are downstream of Customer's Meter Assembly. The method of recovery of the costs of such additional facilities shall be agreed upon by the Company and Customer. The Company may specify the content and pressure of the Gas to be furnished, the location of the Meter and the point where the service connection shall be made. The Company's obligation to install all such equipment and facilities, and to otherwise provide Service to Customer, shall be subject to Company's prior consent obtained through the processes set forth in paragraph 7 of these Service Regulations. Nothing in this section or any other provision of these Service Regulations shall prevent Customer, at its own expense, from constructing compression and/or metering equipment required for utilization of Gas as a motor vehicle fuel, provided that Customer complies with all other provisions of these Service Regulations and Company's Rate Schedules applicable to the utilization of Gas as a motor vehicle fuel.

For residential Customers, a presumption of the feasibility of providing new Service shall exist, and the connection of facilities needed to provide Service will be at no cost to the residential Customer, if (1) at a minimum, the Customer will be installing central gas primary heating, (2) the Gas Service Line extends along the route selected by the Company, (3) a Company distribution Main borders the Customer's Premises and (4) the Gas Service Line is no more than 100 feet in length. In the event that the above conditions are not met for new residential Customers, and in all cases of applications for changed residential Service or new or changed Service under non-residential Rate Schedules, the Service to be rendered to the Customer must provide a reasonable return to the Company. If the Customer wishes the facilities to be constructed along a route other than the route selected by the Company and/or if the Gas Service Line is more than 100 feet (for residential Customers) and/or the Service to be rendered to the Customer will not produce a reasonable return to the Company, the Company may require the Customer to pay the excess cost of constructing the facilities along the alternate route or in excess of 100 feet, provide a minimum margin commitment for Service to be rendered through the facilities, and/or to make a contribution which will permit the Company to earn a reasonable return on the facilities needed to provide Service.

14. Relocation of Facilities and Placement of Excess Flow Valves.

- (a) After a Service connection has been made, it may be relocated on the Customer's Premises by the Company upon request of the Customer. The

Customer must agree to change the location of the right-of-way and to bear the expense of the relocation, except to the extent such expense is offset by any additional load gained in connection with such relocation, as reasonably determined by Company. The relocation will not be made where it will interfere with or jeopardize the Company's Service either to the Customer desiring the change or to any other Customer(s). All rights of the Company incidental to the original location shall apply to the new location.

- (b) Customer has the right to request the placement of an Excess Flow Valve ("EFV") on any Gas Service Line that does not already have such a valve installed. Company shall work with the Customer to reasonably determine the date of such installation. The installation will not be made where it will interfere with or jeopardize the Company's Service either to the Customer desiring the installation or to any other Customer(s). As a precondition to installation of an EFV, Customer shall be required to enter into a written agreement with Company reflecting the terms of such installation and assuming responsibility for all of the actual costs of such installation. Company shall be entitled to collect a deposit on such costs prior to initiating installation of the EFV in the amount of the estimated cost of installation.

15. Title to the Facilities. The title to all facilities including Mains, Service Facilities, Gas Service Lines, Meters and accessory equipment up to and including the outlet of the Meter Assembly, and any additional Company owned facilities for the compression or metering of Gas as a motor vehicle fuel downstream of the Meter Assembly, shall be vested in the Company, notwithstanding any charge which may be made to the Customer or payment made by the Customer for placement or relocation thereof.

16. Responsibility Beyond Delivery Point.

- (a) All piping and equipment installed by or on behalf of the Customer must be installed and maintained in accordance with the requirements of the local, county, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the outlet side of the Meter.
- (b) If the Customer's equipment might create either a vacuum or a backpressure, a device must be installed and maintained by the Customer to protect the Company's facilities.
- (c) Company shall not be responsible for equipment failures or malfunctions attributable to the Customer's or third-party recipient's failure to install or operate equipment appropriate for the Service provided by the Company

including but not limited to the pressure and chemical composition of Gas delivered to Customer.

- (d) The Company's responsibility is to deliver Gas to the Customer at the outlet side of the Meter Assembly serving Customer in accordance with the applicable documents defining the obligations of the Company and its Customers. The Company is not responsible for the installation or maintenance of any pipes, facilities, gas using equipment or any other property beyond the point of delivery to the Customer, except for any compression and/or metering equipment for the utilization of Gas as a motor vehicle fuel over which Company maintains ownership. As between the Company and the Customer, the installation, maintenance and use of any pipes, facilities, gas using equipment or any other property beyond the outlet side of the Meter Assembly other than that owned by Company is the sole responsibility of the Customer.

17. Interference with Company Property. The Customer shall not tamper, interfere with or alter the Company's Meters or other property or permit the same to be done by any person other than the Company's authorized agents or employees. Damages caused or permitted by the Customer to said property shall be paid for by the Customer. North Carolina law makes it unlawful to alter, tamper with or by-pass a Gas Meter. This law provides for fines and/or imprisonment at the discretion of the court for this offense. In addition, this statute provides for recovery in a civil action by the Company for losses and damages sustained.

18. Excavation in Proximity of Company's Facilities. The Customer shall inform the Company of planned excavation activities in the proximity of the Company's facilities by calling 811 at least 48 business hours in advance of the planned excavation activities. The Customer will notify the Company prior to any additions or changes at the Customer's Premises which will extend over, under, or in close proximity to the Company's facilities, Mains, Meters, Gas Service Lines or Service Facilities.

19. Prohibition Against Resale of Gas. Gas is sold and/or delivered upon the express condition that the Customer shall not directly or indirectly sell or resell, assign, deliver, or otherwise dispose of Gas, or any part thereof, to any person, firm, or corporation, except where (i) Service is provided under a Rate Schedule specifically providing for resale or (ii) is permitted pursuant to Chapter 24 of the Commission's Rules and Regulations.

20. No Liability for Curtailment/Interruption of Service or Damages. In the event of a Curtailment or Interruption of Service, regardless of cause, the Company shall use all reasonable diligence to remove the cause or causes thereof, but the Company shall not be liable for any loss or damage resulting directly or indirectly from such Curtailment or interruption. In the event of a resale of Gas by Customer, Company shall not be liable to

Customer or to any third-party with respect to damage to persons, property, or business interests arising from or attributable to the resale and/or utilization of Gas delivered to Customer except to the extent such damage is the direct, proximate, and sole result of Company's gross negligence or intentional wrongful conduct. Company shall not be responsible for the utilization of Gas by Customer or third-parties beyond its facilities.

21. Action to Maintain System Integrity. When the Company, in its sole discretion, determines that it is necessary to modify, curtail or interrupt service to maintain the integrity of its distribution or transmission system, to provide for its or the public's safety, or otherwise when Operating Conditions are such that the Company deems such action to be necessary, the Company shall have the right to limit, modify, curtail or interrupt Service to any Customer through the issuance of an Operational Order. The Company shall not be liable for any loss or damage resulting from such Curtailment or Interruption of Service. Violation of such Operational Orders by any Customer shall subject such Customer to disconnection and/or financial penalties as provided in Rate Schedule 106.

22. Discontinuance of Service. The Company, subject to the Commission Rules, shall have the right to modify, suspend or discontinue its Service for (a) repairs or other necessary work on its Mains or systems, (b) nonpayment of bills in accordance with Rules R6-16, R12-8 and R12-10 of the Commission Rules, as the same may be amended from time to time, and (c) for any of the following reasons:

- (a) For any material misrepresentation as to the identity of the Customer making the application for Service.
- (b) For a material violation by the Customer of any terms or conditions of the documents that are approved by the Commission defining the obligations of the Company to provide Service and the obligations of the Customer upon the receipt of Service.
- (c) For the reason that the Customer's use of the Company's Service is detrimental to the service of other Customers. This may cover a Customer's failure, directly or indirectly, to deliver Gas to the Company or the violation by the Custom of an Operational Order.
- (d) For the reason that the Customer's use of the Company's Service conflicts with or violates orders, ordinances or laws of the State of North Carolina, or any subdivision thereof, or of the Commission or of any other governmental agency having jurisdiction over the Company or the Customer.

- (e) For the reason that piping, equipment, appliances or devices are installed or in use on the Customer's Premises, which permit the Gas to be used without passing through the Company's Meter, or which prevent, or interfere with the accurate measuring of the Gas by the Company's Meter.
- (f) For failure of the Customer to make, restore, or increase his deposit as required.
- (g) In the event of any condition determined by the Company to be hazardous.
- (h) In the event of tampering with the facilities and/or equipment installed and owned by the Company.
- (i) In the event of Operating Conditions or events of Force Majeure.

Where the Service has been discontinued for any reason except for the failure to pay for repairs or other necessary work by the Company, the Company shall have the right to refuse Service at the same Premises where there is clear, documented evidence of action taken by the Applicant with the intent to evade payment for utility Services. The Company may require reasonable proof of identity of the Applicant as a condition to providing Service.

23. Removal of Equipment. In the event of discontinuation of Service, the Company may enter the Premises of the Customer at any reasonable time and remove the Company's Meters, apparatus, appliances, fixtures or other property.

24. Non-Waiver of Default. Any delay or omission on the part of the Company in exercising its right to discontinue or suspend Service, or the acceptance of a part of any amount due, shall not be deemed a waiver by the Company of such right so long as any default in whole or in part or breach of contract on the part of the Customer shall continue, and whenever and as often as any default or breach of contract shall occur.

25. Establishment of Credit by Customer. The Company may require an Applicant for Service, or any existing Customer, to satisfactorily establish credit in accordance with the provisions of Rule R12-2 of the Commission Rules or to reestablish credit in accordance with the provisions of Rule R12-3 of the Commission Rules as the same may be amended from time to time. Applicants for new or changed service may be required to provide standard credit information at the request of Company in connection with the establishment or continuation of Service and to evidence continued creditworthiness for continuation of service in accordance with the Company's procedures.

26. Deposits. The Company may require a cash deposit prior to establishing, reestablishing, or continuing existing Service as one way for the Customer to establish credit in accordance with the provisions of Chapter 12 of the Commission Rules as the same may be amended from time to time.

27. Billing Procedure.

- (a) Meters will be read and bills rendered monthly for each Customer account on a cycle basis of approximately thirty (30) days. All bills are due and payable when rendered and become past due after twenty-five (25) days in the case of residential Customers and fifteen (15) days in the case of Customers other than residential, from the date the bill is rendered.
- (b) The Company shall measure all Gas in cubic feet and convert the volume of Gas measured to therms or dekatherms, as applicable, for billing purposes by multiplying such volume by the BTU factor. The BTU factor shall be based on the weighted average BTU content of Gas entering Piedmont's eastern and western system, as applicable, for the days of Customer's billing cycle.
- (c) A late payment charge of one percent (1%) per month will be applied to all Customer's balances not paid prior to the next month's billing date.
- (d) The Company will deliver to the Customer a monthly bill of the amount due to the Company by mailing said bill by first-class mail to the mailing address furnished by the Customer or, at the Customer's election with Company agreement, by sending the bill electronically by way of computer internet connection. As long as the Company has placed the bill in the mail or sent the bill electronically on or before the billing date, a Customer's failure to receive a bill will not entitle the Customer to any extension of time for payment beyond the past due date. For Customers that elect, with the consent of the Company, to receive their bills electronically, notices regarding rate or Service changes, account status, or other notices typically provided with written bills, shall also be provided electronically.
- (e) The Company may, in its discretion and upon reasonable terms, accept major credit cards as payment of the monthly bill.
- (f) Where a Meter for any reason is not read at the regular reading date, the Company may estimate the amount of Service used by referring to the Customer's history of consumption for a similar prior period. To the extent practicable, the Company will avoid sending a Customer two successive estimated bills; however, in cases of Force Majeure, including actions or inaction rendering the Meter unreadable, bill estimates may be permitted for two successive billing periods, or greater. The Company will bill the

Customer on the basis of the estimated use and will make any necessary adjustments when the Meter is next read.

- (g) No claim or demand which the Customer may have against the Company shall be offset or counter-claimed against the payment of any sum of money due the

Company by the Customer for Services rendered, and all such sums shall be paid in accordance with the applicable documents defining the obligations of the Company and the Customer regardless of such claim or demand.

- (h) Monthly charges will not be prorated and will be assessed in full for provision of Gas Service during a partial billing period, except that if an initial bill covers 5 or fewer days of a billing period, no monthly charge will be assessed.
- (i) Customers shall not be entitled to aggregate usage from different Premises or Customer accounts for billing or any other purposes.
- (j) Customers who elect, with the consent of Company, to receive their bills electronically, shall also receive initial notices of disconnection of Service for nonpayment through electronic means as part of their regular bill, as anticipated by Commission Rule R12-10.

28. Adjustment of Bills Due to Failure or Inaccuracy of Meter. Bills which are incorrect due to meter or billing errors will be adjusted as provided in Rule R6-15 of the Commission Rules as the same may be amended from time to time.

Transportation Customers requiring adjustment to their bills for Meter failure or inaccuracy shall be adjusted in accordance with Rule R6-15 except for the commodity portion which will be cashed out in accordance with Rate Schedule 107.

29. Returned Check Charge. Where the Customer makes payment for Service by check which is not honored or paid by the bank, full payment will immediately be due and payable, and a Commission-approved handling charge will be added.

30. Curtailment Priority. It is contemplated that the Company will from time to time find it necessary to curtail or interrupt Gas Service to those Customers who purchase Gas from the Company under interruptible Rate Schedules. In addition, other factors beyond the control of the Company may make Curtailment or Interruption of any Customer necessary. In all such events, to the extent practicable, and in the absence of a Commission directive requiring a different curtailment priority, the Company will curtail Customers based on the priorities established in Commission Rule R6-19.2.

31. Reconnection Fees. When Service has been discontinued at the request of the Customer or the Customer's Agent or for nonpayment of bills or pursuant to Section 22

of these Service Regulations, and if reconnection is requested by the same Customer or the Customer's Agent at the same Premises, the Commission-approved Reconnection Fees will be charged.

32. Applicable Rate Schedules. The Company will at all times have current Rate Schedules on file with the Commission. The rates contained in these Rate Schedules are subject to change from time to time as permitted by the North Carolina Purchased Gas Adjustment Procedure attached hereto as Appendix A, the Margin Decoupling Mechanism attached hereto as Appendix C, the Integrity Management Rider Mechanism attached hereto as Appendix E, the TCJA EDIT Rider Mechanism attached hereto as Appendix G, and/or any lawful order of the Commission. The rates approved by and on file with the Commission shall prevail in the event of conflict with rates posted on the Company's website.

33. Equal Payment Plan. The Equal Payment Plan ("EPP" or "Plan") is available to customers receiving service under Rate Schedules 101, 102 and 152. The availability and conditions of the Plan are attached hereto as Appendix D.

34. Small and Medium General Rate Service Classification. Small and Medium General Rate Service Classification under the Company's Rate Schedules 102 and 152 shall be based on the following criteria:

A. Definitions: As used in Small and Medium General Rate Service Classification, the following terms shall have the meanings assigned below:

- (1) "Annual Review Period" shall mean the twelve (12) months ended on December 31 of each year.
- (2) "Actual Annual Usage" shall mean the actual Natural Gas volumes consumed by the Customer during the Annual Review Period as reflected on the Company's invoices for the Customer.
- (3) "Average Dekatherm per Day" shall be the Customer's Actual Annual Usage divided by the number of Service Days within the Annual Review Period.
- (4) "Classification Usage" shall mean the usage criteria that establishes the minimum and/or maximum average daily usage that must be maintained in order to receive Service under a Rate Schedule. The classification usage for Rate Schedule 102 shall be less than an average of 20 Dekatherms per day. The classification usage for Rate Schedule 152 shall equal or exceed an average of 20 Dekatherms per day but be less than an average of 50 Dekatherms per day.

- (5) "Involuntary Curtailment Days" shall mean those days or portions of days in a given Annual Review Period where Curtailment of the Customer's Natural Gas Service was imposed by the Company's decision to curtail.
- (6) "Service Days" shall mean 365 days less the number of Involuntary Curtailment Days.

B. Procedures:

(1) During January and February of each year, the Company will determine for each Customer served under Rate Schedule 102 and Rate Schedule 152 that Customer's Average Dekatherm per Day usage for each of the two most recent Annual Review Periods.

(2) Those Customers currently receiving Service under Rate Schedule 102 whose usage in each of the most recent two (2) Annual Review Periods is equal to or exceeds 20 Dekatherms a day, will be eligible for transfer to Rate Schedule 152.

(3) Those Customers currently receiving Service under Rate Schedule 152 whose usage in each of the most recent two (2) Annual Review Periods is less than 20 Dekatherms a day, will be eligible for transfer to Rate Schedule 102.

(4) Those Customers currently receiving Service under Rate Schedule 102 or 152 whose usage in each of the two (2) most recent Annual Review Periods is equal to or greater than 110% of 50 Dekatherms per day will be eligible for transfer to Rate Schedule 103, 104, 113, or 114, as applicable.

(5) All changes in rate classification under this section shall be subject to Company consent as provided under Section 7 of these Service Regulations. All changes in rate classification under this section shall be effective on the first day of June following the review. The Company shall not be liable for any loss or damage resulting from a change in rate classification.

(6) Customers who are reclassified shall be notified of the change in Rate Schedule, and receive a copy of the tariff sheets applicable to the Customer's old and new Rate Schedules at least 21 days prior to the effective date of the change.

- C. Exceptions: If a Customer currently being billed under Rate Schedule 102 adds Natural Gas equipment that increases the Customer's Average Dekatherms per Day to the point where the Customer will qualify for Rate Schedules 152, 103 or 104, the Company may, upon notification from the Customer and subject to

installation verification by the Company, transfer the Customer to the new Rate Schedule prior to June 1 of that year.

35. Large General Rate Service Classification. Large General Rate Service classification under the Company's Rate Schedules 103, 104, 113 and 114 shall be based on the following criteria:

A. Definitions: As used in Large General Rate Service Classification, the following terms shall have the meanings assigned below:

- (1) "Actual Annual Usage" shall mean the actual Natural Gas volumes sold or transported for the Customer by the Company as reflected on the Company's bills for that Customer.
- (2) "Annual Review Period" shall mean the twelve (12) months ended on December 31 of each year.
- (3) "Average Dekatherm per Day" shall mean the Actual Annual Usage of a Customer divided by the number of Service Days within the Annual Review Period.
- (4) "Classification Usage" shall mean the usage criteria that establishes the minimum and/or maximum average usage that must be maintained in order to receive service under any rate schedule. For existing Customers, the classification usage for Rate Schedule 102 and 152 shall not exceed an average usage of 50 Dekatherms per day. For existing Customers, the classification usage for Rate Schedules 103, 104, 113 and 114 shall exceed an average usage of 50 Dekatherms per day.
- (5) "Involuntary Curtailment Days" shall mean those days or portions of days in a given Annual Review Period where curtailment of the Customer's Natural Gas Service was imposed by the Company's decision to curtail.
- (6) "Service Days" shall mean 365 days less the sum of the number of Involuntary Curtailment Days and the number of days that Customer consumed an alternative fuel to Natural Gas.

B. Procedures:

- (1) During January and February of each year, the Company will determine for each Customer served under Rate Schedules 103, 104, 113 and 114 the Customer's Average Dekatherm per Day usage for each of the two (2) most recent Annual Review Periods.

(2) A Rate Schedule 102 or 152 Customer whose usage is equal to or greater than 110% of the 50 Dekatherms threshold in the two most recent Review periods will be eligible for transfer to Rate Schedule 103, 104, 113 or 114, as applicable. A Rate Schedule 103, 104, 113 or 114 Customer whose usage is equal to or less than 90% of the 50 Dekatherms threshold in both of the two (2) most recent Annual Review Periods will be eligible for transfer to the appropriate Small or Medium General Service Rate Schedule. Customers receiving Service under Rate Schedules 103 or 104 shall be eligible to elect Transportation service to be effective with the rate reclassification.

(3) All changes in rate classification under this section shall be subject to Company consent as provided under Section 7 of these Service Regulations. All changes in rate classification under this section shall be effective on the first day of June following the review. The Company shall not be liable for any loss or damage resulting from a change in rate classification, including any loss resulting from the purchase of gas by a Transportation Customer who has been reclassified to a sales Rate Schedule.

(4) Customers who are reclassified shall be notified of the change in Rate Schedule, and receive a copy of the tariff sheets applicable to the Customer's old and new Rate Schedules at least 21 days prior to the effective date of the change.

- C. Exceptions: If a Customer adds or retires a major piece of gas-burning equipment, changes the hours of operations or otherwise materially alters the Customer's business that will clearly increase, or decrease, the Customer's consumption on an ongoing basis to a level that will change the Customer's ability to qualify for a particular Rate Schedule, the Customer shall report such changes to the Company and afford the Company an opportunity to inspect the change in equipment and to meet with the Customer to review and discuss the anticipated future level of consumption. If, after such inspection and meeting, the Company is satisfied that reclassification is appropriate, utilizing the mechanisms set forth in Section 7 of these Service Regulations, the reclassification will occur within two months after the new equipment is in place and operational, or the retirement is completed, and the first Meter reading reflects the higher anticipated usage resulting from the new equipment or the lower anticipated usage resulting from the retirement. Any reclassification pursuant to this paragraph is subject to correction if actual experience so warrants. If the reclassification results in qualification for Large General Service, the Customer shall provide an election form at least one week prior to reclassification if a Transportation election is desired. Otherwise, Service will be provided under Rate Schedule 103 or 104, by default, dependent upon rate qualification.

- D. Requirements: Upon reclassification from Rate 102 or 152 to either Rate 103, 104, 113, or 114, as well as new Customers on these Rate Schedules, the Customer will be responsible for installing and maintaining, at the Customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment.

36. Extra Facilities. At the request of the Customer with Company agreement, the Company will furnish, install, own and maintain facilities which are in addition to those necessary for delivery of Service at one point, through one Meter, at a maximum pressure in accordance with the applicable Rate Schedule, such additional facilities to be furnished under an "Extra Facilities Clause" added to and made a part of the Company's standard form of contract and containing the following provisions:

- A. Service shall be used solely by the contracting Customer in a single enterprise located entirely on a single, contiguous Premises, and there shall be no exemption from any of the other provisions of these Service Regulations.
- B. "Extra Facilities" shall consist of such of the following as may be required: Meter, Meter Assembly, Gas Service Line, Main, telemetering equipment or other equipment installed for the exclusive use of the contracting Customer, other than facilities which the Company would furnish to the Customer without cost under its standard form of contract.
- C. The facility to be supplied shall be Company standard Main, Gas Service Lines and Meter equipment installed only on the Company side of the point of delivery.
- D. A monthly "Extra Facilities Charge" equal to 1.7% of the installed cost of the facilities, but not less than \$25, shall be billed to the Customer in addition to the billing for facilities charge, demand charge and sales or Transportation charges.
- E. The "Installed Cost of Extra Facilities" shall be the original cost of material used, including spare equipment, if any, plus applicable labor, Transportation, stores, tax, engineering and general expenses, all estimated if not known. The original cost of materials used is the current market price of the equipment at the time the equipment is installed, whether said equipment is new or out of inventory.
- F. When the Extra Facilities requested by the Customer consist of those required to furnish Service at either more than one delivery point on the Premises or at more than one pressure, or both, the Installed Cost of the Extra Facilities to be used in the computation of the Extra Facilities Charge shall be the difference between the installed cost of the facilities made necessary by the Customer's request, and the

installed cost of the facilities which the Company would furnish without cost to the Customer under its standard form of contract.

- G. The Company shall have the option of refusing requests for Extra Facilities if, on its own determination, the requested facilities are not feasible, or may adversely affect the Company's Service to other customers.
- H. Contracts containing the Extra Facilities clause shall have a minimum original term of 5 years to continue from year to year thereafter, but the Company may require the payment of removal costs in contracts with original terms of 10 years or less, and may require advance payment of the Extra Facilities Charge for a period equal to one-half the original term of the contract.

37. Complaints. Customers who have a disagreement with the Company may call the Public Staff Consumer Services Division at telephone number (919) 733-9277 for assistance, or write to the address below:

Public Staff - NC Utilities Commission
Consumer Services Division
4326 Mail Service Center
Raleigh, NC 27699-4300

38. Taxes. Customer shall be responsible for payment of all taxes or tax liabilities attributable to or due in connection with the provision of any Service by the Company to the Customer, including any excise or sales tax required by Chapter 105 of the North Carolina General Statutes. With respect to any local, state, or federal tax, charge, or fee attributable to or arising out of the utilization of Gas delivered by the Company as a motor vehicle fuel, Customer shall be solely and exclusively responsible for the payment of any such tax, charge, or fee.

39. Agency Authorization. Certain Rate Schedules permit a Customer to authorize a Customer's Agent to act on its behalf with respect to nominations, imbalance resolution, and/or billing. In order to be considered a Customer's Agent, the agent must execute and be in compliance with all of the terms of the Customer Agent Agreement form set forth in Appendix B to these Service Regulations.

Manipulation
EXHIBIT I

1A

Purchased Gas Expense

Piedmont Natural Gas Company, Inc.
Purchased Gas Expense
Docket G-9 Sub 743

Line No.	DESCRIPTION	NUMBER OF DAYS	DEMAND UNITS (Dts)	ANNUAL QUANTITY (Dts)	UNIT COST (\$/DT)	MONTHLY AMOUNT (\$)	TOTAL ANNUAL AMOUNT (\$)	NG/SC ALLOCATION (%)	NC ANNUAL AMOUNT (\$)
1	I. Commodity Costs:								
2	Sales ¹			74,807,014	\$2.7500		\$205,719,289	100.00%	\$205,719,289
3	Company Use and Unaccounted For Volumes ¹			2,594,219	2.7500		7,134,102	100.00%	7,134,102
4	Commodity Costs - Power Generation & Special Contracts						2,539,441		2,539,441
5	Total Commodity Gas Cost			<u>77,401,233</u>			<u>215,392,832</u>		<u>215,392,832</u>
6	II. Fixed Costs:								
7	Transportation Demand Charges:								
8	Transco:								
9	FT Zone 1 to Zone 5: Year Round	365	51,173	18,678,145	0.59182	\$921,175	\$11,054,100	85.24%	\$9,422,515
10	FT Zone 2 to Zone 5: Year Round	365	75,254	27,467,710	0.67808	\$1,323,211	16,878,534	85.24%	13,534,862
11	FT Zone 3 to Zone 5: Year Round	365	174,589	63,724,985	0.53581	\$2,845,374	34,144,484	85.24%	29,104,785
12	FT (Incremental) Zone 1 to Zone 5: Year Round	365	1,093	399,675	0.59182	\$19,711	235,535	85.24%	201,623
13	FT (Incremental) Zone 2 to Zone 5: Year Round	365	1,610	567,650	0.57808	\$28,309	339,709	85.24%	289,568
14	FT (Incremental) Zone 3 to Zone 5: Year Round	365	3,735	1,363,275	0.53581	\$60,871	730,456	85.24%	622,641
15	FT (Peaking Service) Zone 1 to Zone 5: Dec - Feb	90	1,073	96,570	1.73480	\$13,961	167,530	85.24%	142,802
16	FT (Peaking Service) Zone 2 to Zone 5: Dec - Feb	90	1,579	142,110	1.04894	\$12,422	149,065	85.24%	127,063
17	FT (Peaking Service) Zone 3 to Zone 5: Dec - Feb	90	1,200	108,000	0.97344	\$8,761	105,132	85.24%	89,614
18	FT (Peaking Service) Zone 4 to Zone 5: Dec - Feb	90	2,462	221,580	0.97344	\$17,975	215,695	85.24%	183,858
19	FT Southeast Expansion Zone 4 to Zone 5: Year Round	365	129,485	47,262,025	0.47287	\$1,862,399	22,348,794	85.24%	19,050,112
20	FT Southern Expansion Zone 4 to Zone 5: Nov & Mar	61	65,251	3,980,311	0.47287	\$156,847	1,882,170	85.24%	1,604,361
21	FT Southern Expansion Zone 4 to Zone 5: Dec - Feb	90	72,502	6,525,180	0.47287	\$257,130	3,065,562	85.24%	2,630,133
22	FT Sunbelt Expansion - Zone 3 to Zone 5: Year Round	365	32,199	11,752,635	0.25447	\$249,224	2,990,693	85.24%	2,549,267
23	FT Sunbelt Expansion - Zone 4 to Zone 5: Year Round	365	9,201	3,358,365	0.19116	\$53,499	641,985	85.24%	547,228
24	FT Zone 6 to Zone 6: Year Round	365	13,232	4,829,680	0.16278	\$65,515	786,175	85.24%	670,138
25	FT Zone 6 to Zone 4: Year Round (Ledy Southeast Expansion)	365	100,000	36,500,000	0.55239	\$1,680,186	20,162,235	85.24%	17,188,289
26	FT Zone 6 to Zone 5: Year Round (Virginia Southside Expansion)	365	20,000	7,300,000	0.46837	\$284,925	3,419,101	85.24%	2,914,442
27	Texas Eastern:								
28	FT-1: Nov - Mar	151	25,333	3,825,283	0.41294	\$131,634	1,579,614	85.24%	1,346,463
29	Dominion:								
30	FT-GSS: Nov - Mar	151	13,330	2,012,830	0.16285	\$27,317	327,798	85.24%	279,415
31	Columbia:								
32	Columbia Gulf: FTS: Year Round	365	32,801	11,972,365	0.22159	\$221,079	2,652,945	85.24%	2,261,370
33	Columbia Gulf: NTS: Year Round	365	10,000	3,650,000	0.26824	\$158,081	979,081	85.24%	834,569
34	Columbia Gulf: SST: Oct - Mar: 6 Months	182	88,368	15,718,975	0.21602	\$68,302	3,409,809	85.24%	2,905,521
35	Columbia Gulf: SST: Apr - Sep: 6 Months	183	43,184	7,902,672	0.21574	\$284,151	1,704,904	85.24%	1,453,280
36	Hardy/Columbia:								
37	Hardy/Columbia TPS: Year Round	365	68,835	25,124,775	0.22159	\$463,948	5,567,375	85.24%	4,745,630
38	Cardinal:								
39	FT Zone 1A to Zone 1A: Year Round	365	62,100	22,686,500	0.02551	\$8,185	578,222	100.00%	578,222
40	FT Zone 1A to Zone 2: Year Round	365	41,400	15,111,000	0.08104	\$102,050	1,224,595	100.00%	1,224,595
41	FT Zone 1A to Zone 2: Year Round - Cardinal Expansion	365	149,000	54,385,000	0.08104	\$367,280	4,407,360	100.00%	4,407,360
42	East Tennessee:								
43	FT-A: Year Round	365	45,000	16,425,000	0.22488	\$307,800	3,693,600	85.24%	3,148,425
44	Midwestern:								
45	Midwestern FT-A: Year Round	365	20,000	7,300,000	0.06000	\$36,500	438,000	85.24%	373,351
46	Midwestern FT-B: Year Round	365	20,000	7,300,000	0.08650	\$26,621	631,450	85.24%	538,248
47	Subtotal - Demand Cost					12,553,952	145,632,708		124,969,701
48	Storage Charges:								
49	Pine Needle:								
50	Pine Needle LNG-1 Capacity	365	263,400	96,141,000	0.09208	\$737,562	8,850,740	85.24%	7,544,371
51	Transco:								
52	General Storage Service (GSS) Demand	365	77,475	28,278,375	0.12969	\$305,619	3,667,422	85.24%	3,126,111
53	General Storage Service (GSS) Capacity	365	4,283,463	1,567,113,995	0.00077	\$100,556	1,206,678	85.24%	1,028,572
54	Washington Storage Service (WSS) Demand	365	96,069	35,065,185	0.03299	\$98,400	1,156,800	85.24%	986,057
55	Washington Storage Service (WSS) Capacity	365	9,126,563	3,331,195,495	0.00035	\$97,160	1,165,918	85.24%	993,828
56	Liquidified Natural Gas (LNG) Demand	365	8,643	3,154,695	0.05295	\$13,920	167,041	85.24%	142,386
57	Liquidified Natural Gas (LNG) Capacity	365	44,754	16,335,210	0.01020	\$13,885	166,619	85.24%	142,028
58	Eminence Storage Service (ESS) Demand	365	150,430	54,906,950	0.02979	\$136,307	1,635,678	85.24%	1,394,252
59	Eminence Storage Service (ESS) Capacity	365	1,261,622	460,492,030	0.00412	\$158,102	1,897,227	85.24%	1,617,166
60	Columbia:								
61	Columbia Gas FSS Demand	365	86,368	31,524,320	0.04935	\$129,638	1,555,660	85.24%	1,328,045
62	Columbia Gas FSS Capacity	365	5,137,358	1,875,135,670	0.00095	\$147,956	1,775,471	85.24%	1,513,411
63	Hardy/Columbia:								
64	Hardy HSS Demand	365	70,600	25,769,000	0.16632	\$357,165	4,285,985	85.24%	3,653,374
65	Hardy HSS Capacity	365	4,950,965	1,807,102,225	0.00237	\$356,618	4,279,416	85.24%	3,647,774
66	Dominion:								
67	Dominion GSS NE Storage Demand	365	13,330	4,865,450	0.06019	\$24,406	292,871	85.24%	249,643
68	Dominion GSS NE Storage Capacity	365	799,800	291,927,000	0.00097	\$23,514	282,169	85.24%	240,521
69	Piedmont LNG Capitalization						948,370	85.24%	808,391
70	Subtotal - Storage Cost					2,658,808	33,334,067		28,413,958
71	Secondary Market Credits						(34,122,022)	100.00%	(34,122,022)
72	Total Fixed Gas Costs					15,252,760	144,744,753		119,260,638
73	III. Total Gas Cost					\$27,806,712	\$360,137,585		\$334,653,470

^{1/} Excludes Outdoor Gas Light Service.

Stipulation / A
EXHIBIT J

**Impact of Stipulated Rate Increase
by Customer Class**

Piedmont Natural Gas Company, Inc.
Comparison of End of Period Revenues to Stipulated Proposed Revenues for Year One
Docket No. G-9 Sub 743

Customer Class	Tariff Rate Schedule	End of Period Revenues	Stipulated Proposed Revenues	Revenue Increase / (Decrease)	Percent Increase / (Decrease)
Residential	101	466,212,520	482,420,408	16,207,888	3.5%
Small General Service	102	223,164,255	235,367,856	12,203,601	5.5%
Medium General Service	152	33,885,791	35,129,674	1,243,883	3.7%
Natural Gas Vehicle Fuel	142	881,719	952,382	70,663	8.0%
Outdoor Gas Light Service	105	86,041	98,712	12,671	14.7%
Large General Sales Service	103	12,950,803	12,846,432	(104,371)	-0.8%
Large General Transportation Service	113	28,725,298	28,102,877	(622,422)	-2.2%
Interruptible Large General Sales Service	104	3,856,949	3,827,083	(29,866)	-0.8%
Interruptible Large General Transportation Service	114	23,141,431	22,224,513	(916,917)	-4.0%
Military Operations Transportation	T-10	2,270,289	2,263,875	(6,414)	-0.3%
Power Generation Special Contracts	n/a	83,780,874	83,780,874	-	0.0%
Other Special Contracts	n/a	18,600,949	18,600,949	-	0.0%
Total Revenues from Sales and Transportation of Gas		897,556,920	925,615,636	28,058,716	3.1%

Supulation

EXHIBIT K

1A

Rate Elements

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	Margin Revenues (4)	COG Demand Rates (5)	COG Demand Revenues (6)	COG Commodity Rates (7)	COG Commodity Revenues (8)	Tax Rider Rates (9)	Tax Rider Revenues (10)	Line 434 Rider Rates (11)	Line 434 Rider Revenues (12)
1	101 - Residential Service												
2	Bills - Winter		3,403,324	10.00	34,033,237								
3	Bills - Summer		4,709,351	10.00	47,093,510								
4	DTs - Winter	31,019,259		7.5076	232,880,189	1.3377	41,494,463	2.8023	86,025,269	(1.3306)	(41,274,226)	-	-
5	DTs - Summer	8,286,562		7.5076	62,212,189	0.8279	6,860,444	2.8023	23,221,431	(1.3306)	(11,026,059)	-	-
6	Integrity Management Rider Revenues				-								
7													
8													
9	Experimental Motor Vehicle Fuel												
10	143 / 101 - Residential Service												
11	Bills - Winter		-	10.00	-								
12	Bills - Summer		-	10.00	-								
13	DTs - Winter	-		7.5076	-	1.3377	-	2.8023	-	(1.3306)	-	-	-
14	DTs - Summer	-		7.5076	-	0.8279	-	2.8023	-	(1.3306)	-	-	-
15													
16													
17	RESIDENTIAL SERVICE												
18	Bills:		8,112,675										
19	Winter Dts	31,019,259											
20	Summer Dts	8,286,562											
21	Total Dts	39,305,821											
22													
23	Revenues				\$ 376,219,125		\$ 48,354,907		\$ 110,146,701		\$ (52,300,325)		
24													

Aug 26 2019

	(rates and volumes per dekatherm)											Line 434	Line 434
Line No.	Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	Margin Revenues (4)	COG Demand Rates (5)	COG Demand Revenues (6)	COG Commodity Rates (7)	COG Commodity Revenues (8)	Tax Rider Rates (9)	Tax Rider Revenues (10)	Rider Rates (11)	Rider Revenues (12)
96													
97	103 - Large General Sales Service												
98	Bills		819	350.00	288,487								
99	Demand	157,272		2.2000	345,899	12.7500	2,005,221	-	-				
100	Winter - First 1,500 DTs	485,578		0.8454	393,684	0.8968	417,620	2.8023	1,304,868	(0.0628)	(29,245)	-	-
101	Winter - Next 3,000 DTs	441,556		0.2177	98,127	0.8918	393,780	2.8023	1,237,372	(0.0628)	(27,730)	-	-
102	Winter - Next 9,000 DTs	180,240		0.2215	42,138	0.5468	104,023	2.8023	533,109	(0.0628)	(11,947)	-	-
103	Winter - Next 16,500 DTs	38,237		0.1762	6,737	0.4438	16,670	2.8023	107,153	(0.0628)	(2,401)	-	-
104	Winter - Next 30,000 DTs	-		0.1427	-	0.4368	-	2.8023	-	(0.0628)	-	-	-
105	Winter - Over 60,000 DTs	-		0.0977	-	0.0668	-	2.8023	-	(0.0628)	-	-	-
106	Total Winter DTs	1,135,711			538,688		932,392		3,182,802		(71,323)		-
107													
108	Summer - First 1,500 DTs	610,320		0.2860	174,551	0.8356	509,983	2.8023	1,710,298	(0.0628)	(38,328)	-	-
109	Summer - Next 3,000 DTs	393,345		0.2068	82,524	0.5856	230,343	2.8023	1,102,271	(0.0628)	(24,702)	-	-
110	Summer - Next 9,000 DTs	121,186		0.1608	23,122	0.3608	43,700	2.8023	339,600	(0.0628)	(7,610)	-	-
111	Summer - Next 16,500 DTs	82,881		0.1718	14,239	0.2656	22,013	2.8023	232,256	(0.0628)	(5,205)	-	-
112	Summer - Next 30,000 DTs	-		0.1337	-	0.1356	-	2.8023	-	(0.0628)	-	-	-
113	Summer - Over 60,000 DTs	-		0.0958	-	0.0006	-	2.8023	-	(0.0628)	-	-	-
114	Total Summer DTs	1,207,731			294,436		806,039		3,384,426		(75,846)		-
115													
116	Integrity Management Rider Revenues												
117	Minimum Margin Agreement Revenues				48,806								
118													
119													
120	Experimental Motor Vehicle Fuel												
121	143 / 103 - Large General Sales Service												
122	Bills		62	350.00	21,572								
123	Demand	10,090		2.2000	22,189	12.7500	128,651	-	-				
124	Winter - First 1,500 DTs	34,505		0.8454	29,170	0.8968	30,944	2.8023	96,682	(0.0628)	(2,167)	-	-
125	Winter - Next 3,000 DTs	38,720		0.2177	8,429	0.8918	34,531	2.8023	108,506	(0.0628)	(2,432)	-	-
126	Winter - Next 9,000 DTs	6,898		0.2215	1,550	0.5468	3,827	2.8023	19,812	(0.0628)	(438)	-	-
127	Winter - Next 16,500 DTs	-		0.1762	-	0.4438	-	2.8023	-	(0.0628)	-	-	-
128	Winter - Next 30,000 DTs	-		0.1427	-	0.4368	-	2.8023	-	(0.0628)	-	-	-
129	Winter - Over 60,000 DTs	-		0.0977	-	0.0668	-	2.8023	-	(0.0628)	-	-	-
130	Total Winter DTs	80,223			39,150		69,301		224,810		(5,038)		-
131													
132	Summer - First 1,500 DTs	53,567		0.2860	15,320	0.8356	44,761	2.8023	150,111	(0.0628)	(3,364)	-	-
133	Summer - Next 3,000 DTs	70,140		0.2068	14,715	0.5856	41,074	2.8023	186,553	(0.0628)	(4,405)	-	-
134	Summer - Next 9,000 DTs	20,838		0.1608	3,976	0.3608	7,514	2.8023	59,394	(0.0628)	(1,309)	-	-
135	Summer - Next 16,500 DTs	-		0.1718	-	0.2656	-	2.8023	-	(0.0628)	-	-	-
136	Summer - Next 30,000 DTs	-		0.1337	-	0.1356	-	2.8023	-	(0.0628)	-	-	-
137	Summer - Over 60,000 DTs	-		0.0958	-	0.0006	-	2.8023	-	(0.0628)	-	-	-
138	Total Summer DTs	144,545			34,011		83,349		405,058		(9,077)		-
139													
140	Integrity Management Rider Revenues				-								
141	Minimum Margin Agreement Revenues				-								
142	Compression Charge Revenues				144,522								
143													
144													
145	104 - Interruptible Sales Service												
146	Bills		182	350.00	67,216								
147	Winter - First 1,500 DTs	113,488		0.9170	104,068	1.1018	125,041	2.8023	318,027	(0.0623)	(7,070)	-	-
148	Winter - Next 3,000 DTs	168,727		0.3808	64,217	1.4218	239,886	2.8023	472,823	(0.0623)	(10,512)	-	-
149	Winter - Next 9,000 DTs	137,274		0.3808	52,247	1.0769	147,817	2.8023	384,684	(0.0623)	(8,552)	-	-
150	Winter - Next 16,500 DTs	6,724		0.3484	2,329	0.8338	5,607	2.8023	18,843	(0.0623)	(416)	-	-
151	Winter - Next 30,000 DTs	-		0.2608	-	0.6418	-	2.8023	-	(0.0623)	-	-	-
152	Winter - Over 60,000 DTs	-		0.1854	-	0.5384	-	2.8023	-	(0.0623)	-	-	-
153	Total Winter DTs	426,213			222,862		518,361		1,184,378		(29,553)		-
154													
155	Summer - First 1,500 DTs	151,215		0.7164	108,784	0.9748	147,420	2.8023	423,751	(0.0623)	(9,421)	-	-
156	Summer - Next 3,000 DTs	160,569		0.3755	60,294	0.8549	137,271	2.8023	449,664	(0.0623)	(10,003)	-	-
157	Summer - Next 9,000 DTs	134,731		0.3637	49,002	0.8049	108,445	2.8023	377,555	(0.0623)	(8,394)	-	-
158	Summer - Next 16,500 DTs	4,303		0.3335	1,435	0.6799	2,628	2.8023	12,060	(0.0623)	(268)	-	-
159	Summer - Next 30,000 DTs	-		0.2396	-	0.6549	-	2.8023	-	(0.0623)	-	-	-
160	Summer - Over 60,000 DTs	-		0.1458	-	0.5749	-	2.8023	-	(0.0623)	-	-	-
161	Total Summer DTs	450,819			219,515		396,061		1,263,330		(28,068)		-
162													
163	Integrity Management Rider Revenues				-								
164	Minimum Margin Agreement Revenues				-								
165													

Piedmont Natural Gas Company, Inc.
Stipulated Proposed Revenue by Rate Element
Docket No. G-8 Sub 743

Exhibit K
Page 4 of 7

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	Margin Revenues (4)	COG Demand Rates (5)	COG Demand Revenues (6)	COG Commodity Rates (7)	COG Commodity Revenues (8)	Tax Rider Rates (9)	Tax Rider Revenues (10)	Line 434 Rider Rates (11)	Line 434 Rider Revenues (12)
166	Experimental Motor Vehicle Fuel												
167	143 / 104 - Interruptible Sales Service												
168	Bills			350.00	-								
169													
170	Winter - First 1,500 DTs	-		0.8170	-	1.1018	-	2.8023	-	(0.0623)	-	-	-
171	Winter - Next 3,000 DTs	-		0.3806	-	1.4218	-	2.8023	-	(0.0623)	-	-	-
172	Winter - Next 9,000 DTs	-		0.3808	-	1.0768	-	2.8023	-	(0.0623)	-	-	-
173	Winter - Next 16,500 DTs	-		0.3464	-	0.8338	-	2.8023	-	(0.0623)	-	-	-
174	Winter - Next 30,000 DTs	-		0.2808	-	0.6418	-	2.8023	-	(0.0623)	-	-	-
175	Winter - Over 60,000 DTs	-		0.1654	-	0.5384	-	2.8023	-	(0.0623)	-	-	-
176	Total Winter DTs	-			-		-		-		-	-	-
177													
178	Summer - First 1,500 DTs	-		0.7184	-	0.8749	-	2.8023	-	(0.0623)	-	-	-
179	Summer - Next 3,000 DTs	-		0.3765	-	0.8549	-	2.8023	-	(0.0623)	-	-	-
180	Summer - Next 9,000 DTs	-		0.3837	-	0.8049	-	2.8023	-	(0.0623)	-	-	-
181	Summer - Next 16,500 DTs	-		0.3335	-	0.6709	-	2.8023	-	(0.0623)	-	-	-
182	Summer - Next 30,000 DTs	-		0.2385	-	0.6549	-	2.8023	-	(0.0623)	-	-	-
183	Summer - Over 60,000 DTs	-		0.1458	-	0.5749	-	2.8023	-	(0.0623)	-	-	-
184	Total Summer DTs	-			-		-		-		-	-	-
185													
186													
187	113 - Large General Transportation Service												
188	Bills		3,505	350.00	1,226,818		-		-				
189	Demand	1,612,554		2.2000	3,547,619	0.7500	1,209,416	-	-				
190	Standby DTs												
191	Winter - First 1,500 DTs	1,951,291		0.8454	1,649,621	0.8988	1,749,918	0.0523	102,053	(0.0628)	(122,541)	-	-
192	Winter - Next 3,000 DTs	2,757,282		0.2177	600,260	0.8918	2,459,944	0.0523	144,206	(0.0628)	(173,157)	-	-
193	Winter - Next 9,000 DTs	2,825,585		0.2215	625,867	0.5468	1,545,030	0.0523	147,778	(0.0628)	(177,447)	-	-
194	Winter - Next 16,500 DTs	1,876,897		0.1762	330,727	0.4438	833,011	0.0523	98,167	(0.0628)	(117,675)	-	-
195	Winter - Next 30,000 DTs	1,651,519		0.1427	235,672	0.4388	721,384	0.0523	88,374	(0.0628)	(103,715)	-	-
196	Winter - Over 60,000 DTs	2,700,814		0.0977	263,870	0.0988	261,439	0.0523	141,253	(0.0628)	(169,611)	-	-
197	Total Winter DTs	13,763,458			3,768,017		7,569,725		719,839		(684,347)	-	-
198													
199	Summer - First 1,500 DTs	2,633,130		0.2880	753,075	0.8356	2,200,244	0.0523	137,713	(0.0628)	(165,361)	-	-
200	Summer - Next 3,000 DTs	3,245,887		0.2088	681,008	0.5856	1,900,850	0.0523	169,765	(0.0628)	(203,848)	-	-
201	Summer - Next 9,000 DTs	3,288,811		0.1808	627,505	0.3606	1,185,845	0.0523	172,005	(0.0628)	(208,537)	-	-
202	Summer - Next 16,500 DTs	2,291,396		0.1718	393,662	0.2656	608,595	0.0523	119,840	(0.0628)	(143,900)	-	-
203	Summer - Next 30,000 DTs	2,067,254		0.1337	276,392	0.1356	290,320	0.0523	108,117	(0.0628)	(129,824)	-	-
204	Summer - Over 60,000 DTs	3,102,803		0.0958	298,638	0.0006	1,862	0.0523	162,262	(0.0628)	(194,852)	-	-
205	Total Summer DTs	16,629,481			3,028,280		6,177,815		869,722		(1,044,331)	-	-
206													
207	Integrity Management Rider Revenues												
208	Minimum Margin Agreement Revenues				243,364								
209													
210													
211	Experimental Motor Vehicle Fuel												
212	143 / 113 - Large General Transportation Service												
213	Bills		107	350.00	37,516								
214	Demand	38,533		2.2000	84,773	0.7500	28,900	-	-				
215													
216	Winter - First 1,500 DTs	63,030		0.8454	53,286	0.8988	56,525	0.0523	3,296	(0.0628)	(3,858)	-	-
217	Winter - Next 3,000 DTs	79,275		0.2177	17,258	0.8918	70,898	0.0523	4,146	(0.0628)	(4,978)	-	-
218	Winter - Next 9,000 DTs	65,753		0.2215	14,564	0.5468	35,954	0.0523	3,439	(0.0628)	(4,129)	-	-
219	Winter - Next 16,500 DTs	102,826		0.1762	18,118	0.4438	45,634	0.0523	5,378	(0.0628)	(6,457)	-	-
220	Winter - Next 30,000 DTs	30,729		0.1427	4,385	0.4388	13,422	0.0523	1,607	(0.0628)	(1,830)	-	-
221	Winter - Over 60,000 DTs	-		0.0977	-	0.0988	-	0.0523	-	(0.0628)	-	-	-
222	Total Winter DTs	341,614			107,611		222,234		17,868		(21,453)	-	-
223													
224	Summer - First 1,500 DTs	94,477		0.2880	27,020	0.8356	78,945	0.0523	4,841	(0.0628)	(5,833)	-	-
225	Summer - Next 3,000 DTs	116,501		0.2088	24,442	0.5856	68,223	0.0523	8,093	(0.0628)	(7,316)	-	-
226	Summer - Next 9,000 DTs	89,929		0.1808	17,159	0.3606	32,428	0.0523	4,703	(0.0628)	(5,648)	-	-
227	Summer - Next 16,500 DTs	143,957		0.1718	24,732	0.2656	38,235	0.0523	7,529	(0.0628)	(9,040)	-	-
228	Summer - Next 30,000 DTs	30,773		0.1337	4,114	0.1356	4,173	0.0523	1,609	(0.0628)	(1,833)	-	-
229	Summer - Over 60,000 DTs	-		0.0958	-	0.0006	-	0.0523	-	(0.0628)	-	-	-
230	Total Summer DTs	475,636			97,467		222,004		24,876		(29,870)	-	-
231													
232	Integrity Management Rider Revenues												
233	Minimum Margin Agreement Revenues				-								
234	Compression Charge Revenues				921,025								
235													

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Line No.	Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	Margin Revenues (4)	Demand Rates (5)	Demand Revenues (6)	Commodity Rates (7)	Commodity Revenues (8)	Tax Rider Rates (9)	Tax Rider Revenues (10)	Rider Rates (11)	Rider Revenues (12)
236	114 - Interruptible Transportation Service												
237	Bills		2,927	350.00	1,024,464								
238	Winter - First 1,500 DTs	1,587,889		0.9170	1,456,185	0.9262	1,475,559	0.0523	83,052	(0.0623)	(98,932)	-	-
239	Winter - Next 3,000 DTs	2,411,477		0.3806	917,808	0.8784	2,118,242	0.0523	125,120	(0.0623)	(150,235)	-	-
240	Winter - Next 9,000 DTs	3,090,338		0.3806	1,178,183	0.5737	1,772,927	0.0523	161,625	(0.0623)	(192,528)	-	-
241	Winter - Next 16,500 DTs	2,213,628		0.3464	766,801	0.2690	595,468	0.0523	115,773	(0.0623)	(137,909)	-	-
242	Winter - Next 30,000 DTs	1,984,247		0.2808	557,177	0.1675	332,361	0.0523	103,778	(0.0623)	(123,619)	-	-
243	Winter - Over 60,000 DTs	1,672,576		0.1654	276,844	0.0659	110,223	0.0523	87,475	(0.0623)	(104,201)	-	-
244	Total Winter DTs	12,960,254			5,150,798		6,404,778		577,821		(607,424)	-	-
245	Summer - First 1,500 DTs	2,289,575		0.7184	1,647,121	0.4367	989,858	0.0523	118,745	(0.0623)	(142,641)	-	-
246	Summer - Next 3,000 DTs	3,345,868		0.3755	1,258,373	0.3047	1,018,485	0.0523	174,888	(0.0623)	(208,447)	-	-
247	Summer - Next 9,000 DTs	3,941,221		0.3637	1,433,422	0.2031	800,482	0.0523	208,126	(0.0623)	(245,538)	-	-
248	Summer - Next 16,500 DTs	2,581,131		0.3335	860,808	0.1016	262,243	0.0523	134,993	(0.0623)	(160,805)	-	-
249	Summer - Next 30,000 DTs	2,323,753		0.2396	558,771	0.0508	118,047	0.0523	121,532	(0.0623)	(144,770)	-	-
250	Summer - Over 60,000 DTs	1,604,926		0.1456	233,677	-	-	0.0523	83,938	(0.0623)	(99,987)	-	-
251	Total Summer DTs	18,086,472			5,988,171		3,200,094		841,322		(1,002,187)	-	-
252	Integrity Management Rider Revenues												
253	Minimum Margin Agreement Revenues				746,678		-						
254													
255	Experimental Motor Vehicle Fuel												
256	143 / 114 - Interruptible Transportation Service												
257	Bills		-	350.00	-								
258	Winter - First 1,500 DTs	-		0.9170	-	0.9262	-	0.0523	-	(0.0623)	-	-	-
259	Winter - Next 3,000 DTs	-		0.3806	-	0.8784	-	0.0523	-	(0.0623)	-	-	-
260	Winter - Next 9,000 DTs	-		0.3806	-	0.5737	-	0.0523	-	(0.0623)	-	-	-
261	Winter - Next 16,500 DTs	-		0.3464	-	0.2690	-	0.0523	-	(0.0623)	-	-	-
262	Winter - Next 30,000 DTs	-		0.2808	-	0.1675	-	0.0523	-	(0.0623)	-	-	-
263	Winter - Over 60,000 DTs	-		0.1654	-	0.0659	-	0.0523	-	(0.0623)	-	-	-
264	Total Winter DTs	-			-	-	-	-	-	-	-	-	-
265	Summer - First 1,500 DTs	-		0.7184	-	0.4367	-	0.0523	-	(0.0623)	-	-	-
266	Summer - Next 3,000 DTs	-		0.3755	-	0.3047	-	0.0523	-	(0.0623)	-	-	-
267	Summer - Next 9,000 DTs	-		0.3637	-	0.2031	-	0.0523	-	(0.0623)	-	-	-
268	Summer - Next 16,500 DTs	-		0.3335	-	0.1016	-	0.0523	-	(0.0623)	-	-	-
269	Summer - Next 30,000 DTs	-		0.2396	-	0.0508	-	0.0523	-	(0.0623)	-	-	-
270	Summer - Over 60,000 DTs	-		0.1456	-	-	-	0.0523	-	(0.0623)	-	-	-
271	Total Summer DTs	-			-	-	-	-	-	-	-	-	-
272													
273													
274													
275													
276													
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278													
279	LARGE GENERAL SERVICE		7,612										
280	Bills												
281	Demand Dts.	1,818,450											
282	Winter Dts.	28,707,503											
283	Summer Dts.	34,994,805											
284	Total Dts.	63,702,188											
285													
286	Revenues.												
287													
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Piedmont Natural Gas Company, Inc.
Stipulated Proposed Revenue by Rate Element
Docket No. G-8 Sub 743

Exhibit K
Page 6 of 7

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	Margin Revenues (4)	COG Demand Rates (5)	COG Demand Revenues (6)	COG Commodity Rates (7)	COG Commodity Revenues (8)	Tax Rider Rates (9)	Tax Rider Revenues (10)	Line 434 Rider Rates (11)	Line 434 Rider Revenues (12)
288													
289	105 - Outdoor Gas Light Service												
290	Bills		701										
291	Fixtures		5,215	18.83	98,712								
292	DTs - Winter	3,478											
293	DTs - Summer	4,864											
294													
295													
296	T-10 (675) - Military Operations Transportation												
297	Bills		12										
298	Demand	84,000		-	-	10.0000	840,000						
299	DTs - Winter	856,870		1.1484	984,029	0.2516	215,588	0.0523	44,814	(0.0628)	(53,811)	-	-
300	DTs - Summer	486,453		0.2384	115,970	0.2516	122,392	0.0523	25,441	(0.0628)	(30,549)	-	-
301	Integrity Management Rider Revenues												
302													
303	12 (667) Military Installations in Onslow County - Sales												
304	Bills		-										
305	DTs - Winter	-		2.8887	-	-	-	2.8023	-				
306	DTs - Summer	-		2.3298	-	-	-	2.8023	-				
307													
308													
309	T-12 (676) Military Installation in Onslow County - Transportation												
310	Bills		-										
311	DTs - Winter	-		2.8887	-	-	-	0.0523	-				
312	DTs - Summer	-		2.3298	-	-	-	0.0523	-				
313													
314													
315	Power Generation Contracts												
316	Bills		161										
317	DTs - Winter	128,148,328			32,014,040		2,252,241		728,183				
318	DTs - Summer	205,788,160			44,988,679		3,178,413		813,319				
319													
320													
321	Municipals Contracts												
322	Bills		37										
323	DTs - Winter	4,656,388			2,940,235		1,170,000		84,846				
324	DTs - Summer	2,685,539			3,701,768		1,638,000		-				
325													
326													
327	Special Contracts Military												
328	Bills		24										
329	DTs - Winter	477,690			2,050,125		328,497		719,880				
330	DTs - Summer	402,520			2,783,175		159,276		357,982				
331													
332													
333	Special Contracts												
334	Bills		161										
335	DTs - Winter	2,086,166			1,016,331		182,734		18,716				
336	DTs - Summer	2,655,109			1,285,940		124,830		18,517				
337													
338													
339	SPECIAL TARIFFS & CONTRACTS												
340	Bills		1,095										
341	Demand Dts	84,000											
342	Winter Dts	138,208,919											
343	Summer Dts	212,032,645											
344	Total Dts	348,241,564											
345													
346	Revenues				\$ 91,997,005		\$ 10,222,069		\$ 2,609,697		\$ (84,361)		
347													

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Aug 26 2019

Line No.	(rates and volumes per dekatherm)											Line 434 Rider Rates (11)	Line 434 Rider Revenues (12)	
	Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	Margin Revenues (4)	COG Demand Rates (5)	COG Demand Revenues (6)	COG Commodity Rates (7)	COG Commodity Revenues (8)	Tax Rider Rates (9)	Tax Rider Revenues (10)			
348														
349	<u>GRAND TOTAL - ALL TARIFFS & CONTRACTS</u>													
350	Bills		8,981,442											
351	Demand Dts.	1,902,460												
352	Winter Dts	216,760,747												
353	Summer Dts	266,544,776												
354	Total Dts	483,305,524												
355														
356	Revenues				\$ 671,681,859		\$ 119,276,895		\$ 215,392,832		\$ (80,735,950)		-	
357														
358														
359	<u>SALES AND TRANSPORTATION</u>													
360	Total Sales	74,815,358			\$ 653,872,987		\$ 64,019,861		\$ 208,631,697		\$ (76,881,976)		-	
361	Total Transportation	61,600,268			27,010,599		26,212,946		3,221,694		(3,853,973)		-	
362	Total Special Contracts Including Power Generation	346,889,897			90,798,293		9,044,089		2,539,441				-	
363	Total Annual	483,305,524			\$ 671,681,859		\$ 119,276,895		\$ 215,392,832		\$ (80,735,950)		-	

Stipulation
EXHIBIT L

/A

Stipulated Proposed Tax Rider Elements

[illegible]

Line No.	Notes and volumes per deket(therm)	Volumes (1)	Number of Bills (2)	Tax Rider 1 Year Amort Rates (3)	Tax Rider 1 Year Amort Revenues (4)	Tax Rider 3 Year Amort Rates (5)	Tax Rider 3 Year Amort Revenues (6)	Tax Rider 5 Year Amort Rates (7)	Tax Rider 5 Year Amort Revenues (8)
25	102- Small General Service		854,478						
26	Bills								
27	DTs - Winter	18,129,088		(0.3455)	(6,263,592)	(0.1952)	(3,538,784)	(0.2184)	(3,877,517)
28	DTs - Summer	8,922,803		(0.3455)	(3,082,828)	(0.1952)	(1,741,731)	(0.2184)	(1,857,663)
29	Integrity Management Rider Revenues								
30	Minimum Margin Agreement Revenues								
31									
32									
33	Experimental Motor Vehicle Fuel								
34	Bills		88						
35	143 / 102- Small General Service								
36	Winter Dis	4,828		(0.3455)	(1,688)	(0.1952)	(843)	(0.2184)	(1,059)
37	Summer Dis	7,850		(0.3455)	(2,643)	(0.1952)	(1,483)	(0.2184)	(1,676)
38									
39									
40									
41	152- Medium General Service		5,485						
42	Bills								
43	Winter - First 500 DTs	1,014,259		(0.3455)	(350,423)	(0.1952)	(187,982)	(0.2184)	(222,526)
44	Winter - Over 500 DTs	1,645,419		(0.3455)	(568,839)	(0.1952)	(321,381)	(0.2184)	(361,224)
45	Total Winter DTs	2,660,669			(919,261)		(519,363)		(583,751)
46									
47	Summer - First 500 DTs	1,176,309		(0.3455)	(407,451)	(0.1952)	(230,201)	(0.2184)	(258,740)
48	Summer - Over 500 DTs	1,073,808		(0.3455)	(371,001)	(0.1952)	(209,609)	(0.2184)	(235,594)
49	Total Summer DTs	2,250,117			(778,452)		(439,809)		(494,334)
50									
51	Integrity Management Rider Revenues								
52	Minimum Margin Agreement Revenues								
53									
54									
55	Experimental Motor Vehicle Fuel								
56	Bills								
57	143 / 152- Medium General Service								
58	Winter - First 500 DTs	-		(0.3455)	-	(0.1952)	-	(0.2184)	-
59	Winter - Over 500 DTs	-		(0.3455)	-	(0.1952)	-	(0.2184)	-
60	Total Winter DTs	-			-		-		-
61									
62	Summer - First 500 DTs	-		(0.3455)	-	(0.1952)	-	(0.2184)	-
63	Summer - Over 500 DTs	-		(0.3455)	-	(0.1952)	-	(0.2184)	-
64	Total Summer DTs	-			-		-		-
65									
66	Experimental Motor Vehicle Fuel								
67	Bills								
68	144- Medium General Transportation Service								
69	Winter - First 500 DTs	-		(0.3455)	-	(0.1952)	-	(0.2184)	-
70	Winter - Over 500 DTs	-		(0.3455)	-	(0.1952)	-	(0.2184)	-
71	Total Winter DTs	-			-		-		-
72									
73	Summer - First 500 DTs	-		(0.3455)	-	(0.1952)	-	(0.2184)	-
74	Summer - Over 500 DTs	-		(0.3455)	-	(0.1952)	-	(0.2184)	-
75	Total Summer DTs	-			-		-		-
76									
77	Experimental Motor Vehicle Fuel								
78	Bills								
79	142 - Natural Gas Vehicle Fuel - Company Stations								
80	DTs - Winter	30,503		(0.3455)	(10,539)	(0.1952)	(5,854)	(0.2184)	(8,692)
81	DTs - Summer	47,315		(0.3455)	(16,347)	(0.1952)	(8,236)	(0.2184)	(10,381)
82	Compression Charge Revenues								
83	Integrity Management Rider Revenues								
84									
85									
86									
87									
88	142 - Natural Gas Vehicle Fuel - Company Stations								
89	DTs - Winter	20,845,097	860,089						
90	DTs - Summer	-11,230,888							
91	Compression Charge Revenues	32,055,981							
92	Integrity Management Rider Revenues								
93									
94									
95									

(rates and volumes per dekatherm)									
Line No.	Rate Schedule	Volumes (1)	Number of Bills (2)	Tax Rider 1 Year Amort Rates (3)	Tax Rider 1 Year Amort Revenues (4)	Tax Rider 3 Year Amort Rates (5)	Tax Rider 3 Year Amort Revenues (6)	Tax Rider 5 Year Amort Rates (7)	Tax Rider 5 Year Amort Revenues (8)
103	Large General Sales Service								
104	Bills		819						
105	Demand	157,272							
106	Winter - First 1,500 DTs	465,678		(0.0286)	(13,318)	(0.0161)	(7,497)	(0.0181)	(8,429)
107	Winter - Next 3,000 DTs	441,556		(0.0286)	(12,629)	(0.0161)	(7,109)	(0.0181)	(7,992)
108	Winter - Next 8,000 DTs	190,240		(0.0286)	(5,441)	(0.0161)	(3,063)	(0.0181)	(3,443)
109	Winter - Next 16,500 DTs	38,237		(0.0286)	(1,094)	(0.0161)	(816)	(0.0181)	(692)
110	Winter - Next 30,000 DTs	-		(0.0286)	-	(0.0161)	-	(0.0181)	-
111	Winter - Over 60,000 DTs	-		(0.0286)	-	(0.0161)	-	(0.0181)	-
112	Total Winter DTs	1,135,711			(32,481)		(18,285)		(20,556)
113	Summer - First 1,500 DTs	819,320		(0.0286)	(17,455)	(0.0161)	(9,826)	(0.0181)	(11,047)
114	Summer - Next 3,000 DTs	393,345		(0.0286)	(11,250)	(0.0161)	(6,333)	(0.0181)	(7,120)
115	Summer - Next 8,000 DTs	121,180		(0.0286)	(3,465)	(0.0161)	(1,951)	(0.0181)	(2,193)
116	Summer - Next 16,500 DTs	82,881		(0.0286)	(2,370)	(0.0161)	(1,334)	(0.0181)	(1,500)
117	Summer - Next 30,000 DTs	-		(0.0286)	-	(0.0161)	-	(0.0181)	-
118	Summer - Over 60,000 DTs	-		(0.0286)	-	-	-	(0.0181)	-
119	Total Summer DTs	1,207,731			(34,541)		(19,444)		(21,860)
120	Integrity Management Rider Revenues								
121	Minimum Margin Agreement Revenues								
122	Experimental Motor Vehicle Fuel								
143	103 - Large General Sales Service		62						
144	Bills								
145	Demand	10,000							
146	Winter - First 1,500 DTs	34,505		(0.0286)	(987)	(0.0161)	(556)	(0.0181)	(625)
147	Winter - Next 3,000 DTs	38,720		(0.0286)	(1,107)	(0.0161)	(623)	(0.0181)	(701)
148	Winter - Next 8,000 DTs	6,988		(0.0286)	(200)	(0.0161)	(113)	(0.0181)	(127)
149	Winter - Next 16,500 DTs	-		(0.0286)	-	(0.0161)	-	(0.0181)	-
150	Winter - Next 30,000 DTs	-		(0.0286)	-	(0.0161)	-	(0.0181)	-
151	Winter - Over 60,000 DTs	-		(0.0286)	-	(0.0161)	-	(0.0181)	-
152	Total Winter DTs	80,223			(2,294)		(1,292)		(1,452)
153	Summer - First 1,500 DTs	53,587		(0.0286)	(1,532)	(0.0161)	(862)	(0.0181)	(970)
154	Summer - Next 3,000 DTs	70,140		(0.0286)	(2,005)	(0.0161)	(1,129)	(0.0181)	(1,270)
155	Summer - Next 8,000 DTs	20,838		(0.0286)	(598)	(0.0161)	(335)	(0.0181)	(377)
156	Summer - Next 16,500 DTs	-		(0.0286)	-	(0.0161)	-	(0.0181)	-
157	Summer - Next 30,000 DTs	-		(0.0286)	-	(0.0161)	-	(0.0181)	-
158	Summer - Over 60,000 DTs	-		(0.0286)	-	-	-	(0.0181)	-
159	Total Summer DTs	144,545			(4,134)		(2,327)		(2,616)
160	Integrity Management Rider Revenues								
161	Minimum Margin Agreement Revenues								
162	Compression Charge Revenues								
104	Interruptible Sales Service		192						
105	Bills								
106	Winter - First 1,500 DTs	113,488		(0.0283)	(3,212)	(0.0160)	(1,816)	(0.0180)	(2,043)
107	Winter - Next 3,000 DTs	168,727		(0.0283)	(4,775)	(0.0160)	(2,700)	(0.0180)	(3,037)
108	Winter - Next 8,000 DTs	137,274		(0.0283)	(3,885)	(0.0160)	(2,186)	(0.0180)	(2,471)
109	Winter - Next 16,500 DTs	6,724		(0.0283)	(190)	(0.0160)	(108)	(0.0180)	(121)
110	Winter - Next 30,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
111	Winter - Over 60,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
112	Total Winter DTs	428,213			(12,062)		(6,818)		(7,672)
113	Summer - First 1,500 DTs	151,215		(0.0283)	(4,279)	(0.0160)	(2,419)	(0.0180)	(2,722)
114	Summer - Next 3,000 DTs	160,569		(0.0283)	(4,544)	(0.0160)	(2,569)	(0.0180)	(2,860)
115	Summer - Next 8,000 DTs	134,731		(0.0283)	(3,813)	(0.0160)	(2,156)	(0.0180)	(2,425)
116	Summer - Next 16,500 DTs	4,303		(0.0283)	(122)	(0.0160)	(69)	(0.0180)	(77)
117	Summer - Next 30,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
118	Summer - Over 60,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
119	Total Summer DTs	450,819			(12,758)		(7,213)		(8,115)
120	Integrity Management Rider Revenues								
121	Minimum Margin Agreement Revenues								

Line No.	(rates and volumes per dekatherm)	Volumes	Number of Bills	Tax Rider 1 Year Amort Rates	Tax Rider 1 Year Amort Revenues	Tax Rider 3 Year Amort Rates	Tax Rider 3 Year Amort Revenues	Tax Rider 5 Year Amort Rates	Tax Rider 5 Year Amort Revenues
	Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
167	Experimental Motor Vehicle Fuel								
168	143 / 104 - Interruptible Sales Service								
169	Bills								
170	Winter - First 1,500 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
171	Winter - Next 3,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
172	Winter - Next 9,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
173	Winter - Next 16,500 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
174	Winter - Next 30,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
175	Winter - Over 60,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
176	Total Winter DTs	-			-		-		-
177	Summer - First 1,500 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
179	Summer - Next 3,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
180	Summer - Next 9,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
181	Summer - Next 16,500 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
182	Summer - Next 30,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
183	Summer - Over 60,000 DTs	-		(0.0283)	-	(0.0160)	-	(0.0180)	-
184	Total Summer DTs	-			-		-		-
185									
186									
187	113 - Large General Transportation Service								
188	Bills		3,505						
189	Demand	1,512,554							
190	Standby DTs	-							
191	Winter - First 1,500 DTs	1,951,291		(0.0286)	(55,807)	(0.0161)	(31,418)	(0.0181)	(35,318)
192	Winter - Next 3,000 DTs	2,757,282		(0.0286)	(78,858)	(0.0161)	(44,392)	(0.0181)	(49,907)
193	Winter - Next 9,000 DTs	2,825,585		(0.0286)	(80,812)	(0.0161)	(45,492)	(0.0181)	(51,143)
194	Winter - Next 16,500 DTs	1,876,697		(0.0286)	(53,692)	(0.0161)	(33,220)	(0.0181)	(33,974)
195	Winter - Next 30,000 DTs	1,651,519		(0.0286)	(47,233)	(0.0161)	(26,589)	(0.0181)	(29,892)
196	Winter - Over 60,000 DTs	2,700,814		(0.0286)	(77,243)	(0.0161)	(43,483)	(0.0181)	(48,885)
197	Total Winter DTs	13,763,488			(393,836)		(221,592)		(249,116)
198	Summer - First 1,500 DTs	2,633,130		(0.0286)	(75,308)	(0.0161)	(42,393)	(0.0181)	(47,660)
200	Summer - Next 3,000 DTs	3,245,987		(0.0286)	(92,835)	(0.0161)	(52,260)	(0.0181)	(58,752)
201	Summer - Next 9,000 DTs	3,288,811		(0.0286)	(94,060)	(0.0161)	(52,950)	(0.0181)	(59,527)
202	Summer - Next 16,500 DTs	2,291,399		(0.0286)	(65,534)	(0.0161)	(36,891)	(0.0181)	(41,474)
203	Summer - Next 30,000 DTs	2,067,254		(0.0286)	(59,123)	(0.0161)	(33,283)	(0.0181)	(37,471)
204	Summer - Over 60,000 DTs	3,102,903		(0.0286)	(89,743)	(0.0161)	(49,957)	(0.0181)	(56,183)
205	Total Summer DTs	16,628,481			(475,603)		(287,735)		(300,684)
206									
207	Integrity Management Rider Revenues								
208	Minimum Margin Agreement Revenues								
209									
210									
211	Experimental Motor Vehicle Fuel								
212	143 / 113 - Large General Transportation Service								
213	Bills		107						
214	Demand	38,533							
215	Winter - First 1,500 DTs	63,030		(0.0286)	(1,803)	(0.0161)	(1,015)	(0.0181)	(1,141)
217	Winter - Next 3,000 DTs	79,275		(0.0286)	(2,267)	(0.0161)	(1,276)	(0.0181)	(1,435)
218	Winter - Next 9,000 DTs	65,753		(0.0286)	(1,881)	(0.0161)	(1,059)	(0.0181)	(1,160)
219	Winter - Next 16,500 DTs	102,826		(0.0286)	(2,941)	(0.0161)	(1,556)	(0.0181)	(1,881)
220	Winter - Next 30,000 DTs	30,729		(0.0286)	(879)	(0.0161)	(495)	(0.0181)	(556)
221	Winter - Over 60,000 DTs	-		(0.0286)	-	(0.0161)	-	(0.0181)	-
222	Total Winter DTs	341,614			(9,770)		(5,500)		(8,183)
223	Summer - First 1,500 DTs	84,477		(0.0286)	(2,702)	(0.0161)	(1,521)	(0.0181)	(1,710)
225	Summer - Next 3,000 DTs	116,501		(0.0286)	(3,332)	(0.0161)	(1,876)	(0.0181)	(2,109)
226	Summer - Next 9,000 DTs	89,829		(0.0286)	(2,572)	(0.0161)	(1,448)	(0.0181)	(1,628)
227	Summer - Next 16,500 DTs	143,857		(0.0286)	(4,117)	(0.0161)	(2,318)	(0.0181)	(2,606)
228	Summer - Next 30,000 DTs	30,773		(0.0286)	(880)	(0.0161)	(465)	(0.0181)	(557)
229	Summer - Over 60,000 DTs	-		(0.0286)	-	(0.0161)	-	(0.0181)	-
230	Total Summer DTs	475,638			(13,603)		(7,658)		(8,609)
231									
232	Integrity Management Rider Revenues								
233	Minimum Margin Agreement Revenues								
234	Compression Charge Revenues								
235									

278	<u>LARGE GENERAL SERVICE</u>			
280	Bills		7,612	
281	Demand Dts	1,616,460		
282	Winter Dts	28,707,503		
283	Summer Dts	34,994,685		
284	Total Dts	65,318,648		
285				
286	Revenues		\$ (1,612,905)	\$ (1,022,613)
287				\$ (1,150,017)

	(rates and volumes per dekatherm)		Tax Rider	Tax Rider	Tax Rider	Tax Rider	Tax Rider	Tax Rider	
Line No.	Rate Schedule	Volumes (1)	Number of Bills (2)	1 Year Amort Rates (3)	1 Year Amort Revenues (4)	3 Year Amort Rates (5)	3 Year Amort Revenues (6)	5 Year Amort Rates (7)	5 Year Amort Revenues (8)
289	105 - Outdoor Gas Light Service								
290	Bills		701						
291	Fbitures		5,215						
292	DTs - Winter	3,479							
293	DTs - Summer	4,864							
296	T-10 (675) - Military Operations Transportation								
297	Bills		12						
298	Demand	84,000							
299	DTs - Winter	856,870		(0.0286)	(24,506)	(0.0161)	(13,796)	(0.0181)	(15,509)
300	DTs - Summer	488,453		(0.0286)	(13,913)	(0.0161)	(7,832)	(0.0181)	(8,805)
301	Integrity Management Rider Revenues								
303	12 (667) Military Installations In Onslow County - Sales								
304	Bills		-						
305	DTs - Winter	-		-	-	-	-	-	-
306	DTs - Summer	-		-	-	-	-	-	-
309	T-12 (676) Military Installation in Onslow County - Transportation								
310	Bills		-						
311	DTs - Winter	-		-	-	-	-	-	-
312	DTs - Summer	-		-	-	-	-	-	-
315	Power Generation Contracts								
316	Bills		161						
317	DTs - Winter	128,149,328		-	-	-	-	-	-
318	DTs - Summer	205,798,160							
321	Municipals Contracts								
322	Bills		37						
323	DTs - Winter	4,656,388		-	-	-	-	-	-
324	DTs - Summer	2,685,539		-	-	-	-	-	-
327	Special Contracts Military								
328	Bills		24						
329	DTs - Winter	477,690		-	-	-	-	-	-
330	DTs - Summer	402,520		-	-	-	-	-	-
334	Special Contracts								
335	Bills		161						
336	DTs - Winter	2,065,168		-	-	-	-	-	-
337	DTs - Summer	2,655,109		-	-	-	-	-	-
339	SPECIAL-TARIFFS & CONTRACTS								
340	Bills		1,096						
341	Demand Dts	84,000							
342	Winter Dts	138,208,919							
343	Summer Dts	212,032,646							
344	Total Dts	348,241,564							
346	Revenues				\$ (39,419)		\$ (21,627)		\$ (24,314)

Line No.	(rates and volumes per dekatherm)	Volumes (1)	Number of Bills (2)	Tax Rider 1 Year Amort Rates (3)	Tax Rider 1 Year Amort Revenues (4)	Tax Rider 3 Year Amort Rates (5)	Tax Rider 3 Year Amort Revenues (6)	Tax Rider 5 Year Amort Rates (7)	Tax Rider 5 Year Amort Revenues (8)
348	Rate Schedule								
349	GRAND TOTAL - ALL TARIFFS & CONTRACTS								
350	Bills		8,581,442						
351	Demand Dts	1,902,450							
352	Winter Dts	216,760,747							
353	Summer Dts	266,544,776							
354	Total Dts	483,305,524							
355	Revenues				\$ (36,698,816)		\$ (20,732,361)		\$ (23,304,773)
356									
357									
358									
359	SALES AND TRANSPORTATION								
360	Total Sales	74,816,359			\$ (34,045,762)		\$ (19,743,501)		\$ (22,192,713)
361	Total Transportation	61,600,288			(1,753,054)		(988,860)		(1,112,060)
362	Total Special Contracts Including Power Generation	346,889,897							
363	Total Annual	483,305,524			\$ (36,698,816)		\$ (20,732,361)		\$ (23,304,773)

1A

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Docket No. G-9, Sub 743

In the Matter of

Application of Piedmont Natural Gas Company,)	
Inc. for an Adjustment of Rates, Charges, and)	
Tariffs Applicable to Service in North Carolina,)	PETITION
Continuation of its IMR Mechanism, Adoption)	
of an EDIT Rider, and Other Relief)	

Piedmont Natural Gas Company, Inc. ("Piedmont" or "the Company"), through counsel and pursuant to N.C. Gen. Stat. § 62-133 and Rule R1-17 of the Rules and Regulations of the North Carolina Utilities Commission ("Commission"), hereby respectfully requests that the Commission approve each of the following proposals described further herein and supported by the testimony of Company witnesses filed concurrent herewith: (i) a general increase in and revisions to the rates and charges for customers served by the Company; (ii) continuation of Piedmont's Integrity Management Rider ("IMR") mechanism contained in Appendix E to its approved service regulations; (iii) regulatory asset treatment for certain incremental Distribution Integrity Management Program ("DIMP") Operations and Maintenance ("O&M") expenses; (iv) adoption of revised and updated depreciation rates for the Company's North Carolina and joint property assets; (v) updates and revisions to Piedmont's rate schedules and service regulations; (vi) revised and updated amortizations and recovery of certain regulatory assets accrued since Piedmont's last general rate case proceeding; (vii) approval of expanded energy efficiency and conservation program spending; and (viii) adoption of an EDIT Rider mechanism to manage the flowback to customers of deferrals and excess deferred income taxes

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created by changes to state and federal income tax rates.

The relief requested herein, among other things, is designed to update the Company's rates, charges, and tariffs in conformance with the Company's additional investment of capital to expand its gas distribution system to better serve its customers and to comply with federal pipeline safety and integrity requirements and for changes to the Company's capital structure and operating expenses. The revised rates Piedmont proposes to implement in this proceeding are set forth on Appendix I to this Petition. In support of this Petition and all of the relief sought by Piedmont in this docket, the Company respectfully shows the following:

I.

Notices and Other Communications

The names and addresses of the persons to whom any notices or other communications with respect to this Petition are to be sent are as follows:

James H. Jeffries IV
McGuire Woods LLP
201 North Tryon Street, Suite 3000
Charlotte, NC 28202
Telephone: 704-343-2348
Email: jjeffries@mcguirewoods.com

and

Brian S. Heslin
Deputy General Counsel
Duke Energy Corporation
550 S. Tryon Street
Charlotte, NC 28202
Telephone: 980-373-0550
Email: brian.heslin@duke-energy.com

II.

Description of Applicants

Piedmont is a subsidiary of Duke Energy Corporation and is engaged in the business of transporting, distributing and selling natural gas in the states of North Carolina, South Carolina and Tennessee. Piedmont is a public utility under the laws of this State, and its public utility operations in North Carolina are subject to the jurisdiction of this Commission. The Commission has previously granted Piedmont Certificates of Public Convenience and Necessity authorizing it to acquire certain gas franchises and properties in the State of North Carolina. Piedmont provides natural gas service to approximately 752,000 customers in North Carolina.

III.

Additions to Natural Gas Facilities for Expansion and in Compliance with Federal Pipeline Safety and Integrity Requirements

In order to make natural gas service available to as many citizens within its certificated service area as feasible, since its last rate case, Piedmont has been adding customers and making capital investments in various system growth projects. In addition to capital investments prompted by system growth, Piedmont has also made substantial capital investments (and is continuing to make such investments) in projects designed to enable the Company to comply with federal pipeline safety and integrity management requirements. The capital investments in integrity management related projects have been included in the operation of Piedmont's IMR mechanism. While Piedmont has been allowed to begin recovering the costs and earning a return on much of its capital investment for integrity related projects under the IMR mechanism, neither its integrity-related capital investments nor its capital expended

for system growth infrastructure investments are currently reflected Piedmont's base rates. This rate case filing seeks to include all such capital invested since Piedmont's last general rate case filing into its base rates.

IV.

Reasons Supporting a General Rate Increase

As shown in Exhibit ___(PKP-7), filed concurrent with this Petition, the Company's *pro forma* overall rate of return as of December 31, 2018 is 4.96% and its *pro forma* return on common equity as of that time is only 5.36%. This *pro forma* level of return will not permit the Company to compete for debt and equity capital on reasonable terms, and, therefore, will not enable the Company to continue to invest in new plant, add new customers and provide adequate, safe, and reliable service to existing customers. If the Company is to maintain its facilities and services in accordance with the reasonable requirements of its customers and the requirements of the Pipeline and Hazardous Material Safety Administration ("PHMSA"), compete for capital on terms that are reasonable and fair to customers and to investors, and produce a fair return for stockholders, it must be granted general rate relief. These and other reasons supporting Piedmont's request for general rate relief are explained in the concurrently filed testimonies and exhibits of Piedmont witnesses Yoho, Gaglio, Sullivan, Barkley, Powers, Couzens, Hevert, Yardley, Normand, and Watson.

V.

Effective Date of General Rate Increase

The Company proposes to make the rates set forth in Appendix I hereto effective on and after May 1, 2019; however, the Company anticipates that the

Commission may suspend these rates and set this application for hearing. The Company respectfully requests that the Commission establish a procedural schedule that will permit the final rates in this case to become effective no later than November 1, 2019 consistent with the Commission's historical practices in processing and resolving general rate case filings made by Piedmont on the 1st of April.

VI.

Exhibits and Schedules

Pursuant to the provisions of Rule R1-17 of the Commission's Rules and Regulations, the Company is filing with this Petition: (1) a one page summary of all proposed increases and changes affecting customers, which schedule has been identified as Appendix I (Rule R1-17(b)(9)(f); (2) N.C.U.C. Form G-1 (Rule R1-17(b)(12)); and (3) the direct testimony and exhibits that will be relied upon by Petitioner at the hearing of this Docket (Rule R1-17(b)(13)). Information relative to Piedmont's filing and responsive to the requirements of Commission Rule R1-17(b)(1) to (10) is provided and/or discussed as follows:

- | | |
|------------------|--|
| Rule R1-17(b)(1) | Piedmont's present rates and charges now on file with and approved by the Commission are set forth in Appendix I. |
| Rule R1-17(b)(2) | Piedmont's proposed rates and charges proposed to be placed into effect on May 1, 2019 are set forth in Appendix I. |
| Rule R1-17(b)(3) | The original cost of all Piedmont property used or useful in providing service to the public to which the proposed rates relate as of December 31, 2018 as adjusted for projected closings through June 30, 2019 is set forth in Exhibit __ (PKP-1). |
| Rule R1-17(b)(5) | A statement of Accrued Depreciation on all |

- property to which the proposed rates relate as of December 31, 2018 and of the rates and methods used in computing the amount charged to depreciation are set forth on Exhibit__(PKP-3) and Exhibit__(PKP-6).
- Rule R1-17(b)(6) A statement of materials and supplies costs as of December 31, 2018 is contained on line 3 of Exhibit__(PKP-4).
- Rule R1-17(b)(7) A statement of Cash Working Capital required by Piedmont for the efficient, economic operation of its business as of December 31, 2018 is contained in Exhibit__(PKP-4).
- Rule R1-17(b)(8) &(9) A statement of gross revenues received, operating expenses and net operating income for return on investment for the twelve months ended December 31, 2018, as the same appear on Petitioner's books, together with (1) accounting and pro forma adjustments, (2) rates of return on original cost rate base and (3) return on common equity is set forth in Exhibit__(PKP-7).
- Rule R1-17(b)(10) A Balance Sheet as of December 31, 2018, and Income Statement for the twelve months ended December 31, 2018 is set forth in Exhibit__(PKP-8).

VII.

Continuation of Integrity Management Rider Mechanism

Consistent with the Commission's November 23, 2015 *Order Approving Stipulation* in Docket Nos. G-9, Sub 631 and G-9, Sub 642, Piedmont proposes to continue operation of its approved IMR mechanism set forth in Appendix E to its North Carolina Service Regulations for a further four (4) year period from the effective date of rates in this proceeding in order to facilitate Piedmont's continued compliance with transmission and distribution integrity regulations issued by federal

authorities. Piedmont believes that this mechanism has been highly effective in facilitating compliance with federal pipeline safety and integrity regulations and avoiding regular and recurring rate cases that would have otherwise occurred on a 12-18 month basis since its last general rate case filing. This proposal to continue the IMR mechanism is discussed in the testimony of Piedmont witnesses Victor Gaglio and Bruce Barkley.

VIII.

Implementation of Regulatory Asset Treatment for Distribution Integrity Management Program Operations and Maintenance Expenses Incurred on an Intra Rate Case Basis

Piedmont proposes to implement deferral accounting for DIMP related O&M expenses. These expenses are projected by Piedmont to be material to the Company in the next several years, not fully predictable, and not included in Piedmont's proposed rates in this filing. These expenses are similar in nature to Transmission Integrity Management Program ("TIMP") O&M expenses that are currently receiving regulatory asset treatment pursuant to the Commission's Order in Docket No. G-9, Sub 495. They are also consistent with the types of costs approved for regulatory asset treatment for Public Service Company of North Carolina, Inc. by Commission Order in Docket No. G-5, Sub 565. Piedmont's request for regulatory asset treatment for its DIMP O&M costs is set forth in the testimony of Piedmont witnesses Victor Gaglio and Bruce Barkley.

IX.

Implementation of New Depreciation Rates

Piedmont seeks to implement new depreciation rates to amortize the costs of

assets, net of salvage value, over the estimated useful life of the assets based on a new depreciation study submitted herewith and attached to the testimony of Piedmont witness Dane Watson. In tandem with the implementation of new depreciation rates, Piedmont seeks approval to reallocate book reserves as recommended by Piedmont witness Watson. Implementation of these recommendations from the new depreciation study will permit Piedmont to more properly align the Company's recovery of its invested capital with the useful life of its underlying physical plant.

X.

Changes in Rate Schedules, Service Regulations, and Classifications

Piedmont proposes to implement new rates as reflected on the Schedules attached hereto. Piedmont's proposed rate changes are discussed in the testimonies of Piedmont witnesses Bruce Barkley, Pia Powers, Kally Couzens, and Dan Yardley. Piedmont also proposes to make minor changes to its Rate Schedules and Service Regulations designed to clean-up administrative inconsistencies in these tariffs and to eliminate several stand-by sales service provisions which are no longer in active use by the Company or its customers. These proposed changes to Piedmont's Rate Schedules and Service Regulations are discussed in the testimony of Piedmont witness Bruce Barkley.

XI.

Amortization and Collection of Unamortized Regulatory Asset Balances

Piedmont seeks amortization and collection of certain expenses that have been deferred pursuant to prior Commission order. These costs, proposed amortizations and recovery are discussed in the testimony of Piedmont witness Pia Powers.

XII.

Expansion of Energy Efficiency/Conservation Program Funding

Piedmont proposes to increase the amount of funds available for commitment to energy efficiency and conservation programs sponsored by the Company from \$1.275 million annually to \$2.5 million annually. Piedmont proposes that upon the approval of such increased contribution to customer efficiency and conservation, Piedmont will submit new and/or expanded programs designed to enhance customer conservation and efficiency for Commission approval and implementation by Piedmont. Piedmont's proposal in this regard is set forth in the testimony of Piedmont witness Bruce Barkley.

XIII.

Adoption of an EDIT Rider Mechanism

Piedmont proposes to adopt and implement a rider mechanism, in the form of proposed Appendix G to Piedmont's North Carolina Service Regulations, in order to flowback to customers: (a) amounts deferred by Piedmont since January 1, 2018 pursuant to the Commission's January 3, 2018 Order in Docket No. M-100, Sub 148 representing the reduction in federal corporate income tax rates implemented by the Federal Tax Cuts and Jobs Act of 2017 ("TCJA"); and (b) various categories of excess deferred income taxes generated by the TCJA reduction in the federal corporate income tax rate and by prior reductions in North Carolina corporate income tax rates. This proposed rider is attached as Appendix G to Exhibit__ (BPB-3) to Piedmont witness Bruce Barkley's testimony and the Company's proposals with respect to the return of these deferred liabilities to customers is set forth in his

testimony.

XIV.

Intent to Update as Permitted by N. C. Gen. Stat. § 62-133(c)

This Petition, the N.C.U.C. Form G-1 and the testimony and exhibits of witnesses contain information that is now known to the Company and upon which the Company will rely to support this request. However, the Company plans to offer at hearing such additional relevant, material, and competent evidence as may be permitted by G.S. § 62-133(c) or other provision of North Carolina law as to the Company's costs, revenues, volumes, rate base, return or any other matter relevant to the Commission's determination of the matters raised herein.

WHEREFORE, the Company respectfully requests the Commission to grant a general increase in rates and charges for natural gas services, to approve the proposed rates set forth in Appendix I hereto, to extend Piedmont's Integrity Management Rider mechanism for an additional four (4) year period, to grant regulatory asset treatment to DIMP related O&M costs incurred by Piedmont on an intra-rate case basis, to approve new depreciation rates for Piedmont, to approve the changes in rate design, costs, revenues, rate base, cost allocation, rate schedules service regulations, classifications and practices requested herein, to amortize and permit recovery by Piedmont (or a return to customers) of certain environmental, pipeline integrity management costs, and tax savings, to approve increased customer conservation and energy efficiency investment by the Company, to approve Piedmont's proposed EDIT Rider mechanism, and to grant all other relief requested herein and addressed in the testimony of Piedmont's witnesses filed concurrently

herewith, all to be effective not later than November 1, 2019. The Company further requests that the Commission grant a waiver of any of the Commission's Rules and Regulations as may be necessary or appropriate to provide the Company with the relief requested in this Petition.

This the 1st day of April, 2019.

PIEDMONT NATURAL GAS COMPANY, INC.

/s/ James H. Jeffries IV

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/s/ Brian S. Heslin

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STATE OF NORTH CAROLINA

VERIFICATION

COUNTY OF MECKLENBURG

Bruce Barkley, being duly sworn, deposes and says that he is Vice President – Regulatory and Community Relations of Piedmont Natural Gas Company, Inc., that as such, he has read the foregoing and knows the contents thereof; and he believes that the facts set forth therein are true and correct.

Bruce Barkley
Bruce Barkley

Mecklenburg County, North Carolina

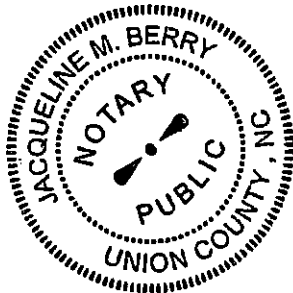
Signed and sworn to before me this day by Bruce Barkley

Date: 4/1/2019

Jacqueline M. Berry
Notary Public

(Official Seal)

My commission expires: 11/29/2021



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APR 01 2019
AUG 26 2019

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached is being served this date upon all of the parties to this docket electronically or by depositing a copy of the same in the United States Mail, First Class Postage Prepaid, at the addresses contained in the official service list in this proceeding.

This the 1st day of April, 2019.

/s/ James H. Jeffries IV
James H. Jeffries IV

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APPENDIX I

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Piedmont Natural Gas Company, Inc.
Comparison of Present and Proposed Rates
Docket G-9 Sub 743

Rate Schedule	Present Revenue Rates ¹	Proposed Revenue Rates
101 - Residential Service		
Monthly Charge	10.00	10.00
Monthly Charge	10.00	10.00
Winter per DT	10.1667	11.4197
Summer per DT	9.6663	10.9098
102- Small General Service		
Monthly Charge	22.00	22.00
Winter per DT	8.2119	8.7781
Summer per DT	7.8223	8.3803
152- Medium General Service		
Monthly Charge	75.00	75.00
Winter - First 500 per DT	7.8573	7.9217
Winter - Over 500 per DT	7.5323	7.5908
Summer - First 500 per DT	7.2823	7.8642
Summer - Over 500 per DT	6.9823	7.5587
142 - Natural Gas Vehicle Fuel		
Winter per DT	7.7173	8.9075
Summer per DT	7.7173	8.9075
Compression Charge per DT (maximum rate)	4.0000	4.0000
143- Experimental Motor Vehicle Fuel		
Monthly Charge	<i>Monthly charge is reflected on corresponding rate schedule</i>	
Winter per DT	<i>Volumetric charge is reflected on corresponding rate schedule</i>	
Summer per DT	<i>Volumetric charge is reflected on corresponding rate schedule</i>	
Compression Charge per DT (maximum rate)	4.0000	4.0000
144- Experimental Medium Gen Motor Fuel - Transportation		
Monthly Charge	75.00	75.00
Winter - First 500 per DT	5.1073	5.1717
Winter - Over 500 per DT	4.7823	4.8408
Summer - First 500 per DT	4.5323	5.1142
Summer - Over 500 per DT	4.2323	4.8087
Compression Charge per DT (maximum rate)	4.0000	4.0000
103 - Large General Sales Service		
Monthly Charge	350.00	350.00
Demand Charge per DT	14.7500	15.2500
Winter - First 1,500 per DT	4.5249	4.8885
Winter - Next 3,000 per DT	3.9449	4.2800
Winter - Next 9,000 per DT	3.6449	3.6095
Winter - Next 16,500 per DT	3.4249	3.3527
Winter - Next 30,000 per DT	3.4249	3.2747
Winter - Over 60,000 per DT	3.0549	2.8459
Summer - First 1,500 per DT	3.9689	4.4078
Summer - Next 3,000 per DT	3.4589	3.5720
Summer - Next 9,000 per DT	3.2689	3.2287
Summer - Next 16,500 per DT	3.1439	3.0686
Summer - Next 30,000 per DT	3.0189	2.9090
Summer - Over 60,000 per DT	2.9689	2.7195
104 - Interruptible Sales Service		
Monthly Charge	350.00	350.00
Winter - First 1,500 per DT	4.7341	5.5813
Winter - Next 3,000 per DT	4.4791	5.1089
Winter - Next 9,000 per DT	4.1791	4.3366
Winter - Next 16,500 per DT	3.8191	3.8916
Winter - Next 30,000 per DT	3.6341	3.6064
Winter - Over 60,000 per DT	3.5007	3.3865
Summer - First 1,500 per DT	4.4491	4.7008
Summer - Next 3,000 per DT	4.1291	4.2701
Summer - Next 9,000 per DT	3.9791	4.0647
Summer - Next 16,500 per DT	3.7541	3.7843
Summer - Next 30,000 per DT	3.5991	3.5574
Summer - Over 60,000 per DT	3.4532	3.3989

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Piedmont Natural Gas Company, Inc.
Comparison of Present and Proposed Rates
Docket G-9 Sub 743

Rate Schedule	Present Revenue Rates ¹	Proposed Revenue Rates
113 - Large General Transportation Service		
Monthly Charge	350.00	350.00
Demand Charge per DT	2.7500	3.2500
Standby Charge per DT	12.0000	n/a
Winter - First 1,500 per DT	1.7749	2.1385
Winter - Next 3,000 per DT	1.1949	1.5300
Winter - Next 9,000 per DT	0.8949	0.8595
Winter - Next 16,500 per DT	0.6749	0.6027
Winter - Next 30,000 per DT	0.6749	0.5247
Winter - Over 60,000 per DT	0.3049	0.0959
Summer - First 1,500 per DT	1.2189	1.6578
Summer - Next 3,000 per DT	0.7189	0.8220
Summer - Next 9,000 per DT	0.6189	0.4787
Summer - Next 16,500 per DT	0.3939	0.3186
Summer - Next 30,000 per DT	0.2689	0.1590
Summer - Over 60,000 per DT	0.1244	-0.0305
114 - Interruptible Transportation Service		
Monthly Charge	350.00	350.00
Winter - First 1,500 per DT	1.0841	2.6586
Winter - Next 3,000 per DT	1.0116	1.8155
Winter - Next 9,000 per DT	0.8291	1.0835
Winter - Next 16,500 per DT	0.5691	0.5768
Winter - Next 30,000 per DT	0.3841	0.3821
Winter - Over 60,000 per DT	0.2507	0.1640
Summer - First 1,500 per DT	1.1991	1.4126
Summer - Next 3,000 per DT	0.9291	0.9699
Summer - Next 9,000 per DT	0.7791	0.7129
Summer - Next 16,500 per DT	0.5499	0.4560
Summer - Next 30,000 per DT	0.5219	0.2033
Summer - Over 60,000 per DT	0.2241	0.0740
105 - Outdoor Gas Light Service		
Per Fixture Charge	16.50	18.90
T-10 - Military Operations Transportation		
Demand Charge per DT	10.0000	10.0000
Winter per DT	1.3399	1.5620
Summer per DT	0.4299	0.6520
12 - Military Installations in Onslow County - Sales		
Winter per DT	5.7617	5.6902
Summer per DT	5.2228	5.1513
T-12 - Military Installation in Onslow County - Transportation		
Winter per DT	3.0117	2.9402
Summer per DT	2.4728	2.4013
ST-1 - Standby On-Peak Supply Service		
Demand Charge per DT	4.2600	4.2600
Capacity Charge per DT	1.2700	1.2700
106 - Schedule For Limiting and Curtailing		
Emergency Gas per DT	10.0000	10.0000
Unauthorized Gas per DT	25.0000	25.0000
Reconnect Fees		
<u>Residential</u>		
February Through August	55.00	55.00
September Through January	85.00	85.00
<u>All Others</u>		
February Through August	55.00	55.00
September Through January	110.00	110.00
Returned Check Charge		
Returned Check Charge	25.00	25.00

^{1/} Present Revenue Rates include IMR base billing rates for the recovery of the current IMR revenue requirement and are exclusive of temporary increments or decrements.