



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

July 26, 2019

Ms. Janice Fulmore, Deputy Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

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

Dear Ms. Fulmore:

On July 19, 2019, the Public Staff filed the testimony and exhibits of its witnesses. Since making that filing, the Public Staff has found errors in several of its exhibits and is, therefore, filing the following:

1. Revised Feasel Exhibit I
2. Revised Jayasheela Exhibit I
3. Revised Perry Exhibit I
4. Revised Perry Exhibit II

The revisions made to the exhibits are shaded in gray.

By copy of this letter, I am forwarding a copy to all parties of record by electronic delivery.

Sincerely,

/s/ Elizabeth D. Culpepper  
Staff Attorney  
[elizabeth.culpepper@psncuc.nc.gov](mailto:elizabeth.culpepper@psncuc.nc.gov)

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Jul 26 2019

**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

Line No.	Item	Amount
	<b><u>Plant in Service</u></b>	
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>
	<b><u>Accumulated Depreciation</u></b>	
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>
	<b><u>Depreciation Expense</u></b>	
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>
	<b><u>Property Taxes</u></b>	
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, tem 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, tem 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, tem 4a, 2019-04-04 File 17 tab 104 Proforma Summary, "Pro Forma North Carolina Annualized Depreciation Expense at June 30, 2019,  
using new deprecation rates.  
[10] Actual property tax paid in 2018 before allocation per DR 28-1 divided by Piedmont utility plant & property balance at 12/31/17, per monthly  
financial report.  
[11] G-1, tem 4a, 2019-04-04 File 18 tab 119 Summary, "Pro Forma Property Taxes" on Line 1.

Piedmont Natural Gas Company																		Revised Fossil Exhibit I	
Docket No. G-9, Sub 7 - 3																		Schedule 1-1	
CALCULATION OF PLAN IN SERVICE AND DEPRECIATION EXPENSE																			
For The Test Year Ended December 31, 2018																			
Actual amounts @ May 31, 2019																			
Line No.	Item	Joint 3-state		000		Joint 2-state		008		Joint		Total NC		Corporate		NC		NC	
		Property Per Books (a)	(1)	3-State A-located (b)	(2)	Property Per Books (c)	(3)	2-State A-located (d)	(4)	Property A-located to NC (e)	(5)	NC Direct Per Books (f)	(6)	5/31/2019 (g)	(8)	Proposed Depreciate on Rates (h)	(9)	NC Proposed Depreciate on Rates (i)	(10)
Allocation Factors																			
75.95% 90.25% 85.24%																			
IN ANGIOLE PLAN																			
1	20100 Organization	\$ -								\$ -		\$ 15,171	\$ 15,171					\$ -	
2	20200 Franchise fees and Consents											586,786	586,786						
3	20300 5 Year Software	26,786,121		20,339,575						20,339,575			20,339,575	20.00%				96,869	
4	20310 10 Year Software	126,922,871		96,869						96,869			96,869	10.00%				9,686	
5	20300 M scellaneous Intangible PI											2,025	2,025						
6	20301 Gas owner Contracts											2,900	2,900						
7	20100 Intangible Plant (Sum of L1 thru L6)	153,688,992		116,788,265						116,788,265		3,088,881	119,877,146					13,712,728	
O HER S ORANGE PLAN																			
8	20000 Land and Land Rights			3,711,022		3,163,275	(3)	3,163,275		263,886		3,27,161	3,27,161	0.00%					
9	20100 Structures & Improvements			33,801,693		28,812,563	(3)	28,812,563		290,718		29,083,281	29,083,281	2.02%				582,01	
10	20200 Gas Holders			10,650,067		9,078,117	(3)	9,078,117				9,078,117	9,078,117	1.8%				13,356	
11	20300 Puri cation Equipment			15,172,019		12,932,629	(3)	12,932,629				12,932,629	12,932,629	2.6%				316,13	
12	20310 Liq ue ad on Equipment			8,172,083		6,978,823	(3)	6,978,823				6,978,823	6,978,823	2.06%				1,281	
13	20320 Vaporizing Equipment			1,983,57		35,786,699	(3)	35,786,699				35,786,699	35,786,699	3.3%				1,227,8	
14	20330 Compressor Equipment			5,872,701		480,318	(3)	480,318				480,318	480,318	2.51%				125,008	
15	20340 Measuring & Reg Equipment			293,518		250,195	(3)	250,195				250,195	250,195	3.10%				7,756	
16	20350 Other Equipment			11,773,830		10,010,278	(3)	10,010,278				10,010,278	10,010,278	2.98%				258,306	
17	20100 Total Other Storage Plant (Sum of L8 thru L16)	-		131,379,900		111,957,885		111,957,885				51,60	112,009,485					2,530,0	
RANSMISS ON PLAN																			
18	20510 Land and Land Rights	-		-		-		-		-		69,32,592	69,32,592	0.00%					
19	20520 Rights-of-Way	-		-		-		-		-		332,933,523	332,933,523	1.25%				181,669	
20	20610 S&I - Comp S alon Stout	-		-		-		-		-		17,886,870	17,886,870	2.10%				375,668	
21	20620 S&I - MAR Stat on St	-		-		-		-		-		11,2,6,513	11,2,6,513	2.10%				236,177	
22	20700 Mains	-		-		-		-		-		1,900,306,17	1,900,306,17	1.8%				3,965,008	
23	20701 Mains, Cathod c Pro ec ion	-		-		-		-		-		177,527,537	177,527,537	2.85%				5,009,535	
24	20800 Compressor S alon Equip	-		-		-		-		-		175,07,006	175,07,006	2.33%				378,595	
25	20900 System Meas & Reg Station	-		-		-		-		-		2,68,277,278	2,68,277,278					8,332,32	
26	20100 Total Transm ission Plant (Sum of L18 thru L25)	-		-		-		-		-		2,68,277,278	2,68,277,278						
DIS RIBU ION PLAN																			
27	27 00 Non-depr Land & Land R ghts	-		63,862		57,635	(1)	57,635		5,2,6,00		5,30,036	5,30,036	0.00%					
28	27 01 Rights of Way	-		-		-		-		-		2,213,177	2,213,177	1.32%				557,21	
29	27000 Structures & Improvements -	-		-		793,751		716,360	(1)	716,360		569,70	1,285,836	6.0%				2,63	
30	27000 Mains	-		-		-		-		-		1,116,601,635	1,116,601,635	1.71%				10,069,888	
31	27000 System Meas & Reg Station	-		-		-		-		-		53,955,368	53,955,368	1.93%				1,039	
32	27000 Meas & Reg Sta Equip - C ty	-		-		-		-		-		51,52,165	51,52,165	1.90%				978,659	
33	28000 Services	-		-		-		-		-		686,700,296	686,700,296	2.78%				18,368,298	
34	28100 Meters	11,106,038		8,39,78		8,828,523		7,967,72	(1)	16,07,220		79,565,253	95,972,73	5.0%				3,05,717	
35	28105 Meters - Meter Accessories	-		-		-		-		-		-	-						
36	28105 Meters - Meter Acc, ERTs	15,31,765		11,726,598		-		-		11,726,598		28,960,86	6,687,085	1.6%				2,697,699	
37	28200 Meter Ins alations	-		-		-		-		-		5,272,063	5,272,063	3.28%				1,8,92	
38	28300 House Regulators	-		-		-		-		-		12,766,937	12,766,937	2.66%				377,601	
39	28400 Ind Meas & Reg St Equip	-		-		-		-		-		630,32	630,32	3.0%				21,32	
40	28500 Other Prop on Cust Premises	-		-		-		-		-		895,533	895,533	1.60%				731,787	
41	28700 Other Equipment - Other	-		-		-		-		-		7,330	7,330	1.50%				11,150	
42	28700 Total Dis tribution Plant (Sum of L27 thru L41)	26,537,803		20,166,078		9,686,136		8,71,738		28,907,81		2,179,688,106	2,208,595,503	2.29%				1,000	
43	28800 Non-depr Land & Land R ghts	-		-		-		-		-		3,2,3,728	3,2,3,728	0.00%					
44	29000 Structures and Improvements	3,238,267		2,60,759		2,13,8		217,817	(1)	2,678,576		91,78,296	9,158,872	2.10%				1,885,816	
45	29100 CNC S alon Equipment	-		2,908		2,210		2,210		2,210		22,025,159	22,025,159	0.8%				859,885	
46	29600 Power Operated Equipment	-		-		861,228		777,258	(1)	777,258		12,668,716	13,5,97	3.71%				370	
47	29700 Pass Cars & Sta Wagons	-		-		-		-		-		2,855,756	2,855,756	0.00%				3,7563	
48	29701 Transporta ion - 5 Year Ru al Use	10,39		79,329		-		-		79,329		11,699,229	11,7,6,558	15.0%				1,508,53	
49	29702 Transporta ion - 7 Year Urban Use	9,3,837		717,222		301,51		272,10	(1)	889,362		28,330,29	28,339,611	8.83%				2,22,969	
50	29703 Transporta ion - 10 Year Heavy Duty	1,313,311		997,685		225,057		203,11	(1)	1,201,100		15,303,821	15,303,821	7.29%				1,027,118	
51	29704 Transporta ion - 15 Year Tra lers & Other	73,190		55,622		5,636		5,086	(1)	60,708		1,138,898	1,199,606	9.4%				55,123	
52	29705 Transporta ion Equipment	-		-		-		-		-		292,765	292,765	0.00%				52,903	
53	29706 Trans Equip - Leased Buyout	-		-		-		-		-		-	-						
54	29707 Total General Plant Depreciated (Sum of L43 thru L53)	5,675,91		313,127		1,63,810		1,75,16		5,788,53		189,123,08	19,911,950					8,05,390	
GENERAL PLAN																			
55	28800 Non-depr Land & Land R ghts	-		-		-		-		-		3,2,3,728	3,2,3,728	0.00%					
56	29000 Structures and Improvements	3,238,267		2,60,759		2,13,8		217,817	(1)	2,678,576		91,78,296	9,158,872	2.10%				1,885,816	
57	29100 CNC S alon Equipment	-		2,908		2,210		2,210		2,210		22,025,159	22,025,159	0.8%				859,885	
58	29600 Power Operated Equipment	-		-		861,228		777,258	(1)	777,258		12,668,716	13,5,97	3.71%				370	
59	29700 Pass Cars & Sta Wagons	-		-		-		-		-		2,855,756	2,855,756	0.00%				3,7563	
60	29701 Transporta ion - 5 Year Ru al Use	10,39		79,329		-		-		79,329		11,699,229	11,7,6,558	15.0%				1,508,53	
61	29702 Transporta ion - 7 Year Urban Use	9,3,837		717,222		301,51		272,10	(1)	889,362		28,330,29	28,339,611	8.83%				2,22,969	
62	29703 Transporta ion - 10 Year Heavy Duty	1,313,311		997,685		225,057		203,11	(1)	1,201,100		15,303,821	15,303,821	7.29%				1,027,118	
63	29704 Transporta ion - 15 Year Tra lers & Other	73,190		55,622		5,636		5,086	(1)	60,708		1,138,898	1,199,606	9.4%				55,123	
64	29705 Transporta ion Equipment	-		-		-		-		-		292,765	292,765	0.00%				52,903	
65	29706 Trans Equip - Leased Buyout	-		-		-		-		-		-	-						
66	29707 Total General Plant Depreciated (Sum of L54 thru L64)	5,675,91		313,127		1,63,810		1,75,16		5,788,53		189,123,08	19,911,950					8,05,390	
200001 S&I - Leasehold Impr																			
67	200001 S&I - Leasehold Impr	6,395,29		859,887		-		-		859,887		-	859,887	7.6%				231,331	
68	20100 Office Furniture and Equipm	9,325,262		7,086,267		6,73		58,187	(1)	7,1,5		9,35,693	16,99,17	5.00%				82,957	
69	20100 Office Furniture and Equipm Gov	-		-		-		-		-		-	-						
70	20101 Electronic Data Processing	-		-		-		-		-		-	-						
71	20101 Electronic Data Processing Gov Spec al	-		-		-		-		-		-	-						
72	20102 PC Equipment	39,225,815		29,807,697		-		-		29,807,697		-	29,807,697	20.00%				5,961,539	
73	20103 Cust mer In omation System	17,721,735		13,66,77		-		-		13,66,77		-	13,66,77	5.00%				673,337	
74	20105 SaaS - 3 y Contract	-		-		-		-		-		-	-						
75	20200 Stores Equipment	-		208,52		158,03		-		158,03		-	158,03						
76	20200 Tools, Shop & Garage Equip	-		-		-		-		-		3,385	3,385					169	
77	29500 Labora ry Equipment	-		-		2,502,023		583,27		81,253	(1)	2,983,275	12,685,570	5.00%				5,000	
78	29500 Commun ca ion Equipment	-		-		5,901		61,61	(1)	61,61		807,36	1,208,09	5.00%				60,52	
79	29600 Commun ca ion Equipment	-		-		1,32,170		1,195,063	(1)	1,195,063		2,688,221	29,689,221	5.00%				1,650,721	
80	29700 Commun ca ion Equipment Gov	117,509																	

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

Revised Feasel Exhibit I  
Schedule 1-2

Actual amounts @ May 31, 2019										
Line No.	Item	3-State Before Allocated	[1]	2-State Before Allocated	[1]	Joint Property Allocated to NC	NC Direct Per Books	[1]	Total NC Accum. Depr. 5/31/2019	[4]
		(a)		(b)		(c)	(d)		(e)	
		75.99%		90.25%						
		85.24%								
INTANGIBLE PLANT										
1	20100 Organization	\$0		\$0		\$0	\$15,171		\$	15,171
2	20200 Franchises and Consents	-		-		-	586,786			586,786
3	20200 - NC NONG Fr. & Consent-47106	-		-		-	-			0
4	20300 Miscellaneous Intangible Plant	-		-		-	2,444,025			2,444,025
5	20301 Customer Contracts	-		-		-	42,900			42,900
6	Total Intangible Plant (Sum of L1 thru L5)	0		0		0	3,088,881			3,088,881
OTHER STORAGE PLANT										
7	26000 Non-depr Land & Land Rights	-		-		-	-			0
8	26100 S&I	-		7,077,576		6,032,926	[2] (468)			6,032,458
9	26200 Gas Holders	-		10,742,312		9,156,747	[2] -			9,156,747
10	26300 Purification Equipment	-		3,390,061		2,889,688	[2] -			2,889,688
11	26310 Liquefaction Equipment	-		2,612,766		2,227,121	[2] -			2,227,121
12	26320 Vaporizing Equipment	-		11,667,740		9,945,582	[2] -			9,945,582
13	26330 Compressor Equipment	-		3,273,702		2,790,504	[2] -			2,790,504
14	26340 M&R Equipment	-		79,534		67,795	[2] -			67,795
15	26350 Other Equipment	-		2,190,165		1,866,897	[2] -			1,866,897
16	Total Other Storage Plant (Sum of L7 thru L15)	0		41,033,857		34,977,260	(468)			34,976,792
TRANSMISSION PLANT										
17	26510 Non-depr Land	-		-		-	149,753			149,753
18	26520 Land Rights	-		-		-	16,821,967			16,821,967
19	26610 S&I - Comp Station Struct	-		-		-	36,218,881			36,218,881
20	26620 S&I - M&R Station Str	-		-		-	25,860,530			25,860,530
21	26700 Mains	-		-		-	277,215,164			277,215,164
22	26701 Mains, Cathodic Protection	-		-		-	3,379,114			3,379,114
23	26800 Compressor Station Equip	-		-		-	-			0
24	26900 System Meas & Reg Station	-		-		-	-			0
25	Total Transmission Plant (Sum of L17 thru L24)	0		0		0	359,645,409			359,645,409
DISTRIBUTION PLANT										
26	27400 Non-depr Land	-		-		-	40,643			40,643
27	27401 Land Rights	-		-		-	1,164,498			1,164,498
28	27500 S&I	-		336,241		303,458	[3] 418,069			721,526
29	27600 Mains	-		-		-	494,081,827			494,081,827
30	27600 NC Cathodic Protect-47106	-		-		-	-			0
31	27800 M&R Station Equipment	-		-		-	7,823,647			7,823,647
32	27900 M&R City Gate Equipment	-		-		-	11,231,123			11,231,123
33	28000 Services	-		-		-	329,282,265			329,282,265
34	28100 Meters	(8,305,256)		113,300		(6,208,912)	[3] 28,382,408			22,173,497
35	28104 Meters - Meter Accessories	894,568		852,564		1,449,221	[3] 1,449,221			1,449,221
36	28105 Meters - Meter Acc, ERTs	5,457,246		-		4,146,961	[3] 20,056,743			24,203,705
37	28200 Meter Installations	-		-		-	4,570,030			4,570,030
38	28300 House Regulators	-		-		-	4,270,620			4,270,620
39	28400 House Regulator Installatio	-		-		-	23,203			23,203
40	28600 Other Property on Customer Premises	-		-		-	15,018,570			15,018,570
41	28700 Other Equipment	-		-		-	816,256			816,256
42	Total Distribution Plant (Sum of L26 thru L42)	(1,953,443)		1,302,105		(309,272)	917,190,849			916,881,577
43										
GENERAL PLANT										
44	28900 Non-depr Land	-		-		-	-			0
45	29000 S&I	(1,415,572)		(4,634)		(1,079,876)	[3] 23,979,813			22,899,938
46	29600 Power Operated Equipment	107,161		577,997		603,073	[3] 5,483,811			6,086,885
47	29410 CNG Station Equipment	-		-		-	-			0
48	29200 Transportation Equipment	591,323		432,428		839,613	[3] 32,255,631			33,095,244
49	29201 Transportation - 5 Year Rural Use	-		-		-	-			0
50	29202 Transportation - 7 Year Urban Use	-		-		-	-			0
51	29203 Transportation - 10 Year Heavy Duty	-		-		-	-			0
52	29204 Transportation - 15 Year Trailers & Other	-		-		-	-			0
53	29210 Pass. Cars & Sta Wagons	-		-		-	1,978,269			1,978,269
54	292.11 Gas NC Light Trucks 1/2 3/4 T	-		-		-	-			0
55	292.12 Gas NC Med Truck 1&1 1/2 Ton	-		-		-	-			0
56	292.13 Gas NC Trucks 2 tons & over	-		-		-	-			0
57	292.18 Gas NC Trailer	-		-		-	-			0
58	29200 Transportation Equipment - 3 Year Meter Reading	-		-		-	-			0
59	29204 Trans Equip - Leased Buyout	(2,947)		-		(2,240)	[3] 91			(2,149)
60	Total General Plant Depreciated (Sum of L44 thru L59)	(720,036)		1,005,790		360,570	63,697,616			64,058,186
61	29001 Leasehold Improvements	3,945,858		-		2,998,458	[3] 24,770			3,023,228
62	29001 NC CNG Structures-47106	-		-		-	-			0
63	29100 Office Furniture and Equipm	3,907,979		(4,969)		2,965,188	[3] 3,683,184			6,648,373
64	29101 C3 Mainframe Equip Gov	180,599		-		137,237	[3] -			137,237
65	29101 C3 Mainframe Equip. Gov Special	-		-		-	-			0
66	29102 PC Equipment (Computer Processing Hardware)	13,253,309		-		10,071,190	[3] -			10,071,190
67	29103 Customer Information System	26,935,923		-		20,468,608	[3] -			20,468,608
68	29104 Client Service Applications	73,728,199		-		56,026,059	[3] -			56,026,059
69	29105 SaaS - 3 yr Contract	208,472		-		158,418	[3] -			158,418
70	29300 Stores Equipment	-		(12,879)		(11,623)	[3] (12,610)			(24,234)
71	29400 Tools, Shop & Garage Equip	1,451,322		112,614		1,204,494	[3] 6,426,017			7,630,511
72	29500 Laboratory Equipment	-		136,549		123,235	[3] 174,529			297,764
73	29700 Communication Equipment Gov	-		-		-	-			0
74	29700 C3 Communicat. Equip	14,939,058		192,045		11,525,510	[3] 3,173,072			14,698,583
75	29800 Miscellaneous Equipment Gov	-		-		-	-			0
76	29800 C3 Misc Equipment	3,262		19,762		20,313	[3] 1,405,176			1,425,490
77	Total General Plant Amortized (Sum of L61 thru L76)	138,553,981		443,121		105,687,087	14,874,139			120,561,226
78	Total updated Accumulated Depreciation per Public Staff									
79	(L6 + L16 + L25 + L43 + L60 + L77)	\$ 135,880,502		\$ 43,784,873		\$ 140,715,645	\$ 1,358,496,427		\$	1,499,212,073

[1] Updated Accumulated Depreciation through May 31, 2019 per DR 22-2 Updated.

[2] Column (b) x 2-state LNG allocator of 85.24%+Column (a) x 3-state a locator of 75.99%.

[3] Column (b) x 2-state Non-LNG allocator of 90.25%+Column (a) x 3-state a locator of 75.99%.

[4] Column (c) + Column (d).

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

Revised Feasel Exhibit I  
Schedule 2

Line No.	Acct. No.	Item	Balances at May 31, 2019				Allocable To Non Utility											
			Corporate Utility Plant In Service	NC Direct Utility Plant In Service	Total Utility Plant In Service	Total Accumulated Depreciation	Non Utility %	Corporate Utility Plant In Service	NC Direct Utility Plant In Service	Total Utility Plant In Service	Accumulated Depreciation	Corporate Depreciation Expense %	NC Depreciation Expense %	Total Depreciation Expense				
			[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]				
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)				
1	28900	28900 Non-depr Land & Land Rights	0	3,243,728	3,243,728	0	1.3911%	0	45,124	45,124	0	0.00%	0.00%	0				
2	29000	29000 Structures and Improvements	2,678,576	91,478,296	94,156,872	22,899,938	1.3911%	37,262	1,272,560	1,309,821	318,562	2.10%	2.00%	26,234				
3	29410	29410 CNG Station Equipment	2,210	22,022,949	22,025,159	0	1.3911%	31	306,362	306,393	0	4.08%	3.90%	11,949				
4	29600	29600 Power Operated Equipment	777,258	12,668,716	13,445,974	6,086,885	1.3911%	10,812	176,235	187,048	84,675	3.71%	3.28%	6,182				
5	29210	29210 Pass. Cars & Sta Wagons	0	2,955,756	2,955,756	1,978,269	1.3911%	0	41,118	41,118	27,520	0.00%	11.76%	4,835				
6	29201	29201 Transportation - 5 Year Rural Use	79,329	11,669,229	11,748,558	0	1.3911%	1,104	162,331	163,435	0	15.40%	12.62%	20,985				
7	29202	29202 Transportation - 7 Year Urban Use	969,362	28,350,249	29,319,611	0	1.3911%	13,763	394,362	408,145	0	8.53%	7.54%	30,952				
8	29203	29203 Transportation - 10 Year Heavy Duty	1,201,100	15,302,821	16,503,921	0	1.3911%	16,709	212,878	229,587	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	4.94%	4.58%	767				
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 Impr	4,859,887	0	4,859,887	3,023,228	1.3911%	67,606	0	67,606	42,056	4.76%	0.00%	3,218				
12	29100	29100 Office Furniture and Equipm	7,144,454	9,354,693	16,499,147	6,648,373	1.3911%	99,387	130,134	229,521	92,488	5.00%	5.00%	11,476				
13	29101	29101 Electronic Data Processing	0	0	0	137,237	1.3911%	0	0	0	1,809	0.00%	0.00%	0				
14	29102	29102 PC Equipment	28,807,697	0	28,807,697	10,071,190	1.3911%	414,656	0	414,656	140,101	20.00%	0.00%	82,931				
15	29103	29103 Customer Information System	13,466,747	0	13,466,747	20,468,608	1.3911%	187,337	0	187,337	284,740	5.00%	0.00%	9,367				
16	29104	29104 Client Service Applications	0	0	0	56,026,059	1.3911%	0	0	0	779,382	0.00%	0.00%	0				
17	29300	29300 Stores Equipment	0	3,385	3,385	(24,234)	1.3911%	0	47	47	(337)	0.00%	5.00%	2				
18	29400	29400 Tools, Shop & Garage Equip	2,983,275	12,685,570	15,668,845	7,630,511	1.3911%	41,501	176,470	217,970	106,148	5.00%	5.00%	10,899				
19	29700	29700 Communication Equipment	22,834,109	6,855,113	29,689,221	14,666,563	1.3911%	317,647	95,362	413,008	204,473	5.56%	5.56%	22,963				
20	29800	29800 Miscellaneous Equipment	155,686	3,944,631	4,000,317	1,425,490	1.3911%	2,170	53,493	55,663	19,939	5.00%	5.00%	2,793				
21	Total plant-related nonutility adjustment (Sum of L1 thru L20)		\$87,040,696	\$221,866,799	\$308,907,495	\$184,165,379		\$1,210,828	\$3,086,401	\$4,297,229	\$2,561,935			\$260,567				

[1] Feasel Exhibit I, Schedule 1-1, Column (e)

[2] Feasel Exhibit I, Schedule 1-1, Column (f)

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

[4] Feasel Exhibit I, Schedule 1-2, Column (e)

[5] Per Public Staff witness Perry

[6] Column (a) \* Column (e)

[7] Column (b) \* Column (e)

[8] Column (f) + Column (g)

[9] Column (d) \* Column (e)

[10] Feasel Exhibit I, Schedule 1-1, Column (h)

[11] Feasel Exhibit I, Schedule 1-1, Column (i)

[12] Column (f) \* Column (j) + Column (g) \* Column (k)

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Jul 26 2019

**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)
<b>NET OPERATING INCOME FOR RETURN</b>						
<b>Operating Revenues:</b>						
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	<b>Margin</b>	587,590,042	(20,915,849)	566,674,193	61,720,090	628,394,283
<b>Operating Expenses:</b>						
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
<b>RATE BASE</b>						
18	Plant in service	\$5,515,089,478	(\$79,312,206)	\$5,435,777,272	\$0	\$5,435,777,272
19	Accumulated depreciation	(1,528,820,157)	20,091,851	(1,508,728,306)	0	(1,508,728,306)
20	Net plant in service	3,986,269,321	(59,220,355)	3,927,048,966	0	3,927,048,966
21	Working Capital - Other	(2,422,570)	(6,386,807)	(8,809,377)	0	(8,809,377)
22	Working Capital - Lead Lag	54,375,609	(20,944,846)	33,430,763	9,064,134	42,494,897
23	Deferred Regulatory Assets		131,281,230	131,281,230		131,281,230
24	Deferred Income Taxes	(875,325,559)	103,263,637	(772,061,922)	0	(772,061,922)
25	Original cost rate base	\$3,162,896,801	\$147,992,859	\$3,310,889,660	\$9,064,134	\$3,319,953,794
26						
27	Overall Rate of Return on Rate Base	5.17%		5.31%		6.72%

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	<b>Increase in revenue requirement requested by the Company</b>	<b>\$118,116,597</b>
	<b>Public Staff Adjustments</b>	
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%	(31,176,718)
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	(485,462)
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	(6,787,830)
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	<b>Recommended Change in Margin</b>	<b>\$61,720,090</b>
	<b>Rider impacts on Revenue Requirement</b>	
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	<b>Public Staff Recommended change due to Riders (Sum of Lines 49-51)</b>	<b>(\$89,751,927)</b>
53	<b>Public Staff Recommended change in revenue requirement for Year 1</b>	<b>(\$28,031,838)</b>
54	<b>Public Staff Recommended change in revenue requirement for Years 2</b>	<b>\$8,667,403</b>
54	<b>Public Staff Recommended change in revenue requirement for Years 3 through 5</b>	<b>\$38,664,745</b>
55	<b>Public Staff Recommended change in revenue requirement for Year 6</b>	<b>\$61,720,090</b>

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
<b><u>Plant in Service Updates and Related Items at May 31, 2019</u></b>		
1	Rate base	(\$5,186,065) [1]
2	Income statement	(3,085,003) [2]
3	Total (L1 + L2)	<u>(\$8,271,068)</u>
<b><u>Special Contract Adjustment</u></b>		
4	Rate base	(\$104,598) [1]
5	Income statement	0 [2]
6	Total (L4 + L5)	<u>(\$104,598)</u>
<b><u>Environmental Remediation</u></b>		
7	Rate base	(\$182,508) [1]
8	Income statement	181,426 [2]
9	Total	<u>(\$1,082)</u>
<b><u>Amortization of PIM Costs</u></b>		
10	Rate base	(\$323,588) [1]
11	Income statement	(5,361,929) [2]
12	Total (L4 + L5)	<u>(\$5,685,517)</u>
<b><u>ACP Regulatory Asset</u></b>		
13	Rate base	\$594,939 [1]
14	Income statement	(7,382,769) [3]
15	Total (L4 + L5)	<u>(\$6,787,830)</u>
<b><u>Undercollection of Regulatory Fee</u></b>		
16	Rate base	\$7,999
17	Income statement	(37,199) [2]
18	Total	<u>(\$29,200)</u>
<b><u>Deferred Revenues - Cost Free Capital</u></b>		
19	Rate base	(\$491,732) [1]
20	Income statement	0
21	Total	<u>(\$491,732)</u>
<b><u>Amortization FIT- Protected EDIT</u></b>		
22	Rate base	\$329,298 [1]
23	Income statement	(5,305,232) [2]
24	Total	<u>(\$4,975,934)</u>
<b><u>Rate Case Expense</u></b>		
25	Rate base	(\$9,692) [1]
26	Income statement	(315,620) [2]
27	Total	<u>(\$325,312)</u>
<b><u>Nonutility Adjustment</u></b>		
28	Rate base	\$556,173 [1]
29	Income statement	(660,067) [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)
<b><u>Rate Base Factor:</u></b>					
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>
<b><u>Net Income Factor:</u></b>					
5	Total revenue				1.0000000
6	Uncollectibles				<u>0.0048714</u>
7	Balance (L5 - L6)				0.9951286
8	Regulatory fee (L7 x current regulatory fee rate)				<u>0.0012937</u>
9	Balance (L7 - L8)				0.9938349
10	Less: State income tax (L9 x 2.5%)				<u>0.0248459</u>
11	Balance (L9 - L10)				0.9689890
12	Less: Federal income tax (L11 x 21%)				<u>0.2034877</u>
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			After		
		Adjusted	Public Staff	Public Staff	Public Staff	Public Staff	Public Staff
		Per Company	[1] Adjustments	[2] Adjustments	[3] Adjustments	[5] Adjustments	[6] Adjustments
		(a)	(b)	(c)	(d)	(e)	
1	Plant in service	\$5,515,089,478	(79,312,206)	\$5,435,777,272		\$5,435,777,272	
2	Accumulated depreciation	(1,528,820,157)	20,091,851	(1,508,728,306)		(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	0	3,927,048,966	
4	Working Capital - Other	(2,422,570)	(6,386,807)	(8,809,377)		(8,809,377)	
5	Working Capital - Lead Lag	54,375,609	(20,944,846)	33,430,763	[4] \$9,064,134	\$42,494,897	
6	Deferred Regulatory Assets	136,280,375	(4,999,145)	131,281,230		131,281,230	
7	Deferred Income Taxes	(875,325,559)	103,263,637	(772,061,922)		(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).

Line No.	Item	Update PIS & Acc Dep, May 31, 2019 (a)	Adjust Cash Working Capital (b)	Nonutility on May 31, 2019 (c)	Special Contracts (d)	ACP Plant (e)	ADIT Update (f)	Amort. Protected EDIT (g)	Federal Tax EDIT (h)	State Tax EDIT (i)	Deferred PIM Asset (j)	Deferred Environmental Costs (k)	NCNG OPEB Liability (l)	Deferred Revenues (m)	Undercollected on Regulatory Fee (n)	Deferred Rate Case Expense (o)	Adjust WC for Lead Lag (p)	Total Rate Base Adjustments (q)
1	Plant in service	(\$79,59,683)		\$ 297,229	\$ 01,753													(\$79,312,206)
2	Accumulated depreciation	15,636,086		2,561,935	1,893,892													\$20,081,851
3	Net plant in service (Sum of L1 thru L2)	(\$63,958,617)		6,859,16	(2,120,902)													(\$59,220,355)
4	Working Capital - Other		(\$6,386,807)															(\$6,386,807)
5	Working Capital - Lead Lag																	(\$20,9,86)
6	Deferred Regulatory Asset		0			7,337,252					(3,990,70)	(2,250,829)	(9,522)	(6,06,30)	98,652	(119,527)	(20,9,86)	(\$ 999,15)
7	Deferred Income Taxes				830,912		(21,129,395)	061,162	75,220,289	3,280,669								\$103,263,637
8	Original cost rate base (Sum of L3 thru L6)	(\$63,958,617)	(\$6,386,807)	6,859,16	(1,289,990)	7,337,252	(21,129,395)	061,162	75,220,289	3,280,669	(3,990,70)	(2,250,829)	(9,522)	(6,06,30)	98,652	(119,527)	(20,9,86)	11,712,8
9	Revenue requirement impact	(\$5,186,065)	(\$517,872)	\$556,173	(\$10,698)	\$59,939	(\$1,713,271)	\$329,298	\$5,180,299	\$3,509,00	(\$323,588)	(\$182,508)	(\$772)	(\$ 91,732)	\$7,999	(\$9,692)	(\$1,698,307)	\$9,9703

[1] Revised Jayasheela Exhibit I, Schedule 2-1.  
[2] Revised Jayasheela Exhibit I, Schedule 2-2.  
[3] Revised Perry Exhibit II, Schedule 1.  
[4] Per Public Staff witness Perry.  
[5] Revised Perry Exhibit II, Schedule 2, Line 16.  
[6] Per Response to Data Request 53-5-ADIT 5-31-19  
[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 Jayasheela Exhibit I, Schedule 3-6, Line 16.  
[11] Revised Jayasheela Exhibit I, Schedule 3-7, Line 16.  
[12] Revised Jayasheela Exhibit I, Schedule 3-8, Column (d), Line 10.  
[13] Revised Jayasheela Exhibit I, Schedule 2-2, Column (d), Line 1.  
[14] Revised Jayasheela Exhibit I, Schedule 3-8, Line 17.  
[15] Revised Jayasheela Exhibit I, Schedule 2-2, Column (d), Line 18.  
[16] Revised Jayasheela Exhibit I, Schedule 2-3, Column (g), 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
	<b><u>Plant in Service</u></b>	
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>
	<b><u>Accumulated Depreciation</u></b>	
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)	(1,513,184,091)
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>
	<b><u>Depreciation Expense</u></b>	
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]
12	Adjustments to depreciation expense to reflect the impact of reallocation of Corporate reserve account	<u>(188,028) [8]</u>
13	Depreciation Expense per Public Staff	133,216,307
14	Depreciation Expense Per Company	<u>136 607 318 [9]</u>
15	Adjustment per Public Staff	<u>(\$3,391,011)</u>
	<b><u>Property Taxes</u></b>	
16	Plant in Service at May 31, 2019	\$5,435,494,795 [1]
17	North Carolina tax rate	<u>\$0.00397 [10]</u>
18	Adjustment to property taxes for additions (L18 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, tem 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, tem 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, tem 4a, 2019-04-04 File 17 tab 104 Proforma Summary, "Pro Forma North Carolina Annualized Depreciation Expense at June 30, 2019, using new deprecation rates.  
[10] Actual property tax paid in 2018 before allocation per DR 28-1 divided by Piedmont utility plant & property balance at 12/31/17, per monthly financial report.  
[11] G-1, tem 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 [1] (a)	Company Ratemaking Adjustments [2] (b)	After Company Adjustments [3] (c)	Public Staff Working Capital Adjustments [4] (d)	Amount Per Public Staff [6] (f)
1	<b>Lead Lag Study</b>					
	Lead Lag Study	\$37,151,580	17,224,029	\$54,375,609	(\$20,944,846) [5]	\$33,430,763
	<b>Average materials and supplies:</b>					
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
	<b>Cash working capital:</b>					
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.

Revised Jayasheeli Exhibit I  
Schedule 2-3

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	Per Books Amounts [1]	Company Ratemaking Adjustments [2]	After Company Adjustments [3]	Public Staff Adjustments [4]	After Public Staff Adjustments [5]	(Lead) / Lag Days [1]	Working Capital From Lead/Lag Study [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>INVESTOR SUPPLIED CASH WORKING CAPITAL (ITEM 26 SCHEDULE A)</b>								
<b>Operating Revenues</b>								
1.	Gas Sales and Transportation	\$883,966,319	\$32,300,788	\$916,267,107	(\$23,952,052)	\$892,315,055	54.68	\$133,676,129
2.	Other Operating Revenues	7,005,460	(2,662,085)	4,343,375	143,469	4,486,844	84.58	\$1,039,719
3.	Total Operating Revenues	\$890,971,779	\$29,638,703	\$920,610,482	(\$23,808,583)	\$896,801,899		\$134,715,848
<b>Operation &amp; Maintenance Expense</b>								
4.	Purchased Gas	345,999,746	(12,979,307)	\$333,020,439	0	\$333,020,439	(36.80)	(\$33,571,679)
5.	Labor	80,946,230	2,407,546	83,353,776	(1,859,920)	81,493,856	(10)	(2,214,042)
6.	Incentive Pay STIP	6,423,879	203,929	6,627,808	(1,502,330)	5,125,478	(252)	(3,545,092)
7.	Incentive Pay LTIP	2,368,988	617,434	2,986,422	(138,700)	2,847,722	(622)	(4,848,929)
8.	Employee Pensions & Benefits - Acct 926	15,804,562	(616,952)	15,187,610	(2,253,755)	12,933,855	(10)	(337,489)
9.	Prepaid Expenses			0	0			
10.	Insurance - Other Acct 925	9,385		9,385	0	9,385	0	0
11.	Insurance - Property	147,805		147,805	0	147,805	0	0
12.	Insurance - Liability	636,065		636,065	0	636,065	0	0
13.	Fleet Expense	3,279,110		3,279,110	0	3,279,110	(38)	(345,666)
14.	Credit Card Expense	10,524,703		10,524,703	0	10,524,703	(31)	(906,146)
15.	Virtual Card Expense - Vendors	4,241,287		4,241,287	0	4,241,287	(32)	(367,092)
16.	Regulatory Commission Amortization - Acct 928.000	6,180,676	11,143,792	17,324,468	(36,970)	17,287,498	0	0
17.	Regulatory Commission Exp - Acct 928.014	874,296	407,989	1,282,285	(115,854)	1,166,431	(80)	(254,305)
18.	Uncollectible Accounts - Acct 904	5,334,020	1,020,327	6,354,347	(2,003,117)	(4,936,552)		0
19.	Other O&M Expenses	70,078,007	5,859,981	75,937,988	(24,033,689)	51,904,299	(59)	(8,448,351)
	Total O&M expenses	552,848,760	8,064,739	560,913,499	(31,944,336)	519,681,380		(54,838,791)
20.	<b>Depreciation Expense</b>	115,752,686	20,854,632	136,607,318	0	136,607,318	0	0
<b>Other Taxes</b>								
21.	Other Taxes Excluding Property Taxes	4,119,819	(567,377)	3,552,442	0	3,552,442	(281)	(2,732,896)
22.	Property Taxes	18,977,725	2,276,162	21,253,887	325,028	21,578,914	(186)	(10,981,049)
23.	Payroll Taxes	6,318,042	278,332	6,596,374	(142,284)	6,454,090	(24)	(432,592)
<b>Income Taxes</b>								
24.	Federal Income Taxes	72,272,981	(3,837,227)	68,435,754	64,598,527	133,034,281	(38)	(13,759,025)
25.	State Income Taxes	3,393,447	(4,483,469)	(1,090,023)	241,454	(848,569)	(38)	87,763
26.	<b>Provision for Deferred Income Taxes</b>	(39,935,287)		(39,935,287)	0	(39,935,287)	0	0
27.	<b>Amort Investment Tax Credit</b>	(118,395)	38,971	(79,424)	0	(79,424)	0	0
28.	<b>Interest On Customers' Deposits</b>	796,448		796,448	0	796,448	0	0
<b>Return</b>								
29.	Interest on Long-Term Debt (Acct 0427460)	64,460,703	6,359,718	70,820,421	2,447,996	73,268,417	(93)	(18,576,596)
30.	Interest on Short-Term Debt (Acct 0430216)	1,223,847	(459,281)	764,566	4,595	769,161	(25)	(51,899)
31.	Income for Return	90,861,003	1,113,504	91,974,506	6,108,995	98,083,501	0	0
32.	<b>Total Requirements</b>	890,971,779	29,638,703	920,610,481	41,639,975	952,962,674		(101,285,085)
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							(\$20,944,846)

[1] G-1, Item 26, Lead Lag Summary.

[2] G-1, Item 4a, Page 48.

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

[4] Revised Jayasheeli Exhibit I, Schedule 2-3(a), Column ee.

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

[6] Column (e) divided by 365 times column (f).

**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 [1] (a)	Other Operating Revenue Adjustment [1] (b)	End of period Revenue Adjustment [1] (c)	Customer Conservation Program [1] (d)	Rents [1] (e)	ACP [1] (f)	Payroll and Related Costs [1] (g)
<b>Operating Revenues</b>								
1.	Gas Sales and Transportation		\$0	(\$23,952,052)				
2.	Other Operating Revenues		143,469					
3.	Total Operating Revenues	<u>0</u>	<u>143,469</u>	<u>(23,952,052)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Operation &amp; Maintenance Expense</b>								
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		699	(101,471)				
19.	Other O&M Expenses		(21,499)		(1,225,000)	(656,518)	(7,337,252)	
20.	Total O&M expenses	<u>0</u>	<u>(20,614)</u>	<u>(128,550)</u>	<u>(1,225,000)</u>	<u>(656,518)</u>	<u>(7,337,252)</u>	<u>190,432</u>
21.	Depreciation Expense	(3,391,011)						
<b>Other Taxes</b>								
22.	Other Taxes Excluding Property Taxes							
23.	Property Taxes	325,028						
24.	Payroll Taxes							14,568
<b>Income Taxes</b>								
25.	Federal Income Taxes	627,760	29,194	(4,281,173)	250,819	134,422	1,502,302	(41,974)
26.	State Income Taxes	76,650	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							
<b>Return</b>								
30.	Interest on Long-Term Debt (Acct 0427460)							
31.	Interest on Short-Term Debt (Acct 0430216)							
32.	Income for Return	2,361,574	131,324	(19,019,597)	943,556	505,683	5,651,519	(157,901)
33.	Total Requirement	<u>0</u>	<u>143,469</u>	<u>(23,952,052)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

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

**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)
<b>Operating Revenues</b>								
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>
<b>Operation &amp; Maintenance Expense</b>								
4.	Purchased Gas							
5.	Labor	(680,698)			(1,369,654)			
6.	Incentive Pay STIP					(1,502,330)		
7.	Incentive Pay LTIP					(138,700)		
8.	Employee Pensions & Benefits - Acct 926		(796,822)				(1,456,933)	
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							
19.	Other O&M Expenses			(419,141)				(313,675)
20.	Total O&M expenses	<u>(680,698)</u>	<u>(796,822)</u>	<u>(419,141)</u>	<u>(1,369,654)</u>	<u>(1,641,030)</u>	<u>(1,456,933)</u>	<u>(313,675)</u>
21.	<b>Depreciation Expense</b>							
<b>Other Taxes</b>								
22.	Other Taxes Excluding Property Taxes							
23.	Property Taxes							
24.	Payroll Taxes	(52,073)			(104,779)			
<b>Income Taxes</b>								
25.	Federal Income Taxes	150,035	163,149	85,819	301,890	336,001	298,307	64,225
26.	State Income Taxes	18,319	19,921	10,479	36,861	41,026	36,423	7,842
27.	<b>Provision for Deferred Income Taxes</b>							
28.	<b>Amort Investment Tax Credit</b>							
29.	<b>Interest On Customers' Deposits</b>							
<b>Return</b>								
30.	Interest on Long-Term Debt (Acct 0427460)							
31.	Interest on Short-Term Debt (Acct 0430216)							
32.	Income for Return	564,417	613,752	322,843	1,135,682	1,264,003	1,122,203	241,608
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 Jayasheela Exhibit 1, Schedule 3.

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



**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	Sponsorships & Donations (o)	[1] Uncollectibles (p)	[1] Inflation (q)	[1] Nonutility Expenses (r)	[1] PIM (s)	[1] Environmental Costs (t)	[1] Line Locates (u)	[1]
<b>Operating Revenues</b>									
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>	
<b>Operation &amp; Maintenance Expense</b>									
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								
18.	Uncollectible Accounts - Acct 904		(1,902,345)						
19.	Other O&M Expenses	<u>(118,345)</u>		<u>(631,524)</u>	<u>(899,499)</u>	<u>(5,328,872)</u>	<u>180,308</u>	<u>(505,974)</u>	
20.	Total O&M expenses	<u>(118,345)</u>	<u>(1,902,345)</u>	<u>(631,524)</u>	<u>(899,499)</u>	<u>(5,328,872)</u>	<u>180,308</u>	<u>(505,974)</u>	
21.	<b>Depreciation Expense</b>								
<b>Other Taxes</b>									
22.	Other Taxes Excluding Property Taxes								
23.	Property Taxes								
24.	Payroll Taxes								
<b>Income Taxes</b>									
25.	Federal Income Taxes	24,231	389,505	129,305	134,315	1,091,087	(36,918)	103,598	
26.	State Income Taxes	2,959	47,559	15,788	16,400	133,222	(4,508)	12,649	
27.	<b>Provision for Deferred Income Taxes</b>								
28.	<b>Amort Investment Tax Credit</b>								
29.	<b>Interest On Customers' Deposits</b>								
<b>Return</b>									
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	486,431	748,784	4,104,563	(138,882)	389,727	
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 Jayasheela Exhibit 1, Schedule 3.

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

**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]
<b>Operating Revenues</b>									
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>	
<b>Operation &amp; Maintenance Expense</b>									
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	<u></u>	<u>(295,918)</u>	<u>(355,675)</u>	<u>(482,469)</u>	<u>(4,061,162)</u>	<u>(900,523)</u>	<u>(350,000)</u>	
20.	Total O&M expenses	<u>(88,962)</u>	<u>(295,918)</u>	<u>(355,675)</u>	<u>(482,469)</u>	<u>(4,061,162)</u>	<u>(900,523)</u>	<u>(350,000)</u>	
21.	<b>Depreciation Expense</b>								
<b>Other Taxes</b>									
22.	Other Taxes Excluding Property Taxes								
23.	Property Taxes								
24.	Payroll Taxes								
<b>Income Taxes</b>									
25.	Federal Income Taxes	18,215	60,589	72,824	98,785	0	184,382	71,663	
26.	State Income Taxes	2,224	7,398	8,892	12,062	0	22,513	8,750	
27.	<b>Provision for Deferred Income Taxes</b>								
28.	<b>Amort Investment Tax Credit</b>								
29.	<b>Interest On Customers' Deposits</b>								
<b>Return</b>									
30.	Interest on Long-Term Debt (Acct 0427460)								
31.	Interest on Short-Term Debt (Acct 0430216)								
32.	Income for Return	68,523	227,931	273,959	371,622	4,061,162	693,628	269,587	
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 Jayasheela Exhibit 1, Schedule 3.

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

**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	Undercollection of Regulatory Fee (cc)	[1]	Lobbying Expense (dd)	[1]	Interest Synchronisation (ee)	[1]	Total Public Staff Adjustments (ff)	[2]
<b>Operating Revenues</b>									
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>	
<b>Operation &amp; Maintenance Expense</b>									
4.	Purchased Gas							0	
5.	Labor							(1,859,920)	
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>(31,944,336)</u>	
21.	<b>Depreciation Expense</b>								
<b>Other Taxes</b>									
22.	Other Taxes Excluding Property Taxes							0	
23.	Property Taxes							325,028	
24.	Payroll Taxes							(142,284)	
<b>Income Taxes</b>									
25.	Federal Income Taxes	7,570		7,570		563,483		2,540,980	
26.	State Income Taxes	924		924				241,454	
27.	<b>Provision for Deferred Income Taxes</b>								
28.	<b>Amort Investment Tax Credit</b>								
29.	<b>Interest On Customers' Deposits</b>								
<b>Return</b>									
30.	Interest on Long-Term Debt (Acct 0427460)					2,447,996		2,447,996	
31.	Interest on Short-Term Debt (Acct 0430216)					4,595		4,595	
32.	Income for Return	28,476		302,458		(3,016,075)		6,108,995	
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 Jayasheela Exhibit 1, Schedule 3.

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

Revised Jayasheela Exhibit I  
Schedule 2-4

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

Line No.	Item	Under Present Rates		(Lead) Lag Days	Iteration 1			Iteration 2			Iteration 3			After Increase				
		Adjustments	[1]		Increase	With Increase	CWC Change	[4]	Increase	With Increase	CWC Change	[13]	Increase	With Increase	CWC Change	[16]	Cumulative Increase	After Increase
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)				
INVESTOR SUPPLIED CASH WORKING CAPITAL (ITEM 26 SCHEDULE A)																		
1.	Operating Revenues																	
2.	Gas Sales and Transportation (L3 - L2)	\$916,267,107		54.68	\$74,173,046	\$990,440,153	\$11,111,732	\$585,352	\$991,025,505	87,691	\$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			\$4,343,375			
3.	Total Operating Revenues	\$920,610,482			\$74,173,046	\$994,783,528	[13]	\$11,111,732	\$585,352	\$995,368,880	[11]	\$87,691	\$2,062	\$995,370,942	\$309	\$74,760,460	\$995,370,942	
4.	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	83,353,776	(9.92)			83,353,776	0		83,353,776			83,353,776		0	83,353,776			
6.	Incentive Pay STIP	6,627,808	(252.46)			6,627,808	0		6,627,808			6,627,808		0	6,627,808			
7.	Incentive Pay LTIP	2,986,422	(621.50)			2,986,422	0		2,986,422			2,986,422		0	2,986,422			
8.	Employee Pensions & Benefits - Acct 926	15,187,610	(9.52)			15,187,610	0		15,187,610			15,187,610		0	15,187,610			
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	(38.48)			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	1,282,285	(79.58)		96,425	1,378,710	(21,023)		1,379,637	(202)	3	1,379,640	44	97,355	1,379,640			
18.	Uncollectible Accounts - Acct 904	6,354,347	0.00		361,328	6,715,675	0	3,487	[7]	6,719,163	0	10	6,719,173	0	364,825	6,719,173		
19.	Other O&M Expenses	75,937,988	(59.41)			75,937,988	0		75,937,988			75,937,988		0	75,937,988			
20.	Total O&M Expense	\$560,913,499			\$457,753	\$561,371,252	(\$21,023)	\$4,415	\$561,375,666	(\$202)	\$13	\$561,375,679	\$44	\$462,180	\$561,375,679			
21.	Depreciation Expense	136,607,318	0.00			136,607,318			136,607,318			136,607,318		\$0	\$136,607,318			
22.	Other Taxes																	
22.	Other Taxes Excluding Property Taxes	3,552,442	(280.79)			3,552,442	0		3,552,442	0		3,552,442		0	3,552,442			
23.	Property Taxes	21,253,887	(185.74)			21,253,887	0		21,253,887	0		21,253,887		0	21,253,887			
24.	Payroll Taxes	6,596,374	(24.46)			6,596,374	0		6,596,374	0		6,596,374		0	6,596,374			
							0			0				0	0			
							0			0				0	0			
25.	Income Taxes																	
25.	Federal Income Taxes	68,435,754	(37.75)	13,250,407	81,686,161	(1,370,419)	94,761	[8]	81,780,923	(9,801)	273	81,781,195	(28)	13,345,444	81,781,195			
26.	State Income Taxes	(1,090,023)	(37.75)	1,455,886	365,864	(150,575)	10,412	[9]	376,276	(1,077)	30	376,305	(3)	1,466,328	376,305			
						0				0				0	0			
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)			
							0			0				0	0			
28.	Amort Investment Tax Credit	(79,424)	0.00			(79,424)	0		(79,424)	0	0	(79,424)	0	0	(79,424)			
							0			0				0	0			
29.	Interest On Customers' Deposits	796,448	0.00			796,448	0		796,448	0		796,448		0	796,448			
							0			0				0	0			
							0			0				0	0			
	Return																	
30.	Interest on Long-Term Debt (Acct 0427460)	70,820,421	(92.54)	2,097,090	72,917,511	(531,700)	199,048		73,116,559	[12]	(50,467)	573	73,117,131	(145)	2,296,710	73,117,131		
31.	Interest on Short-Term Debt (Acct 0430216)	764,566	(24.63)	912	765,478	(62)	2,090		767,567	[12]	(141)	6	767,573	(0)	3,007	767,573		
32.	Income for Return	91,974,506	0.00	56,779,562	148,754,068	0	406,064		149,160,131	[12]	0	1,168	149,161,300	0	57,186,794	149,161,300		
33.	Total requirement	\$920,610,481			\$74,041,610	\$994,652,091	(\$2,073,777)	\$716,789	\$995,368,880	(\$61,688)	\$2,062	\$995,370,942	(\$133)	\$74,760,461	\$995,370,942			
34.	Cumulative change in working capital						\$9,037,955				\$9,063,958		\$9,064,133.95		\$9,064,134			
35.	Rate base under present rates						3,310,889,660	[6]			3,310,889,660		3,310,889,660		3,310,889,660			
36.	Rate base after rate increase	\$3,310,889,660					\$3,319,927,615				\$3,319,953,618		\$3,319,953,794		\$3,319,953,794			
37.	Overall rate of return (L32 / L36)	2.78%					4.48%				4.49%		4.49%		4.49%			
38.	Target rate of return	6.72%					6.72%				6.72%		7.68%		7.68%			

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

[2] Revised Jayasheela 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 Jayasheela 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 26, 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 36 times appropriate percentage and cost factor.

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

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

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

[16] Column (j) / 365 X Column (b)

[17] Column (c) + Column (f) + Column (j)

[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 Jayasheela Exhibit I  
Schedule 3  
Page 1 of 4

Line No.	Item	Per Company (a)	[1] Plant Updates @ May 31, 2019 (b)	[2] Other Operating Revenue Adjustment (c)	[3] End of period Revenue Adjustment (d)	[3] Customer Conservation Program (e)	[4] Rents Expense (f)	[5] ACP Adjustment (g)	[6]
<b>Operating Revenues:</b>									
1	Sales and transportation of gas	\$823,416,406			(\$23,952,052)				
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	<b>Margin (L4 - L5)</b>	587,590,042	0	143,469	(21,059,318)	0		0	
<b>Operating Expenses:</b>									
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	16,413	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	(\$16,105,364)	\$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 Jayasheela Exhibit I, Schedule 3(a).  
[2] Revised Jayasheela 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**  
For The Test Year Ended December 31, 2018

Revised Jayasheela Exhibit I  
Schedule 3  
Page 2 of 4

Line No.	Item	Payroll and Related Costs [7]	Overtime [8]	Employee Benefits [9]	Board Expenses [10]	Executive Compensation [11]	Incentives [12]	Pension Expense [13]	Rate Case Expenses [14]	Sponsorships & Donations [15]	Uncollectibles [16]
		(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
<b>Operating Revenues:</b>											
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
<b>Operating Expenses:</b>											
8	Operating and maintenance	190,432	(680,698)	(796,822)	(419,141)	(1,369,654)	(1,641,030)	(1,456,933)	(313,675)	(118,345)	(1,602,345)
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	36,861	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	298,307	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	(564,417)	(613,752)	(322,843)	(1,135,682)	(1,264,003)	(1,122,203)	(241,608)	(91,155)	(1,465,281)
16	Interest on customer deposits										
17	Net operating income for return (L3 - L12+L11+L12)	(\$157,901)	\$564,417	\$613,752	\$322,843	\$1,135,682	\$1,264,003	\$1,122,203	\$241,608	\$91,155	\$1,465,281
18	Revenue Requirement Effect	(\$206,271)	\$737,317	\$801,705	\$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.

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Jul 26 2019

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 Jayasheela Exhibit I  
Schedule 3  
Page 3 of 4

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)
<b>Operating Revenues:</b>									
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
<b>Operating Expenses:</b>									
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		(17,065)						
11	State income tax (2.5%)	15,788	16,400	133,222	(4,508)	12,649	2,224	7,398	8,892
12	Federal income tax (21%)	129,305	134,315	1,091,087	(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	\$68,523	\$227,931	\$273,959
18	Revenue Requirement Effect	\$635,441	\$660,067	\$5,361,929	(\$181,426)	\$509,113	\$89,514	\$297,754	\$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] Feasel Exhibit II, Schedule 1.

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 Jayasheela Exhibit I  
Schedule 3  
Page 4 of 4

Line No.	Item	Aviation (z)	Amortization EDIT - FIT Protected (aa)	Eastern NCNG (bb)	GTI (cc)	Undercollection of Regulatory Fee (dd)	Lobbying Expense (ee)	Interest Synchronization (ff)	After Public Staff Adjustments (gg)	
		[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]	
<b>Operating Revenues:</b>										
1	Sales and transportation of gas								\$799,464,354	
2	Electric Generation Revenues								86,903,082	
3	Special Contract Revenues								9,069,827	
4	Other operating revenues								<u>4,486,843</u>	
5	Total operating revenues (L1 - L3)	0	0	0	0	0	0	0	899,924,086	
6	Cost of gas								<u>333,249,893</u>	
7	Margin (L4 - L5)	0	0	0	0	0	0	0	566,674,193	
<b>Operating Expenses:</b>										
8	Operating and maintenance	(482,469)	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	71,683	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								(796,448)	
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>\$175,752,863</u>	
18	Revenue Requirement Effect	\$485,462	\$5,305,232	\$906,109	\$352,171	\$37,199	\$312,881	\$629,674		

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

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Jul 26 2019



**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	Company Without Rate Increase	Company Without Rate Increase New Tax
	<b>Operating Revenues:</b>				
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 Exh bit 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)	<u>\$799,464,354</u>	<u>\$83,780,874</u>	<u>\$12,192,015</u>	<u>\$4,486,843</u>	<u>\$333,249,893</u>	<u>(\$26,892)</u>	<u>(\$100,772)</u>	
	<b>Total Revenues</b>	<u><b>\$899,924,086</b></u>							

[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)

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	
	<b>Short Term Incentive Plan (STIP)</b>		
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)	
	<b>Long Term Incentive Plan (LTIP)</b>		
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] (a)	Actual Payments as of July 11, 2019 [2] (b)	Difference (c)	50% of Difference (d)	Public Staff Amount [3] (e)	Public Staff Adjustment (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>	
	<b>Rate Base Effect:</b>						
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.

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	\$3,736,196 [1]	(\$925,805)	\$2,810,391	\$798,734,107 [3]
2	Year Ended December 31, 2017	5,451,299 [1]	(1,406,506)	3,955,793	874,040,293 [3]
3	Year Ended December 31, 2018	7,882,280 [1]	(2,139,384)	5,722,896	890,971,779 [3]
4	Total for three year period (Sum of L1, L2 and L3)			\$12,489,080	\$2,563,746,179
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) / L6, Column (d))				0.4871%
8	Pro Forma Revenues from sales and transportation of gas, net of gas costs				895,437,243 [3]
9	Uncollectibles per Public Staff (L7 x L6)				4,362,050
10	Uncollectibles per Company				6,294,395 [4]
11	Adjustment to uncollectibles (L9 - L10)				(\$1,902,345)

- [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

Revised Jayasheela Exhibit I  
Schedule 3-5

**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	(4,778,717) [2]
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	
<b><u>Income Statement Effect:</u></b>			
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]
		72,825,820	
4	Less: Amortization expense 10/1/2013 to 12/31/2013	(\$867,430)	
5	Less: Amortization expense 1/1/2014 to 11/1/2019	(20,240,028)	
6	Total amortization expense through November 1, 2019	(21,107,457)	
7	Total Deferred PIM Costs per Public Staff	51,718,363	
8	Amortization period in years	5	[4]
9	Amortization of Deferred PIM Costs per Public Staff	10,343,673	
10	Amortization of Deferred PIM Costs per Company	15,672,545	[1]
11	Public Staff Adjustment to Amortization of PIM Costs	(\$5,328,872)	
<b><u>Rate Base Effect:</u></b>			
12	Unamortized Pipeline Integrity Costs at October 31, 2019	\$51,718,363	[5]
13	Less: Ongoing amortization reflected in O&M expenses	(10,343,673)	[6]
14	Unamortized PIM balance per Public Staff	41,374,690	
15	Deferred Pipeline Integrity Costs per Company	45,365,430	[7]
16	Unamortized Pipeline Integrity Costs per Public Staff	(\$3,990,740)	

- [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
<b><u>Income Statement Effect:</u></b>		
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	(7,404,413)
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	5 [3]
9	Amortization of Deferred Environmental Costs per Public Staff	(12,021)
10	Amortization of Deferred Environmental Costs per Company	(192,329) [4]
11	Public Staff Adjustment to Amortization of Environmental Costs	<u>\$180,308</u>
<b><u>Rate Base Effect:</u></b>		
12	Unamortized Environmental Costs @ December 31, 2013	(\$60,104) [5]
13	Less: Ongoing amortization reflected in O&M expenses	\$12,021 [6]
14	Unamortized Environmental balance per Public Staff	(\$48,083)
15	Deferred Environmental Costs per Company	2,202,746 [7]
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

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
	<b><u>Income Statement Effect:</u></b>	
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><u>\$0</u></u>
	<b><u>Balance Sheet Effect:</u></b>	
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><u>(\$9,522)</u></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	<u>1,138,589</u> [3]
5	Adjustment to Deferred Eastern O&M Amortization (L1-L2)	<u><u>(\$900,523)</u></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		Company Amount		Public Staff Adjustment
		(a)		(b)		(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	<b>Rate Base Effect:</b>					
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

Line No.	Item	Amount
1	Utility Patrol expense allocated to NC	\$288,181 [1]
2	Total DEBS Operating Units	538,511 [1]
		<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%</u> [2]
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</u> [4]
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 [1] (b)	Public Staff Adjustment [2] (c)
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	<u>\$71,584,987</u> [1]
2	Interest expense assigned to rate base per Public Staff	<u>73,682,989</u> [2]
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			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	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 Jayasheela Exhibit I, Schedule 4, Column (h).  
[2] Revised Jayasheela Exhibit I, Schedule 4, Column (e).  
[3] Revised Jayasheela Exhibit I, Schedule 5 (a), Column (d), Line 10.  
[4] Revised Jayasheela Exhibit I, Schedule 5 (a), Column (d), Line 13.

**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

<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	<u>2/</u>
5	Public Staff Adjustments to rate base for tax changes (Line 2 +Line 3+Line 4)	<u>(\$119,500,958)</u>

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.

Revised Perry Exhibit I  
Schedule 2

**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

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
	<u>Income Statement</u>	
1	Regulatory liability for federal tax change related to protected EDIT - NC	(\$214,876,299) <sup>1/</sup>
2	Annual amortization percentage	1.89% <sup>1/</sup>
3	Annual amortization of protected EDIT - NC (L2 x L3)	(4,061,162)
4	Income tax impact	0 <sup>2/</sup>
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% <sup>3/</sup>
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)	<u>4.3187</u>					
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)	<u>(\$23,055,345)</u>	<u>(\$23,055,345)</u>	<u>(\$23,055,345)</u>	<u>(\$23,055,345)</u>	<u>(\$23,055,345)</u>	<u>(\$115,276,724)</u>

- 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).

Revised Perry Exhibit I  
Schedule 3(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	5 <sup>1/</sup>
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 <sup>8/</sup> (c)	Net of Tax Rate (d)
	<u>After Tax Rate of Return</u>			
7	Long-term debt	49.94% <sup>2/</sup>	4.41% <sup>5/</sup>	2.202%
8	Short-term debt	0.85% <sup>3/</sup>	2.72% <sup>6/</sup>	0.023%
9	Common equity	49.21% <sup>4/</sup>	9.13% <sup>7/</sup>	4.493% <sup>10/</sup>
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

Revised Perry Exhibit I

Schedule 4

**CALCULATION OF LEVELIZED STATE EDIT RIDER CREDIT**

For the Test Period Ended December 31, 2018

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 (a)	Cost Rates (b)	Overall Rate of Return (c) 8/	Net of Tax Rate (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).

Revised Perry Exhibit II

Schedule 1

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

Line No.	Account No.	Description	Merchandising, Jobbing and CNG	Nonutility Equity Investments	[1]	NC Total	[5]
<b>Expenses subject to allocation</b>							
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 - LT P, ST P	7,036,827	[3]	\$7,036,827	[3]	
6.	92110	Supplies and Expenses	8,778,454	[3]			[3]
7.	9232000	Outside services	8,056,847	[3]			[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
<b>Plant-related nonutility adjustment</b>							
		Decrease in Plant in Service	\$4,297,229	[4]			
		Decrease in Accumulated Deprecation	2,561,935	[4]			
		Decrease Net Nonutility PIS	\$6,859,164				
		Decrease Depreciation Expense	\$260,567	[4]			
		Decrease Property Tax	(\$17,065)	[4]			
<b>Allocation Ratios:</b>							
		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, tem 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).

**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
	<b><u>Expenses:</u></b>	
1	Depreciation	\$745,653 [1]
2	Property Taxes	<u>29,828</u> [1]
3	Total expenses	\$775,481
4	Retention factor	<u>0.993834881</u> [2]
5	Revenue requirement impact for expenses	<u>780,291</u>
	<b><u>Rate Base:</u></b>	
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	<u>(327,628)</u>
9	Total rate base impact (Sum of Lines 6 through 11)	112,944,238
10	Rate base revenue factor	<u>0.0810847</u> [2]
11	Revenue requirement impact	<u>9,158,050</u>
12	Total revenue requirement impact	9,938,341
13	Piedmont contracts / Total project (26 miles / 35 miles)	<u>0.7428571</u> [3]
14	Portion assigned to Duke - revenue level	7,382,767
15	Expense factor	<u>0.9938349</u> [2]
16	Portion assigned to Duke - expense level	<u>\$7,337,252</u>
	(credit to expenses, debit to rate base)	

[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