

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 743
DOCKET NO. G-9, SUB 776
DOCKET NO. G-9, SUB 777

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Piedmont Natural Gas)
Company, Inc., for Approval of Bi-Annual)
Adjustment of Rates Under Appendix E)
of its Service Regulations and)
Authorization to Discontinue the Rate)
Decrement Through Its Approved Tax Rider)
	ORDER APPROVING RATE
	ADJUSTMENTS EFFECTIVE
	DECEMBER 1, 2020

BY THE COMMISSION: On November 13, 2020, Piedmont Natural Gas Company, Inc. (Piedmont) filed an application requesting authority to (1) implement its proposed Integrity Management (IM) rate adjustments including a true-up adjustment to collect the October 31, 2020 balance in the IM Deferred Account in Schedule B, and (2) remove the rate decrement through the approved provisional tax rider which was approved in Docket No. G-9, Sub 743 and extended in Docket No. G-9, Sub 776, shown in Schedule A (Application).

The Integrity Management Rider (IMR) was approved by the Commission in Piedmont's most recent rate case proceeding in Docket No. G-9, Sub 743, in its Order Approving Stipulation, Granting Partial Rate Increase, Line 343 Revenue Rider, EDIT Riders, Provisional Revenues Rider, and Requiring Customer Notice (Rate Case Order). The IMR Mechanism requires that Piedmont file by October 31st an annual report summarizing the Integrity Management (IM) Plant Investment for the prior twelve-month period ending September 30th and the data substantiating and supporting its Integrity Management Revenue Requirement (IMRR) calculation for the next bi-annual IM Adjustment.

On October 30, 2020, Piedmont filed its projected three-year plan of IM Plant Investment that contained the computation for the proposed IMRR biannual rate adjustment, effective December 1, 2020, as required by Appendix E of Piedmont's North Carolina Service Regulations.

The proposed IM rate adjustments, expressed in dollars per dekatherm (\$/dt), are as follows:

Description	Residential Rate 101	Small & Medium General	Firm Large General	Interruptible Large General Rate 104, 114
		Rate 102, 142, 144, 152	Rate 103, 113, 12 T-10, T-12	
Rate Class Percentage	64.78%	30.18%	2.73%	2.31%
IMRR	\$19,638,811	\$9,149,418	\$827,631	\$700,303
IM Deferred Account Balance	\$1,552,506	\$723,288	\$65,427	\$55,361
Total Amount for recovery	\$21,191,317	\$9,872,707	\$893,058	\$755,664
Rate Case Volumes (dts)	39,305,821	32,055,951	35,121,753	29,923,758
IM Increment per dt	\$0.5391	\$0.3080	\$0.0254	\$0.0253
Remove Previous Increment	(\$0.4112)	(\$0.2349)	(\$0.0194)	(\$0.0193)
Change in IM Increment per dt	\$0.1279	\$0.0731	\$0.0060	\$0.0060

On October 16, 2020, Piedmont filed a petition in Docket No. G-9, Sub 776 requesting Commission approval for (1) authorization to continue the provisional tax rider that refunded excess federal income taxes resulting from a decrease in the federal corporate income tax rate which was approved in Ordering Paragraph No. 8 of the Rate Case Order, which included corresponding interest, for a one-year period beginning November 1, 2019, and continuing through October 31, 2020 (Tax Rider) for an additional month, and (2) authorization to promptly deposit any remaining balance from the deferred regulatory liability account owed to ratepayers at the end of the one-month extension into Piedmont's All Customers Deferred Gas Cost Account. The Commission approved this request on October 27, 2020. Schedule A, filed in Docket No. G-9, Sub 777, reflects the removal of decrements as approved in that Order.

The Public Staff presented the matter at the Commission's November 30, 2020, Regular Staff Conference. The Public Staff stated it has reviewed the proposed IM rate adjustments as proposed on Piedmont's Schedule B, as well as the rate changes reflected on Schedule A, and recommended approval as filed.

Based on review of the application and the recommendation of the Public Staff, the Commission is of the opinion that the proposed IM rate adjustments as proposed on Schedule B, as well as the rate changes reflected on Schedule A, should be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont shall remove the decrement in rates approved in Docket No. G-9, Sub 743, and extended in Docket No. G-9, Sub 776, used to refund the over collection of federal income taxes through the approved provisional tax rider.
2. That Piedmont shall implement the proposed IM rate adjustments as contained in the body of this Order, including its IM Deferred Account balance as of October 31, 2020, effective for service rendered on and after December 1, 2020.

3. That Piedmont shall file revised tariffs consistent with Ordering Paragraphs 1 and 2 within five (5) days of the date of this Order.

4. That Piedmont shall give notice to its customers of the rate changes authorized by this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of December, 2020.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Janice H. Fulmore", is written over a faint, larger signature that appears to read "Jan H. Ful".

Janice H. Fulmore, Deputy Clerk