

NONCONFIDENTIAL EXHIBITS INCLUDED

INFORMATION SHEET

PRESIDING: Chair Mitchell, Presiding; Commissioners Brown-Bland, Gray, Clodfelter, Duffley, Hughes and McKissick

PLACE: Via Videoconference

DATE: Thursday, September 9, 2021

TIME: 9:00 a.m. – 12:45 p.m.

DOCKET NOS.: G-9, Subs 722, 781, and 786

COMPANY: Piedmont Natural Gas Company, Inc.

DESCRIPTION: G-9, Sub 722: Consolidated Natural Gas Construction and Redelivery Services Agreement Between Piedmont Natural Gas Company, Inc., and Duke Energy Carolinas, LLC;

G-9, Sub 781: Application of Piedmont Natural Gas Company, Inc., for an Adjustment of Rates, Charges, and Tariffs Applicable to Service in North Carolina;

G-9, Sub 786: Application of Piedmont Natural Gas Company, Inc., for Modification to Existing Energy Efficiency Program and Approval of New Energy Efficiency Programs

VOLUME NUMBER: 3

APPEARANCES

(See attached)

WITNESSES

(See attached)

EXHIBITS

(See attached)

REPORTED BY: Joann Bunze
TRANSCRIBED BY: Joann Bunze
DATE FILED: September 14, 2021

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TOTAL PAGES: 622

NONCONFIDENTIAL

PLACE: Via Videoconference
DATE: Thursday, September 9, 2021
TIME: 9:00 a.m. - 12:45 p.m.
BEFORE: Chair Charlotte A. Mitchell, Presiding
Commissioner ToNola D. Brown-Bland
Commissioner Lyons Gray
Commissioner Daniel G. Clodfelter
Commissioner Kimberly W. Duffley
Commissioner Jeffrey A. Hughes
Commissioner Floyd B. McKissick, Jr.

IN THE MATTER OF:

G-9, Sub 722

Consolidated Natural Gas Construction and Redelivery
Services Agreement Between Piedmont Natural Gas
Company, Inc., and Duke Energy Carolinas, LLC;

G-9, Sub 781

Application of Piedmont Natural Gas Company, Inc.,
for an Adjustment of Rates, Charges, and Tariffs
Applicable to Service in North Carolina; and

G-9, Sub 786

Application of Piedmont Natural Gas Company, Inc., for
Modification to Existing Energy Efficiency Program and
Approval of New Energy Efficiency Programs

VOLUME: 3

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NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

DATE: September 7, 2021 DOCKET NO.: G-9, Subs 722, 781, & 786

ATTORNEY NAME and TITLE: Patrick T. Buffkin, Associate

FIRM NAME: Bailey & Dixon, LLP

ADDRESS: 434 Fayetteville St # 2500

CITY: Raleigh

STATE: NC

ZIP CODE: 27601

APPEARANCE ON BEHALF OF: Carolina Industrial Group for Fair Utility Rates IV (CIGFUR IV)

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR: X

PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

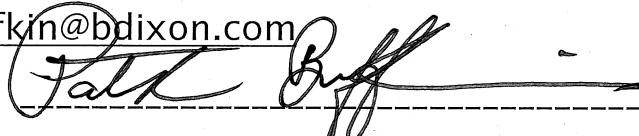
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To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: pbuffkin@bdixon.com

SIGNATURE: _____



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NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

DATE: September 7, 2021 DOCKET NO.: G-9, Subs 722, 781, & 786

ATTORNEY NAME and TITLE: Christina D. Cress, Of Counsel

FIRM NAME: Bailey & Dixon, LLP

ADDRESS: 434 Fayetteville St # 2500

CITY: Raleigh

STATE: NC

ZIP CODE: 27601

APPEARANCE ON BEHALF OF: Carolina Industrial Group for Fair Utility Rates IV (CIGFUR IV)

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR: X

PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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Email: ccress@bdixon.com

SIGNATURE: /s/ Christina D. Cress

(Required for distribution of CONFIDENTIAL transcript)

NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

DATE: 09/01/2021 DOCKET NO.: G-9, Subs 722, 781, 786

ATTORNEY NAME and TITLE: Dustin Doty, Staff Counsel

FIRM NAME: _____

ADDRESS: 955 Old Wilmington Road

CITY: Fayetteville STATE: NC ZIP CODE: 28301

APPEARANCE ON BEHALF OF: Fayetteville Public Works Commission

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR: X

PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: September 3, 2021 **DOCKET NO.:** G-9, Sub 722; G-9, Sub 781; G-9, Sub 786

ATTORNEY NAME and TITLE: Amanda Johnson Demopoulos, Associate
General Counsel

FIRM NAME: Piedmont Natural Gas Company, Inc.

ADDRESS: 4720 Piedmont Row Drive

CITY: Charlotte **STATE:** NC **ZIP CODE:** 28210

APPEARANCE ON BEHALF OF: Piedmont Natural Gas Company, Inc.

APPLICANT: **COMPLAINANT:** ___ **INTERVENOR:** ___

PROTESTANT: ___ **RESPONDENT:** ___ **DEFENDANT:** ___

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: September 3, 2021 **DOCKET NO.:** G-9, Sub 722; G-9, Sub 781; G-9, Sub 786

ATTORNEY NAME and TITLE: Brian S. Heslin, Deputy General Counsel

FIRM NAME: Duke Energy Corporation

ADDRESS: 550 S. Tryon Street

CITY: Charlotte **STATE:** NC **ZIP CODE:** 28202

APPEARANCE ON BEHALF OF: Piedmont Natural Gas Company, Inc.

APPLICANT: **COMPLAINANT:** ___ **INTERVENOR:** ___

PROTESTANT: ___ **RESPONDENT:** ___ **DEFENDANT:** ___

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://ncuc.net>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: _____ DOCKET NO.: _____

ATTORNEY NAME and TITLE: _____

FIRM NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

APPEARANCE ON BEHALF OF: _____

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR: ___

PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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Yes, I have signed the Confidentiality Agreement.

Email: _____

SIGNATURE:  _____

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NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

DATE: Sept 9, 2021 DOCKET NO.: 6-9, Sub 722

ATTORNEY NAME and TITLE: Robert W. Kaylor

Attorney for Duke Energy Carolinas, LLC

FIRM NAME: Kaylor Law Firm

ADDRESS: 353 E. Six Forks Rd., Ste 260

CITY: Raleigh STATE: NC ZIP CODE: 27609

APPEARANCE ON BEHALF OF: Duke Energy Carolinas

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR:

PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://ncuc.net>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

To receive an electronic CONFIDENTIAL transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement. ^{* 6-9 Sub 722 only}

Email: bkaylor@rkwkaylorlaw.com

SIGNATURE: RW Kaylor

(Required for distribution of CONFIDENTIAL transcript)

**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 9/2/2021 **DOCKET NO.:** G-9, Sub 781

ATTORNEY NAME and TITLE: Margaret A. Force, Special Deputy Attorney General

FIRM NAME: NC Department of Justice

ADDRESS: P.O. Box 629

CITY: Raleigh **STATE:** NC **ZIP CODE:** 27602

APPEARANCE ON BEHALF OF: the using and consuming public and the State of North Carolina and its citizens.

APPLICANT: ___ **COMPLAINANT:** ___ **INTERVENOR:**

PROTESTANT: ___ **RESPONDENT:** ___ **DEFENDANT:** ___

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://ncuc.net>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: Pforce@ncdoj.gov

SIGNATURE: /s/ Margaret A. Force

(Required for distribution of CONFIDENTIAL transcript)

NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE Sept. 7, 2021 DOCKET#: G-9, Subs 722, 781 & 786

PUBLIC STAFF ATTORNEY Elizabeth D. Culpepper
Megan Jost
Lucy E. Edmondson

TO REQUEST A **CONFIDENTIAL** TRANSCRIPT, PLEASE PROVIDE YOUR EMAIL ADDRESS BELOW:

ACCOUNTING _____

CONSUMER SERVICES _____

COMMUNICATIONS _____

ENERGY _____

ECONOMICS _____

LEGAL elizabeth.culpepper@psncuc.nc.gov

megan.jost@psncuc.nc.gov

lucy.edmondson@psncuc.nc.gov

TRANSPORTATION _____

WATER _____

Non-confidential transcripts are located on the Commission's website. To view and/or print, please access <https://ncuc.net>.

COUNSEL/MEMBER(S) REQUESTING A **CONFIDENTIAL** TRANSCRIPT WHO HAS SIGNED A CONFIDENTIALITY AGREEMENT WILL NEED TO SIGN BELOW.

Elizabeth D. Culpepper
s/Elizabeth D. Culpepper
Signature of Public Staff Attorney

Megan Jost
s/Megan Jost
Signature of Public Staff Attorney

Lucy E. Edmondson
s/Lucy E. Edmondson
Signature of Public Staff Attorney

NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

DATE: 8/31/21 DOCKET NO.: G-9, Subs 722, 781, 786

ATTORNEY NAME and TITLE: Craig D Schaner

FIRM NAME: Brooks Pierce

ADDRESS: 150 Fayetteville St, Suite 1700

CITY: Raleigh STATE: NC ZIP CODE: 27601

APPEARANCE ON BEHALF OF: Carolina Utility Customers Association

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR: X

PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: cschaner@brookspierce.com

SIGNATURE: CDS

(Required for distribution of CONFIDENTIAL transcript)

**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 8/31/21 DOCKET NO.: G-9, Subs 722, 781, 786

ATTORNEY NAME and TITLE: Marcus Trathen

FIRM NAME: Brooks Pierce

ADDRESS: 150 Fayetteville St, Suite 1700

CITY: Raleigh STATE: NC ZIP CODE: 27601

APPEARANCE ON BEHALF OF: Carolina Utility Customers Association

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR: X

PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://ncuc.net>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: m.trathen@brookspierce.com

SIGNATURE: /s/ Marcus Trathen

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

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Sep 15 2021

DATE: 9/2/2021 **DOCKET NO.:** G-9, Sub 781

ATTORNEY NAME and TITLE: Teresa L. Townsend, Special Deputy Attorney General

FIRM NAME: NC Department of Justice

ADDRESS: P.O. Box 629

CITY: Raleigh **STATE:** NC **ZIP CODE:** 27602

APPEARANCE ON BEHALF OF: the using and consuming public and the State of North
Carolina and its citizens.

APPLICANT: ___ **COMPLAINANT:** ___ **INTERVENOR:**

PROTESTANT: ___ **RESPONDENT:** ___ **DEFENDANT:** ___

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To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: TTownsend@ncdoj.gov

SIGNATURE: /s/ Teresa L. Townsend

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 09/01/2021 DOCKET NO.: G-9, sub 781

ATTORNEY NAME and TITLE: James West General Counsel

FIRM NAME: Fayetteville Public Works Commission

ADDRESS: 955 Old Wilmington Road

CITY: Fayetteville STATE: NC ZIP CODE: 28301

APPEARANCE ON BEHALF OF: Fayetteville Public Works Commission

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR:

PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://ncuc.net>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

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I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 722
Docket No. G-9, Sub 781

PUBLIC
EXHIBIT_(BPB-1)

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SEP 15 2021

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 722

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter Of)	
)	
Piedmont Natural Gas Company, Inc.’s)	COMMENTS OF
Petition for Consolidated Construction/)	PIEDMONT NATURAL
Redelivery Agreement)	GAS COMPANY, INC.
)	

Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”), through counsel, hereby submits its Comments on the Public Staff’s proposals in this docket for consideration by the North Carolina Utilities Commission (“Commission”).

PROCEDURAL HISTORY OF THIS DOCKET

1. On April 23, 2018, and pursuant to N.C.G.S. § 62-153(b), Piedmont filed its Consolidated Natural Gas and Redelivery Services Agreement (“Consolidated Agreement”) between Piedmont and DEC in this docket seeking Commission authorization for Piedmont to enter into such Consolidated Agreement and abide by its terms.¹

2. On May 18, 2018, the Public Staff issued its first set of discovery requests to Piedmont regarding the Consolidated Agreement and on June 1, 2018, Piedmont provided responses to the Public Staff’s first set of discovery.

¹ Piedmont and DEC have a longstanding gas redelivery agreement in place for service to gas-fired equipment at DEC’s Lincoln Plant, approved in Docket No. G-9 Sub 491, but with the addition of a new Combustion Turbine (“CT”) at that plant, and in recognition of the fact that the prior redelivery agreement was somewhat outdated, DEC and Piedmont agreed to a new “consolidated” redelivery agreement to cover not only service to the old gas-fired equipment but to the new CT as well.

3. On November 16, 2018, following extensive discussions with the Public Staff and renegotiation with DEC, Piedmont filed a Revised Agreement in this docket which [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END CONFIDENTIAL]

of the underlying cost of service for DEC's new combustion turbine at Lincoln.²

4. On January 14, 2019, the Public Staff issued its second set of discovery requests in this docket seeking information and documents related to the Revised Agreement and Piedmont responded to those requests on January 29, 2019.

5. On January 10, 2020, Piedmont filed a Request for Authorization to Commence Service, requesting the Commission to issue an Order authorizing Piedmont to commence service to DEC at its Lincoln Plant on an interim basis subject to the terms and conditions set forth in the Revised Agreement filed in this proceeding, and subject to further action in this proceeding to establish a final rate for such service.

6. On January 28, 2020, the Commission issued its Order Granting Interim Authority to Operate under Second Revised Agreement and Requiring Public Staff Action ("Interim Order") which permitted Piedmont to commence service to DEC's Lincoln facilities but specifically authorized such service only through midnight on April 30, 2020, unless further extended by order of the Commission. The

² In order to ensure that no more than [BEGIN CONFIDENTIAL] [REDACTED]
[REDACTED] [END CONFIDENTIAL].

Interim Order also directed the Public Staff to provide a Status Report to the Commission by March 18, 2020 if it had not filed its final recommendations and proposed order or placed the matter on the Commission's Staff Conference agenda by that time.

7. On March 18, 2020, the Public Staff filed a status report indicating that it was finalizing its recommendations and proposed order, and anticipated that it should be able to make the filing in the near future.

8. DEC commenced generation operations with its new incremental gas fired equipment at the Lincoln Plant on April 6, 2020 using natural gas provided by Piedmont pursuant to the Commission's Interim Order.

9. On April 14, 2020, Piedmont filed a Motion for Extension of Authorization to Provide Service to DEC at the Lincoln Plant pursuant to the terms of the Revised Agreement, on an interim basis, to and until the Commission has approved a final rate for such service in this proceeding and that rate becomes effective.

10. On April 20, 2020, the Commission issued its Second Interim Order ("Second Interim Order"), which authorized Piedmont to continue to operate under the Revised Agreement through July 31, 2020 and required the Public Staff to file its final recommendation(s) and proposed order on or before June 1, 2020.

11. On June 1, 2020, the Public Staff filed its Recommendations and Proposed Order. In its filing, the Public Staff asserted that the terms of the Revised Agreement are not in accordance with the requirements of N.C.G.S. § 62-140 and N.C.G.S. § 62-153. The Public Staff recommended that Piedmont renegotiate with

DEC for an [BEGIN CONFIDENTIAL] [REDACTED]
[REDACTED]
[REDACTED] [END CONFIDENTIAL] as reflected in the Revised Agreement. The Public Staff further recommended that the Commission issue its proposed order approving the Public Staff's recommendations.

12. On June 9, 2020, DEC filed its Motion to Intervene in this proceeding which was allowed by Commission Order date June 10, 2020.

13. On June 24, 2020, the Public Staff filed its Corrected Recommendations and Proposed Order, correcting an inaccurate assertion in its original recommendation that the Consolidated and Revised Agreements changed the nature of service to DEC's historic Lincoln facilities from interruptible to firm.

CONTEXT OF THE PUBLIC STAFF PROPOSAL

14. As a regulated North Carolina public utility, Piedmont's rates for service are all subject to regulation by this Commission and are all based on the cost to provide service to its customers.

15. Its general tariff rates are established by this Commission in general rate case proceedings and are based on Commission decisions related to Piedmont's general cost of service, revenue requirements, cost allocation and rate design.

16. Piedmont's special contract redelivery agreements, each of which is subject to discrete approval proceedings before the Commission, are also based on the cost to extend service to each individual special contract customer and these costs can and do vary in each case. The cost of service for special contracts is calculated using

Piedmont's standard cost of service model analysis tool which reflects sound ratemaking principles and which has been used consistently for all of Piedmont's Commission-approved special projects. Piedmont applies this model on a consistent basis to the project costs associated with each discrete special contract arrangement. The costs reflected in the model include all project specific capital and expenses, and an allocated share of general system overhead costs.

17. Piedmont's special contract redelivery agreements are also generally based on a fixed demand charge rate structure because this type of rate design provides greater certainty that Piedmont will be compensated for the investments in plant and equipment that are dedicated to the special contract customer and ensures that Piedmont recovers its cost of providing service to the customer irrespective of how much gas the special contract customer actually consumes. Further, they have been structured to provide a full return of Piedmont's investments over the life of the contract, which is a much shorter timeframe than traditional ratemaking which relies on the useful life of the underlying property in calculating return of capital, in recognition of the risk associated with investment dedicated to a single customer.

18. Piedmont currently has fourteen approved special contracts for electric generation customers, the vast majority of which are based upon the structure described above. Each of these contracts was reviewed by and recommended for Commission approval by the Public Staff at the time they were approved by the Commission.

19. Eleven of these electric generation special contracts provide for firm service and three provide for best efforts/interruptible service. Similarly, eleven of

the fourteen power generation contracts have fixed demand type rate structures while three have a combination of fixed and volumetric rates. Of the three that have volumetric rate structures, all are dated prior to 2005 and two of the three were “inherited” agreements from Piedmont’s acquisition of North Carolina Natural Gas Company in 2005.

20. Of these fourteen electric generation special contracts, six of them involve service through facilities that connect directly to Transcontinental Gas Pipeline and which do not serve other Piedmont customers. The DEC Lincoln facilities, both old and new, fall within this group of Special Contract customers. The other eight electric generation special contract customers receive service, at least in part, over facilities that also serve other Piedmont customers.

21. The Revised Agreement at issue in this proceeding is substantially similar in form and content to the majority of construction and redelivery agreements previously filed by Piedmont and approved by the Commission for service to large electric generation facilities with the exception of the additional usage-based system support surcharge renegotiated by Piedmont and reflected in the Revised Agreement. In calculating demand charges for its proposed incremental service to DEC’s Lincoln Plant, Piedmont relied on its standard feasibility analysis model – the same model used to calculate rates for its previously approved electric generation construction and redelivery agreements.

22. In the past, Piedmont has relied primarily on an incremental pricing model for its special contract customers. This means that Piedmont calculated rates for these customers based upon the anticipated incremental or additional costs needed

to provide service to the new customers and then trued up those rates to actual costs once the incremental facilities were completed. The logic for this approach is based upon the fact that Piedmont is already being compensated for its existing system costs through Commission approved base rates and previously approved special contracts. In most cases, the incremental rates paid by Piedmont special contract customers are higher than general system rates for comparable service because the incremental costs to serve these customers are higher than the costs underlying Piedmont's general system rates.

23. During the period following the filing of the Consolidated Agreement with the Commission and preceding the filing of the Revised Agreement, Piedmont had multiple discussions with the Public Staff regarding the Public Staff's desire for some form of system support surcharge in its special contracts, including the new contract for additional service to DEC's Lincoln plant.³ Despite repeated requests by Piedmont, however, the Public Staff never produced a suggested methodology for the computation of such a surcharge prior to June 1, 2020.

24. In its renegotiation with DEC, which was undertaken in an attempt to achieve an acceptable compromise among the parties in order to move the agreement to serve the additional CT at Lincoln forward, Piedmont was able to obtain agreement for DEC to pay [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

³ As noted above, Lincoln is not an example of Piedmont's existing system supporting deliveries to a special contract customer. Instead, the Piedmont facilities delivering gas to the Lincoln plant consist of a pipe directly connecting Lincoln to Transco, which was constructed by Piedmont expressly for that purpose, and no other customers are served from this pipe. All of the costs of this pipe are being recovered from DEC.

[REDACTED]
[REDACTED] [END CONFIDENTIAL] would be reasonable and acceptable to the Public Staff given its prior inability/unwillingness to offer a methodology for calculating such a surcharge (or an acceptable level of surcharge). As is now obvious, Piedmont was mistaken in its belief that the Public Staff would find the [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] approach appropriate.

25. This proceeding is not the first instance in which the Public Staff has raised concerns about pricing for Piedmont's special contract services. [BEGIN CONFIDENTIAL] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [END CONFIDENTIAL].

PIEDMONT COMMENTS ON PUBLIC STAFF PROPOSAL

26. Piedmont wishes to be entirely clear that it does not oppose a usage-based system support surcharge applicable to special contract customers in cases where the provision of service to those customers makes use of pre-existing parts of Piedmont's transmission and distribution system which serve other customers.⁴ Having said this, Piedmont does not favor approval of the Public Staff's proposal in

⁴ Piedmont does oppose the application of such a surcharge to special contract customers whose service is not dependent upon and does not utilize existing portions of Piedmont's transmission and distribution system – such as those customers who are directly connected to Transco like DEC's Lincoln Plant.

this case because neither the Consolidated nor Revised Agreement constitutes such an agreement and for the other reasons explained below.

27. The primary impact of a usage-based system support surcharge as proposed by the Public Staff in this case would be to increase the revenue received by Piedmont under the special contract and thereby increase the earned return on equity component of each contract to which the surcharge is applied.⁵

28. And while Piedmont does not oppose utilization of a usage-based system support surcharge in its special contracts, it strongly believes that such a surcharge should be based on some rational and transparent methodology for allocating system costs to special contract customers and that it must take into account the varying circumstances of service provided to each special contract customer (i.e. the surcharge should not be the same for every special contract customer because every special contract customer does not receive the same service or rely upon Piedmont's system in the same way).

29. As noted above, in the case of the Revised Agreement, Piedmont was able to obtain DEC's agreement to implement a [BEGIN CONFIDENTIAL] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [END CONFIDENTIAL].

⁵ The irony of the fact that Piedmont is opposing a Public Staff proposal that would grow its bottom line is not lost on Piedmont. [BEGIN CONFIDENTIAL] [REDACTED]
[REDACTED]
[REDACTED] [END CONFIDENTIAL]

30. The Public Staff contends that the revenues included under the Revised Agreement are insufficient. Piedmont disagrees with Public Staff's position on several grounds.

31. First, Piedmont does not agree with the Public Staff's assertion that the purpose of volumetric charges in electric or special contracts is to "provide recovery of costs related to existing local distribution company infrastructure" as it states in its comments. The costs of providing service to customers can be collected through one or the other or some combination of demand and usage-based volumetric rates but the fact that costs are being collected volumetrically does not imply any particular derivation of the costs. For example, Piedmont's general system rates are designed to collect a significant percentage of its fixed costs through usage based charges but the fact that those costs are being collected volumetrically does not change the fact that they are, in fact, fixed in nature and do not vary with usage. Further, as the Public Staff knows, Piedmont has historically served most of its special contract and electric generation customers using demand charge only contracts which ensure greater certainty of recovery of Piedmont's costs on a fixed basis without any usage based charges.⁶

32. Piedmont's historic approach to pricing service for new customers under special contracts is an incremental approach which does not expressly include any "system support charges" but is instead based upon the incremental price of providing service plus allocated overheads. Piedmont has utilized this incremental

⁶ Collecting fixed costs on a volumetric basis increases risk for both Piedmont and its customer. If the customer does not actually consume the amount of gas upon which the volumetric charges are calculated, Piedmont will under-recover its costs. If the customer consumes a larger amount of gas than that assumed in establishing the volumetric rate, Piedmont receives a windfall at the customer's expense.

pricing approach for two reasons. First, the incremental pricing approach represents the actual cost to Piedmont of providing the incremental service to the new customer. Second, at the time Piedmont is offering to provide new service to a special contract customer, it is presumably recovering the costs of its existing system through its base rates and through other existing special contracts.

33. In its comments, the Public Staff cites to a large number of questions it has regarding the sufficiency of system support charges for various special contract arrangements and customers and cites to a number of special contract arrangements the Commission has previously approved, much of the details of which are unavailable to Piedmont because they are redacted. The Public Staff also states that it performed some analysis of the proposed Revised Agreement as well as Piedmont's system costs and calculated a per dekatherm O&M cost for Rate Schedule 113 customers of between [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL].

34. Significantly, the Public Staff did not provide its accounting analysis so neither the Commission nor Piedmont are able to analyze whether that analysis is meaningful. It is also notable that the Public Staff failed to mention that these costs are already being recovered in Piedmont's rates and that the actual provision of service to the new DEC Lincoln facilities would not in any way increase these costs.

35. The Public Staff then used its calculations of per dekatherm O&M transportation costs along with the volumetric surcharges approved in other contracts (which may or may not have been intended to recover system usage surcharges) and the volumetric surcharge adopted in the 2004 agreement with DEC (and carried

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forward into the Consolidated Agreement and ultimately the Revised Agreement) to propose a [BEGIN CONFIDENTIAL] [REDACTED]
[REDACTED] [END CONFIDENTIAL].

36. It is noteworthy that at the Public Staff's proposed usage charge, the price to DEC of incremental service through the newly constructed Piedmont facilities will [BEGIN CONFIDENTIAL] [REDACTED]
[REDACTED] [END CONFIDENTIAL].

All of this excess will fall directly to Piedmont's bottom line in the short-term and benefit its customers at the time of its next general rate case. Artificially inflating charges to special contract customers for the benefit of other customers is likely to lead to more frequent Commission involvement in rate disputes with potential special contract customers and may also provide a basis for these customers to locate their projects in different jurisdictions to avoid payment of system support surcharges. A Commission-imposed system support surcharge that lacks a sound methodological basis will not benefit Piedmont or its customers in the long run.

37. And while Piedmont supports the usage charge associated with service through the new incremental Lincoln facilities that the Company negotiated with DEC in the spirit of compromise in an attempt to address the Public Staff's concerns, Piedmont is very concerned with the Public Staff's proposal in this docket because it is not cost-based, not the product of any logically repeatable methodology, and seeks

to impose cost responsibility on DEC for system support when DEC does not rely on Piedmont's underlying system to receive service.

38. The lack of any support for the allocation of costs underlying the Public Staff's proposed surcharge is problematic in Piedmont's view because it is inherently arbitrary. The level of the Public Staff's proposed surcharge in this case appears to be based solely on the fact that it is in between the highest and lowest volumetric surcharges the Commission has previously allowed and it is consistent with a volumetric charge agreed to 16 years ago for reasons that are unclear at this point.⁷ That may be an interesting observation of historical fact but it does not constitute a defensible rationale, much less a methodology, for the calculation or imposition of such a charge in this proceeding.

39. In evaluating the Public Staff's proposal, Piedmont would also reiterate a point made earlier that it is not a valid assumption to conclude that just because a contract contains some component of volumetrically collected revenues that those revenues represent any particular set of costs associated with providing service to that customer. Without more evidence, it simply can't be assumed that cost recovery tracks cost causation.

40. More importantly, because the Public Staff's proposed surcharge is not based upon any discernible methodology other than a subjective belief by the Public Staff that it is reasonable, the surcharge proposed in this docket provides no useful information about what level of surcharge will be appropriate for the next special

⁷ In Piedmont's opinion, it is highly unlikely that the existing volumetric charge for service to the older facilities at Lincoln are reflective of system support surcharges and far more likely that they are simply a rate design choice that recovered some of the fixed cost of service for these facilities under a volumetric rate.

contract Piedmont brings before the Commission. Piedmont strongly believes that any system support surcharge applied to special contract customers, including the one now proposed by the Public Staff in this docket, must be based on some rational, reasonable, and repeatable methodology that is based on a transparent allocation of costs. Without such a methodology, Piedmont submits that such a surcharge is inherently and unavoidably arbitrary, as well as potentially discriminatory in violation of N.C. Gen. Stat. § 62-140.

41. A quick illustration of why this approach is necessary is easily provided. Existing arrangements to serve special contract electric generation customers vary dramatically with respect to each of the following factors: (a) cost of the facilities needed to connect the customers to Piedmont's system; (b) length of transport of gas volumes on Piedmont's system prior to redelivery; (c) volumes of gas potentially available for redelivery under the special contracts; (d) the expected load factors of the underlying electric generation facilities; and (e) the degree to which delivery depends on the utilization of existing system facilities.

42. For example, application of the same surcharge to two customers, one of whom is located within 10 miles of and will be directly interconnected to Transco, whose interconnection facilities cost \$5 million and who has the right to receive 500,000 dekatherms a day of interruptible service, as compared to a customer located 100 miles from Transco whose interconnection facilities cost \$50 million and who has the right to receive 100,000 dekatherms a day of firm service, which will be transported in part over existing Piedmont facilities, is inherently arbitrary because of the vast differences in construction costs, expected load profiles, and the degree to

which they rely upon Piedmont's existing transmission and distribution systems. Even acknowledging that these two customers should pay different surcharges is unhelpful because under the Public Staff proposal it is impossible to calculate what the difference should be. This is a hypothetical but the reality is actually worse because every special contract customer on Piedmont's system, both existing and future, will have a discrete set of facts governing service.

43. In Piedmont's view, this means that an arbitrary non-cost based usage surcharge such as that proposed by the Public Staff, if it were applied to multiple projects could be much too high in some cases (potentially making the project uneconomic for the customer) and much too low in other cases (not providing adequate system support). In all cases, Piedmont would be unable to explain the derivation of the surcharge to potential customers or negotiate it because it could not rely on any approved methodology that is repeatable.

44. This would effectively place the Public Staff in the middle of any future negotiations with any potential special contract customer which is completely unworkable from a contract negotiation perspective and is otherwise inappropriate.

45. In Piedmont's opinion, the Public Staff proposal in this docket to implement a [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] surcharge for every dekatherm of natural gas provided to DEC to serve its new Lincoln combustion turbine under the Revised Agreement does not constitute a rational, reasonable, repeatable, or cost-based methodology and should not be adopted by the Commission.

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46. As stated previously, Piedmont recommended a [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END CONFIDENTIAL]. The amount recommended by

Piedmont to achieve mutual agreement was reasonable and appropriate from both a

practical and a regulatory perspective. From a practical perspective, it was obvious to

Piedmont in 2018 that the Public Staff was insistent upon the inclusion of a

volumetrically based system contribution amount. Further, an arm's length

agreement had already been reached with DEC using the method that had been

approved by the Commission in several other dockets, therefore returning to DEC

with a request for higher revenues was likely to be problematic from the customer's

perspective. [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END

CONFIDENTIAL]

47. From a regulatory and ratemaking perspective, Piedmont believed that

[BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

I/A

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [END
CONFIDENTIAL]

48. Finally, as part of its discussions with the Public Staff during the pendency of this docket, Piedmont retained the services of an outside consultant with over thirty years of relevant experience who recommended that Piedmont [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]
[REDACTED]

[END CONFIDENTIAL]. This consultant indicated that this was the approach he had seen most frequently used to adjust special contract pricing for the unique risks of these contracts and to ensure that such contracts contributed to the support of gas distribution company overall system costs.

50. The Commission frequently uses its informed judgment to resolve disagreements over cost allocation and rates. In this case, as is evident from what has been presented above, the Public Staff's proposal is arbitrary, is unsupported by any coherent ratemaking methodology, and would result in DEC paying multiples more for system support over the life of the Revised Agreement than it will to fully compensate Piedmont for the cost of the service it will receive. Further, the Public Staff's proposal would compensate Piedmont for "system support" in circumstances

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where Piedmont's system does not support service to DEC. Piedmont and DEC's Revised Agreement, by way of contrast, sets forth a reasoned, proportional, and meaningful approach that can be duplicated with other customers.

CONCLUSION

Wherefore, Piedmont respectfully requests that the Commission reject the Public Staff's proposals in this docket and approve the agreement of DEC and Piedmont reflected in the Revised Agreement in this proceeding. If the Commission is dissatisfied with both approaches suggested in this docket, Piedmont respectfully requests that the Commission initiate a separate proceeding to examine the propriety and calculation of system support usage-based surcharges in natural gas redelivery special contracts in order to establish how and in what manner such surcharges should be utilized and how they can be calculated on a non-discriminatory and non-arbitrary basis in the future.

Respectfully submitted, this the 26th day of June, 2020.

Piedmont Natural Gas Company, Inc.

/s/ James H. Jeffries IV
James H. Jeffries IV
McGuireWoods LLP
201 North Tryon Street, Suite 3000
Charlotte, NC 28202
Telephone: 704-343-2348
Email: jjeffries@mcguirewoods.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached is being served this date upon all of the parties to this docket electronically or by depositing a copy of the same in the United States Mail, First Class Postage Prepaid, at the addresses contained in the official service list in this proceeding.

This the 26th day of June, 2020.

/s/ Sloane K. O'Hare
Sloane K. O'Hare

I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 722
Docket No. G-9, Sub 781

PUBLIC
EXHIBIT_(BPB-2)

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BASE CASE

Return on Incremental Piedmont Facilities for the Provision of Gas Service to Customer (DEC Lincoln Unit 17)

Based on Annual Revenue from Revised Agreement filed on 11/16/2018, not including any revenue from a [REDACTED] charge

Line No.		YEAR																			Average
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
1	Margin Revenue	[REDACTED]																			
2	O&M Expense	[REDACTED]																			
3	Depreciation Expense	[REDACTED]																			
4	General Tax Expense	[REDACTED]																			
5	Subtotal	[REDACTED]																			
6	Interest for tax calculation	[REDACTED]																			
7	Pre-tax income	[REDACTED]																			
8	Income Tax Expense	[REDACTED]																			
9	Net Operating Income	[REDACTED]																			
10	Other Income	[REDACTED]																			
11	Net Operating Income for Return	[REDACTED]																			
12	Interest	[REDACTED]																			
13	Net Equity Income for Return	[REDACTED]																			
14	Total Rate Base	[REDACTED]																			
15	Equity Rate Base	[REDACTED]																			
16	Return on Total Rate Base	[REDACTED]																			
17	Return on Equity Rate Base	[REDACTED]																			

WITH 10% ADDITIONAL CHARGE

Return on Incremental Piedmont Facilities for the Provision of Gas Service to Customer (DEC Lincoln Unit 17)
 Based on Annual Revenue from Revised Agreement filed on 11/16/2018, including revenue from [REDACTED] rate for Incremental Facilities as shown in Revised Agreement

Line No.	YEAR										Average
	1	2	3	4	5	6	7	8	9	10	
1	[REDACTED]										[REDACTED]
2	[REDACTED]										[REDACTED]
3	[REDACTED]										[REDACTED]
4	[REDACTED]										[REDACTED]
5	[REDACTED]										[REDACTED]
6	[REDACTED]										[REDACTED]
7	[REDACTED]										[REDACTED]
8	[REDACTED]										[REDACTED]
9	[REDACTED]										[REDACTED]
10	[REDACTED]										[REDACTED]
11	[REDACTED]										[REDACTED]
12	[REDACTED]										[REDACTED]
13	[REDACTED]										[REDACTED]
14	[REDACTED]										[REDACTED]
15	[REDACTED]										[REDACTED]
16	[REDACTED]										[REDACTED]
17	[REDACTED]										[REDACTED]

WITH PUBLIC STAFF RECOMMENDED VARIABLE CHARGE

Return on Incremental Piedmont Facilities for the Provision of Gas Service to Customer (DEC Lincoln Unit 17)
Based on Annual Revenue from Revised Agreement filed on 11/16/2018, including variable charge recommended by Public Staff

Line No.		YEAR																			Average	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		20
1	Margin Revenue																					
2	O&M Expense																					
3	Depreciation Expense																					
4	General Tax Expense																					
5	Subtotal																					
6	Interest for tax calculation																					
7	Pre-tax income																					
8	Income Tax Expense																					
9	Net Operating Income																					
10	Other Income																					
11	Net Operating Income for Return																					
12	Interest																					
13	Net Equity Income for Return																					
14	Total Rate Base																					
15	Equity Rate Base																					
16	Return on Total Rate Base																					
17	Return on Equity Rate Base																					

I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 722
Docket No. G-9, Sub 781

PUBLIC
EXHIBIT_(BPB-3)

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SEP 15 2021

DOCKET NO. G-9, SUB 722
RESPONSES TO COMMISSION QUESTIONS
FOR SUPPLEMENTAL TESTIMONY DUE APRIL 19, 2021

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Question 1. Since [REDACTED] with Piedmont. Provide a detailed explanation supporting your response.

Response: As background, the provision of firm natural gas service by Piedmont at the customer's Lincoln County electric generation facility originated in 2004/2005, when Piedmont installed natural gas facilities consisting primarily of approximately 1 mile of 18" Piedmont pipeline from Transco's interstate pipeline to the customer's facility. Piedmont's recovery of the cost to provide such service to the customer is accommodated through the Gas Redelivery Agreement which the Commission approved in September 2004 in Docket No. G-9, Sub 491. As is evident from the map shown below, the Piedmont facilities through which Piedmont has been providing firm redelivery service to the customer for all these many years consist of a pipeline originating at an interconnection with Transco and terminating at the customer's facility. No other Piedmont customers are provided gas service through or off this approximate 1-mile Piedmont pipeline.

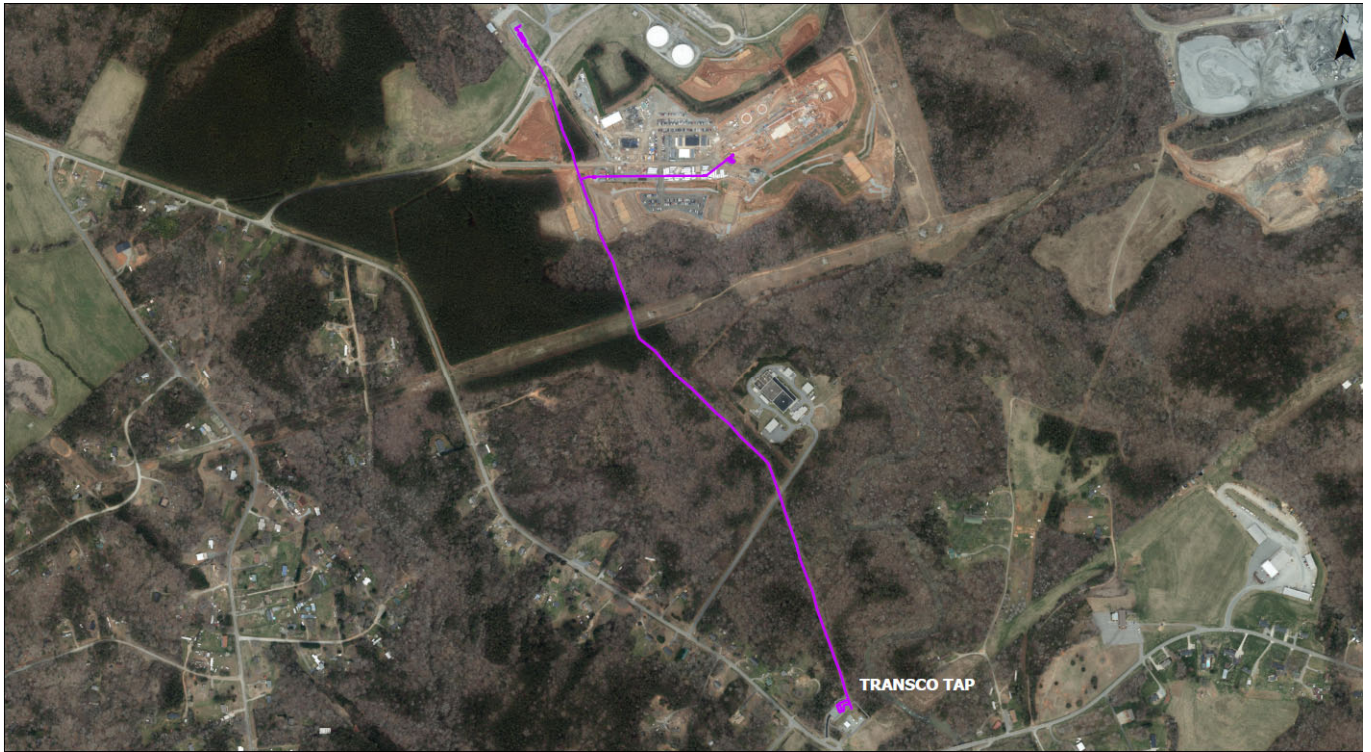
In 2017/2018, the customer requested [REDACTED]

[REDACTED]

**DOCKET NO. G-9, SUB 722
RESPONSES TO COMMISSION QUESTIONS
FOR SUPPLEMENTAL TESTIMONY DUE APRIL 19, 2021**

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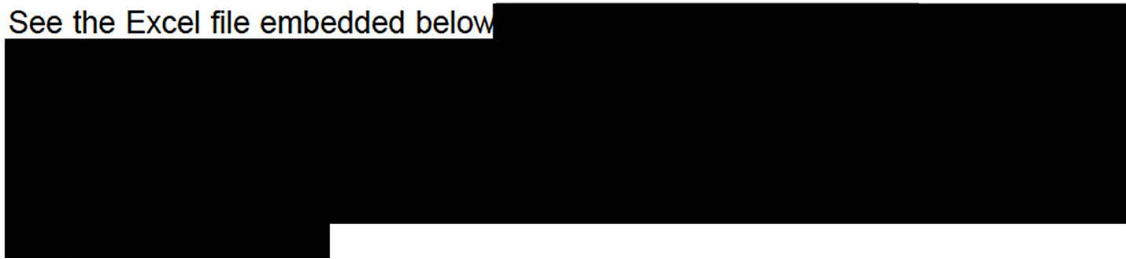


DOCKET NO. G-9, SUB 722
RESPONSES TO COMMISSION QUESTIONS
FOR SUPPLEMENTAL TESTIMONY DUE APRIL 19, 2021

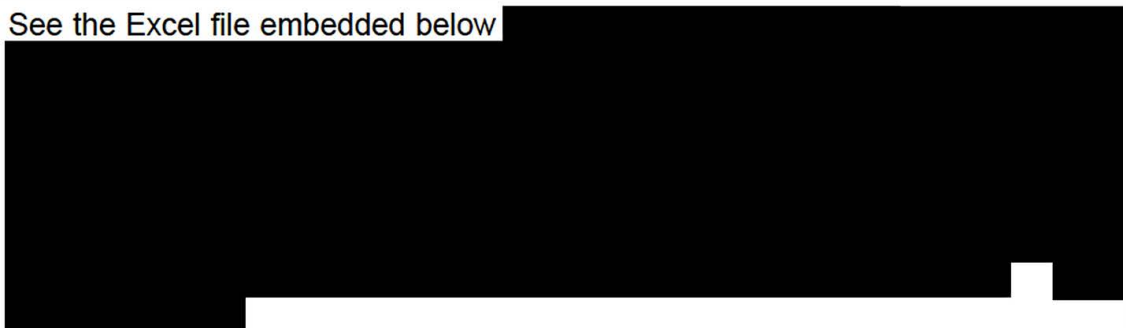
Question 2. Provide the cost of service study for DEC's New Facilities and use the cost of service study to design cost of service based fixed demand rate and volumetric rate for DEC's New Facilities. Provide the calculations as well as the assumptions used to calculate the rates.

Response: The cost of service study for the new Piedmont facilities to provide the additional redelivery service requested by the customer are shown in the two attachments, as follows:

- See the Excel file embedded below



- See the Excel file embedded below



DOCKET NO. G-9, SUB 722
RESPONSES TO COMMISSION QUESTIONS
FOR SUPPLEMENTAL TESTIMONY DUE APRIL 19, 2021

- Question 3. Using December 2020 actual billing determinants, provide Piedmont's gas bills with supporting calculations to the Existing Facilities and the New Facilities based on:
- a. The actual gas bills billed to the customer for December 2020;
 - b. The gas bills the customer would receive if the [REDACTED] were used during December 2020;
 - c. The gas bills the customer would receive if the [REDACTED] were used during December 2020; and
 - d. The gas bills the customer would receive if the Public Staff methodology was applied during December 2020.

Response: a. See table below for the actual December 2020 billed amounts.

[REDACTED]

[REDACTED]

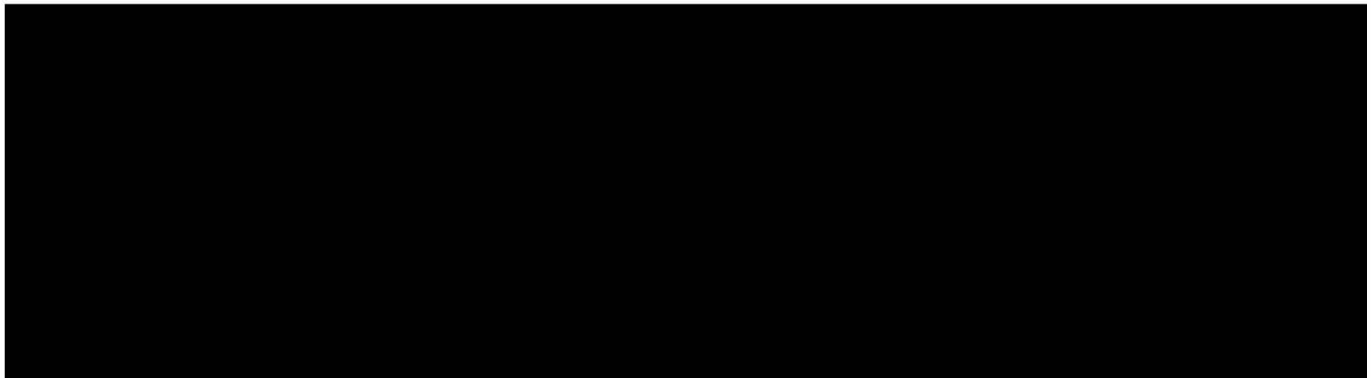
[REDACTED]

DOCKET NO. G-9, SUB 722
RESPONSES TO COMMISSION QUESTIONS
FOR SUPPLEMENTAL TESTIMONY DUE APRIL 19, 2021

b. 

c. The actual December 2020 billing provided in response to part a of this questions contains the ROE premium. Therefore the answer to part a and part c are identical.

d. If Public Staff's methodology were applied for December 2020, the bill to the customer would have been as follows:



DOCKET NO. G-9, SUB 722
RESPONSES TO COMMISSION QUESTIONS
FOR SUPPLEMENTAL TESTIMONY DUE APRIL 19, 2021

Question 4. Provide the entire report provided by the outside consultant regarding the recommendations to Piedmont to adopt an [REDACTED]

Response: [REDACTED]

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(QPB-1)

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
North Carolina Operations

Summary of Rate Base

	<u>As of December 31, 2020</u>	<u>As of (estimated) June 30, 2021</u>
1 Utility Plant in Service	\$ 6,486,877,888	\$ 7,170,414,094
2 Accumulated Depreciation	(1,593,942,935)	(1,676,988,803)
3 Allowance for Working Capital	210,744,581	233,558,367
4 Accumulated Deferred Income Taxes	(884,117,246)	(904,324,847)
5 Total End of Period Net Investment	<u>\$ 4,219,562,288</u>	<u>\$ 4,822,658,811</u>

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Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(QPB-2)

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Sep 13 2021

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
North Carolina Operations

Utility Plant in Service:
Original Cost of Property Used and Useful
at December 31, 2020

1	Intangible Plant	\$	137,782,232	2.12%
2	Storage Plant		141,885,536	2.19%
3	Transmission Plant		3,275,495,473	50.49%
4	Distribution Plant		2,574,521,551	39.69%
5	General Plant Depreciated		237,412,750	3.66%
6	General Plant Amortized		119,780,346	1.85%
7	Total	\$	<u>6,486,877,888</u>	<u>100.00%</u>

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

I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(QPB-3)

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Sep 13 2021

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
North Carolina Operations

Accumulated Depreciation of Property Used and Useful
at December 31, 2020

1	Intangible Plant	\$	63,989,838	4.01%
2	Storage Plant		18,106,294	1.14%
3	Transmission Plant		412,466,435	25.88%
4	Distribution Plant		958,893,797	60.16%
5	General Plant Depreciated		70,336,909	4.41%
6	General Plant Amortized		70,149,662	4.40%
7	Total	\$	<u>1,593,942,935</u>	<u>100.00%</u>

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

I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(QPB-4)

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Sep 13 2021

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
North Carolina Operations

Allowance for Working Capital
at December 31, 2020

1	Natural Gas Stored	\$	35,707,698
2	Cash Working Capital Per Lead-Lag Study		42,845,319
3	Materials and Supplies		6,786,081
4	Fleet and Other Overheads		494,728
5	Accrued Vacation Liability		(2,365,301)
6	Accrued Interest on Customer Deposits		(4,073,725)
7	Customer Deposits		(11,403,922)
8	Special Supplier Refunds		(407,704)
9	Prepaid Insurance		811,834
10	Deferred Revenue and Other WIP		(29,441,534)
11	Regulatory Assets for Deferred Expenses		72,180,590
12	Pension Accrual and OPEB		99,610,517
13	Total Allowance for Working Capital	\$	<u>210,744,581</u>

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(QPB-5)

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
North Carolina Operations

Accumulated Deferred Income Taxes
at December 31, 2020

1	Accumulated Deferred Income Taxes	\$ (590,275,648)
2	Regulatory Liabilities Related to Income Taxes	(293,841,598)
3	Total Accumulated Deferred Income Taxes (ADIT)	<u>\$ (884,117,246)</u>

I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(QPB-6)

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Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
North Carolina Operations

Depreciation Policy & Rates

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

The Commission requires a periodic review of the Company's depreciation rates. The depreciation rates currently in effect are from a study performed in 2018/2019 based on the estimated remaining service lives of depreciable property in service as of September 30, 2018. Piedmont adopted these rates effective November 1, 2019, as approved by the Commission in Docket No. G-9 Sub 743 (order dated October 31, 2019).

In this current rate case proceeding, Piedmont is not filing a new depreciation study based on the recency of the current depreciation study which meets the requirement of Commission Rule R6-80.

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

Listed below are the composite depreciation rates by major asset category based on Pro Forma plant in service balances presented in Exhibit_(QPB-7).

Intangible Plant	11.71%
Storage Plant	2.25%
Transmission Plant	1.89%
Distribution Plant	2.22%
General Plant Depreciated	4.11%
General Plant Amortized	7.09%
Total Gas Plant	2.39%

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(QPB-7)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

EXHIBIT_(QPB-7)
Page 1 of 4

Net Operating Income and Rate of Return
For the 12 Months Ended December 31, 2020

Line No.	[1] Per Books Test Period	[2] Accounting & Pro Forma Adjustments	[3] After Accounting & Pro Forma Adjustments	[4] Proposed Margin Increase	[5] After Adjustments For Proposed Margin Increase
	<u>Operating Revenues</u>				
1	922,385,957	123,499,634 (1)	1,045,885,591	109,025,725 (13)	1,154,911,316
2	3,194,374	(2,058,230) (2)	1,136,144	-	1,136,144
3	<u>925,580,331</u>	<u>121,441,404</u>	<u>1,047,021,735</u>	<u>109,025,725</u>	<u>1,156,047,460</u>
	<u>Operating Expenses</u>				
4	240,811,923	63,015,508 (3)	303,827,431	-	303,827,431
5	210,366,163	4,999,161 (4)	215,365,324	726,566 (14)	216,091,890
6	132,956,307	38,732,401 (5)	171,688,708	-	171,688,708
7	31,892,656	9,259,347 (6)	41,152,004	-	41,152,004
8	(11,589,378)	17,121,018 (7)	5,531,640	2,707,477 (15)	8,239,117
9	32,707,113	8,533,888 (8)	41,241,001	22,174,253 (16)	63,415,254
10	(28,065)	-	(28,065)	-	(28,065)
11	<u>637,116,719</u>	<u>141,661,324</u>	<u>778,778,043</u>	<u>25,608,296</u>	<u>804,386,339</u>
12	288,463,612	(20,219,919)	268,243,692	83,417,429	351,661,121
13	895,159	-	895,159	-	895,159
14	<u>287,568,453</u>	<u>(20,219,919)</u>	<u>267,348,533</u>	<u>83,417,429</u>	<u>350,765,962</u>
	<u>Original Cost Rate Base</u>				
15	6,486,877,888	683,536,206 (9)	7,170,414,094		7,170,414,094
16	(1,593,942,935)	(83,045,868) (10)	(1,676,988,803)		(1,676,988,803)
17	4,892,934,953	600,490,338	5,493,425,290		5,493,425,290
18	210,744,581	22,813,786 (11)	233,558,367		233,558,367
19	(884,117,246)	(20,207,601) (12)	(904,324,847)		(904,324,847)
20	<u>4,219,562,288</u>	<u>623,304,124</u>	<u>4,822,658,811</u>		<u>4,822,658,811</u>
	<u>Rate of Return</u>				
21	6.82%		5.54%		7.27%

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

EXHIBIT_(QPB-7)
Page 2 of 4

Return on Common Equity and Original Cost Net Investment
For the 12 Months Ended December 31, 2020

Line No.		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
		Test Period			After Accounting and Pro Forma Adjustments				
		Per Books @ 12/31/2020	Per Books Ratio	Cost Net Investment	Pro Forma Ratio	Cost Net Investment	Embedded Cost	Weighted Cost	Net Operating Income
1	Long-Term Debt	2,615,188,862	48.74%	2,056,720,599	47.45%	2,288,351,606	4.09%	1.94%	93,593,581
2	Short-Term Debt Proxy	35,707,698	0.67%	28,082,392	0.55%	26,524,623	0.47%	0.00%	124,666
3	Common Equity	<u>2,714,417,672</u>	<u>50.59%</u>	<u>2,134,759,298</u>	<u>52.00%</u>	<u>2,507,782,582</u>	<u>6.92%</u>	<u>3.60%</u>	<u>173,630,286</u>
4	Total	<u>\$ 5,365,314,232</u>	<u>100.00%</u>	<u>\$ 4,219,562,288</u>	<u>100.00%</u>	<u>\$ 4,822,658,811</u>		<u>5.54%</u>	<u>\$ 267,348,533</u>

After Adjustments for Proposed Rates

		Cost Net Investment	Embedded Cost	Weighted Cost	Net Operating Income
5	Long-Term Debt	2,288,351,606	4.09%	1.94%	93,593,581
6	Short-Term Debt Proxy	26,524,623	0.47%	0.00%	124,666
7	Common Equity	<u>2,507,782,582</u>	10.25%	<u>5.33%</u>	<u>257,047,715</u>
8	Total	<u>\$ 4,822,658,811</u>		<u>7.27%</u>	<u>\$ 350,765,962</u>

After Adjustments for Proposed Rates

		Retention Factor	(Pre-Tax ROR) Gross Rev. Factor	Tax Factor	Net of Tax Weighted Cost
9	Long-Term Debt	0.993336	2.18%	0.7651169	1.48%
10	Short-Term Debt Proxy	0.993336	0.02%	0.7651169	0.00%
11	Common Equity	0.7651169	<u>7.24%</u>	1.0000000	<u>5.33%</u>
12	Total		<u>9.44%</u>		<u>6.81%</u>

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

Pro Forma Adjustments
For the 12 Months Ended December 31, 2020

Line No.		
1	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues to the going-level basis per present rates.	<u>123,499,634</u>
2	<u>Operating Revenues - Other Revenues</u> To decrease revenues to the going-level basis.	<u>(2,058,230)</u>
3	<u>Cost of Gas</u> To increase cost of gas to the going-level basis per present rates.	<u>63,015,508</u>
4	<u>Operations and Maintenance Expenses</u>	
A	To increase salaries & wages expense to the going-level basis.	1,768,632
B	To increase short-term incentive plan expense to the going-level basis.	2,023,481
C	To increase long-term incentive plan expense to the going-level basis.	157,822
D	To decrease executive management compensation for ratemaking purposes.	(742,163)
E	To increase pension, OPEB and long-term disability expense to the going-level basis.	597,288
F	To increase other employee benefits expense to the going-level basis.	1,458,967
G	To decrease the provision of uncollectibles expense to the going-level basis.	(1,428,465)
H	To decrease rents expense to the going-level basis.	(275,359)
I	To increase insurance expense to the going-level basis.	242,446
J	To increase customer payment expenses to the going-level basis.	498,355
K	To decrease expenses for allocations to non-utility activities.	(408,160)
L	To decrease aviation expense for ratemaking purposes.	(279,145)
M	To increase the regulatory amortization expense for deferred NCNG OPEB costs.	453
N	To increase the regulatory amortization expense for deferred environmental cleanup costs.	222,283
O	To increase the regulatory amortization expense for deferred distribution integrity management program costs.	1,191,131
P	To decrease the regulatory amortization expense for deferred transmission integrity management program costs.	(409,634)
Q	To increase the regulatory amortization expense for deferred rate case costs.	173,942
R	To increase current regulatory fee expense to the going-level.	159,629
S	To increase expenses for inflation and going-level jurisdictional allocations net of other ratemaking adjustments.	47,657
	Total	<u>4,999,161</u>
5	<u>Depreciation and Amortization Expense</u> To increase depreciation and amortization expense to the going-level basis, following adjustment 9.	<u>38,732,401</u>
6	<u>General Taxes</u>	
A	To increase payroll tax expense to the going-level basis following adjustment 4A, 4B, 4C, and 4D.	215,552
B	To increase property tax expense to the going-level basis.	9,137,485
C	To decrease NC franchise tax expense to the going-level basis.	<u>(93,691)</u>
	Total	<u>9,259,347</u>

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

Pro Forma Adjustments
For the 12 Months Ended December 31, 2020

Line No.		
7	<u>State Income Taxes</u> To increase state income tax expense (rate of 2.5%) following all adjustments to operating revenues and expenses described previously.	<u>17,121,018</u>
8	<u>Federal Income Taxes</u> To increase federal income tax expense (rate of 21%) following all adjustments to operating revenues, expenses and state income tax expense described previously.	<u>8,533,888</u>
9	<u>Plant in Service</u> To increase plant in service for projected additions through June 30, 2021.	<u>683,536,206</u>
10	<u>Accumulated Depreciation</u> To increase accumulated depreciation following adjustment 9.	<u>(83,045,868)</u>
11	<u>Allowance for Working Capital</u> To increase the allowance for working capital to reflect anticipated changes through June 30, 2021.	<u>22,813,786</u>
12	<u>Accumulated Deferred Income Taxes</u> To increase accumulated deferred income taxes through June 30, 2021, as projected.	<u>(20,207,601)</u>
13	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues for the sale and transportation of gas following all accounting and pro forma adjustments previously described.	<u>109,025,725</u>
14	<u>Operations and Maintenance Expenses</u>	
A	To increase the provision for uncollectible accounts (rate of 0.53712%) following adjustment 13.	585,596
B	To increase regulatory fee expense (rate of .13% after the provision for uncollectible accounts) following adjustment 13.	<u>140,970</u>
	Total	<u>726,566</u>
15	<u>State Income Taxes</u> To increase state income tax expense (rate of 2.5%) following adjustments 13 and 14.	<u>2,707,477</u>
16	<u>Federal Income Taxes</u> To increase federal income tax expense (rate of 21%) following adjustments 13, 14 and 15.	<u>22,174,253</u>

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(QPB-8)

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
Total Piedmont Natural Gas

Consolidated Income Statement
for the Twelve Months Ending December 31, 2020

	<u>Piedmont Natural Gas</u>
Revenues	
Regulated Natural Gas	1,306,220,301
Non-Regulated Electric, Natural Gas and Other	11,039,456
Total Operating Revenues	<u>1,317,259,757</u>
Cost of Natural Gas and Coal Sold	386,198,106
Operations, Maintenance and Other	322,803,709
Depreciation and Amortization	183,256,842
Property and Other Taxes	52,589,998
Impairments and Other Charges	6,929,004
Operating Expenses	<u>951,777,659</u>
Operating Income	<u>365,482,098</u>
71XX_OTHER_INCOME - Other Income	15,210,866
7311_AFUDC_OTH_DF_RT - AFUDC and Other Deferred Return	18,959,519
7310_INT_DIV - Interest and Dividends	106,993
7330_INTERCO_INT - Intercompany Interest Income	-
Other Income and Expenses	<u>34,277,378</u>
Interest Expense	<u>118,514,182</u>
Earnings From Continuing Operations Before Income Taxes	<u>281,245,295</u>
Income Tax Expense (Benefit) From Continuing Operations	18,238,483
Income (Loss) From Continuing Operations	<u>263,006,812</u>
Earnings (Loss) of Subsidiaries	9,552,549
Net Income Attributable to Controlling Interest	<u><u>272,559,361</u></u>

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
Total Piedmont Natural Gas

Consolidated Balance Sheet
As of December 31, 2020

	<u>Piedmont Natural Gas</u>
ASSETS	
Cash and Cash Equivalents	(28,693,724)
Receivables	237,737,854
Receivables from affiliated companies	77,827,746
Inventory	68,219,018
Regulatory Assets	48,529,858
Other	17,527,559
Total Current Assets	<u>421,148,312</u>
Net Property Plant and Equipment	7,558,975,664
Goodwill	48,852,311
Regulatory Assets	302,243,987
Operating Lease Right-of-Use assets	20,372,319
Investment in Consolidated Subsidiaries	(76,786)
Other	63,013,133
Total Other Noncurrent Assets	<u>434,404,964</u>
Total Assets	<u><u>8,414,528,940</u></u>
LIABILITIES AND EQUITY	
Accounts Payable	186,930,855
Accounts payable to affiliated companies	61,739,606
Notes payable to affiliated companies	530,425,000
Taxes Accrued	25,718,958
Interest Accrued	34,206,320
Current Maturities of Long-Term Debt	159,942,128
Regulatory Liabilities	(70,272,250)
Other	69,143,633
Total Current Liabilities	<u>997,834,249</u>
Long-Term Debt	2,619,661,501
Other Noncurrent Liabilities	2,082,615,518
Equity	2,714,417,672
Total Liabilities and Common Stockholders' Equity	<u><u>8,414,528,940</u></u>

Exhibit_(QPB-1 UPDATED)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

Summary of Rate Base

	<u>TEST PERIOD</u> <u>December 31, 2020</u>	<u>AS FILED</u> <u>Original Pro Forma</u>	<u>AS UPDATED</u> <u>Pro Forma *</u>
1 Utility Plant in Service	\$ 6,486,877,888	\$ 7,170,414,094	\$ 7,088,221,950
2 Accumulated Depreciation	(1,593,942,935)	(1,676,988,803)	(1,685,129,720)
3 Allowance for Working Capital	210,744,581	233,558,367	243,781,463
4 Accumulated Deferred Income Taxes	(884,117,246)	(904,324,847)	(910,549,794)
5 Total End of Period Net Investment	<u>\$ 4,219,562,288</u>	<u>\$ 4,822,658,811</u>	<u>\$ 4,736,323,900</u>

* Proforma balances in Utility Plant in Service and Accumulated Depreciation include actual utility plant in service as of June 30, 2021 amended for the current projection of the in service amount of the Robeson LNG (\$222,095,529) and the Pender-Onslow (\$30,323,857) projects. The actual balance at June 30, 2021 of Utility Plant in Service excluding these two projects is \$6,835,802,565. The actual balance at June 30, 2021 of Accumulated Depreciation excluding these two projects is \$1,679,563,804.

Exhibit_(QPB-2 UPDATED)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

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

	TEST PERIOD December 31, 2020		AS FILED Original Pro Forma		AS UPDATED Pro Forma *	
1 Intangible Plant	\$ 137,782,232	2.12%	\$ 137,186,476	1.91%	\$ 161,376,015	2.28%
2 Storage Plant	141,885,536	2.19%	420,178,167	5.86%	428,104,756	6.04%
3 Transmission Plant	3,275,495,473	50.49%	3,525,638,730	49.17%	3,412,749,610	48.15%
4 Distribution Plant	2,574,521,551	39.69%	2,714,883,644	37.86%	2,727,175,644	38.47%
5 General Plant Depreciated	237,412,750	3.66%	247,157,368	3.45%	238,672,653	3.37%
6 General Plant Amortized	119,780,346	1.85%	125,369,709	1.75%	120,143,273	1.69%
7 Total	<u>\$ 6,486,877,888</u>	<u>100.00%</u>	<u>\$ 7,170,414,093</u>	<u>100.00%</u>	<u>\$ 7,088,221,950</u>	<u>100.00%</u>

* Proforma balances in Utility Plant in Service include actual utility plant in service as of June 30, 2021 the Pender-Onslow projects amended for the current projection of the in service amount of the Robeson LNG and the Pender-Onslow projects. The actual balance at June 30, 2021 of Utility Plant in Service excluding these two projects is \$6,835,802,565.

Exhibit_(QPB-3 UPDATED)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

Exhibit_(QPB-3 UPDATED)

Accumulated Depreciation of Property Used and Useful

	TEST PERIOD December 31, 2020		AS FILED Original Pro Forma		AS UPDATED Pro Forma				
1 Intangible Plant	\$	63,989,838	4.01%	\$	72,613,639	4.33%	\$	73,400,141	4.36%
2 Storage Plant		18,106,294	1.14%		19,518,677	1.16%		32,629,220	1.94%
3 Transmission Plant		412,466,435	25.88%		444,875,571	26.53%		436,932,379	25.93%
4 Distribution Plant		958,893,797	60.16%		989,626,506	59.01%		991,569,946	58.84%
5 General Plant Depreciated		70,336,909	4.41%		75,489,487	4.50%		74,881,853	4.44%
6 General Plant Amortized		70,149,662	4.40%		74,864,923	4.46%		75,716,180	4.49%
7 Total	\$	<u>1,593,942,935</u>	<u>100.00%</u>	\$	<u>1,676,988,804</u>	<u>100.00%</u>	\$	<u>1,685,129,720</u>	<u>100.00%</u>

* Proforma balances in Accumulated Depreciation include actual utility plant in service as of June 30, 2021 amended for the current projection of the in service amount of the Robeson LNG and the Pender-Onslow projects. The actual balance at June 30, 2021 of Accumulated Depreciation excluding these two projects is \$1,679,563,804.

Exhibit_(QPB-4 UPDATED)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

Exhibit_(QPB-4 UPDATED)

Allowance for Working Capital

	TEST PERIOD December 31, 2020	AS FILED Original Pro Forma	AS UPDATED Pro Forma	
1	Natural Gas Stored	\$ 35,707,698	\$ 35,770,534	38,985,621
2	Cash Working Capital Per Lead-Lag Study	42,845,319	66,950,717	71,838,821
3	Materials and Supplies	6,786,081	6,784,067	9,604,811
4	Fleet and Other Overheads	494,728	580,341	962,851
5	Accrued Vacation Liability	(2,365,301)	(2,354,839)	(2,610,287)
6	Accrued Interest on Customer Deposits	(4,073,725)	(4,073,725)	(4,192,189)
7	Customer Deposits	(11,403,922)	(11,404,347)	(11,306,999)
8	Special Supplier Refunds	(407,704)	(407,704)	(407,704)
9	Prepaid Insurance	811,834	808,243	950,938
10	Deferred Revenue	(29,441,534)	(29,441,534)	(27,566,224)
11	Regulatory Assets for Deferred Expenses	72,180,590	71,176,810	65,262,383
12	Pension Accrual and OPEB	99,610,517	99,169,804	102,259,441
13	Total Allowance for Working Capital	<u>\$ 210,744,581</u>	<u>\$ 233,558,367</u>	<u>\$ 243,781,463</u>

Exhibit_(QPB-5 UPDATED)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

Accumulated Deferred Income Taxes

	TEST PERIOD December 31, 2020	AS FILED Original Pro Forma	AS UPDATED Pro Forma
1 Accumulated Deferred Income Taxes	\$ (590,275,648)	(705,767,502)	(627,531,693)
2 Regulatory Liabilities Related to Income Taxes	(293,841,598)	(198,557,345)	(283,018,101)
3 Total Accumulated Deferred Income Taxes (ADIT)	<u>\$ (884,117,246)</u>	<u>\$ (904,324,847)</u>	<u>\$ (910,549,794)</u>

Exhibit_(QPB-6 UPDATED)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

Depreciation Policy & Rates

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

The Commission requires a periodic review of the Company's depreciation rates. The depreciation rates currently in effect are from a study performed in 2018/2019 based on the estimated remaining service lives of depreciable property in service as of September 30, 2018. Piedmont adopted these rates effective November 1, 2019, as approved by the Commission in Docket No. G-9 Sub 743 (order dated October 31, 2019).

In this current rate case proceeding, Piedmont is not filing a new depreciation study based on the recency of the current depreciation study which meets the requirement of Commission Rule R6-80.

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

Listed below are the composite depreciation rates by major asset category based on Pro Forma plant in service balances presented in the Company's originally filed application and updated filing per Exhibit_(QPB-7) and Exhibit_(QPB-7 UPDATED), respectively.

	AS FILED Original Pro Forma	AS UPDATED Pro Forma
Intangible Plant	11.71%	12.95%
Storage Plant	2.25%	2.27%
Transmission Plant	1.89%	1.89%
Distribution Plant	2.22%	2.22%
General Plant Depreciated	4.11%	4.23%
General Plant Amortized	7.09%	7.65%
Total Gas Plant	2.39%	2.47%

Exhibit_(QPB-7 UPDATED)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

EXHIBIT_(QPB-7 UPDATED)
Page 1 of 4

Net Operating Income and Rate of Return
For the 12 Months Ended December 31, 2020

Line No.	[1] Per Books Test Period	[2] Accounting & Pro Forma Adjustments	[3] After Accounting & Pro Forma Adjustments	[4] Proposed Margin Increase	[5] After Adjustments For Proposed Margin Increase
	<u>Operating Revenues</u>				
1	922,385,957	190,310,369 (1)	1,112,696,326	96,872,105 (13)	1,209,568,431
2	3,194,374	(2,058,230) (2)	1,136,144	-	1,136,144
3	<u>925,580,331</u>	<u>188,252,139</u>	<u>1,113,832,470</u>	<u>96,872,105</u>	<u>1,210,704,575</u>
	<u>Operating Expenses</u>				
4	240,811,923	122,941,387 (3)	363,753,310	-	363,753,310
5	210,366,163	8,676,869 (4)	219,043,033	645,572 (14)	219,688,605
6	132,956,307	41,785,986 (5)	174,742,293	-	174,742,293
7	31,892,656	5,248,554 (6)	37,141,210	-	37,141,210
8	(11,589,378)	17,273,478 (7)	5,684,100	2,405,663 (15)	8,089,763
9	32,707,113	9,782,535 (8)	42,489,648	19,702,383 (16)	62,192,031
10	(28,065)	-	(28,065)	-	(28,065)
11	<u>637,116,719</u>	<u>205,708,810</u>	<u>842,825,529</u>	<u>22,753,618</u>	<u>865,579,147</u>
12	288,463,612	(17,456,670)	271,006,941	74,118,487	345,125,428
13	895,159	-	895,159	-	895,159
14	<u>287,568,453</u>	<u>(17,456,670)</u>	<u>270,111,782</u>	<u>74,118,488</u>	<u>344,230,270</u>
	<u>Original Cost Rate Base</u>				
15	6,486,877,888	601,344,063 (9)	7,088,221,950		7,088,221,950
16	(1,593,942,935)	(91,186,785) (10)	(1,685,129,720)		(1,685,129,720)
17	4,892,934,953	510,157,278	5,403,092,230		5,403,092,230
18	210,744,581	33,036,882 (11)	243,781,463		243,781,463
19	(884,117,246)	(26,432,548) (12)	(910,549,794)		(910,549,794)
20	<u>4,219,562,288</u>	<u>543,194,160</u>	<u>4,736,323,900</u>		<u>4,736,323,900</u>
	<u>Rate of Return</u>				
21	<u>6.82%</u>		<u>5.70%</u>		<u>7.27%</u>

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

EXHIBIT_(QPB-7 UPDATED)
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Return on Common Equity and Original Cost Net Investment
For the 12 Months Ended December 31, 2020

Line No.		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
		Test Period			After Accounting and Pro Forma Adjustments				
		Per Books @ 12/31/2020	Per Books Ratio	Cost Net Investment	Pro Forma Ratio	Cost Net Investment	Embedded Cost	Weighted Cost	Net Operating Income
1	Long-Term Debt	2,615,188,862	48.74%	2,056,720,599	47.45%	2,247,385,690	4.08%	1.94%	91,693,336
2	Short-Term Debt Proxy	35,707,698	0.67%	28,082,392	0.55%	26,049,781	0.35%	0.00%	90,870
3	Common Equity	<u>2,714,417,672</u>	<u>50.59%</u>	<u>2,134,759,298</u>	<u>52.00%</u>	<u>2,462,888,428</u>	<u>7.24%</u>	<u>3.77%</u>	<u>178,327,576</u>
4	Total	<u>\$ 5,365,314,232</u>	<u>100.00%</u>	<u>\$ 4,219,562,288</u>	<u>100.00%</u>	<u>\$ 4,736,323,900</u>		<u>5.70%</u>	<u>\$ 270,111,782</u>

After Adjustments for Proposed Rates

		Cost Net Investment	Embedded Cost	Weighted Cost	Net Operating Income
5	Long-Term Debt	2,247,385,690	4.08%	1.94%	91,693,336
6	Short-Term Debt Proxy	26,049,781	0.35%	0.00%	90,870
7	Common Equity	<u>2,462,888,428</u>	10.25%	<u>5.33%</u>	<u>252,446,064</u>
8	Total	<u>\$ 4,736,323,900</u>		<u>7.27%</u>	<u>\$ 344,230,270</u>

After Adjustments for Proposed Rates

		Retention Factor	(Pre-Tax ROR) Gross Rev. Factor	Tax Factor	Net of Tax Weighted Cost
9	Long-Term Debt	0.993336	1.95%	0.7651169	1.48%
10	Short-Term Debt Proxy	0.993336	0.00%	0.7651169	0.00%
11	Common Equity	0.7651169	<u>6.97%</u>	1.0000000	<u>5.33%</u>
12	Total		<u>8.92%</u>		<u>6.81%</u>

Piedmont Natural Gas Company, Inc.
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Pro Forma Adjustments
For the 12 Months Ended December 31, 2020

Line No.	Adjustment Description	AS FILED Original Adjustment	AS UPDATED Updated Adjustment	CAUSE OF UPDATE*
1	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues to the going-level basis per present rates.	123,499,634	190,310,369	Current approved rates and customer growth
2	<u>Operating Revenues - Other Revenues</u> To decrease revenues to the going-level basis.	(2,058,230)	(2,058,230)	No update
3	<u>Cost of Gas</u> To increase cost of gas to the going-level basis per present rates.	63,015,508	122,941,387	Alignment with updates to Adjustment 1
4	<u>Operations and Maintenance Expenses</u>			
	A To increase salaries & wages expense to the going-level basis.	1,768,632	1,690,392	Update salary and wage rates as of June 30, 2021
	B To increase short-term incentive plan expense to the going-level basis.	2,023,481	1,985,697	Correction of incremental LNG expenses
	C To increase long-term incentive plan expense to the going-level basis.	157,822	157,822	No update
	D To decrease executive management compensation for ratemaking purposes.	(742,163)	(742,163)	No update
	E To increase pension, OPEB and long-term disability expense to the going-level basis.	597,288	597,288	No update
	F To increase other employee benefits expense to the going-level basis.	1,458,967	1,394,931	Correction of incremental LNG expenses
	G To decrease the provision of uncollectibles expense to the going-level basis.	(1,428,465)	(1,069,613)	Alignment with updates to Adjustment 1
	H To decrease rents expense to the going-level basis.	(275,359)	(275,359)	No update
	I To increase insurance expense to the going-level basis.	242,446	244,413	Correction of incremental LNG expenses
	J To increase customer payment expenses to the going-level basis.	498,355	498,355	No update
	K To decrease expenses for allocations to non-utility activities.	(408,160)	(439,249)	Correction of incremental LNG expenses and alignment with various pro forma adjustments
	L To decrease aviation expense for ratemaking purposes.	(279,145)	(279,145)	No update
	M To increase the regulatory amortization expense for deferred NCNG OPEB costs.	453	453	No update
	N To increase the regulatory amortization expense for deferred environmental cleanup costs.	222,283	279,304	Update with deferred expenses through June 30, 2021
	O To increase the regulatory amortization expense for deferred distribution integrity management program costs.	1,191,131	2,452,272	Update with deferred expenses through June 30, 2021
	P To decrease the regulatory amortization expense for deferred transmission integrity management program costs.	(409,634)	1,989,276	Update with deferred expenses through June 30, 2021
	Q To increase the regulatory amortization expense for deferred rate case costs.	173,942	173,942	No update
	R To increase current regulatory fee expense to the going-level	159,629	246,017	Alignment with Adjustment 1 and 4G
	S To increase(decrease) expenses for inflation and going-level jurisdictional allocations net of other ratemaking adjustments.	47,657	(227,764)	Correction of incremental LNG expenses
	Total Operations and Maintenance Expenses	4,999,161	8,676,869	
5	<u>Depreciation and Amortization Expense</u> To increase depreciation and amortization expense to the going-level basis, following adjustment 9	38,732,401	41,785,986	Alignment with updates to Adjustment 9
6	<u>General Taxes</u>			
	A To increase payroll tax expense to the going-level basis following adjustment 4A, 4B, 4C, and 4D	215,552	278,114	Alignment with updates to Adjustment 4A and 4B
	B To increase property tax expense to the going-level basis.	9,137,485	5,064,130	Alignment with updates to Adjustment 9 and update of property tax rate
	C To decrease NC franchise tax expense to the going-level basis.	(93,691)	(93,691)	No update
	Total General Taxes	9,259,347	5,248,554	

*See Table 1 in Supplemental Testimony of Quynh Pham Bowman for detailed discussion

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
North Carolina Operations

Pro Forma Adjustments
For the 12 Months Ended December 31, 2020

Line No.	<u>Adjustment Description</u>	AS FILED <u>Original Adjustment</u>	AS UPDATED <u>Updated Adjustment</u>	<u>CAUSE OF UPDATE*</u>
7	<u>State Income Taxes</u> To increase state income tax expense (rate of 2.5%) following all adjustments to operating revenues and expenses described previously.	17,121,018	17,273,478	Alignment with pro forma updates
8	<u>Federal Income Taxes</u> To increase federal income tax expense (rate of 21%) following all adjustments to operating revenues, expenses and state income tax expense described previously.	8,533,888	9,782,535	Alignment with pro forma updates
9	<u>Plant in Service</u> To increase plant in service for projected additions through June 30, 2021.	683,536,206	601,344,063	Update with pro forma plant balances
10	<u>Accumulated Depreciation</u> To increase accumulated depreciation following adjustment 9.	(83,045,868)	(91,186,785)	Alignment with updates to Adjustment 9
11	<u>Allowance for Working Capital</u> To increase the allowance for working capital to reflect anticipated changes through June 30, 2021.	22,813,786	33,036,882	Update with actual balances through June 30, 2021
12	<u>Accumulated Deferred Income Taxes</u> To increase accumulated deferred income taxes through June 30, 2021, as projected.	(20,207,601)	(26,432,548)	Update with actual balance at June 30, 2021
13	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues for the sale and transportation of gas following all accounting and pro forma adjustments previously described.	109,025,725	96,872,105	Alignment with pro forma updates
14	<u>Operations and Maintenance Expenses</u>			
A	To increase the provision for uncollectible accounts (rate of 0.53712%) following adjustment 13.	585,596	520,317	Alignment with updates to Adjustment 13
B	To increase regulatory fee expense (rate of .13% after the provision for uncollectible accounts) following adjustment 13.	140,970	125,256	Alignment with updates to Adjustment 13
	Total Operations and Maintenance Expenses	726,566	645,572	
15	<u>State Income Taxes</u> To increase state income tax expense (rate of 2.5%) following adjustments 13 and 14.	2,707,477	2,405,663	Alignment with updates to Adjustments 13 and 14
16	<u>Federal Income Taxes</u> To increase federal income tax expense (rate of 21%) following adjustments 13, 14 and 15.	22,174,253	19,702,383	Alignment with updates to Adjustments 13, 14, and 15

*See Table 1 in Supplemental Testimony of Quynh Pham Bowman for detailed discussion

Exhibit_(QPB-8 UPDATED)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Total Piedmont Natural Gas

Exhibit_(QP8-8 UPDATED)
Page 1 of 2

Consolidated Income Statement for Total Piedmont Natural Gas

	<u>For the Twelve Months Ending December 2020</u>	<u>For the Twelve Months Ending June 2021</u>
Revenues		
Regulated Natural Gas	1,306,220,301	1,418,057,706
Non-Regulated Natural Gas and Other	11,039,456	13,038,143
Total Operating Revenues	<u>1,317,259,757</u>	<u>1,431,095,849</u>
Cost of Natural Gas	386,198,106	458,751,170
Operations, Maintenance and Other	322,803,709	317,377,239
Depreciation and Amortization	183,256,842	195,513,780
Property and Other Taxes	52,589,998	56,420,243
Impairments and Other Charges	6,929,004	11,495,488
Operating Expenses	<u>951,777,659</u>	<u>1,039,557,920</u>
Operating Income	<u>365,482,098</u>	<u>391,537,929</u>
Other Income	15,210,866	15,489,209
AFUDC and Other Deferred Return	18,959,519	23,783,633
Interest and Dividends	106,993	101,776
Intercompany Interest Income	-	-
Other Income and Expenses	<u>34,277,378</u>	<u>39,394,230</u>
Interest Expense	<u>118,514,182</u>	<u>117,716,159</u>
Earnings From Continuing Operations Before Income Taxes	<u>281,245,295</u>	<u>313,216,001</u>
Income Tax Expense (Benefit) From Continuing Operations	18,238,483	28,750,518
Income (Loss) From Continuing Operations	<u>263,006,812</u>	<u>284,465,483</u>
Earnings (Loss) of Subsidiaries	9,552,549	9,605,882
Net Income Attributable to Controlling Interest	<u><u>272,559,361</u></u>	<u><u>294,071,365</u></u>

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Total Piedmont Natural Gas

Exhibit_(QPB-8 UPDATED)
Page 2 of 2

Consolidated Balance Sheet for Total Piedmont Natural Gas

	<u>December 31, 2020</u>	<u>June 30, 2021</u>
ASSETS		
Cash and Cash Equivalents	(28,693,724)	(3,627,969)
Receivables	237,737,854	98,745,810
Receivables from affiliated companies	77,827,746	76,012,988
Inventory	68,219,018	42,693,280
Regulatory Assets	48,529,858	55,023,501
Other	17,527,559	45,635,811
Total Current Assets	<u>421,148,312</u>	<u>314,483,421</u>
Net Property Plant and Equipment	7,558,975,664	7,905,615,327
Goodwill	48,852,311	48,852,311
Regulatory Assets	302,243,987	337,137,536
Operating Lease Right-of-Use assets	20,372,319	18,349,100
Investment in Consolidated Subsidiaries	(76,786)	2,812,385
Other	63,013,133	70,599,523
Total Other Noncurrent Assets	<u>434,404,964</u>	<u>477,750,855</u>
Total Assets	<u><u>8,414,528,940</u></u>	<u><u>8,697,849,603</u></u>
LIABILITIES AND EQUITY		
Accounts Payable	186,930,855	152,399,483
Accounts payable to affiliated companies	61,739,606	47,665,789
Notes payable to affiliated companies	530,425,000	93,074,000
Taxes Accrued	25,718,958	25,918,320
Interest Accrued	34,206,320	36,486,102
Current Maturities of Long-Term Debt	159,942,128	-
Regulatory Liabilities	(70,272,250)	(47,889,903)
Other	69,143,633	80,021,745
Total Current Liabilities	<u>997,834,249</u>	<u>387,675,536</u>
Long-Term Debt	2,619,661,501	2,967,434,713
Other Noncurrent Liabilities	2,082,615,518	2,106,089,596
Equity	2,714,417,672	3,236,649,758
Total Liabilities and Common Stockholders' Equity	<u><u>8,414,528,940</u></u>	<u><u>8,697,849,603</u></u>

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(KAC-1)

Piedmont Natural Gas Company, Inc
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Total Pro Forma Revenues for the Sale and Transportation of Gas

Line	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
1	101 - Residential Service										
2	Bills - Winter	3,467,266			-		3,467,266	10.00	34,672,660		34,672,660
3	Bills - Summer	4,849,056			-		4,849,056	10.00	48,490,560		48,490,560
4	Dts - Winter	24,967,801	5,196,435	30,164,236	-	30,164,236		11.3928	343,655,111	10,423,877	354,078,988
5	Dts - Summer	8,736,958	(173,837)	8,563,121	-	8,563,121		10.8830	93,192,450	(597,774)	92,594,676
6	Integrity Management Rider Revenues								19,638,811	2,769,924	22,408,735
7											
8											
9	Experimental Motor Vehicle Fue										
10	143 / 101 - Residential Service										
11	Bills - Winter	-			-		-	10.00	-		-
12	Bills - Summer	-			-		-	10.00	-		-
13	Dts - Winter	-	-	-	-	-	-	11.3928	-	-	-
14	Dts - Summer	-	-	-	-	-	-	10.8830	-	-	-
15											
16											
17	RESIDENTIAL SERVICE										
18	Bills	8,316,322	-	-	-	-	8,316,322				
19	Winter Dts	24,967,801	5,196,435	30,164,236	-	30,164,236					
20	Summer Dts	8,736,958	(173,837)	8,563,121	-	8,563,121					
21	Total Dts	33,704,759	5,022,599	38,727,358	-	38,727,358					
22											
23	Revenues								539,649,593	12,596,026	552,245,619

Piedmont Natural Gas Company, Inc
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Total Pro Forma Revenues for the Sale and Transportation of Gas

Line	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
24											
25											
26	102- Small General Service										
27	Bills	858,495			-		858,495	22.00	18,886,890		18,886,890
28	DTs - Winter	14,694,162	2,371,941	17,066,103	-	17,066,103		8.6385	147,425,532	5,463,778	152,889,310
29	DTs - Summer	7,668,230	30,837	7,699,067	-	7,699,067		8.2407	63,445,701	6,304,484	69,750,184
30	Integrity Management Rider Revenues								8,000,436	1,128,408	9,128,844
31	Minimum Margin Agreement Revenues								-	-	-
32											
33											
34	Experimental Motor Vehicle Fue										
35	143 / 102- Small General Service										
36	Bills	108			-		108	22.00	2,376		2,376
37	DTs - Winter	6,927	-	6,927	-	6,927		8.6385	59,835	(23,091)	36,744
38	DTs - Summer	4,947	-	4,947	-	4,947		8.2407	40,768	(18,967)	21,800
39											
40											
41	152- Medium General Service										
42	Bills	6,021			-		6,021	75.00	451,575		451,575
43	Winter - First 500 DTs	1,103,883	115,210	1,219,093	-	1,219,093		7.7690	9,471,135	197,243	9,668,378
44	Winter - Over 500 DTs	1,420,122	148,215	1,568,337	-	1,568,337		7.4380	11,665,290	253,749	11,919,039
45	Total Winter DTs	2,524,005	263,425	2,787,430	-	2,787,430			21,136,426	450,992	21,587,418
46											
47											
48	Summer - First 500 DTs	1,220,714	4,688	1,225,402	-	1,225,402		7.7114	9,449,564	1,002,929	10,452,492
49	Summer - Over 500 DTs	854,792	3,283	858,075	-	858,075		7.4059	6,354,815	702,290	7,057,105
50	Total Summer DTs	2,075,505	7,971	2,083,477	-	2,083,477			15,804,379	1,705,219	17,509,598
51											
52	Integrity Management Rider Revenues								1,112,603	156,925	1,269,529
53	Minimum Margin Agreement Revenues								65,978	-	65,978
54											
55											
56	Experimental Motor Vehicle Fue										
57	143 / 152- Medium General Service										
58	Bills	-			-		-	75.00	-		-
59	Winter - First 500 DTs	-	-	-	-	-		7.7690	-	-	-
60	Winter - Over 500 DTs	-	-	-	-	-		7.4380	-	-	-
61	Total Winter DTs	-	-	-	-	-			-	-	-
62											
63											
64	Summer - First 500 DTs	-	-	-	-	-		7.7114	-	-	-
65	Summer - Over 500 DTs	-	-	-	-	-		7.4059	-	-	-
66	Total Summer DTs	-	-	-	-	-			-	-	-
67											
68											
69	Experimental Motor Vehicle Fue										
70	144- Medium General Transportation Service										
71	Bills	-			-		-	75.00	-		-
72	Winter - First 500 DTs	-	-	-	-	-		5.2690	-	-	-
73	Winter - Over 500 DTs	-	-	-	-	-		4.9380	-	-	-
74	Total Winter DTs	-	-	-	-	-			-	-	-
75											
76											
77	Summer - First 500 DTs	-	-	-	-	-		5.2114	-	-	-
78	Summer - Over 500 DTs	-	-	-	-	-		4.9059	-	-	-
79	Total Summer DTs	-	-	-	-	-			-	-	-
80											

Piedmont Natural Gas Company, Inc
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Total Pro Forma Revenues for the Sale and Transportation of Gas

Line	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
81											
82	142 - Natural Gas Vehicle Fuel - Company Station:										
83	DTs - Winter	33,028	-	33,028	-	33,028		8.7439	288,795		288,795
84	DTs - Summer	45,052	-	45,052	-	45,052		8.7439	393,932		393,932
85	Compression Charge Revenues							4.0000	312,322		312,322
86	Integrity Management Rider Revenues								36,379	5,131	41,510
87											
88	SMALL & MEDIUM GENERAL / NGV FUEL SERVICE										
89	Bills	864,624	-	-	-	-	864,624				
90	Winter Dts	17,258,122	2,635,366	19,893,488	-	19,893,488					
91	Summer Dts	9,793,735	38,808	9,832,543	-	9,832,543					
92	Total Dts	27,051,857	2,674,174	29,726,031	-	29,726,031					
93											
94	Revenues								277,463,927	15,172,879	292,636,805
95											
96											
97	103 - Large General Sales Service										
98	Bills	940	-	-	-	-	940	350.00	329,000		329,000
99	Demand	175,455	-	-	-	175,455		14.9500	2,623,045		2,623,045
100	Winter - First 1,500 DTs	540,463	-	540,463	-	540,463		4.2897	2,318,423		2,318,423
101	Winter - Next 3,000 DTs	472,780	-	472,780	-	472,780		3.6570	1,728,957		1,728,957
102	Winter - Next 9,000 DTs	166,002	-	166,002	-	166,002		3.3158	550,428		550,428
103	Winter - Next 16,500 DTs	7,041	-	7,041	-	7,041		3.1675	22,303		22,303
104	Winter - Next 30,000 DTs	-	-	-	-	-		3.1270	-		-
105	Winter - Over 60,000 DTs	-	-	-	-	-		2.7420	-		-
106	Total Winter DTs	1,186,286	-	1,186,286	-	1,186,286			4,620,110		4,620,110
107											
108	Summer - First 1,500 DTs	657,365	-	657,365	-	657,365		3.6691	2,411,939		2,411,939
109	Summer - Next 3,000 DTs	420,922	-	420,922	-	420,922		3.3429	1,407,101		1,407,101
110	Summer - Next 9,000 DTs	121,663	-	121,663	-	121,663		3.0989	377,021		377,021
111	Summer - Next 16,500 DTs	3,058	-	3,058	-	3,058		2.9849	9,128		9,128
112	Summer - Next 30,000 DTs	-	-	-	-	-		2.8168	-		-
113	Summer - Over 60,000 DTs	-	-	-	-	-		2.6437	-		-
114	Total Summer DTs	1,203,009	-	1,203,009	-	1,203,009			4,205,189		4,205,189
115											
116	Integrity Management Rider Revenues								90,949	12,828	103,776
117	Minimum Margin Agreement Revenues								35,732	-	35,732
118											
119											
120	Experimental Motor Vehicle Fuel										
121	143 / 103 - Large General Sales Service										
122	Bills	36	-	-	-	-	36	350.00	12,600		12,600
123	Demand	8,419	-	-	-	8,419		14.9500	125,857		125,857
124	Winter - First 1,500 DTs	22,500	-	22,500	-	22,500		4.2897	96,518		96,518
125	Winter - Next 3,000 DTs	29,515	-	29,515	-	29,515		3.6570	107,936		107,936
126	Winter - Next 9,000 DTs	24,500	-	24,500	-	24,500		3.3158	81,238		81,238
127	Winter - Next 16,500 DTs	-	-	-	-	-		3.1675	-		-
128	Winter - Next 30,000 DTs	-	-	-	-	-		3.1270	-		-
129	Winter - Over 60,000 DTs	-	-	-	-	-		2.7420	-		-
130	Total Winter DTs	76,515	-	76,515	-	76,515			285,692		285,692
131											
132	Summer - First 1,500 DTs	31,500	-	31,500	-	31,500		3.6691	115,577		115,577
133	Summer - Next 3,000 DTs	45,994	-	45,994	-	45,994		3.3429	153,752		153,752
134	Summer - Next 9,000 DTs	40,008	-	40,008	-	40,008		3.0989	123,980		123,980
135	Summer - Next 16,500 DTs	-	-	-	-	-		2.9849	-		-
136	Summer - Next 30,000 DTs	-	-	-	-	-		2.8168	-		-
137	Summer - Over 60,000 DTs	-	-	-	-	-		2.6437	-		-
138	Total Summer DTs	117,502	-	117,502	-	117,502			393,309		393,309
139											
140	Integrity Management Rider Revenues								-	-	-
141	Minimum Margin Agreement Revenues								-	-	-
142	Compression Charge Revenues								143,569	-	143,569

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Line	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
143											
144											
145	104 - Interruptible Sales Service										
146	Bills	208	-		-		208	350.00	72,800	-	72,800
147	Winter - First 1,500 DTs	126,290	-	126,290	-	126,290		4.5663	576,676	-	576,676
148	Winter - Next 3,000 DTs	167,195	-	167,195	-	167,195		4.3499	727,280	-	727,280
149	Winter - Next 9,000 DTs	86,368	-	86,368	-	86,368		4.0049	345,896	-	345,896
150	Winter - Next 16,500 DTs	-	-	-	-	-		3.7277	-	-	-
151	Winter - Next 30,000 DTs	-	-	-	-	-		3.4701	-	-	-
152	Winter - Over 60,000 DTs	-	-	-	-	-		3.2513	-	-	-
153	Total Winter DTs	379,853	-	379,853	-	379,853			1,649,852	-	1,649,852
154											
155	Summer - First 1,500 DTs	146,785	-	146,785	-	146,785		4.2418	622,633	-	622,633
156	Summer - Next 3,000 DTs	117,722	-	117,722	-	117,722		3.7779	444,740	-	444,740
157	Summer - Next 9,000 DTs	34,380	-	34,380	-	34,380		3.7161	127,761	-	127,761
158	Summer - Next 16,500 DTs	3,243	-	3,243	-	3,243		3.5609	11,548	-	11,548
159	Summer - Next 30,000 DTs	-	-	-	-	-		3.4420	-	-	-
160	Summer - Over 60,000 DTs	-	-	-	-	-		3.2680	-	-	-
161	Total Summer DTs	302,130	-	302,130	-	302,130			1,206,682	-	1,206,682
162											
163	Integrity Management Rider Revenues								27,285	3,848	31,133
164	Minimum Margin Agreement Revenues								-	-	-
165											
166											
167	Experimental Motor Vehicle Fue										
168	143 / 104 - Interruptible Sales Service										
169	Bills	-	-		-		-	350.00	-	-	-
170	Winter - First 1,500 DTs	-	-	-	-	-		4.5663	-	-	-
171	Winter - Next 3,000 DTs	-	-	-	-	-		4.3499	-	-	-
172	Winter - Next 9,000 DTs	-	-	-	-	-		4.0049	-	-	-
173	Winter - Next 16,500 DTs	-	-	-	-	-		3.7277	-	-	-
174	Winter - Next 30,000 DTs	-	-	-	-	-		3.4701	-	-	-
175	Winter - Over 60,000 DTs	-	-	-	-	-		3.2513	-	-	-
176	Total Winter DTs	-	-	-	-	-			-	-	-
177											
178	Summer - First 1,500 DTs	-	-	-	-	-		4.2418	-	-	-
179	Summer - Next 3,000 DTs	-	-	-	-	-		3.7779	-	-	-
180	Summer - Next 9,000 DTs	-	-	-	-	-		3.7161	-	-	-
181	Summer - Next 16,500 DTs	-	-	-	-	-		3.5609	-	-	-
182	Summer - Next 30,000 DTs	-	-	-	-	-		3.4420	-	-	-
183	Summer - Over 60,000 DTs	-	-	-	-	-		3.2680	-	-	-
184	Total Summer DTs	-	-	-	-	-			-	-	-

Piedmont Natural Gas Company, Inc
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Line	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
185											
186											
187	113 - Large General Transportation Service										
188	Bills	3,504			12		3,516	350.00	1,230,600		1,230,600
189	Demand	1,664,818			21,604	1,686,422		2,9500	4,974,945		4,974,945
190	Winter - First 1,500 DTs	1,999,261	-	1,999,261	7,500	2,006,761		1.7897	3,591,500		3,591,500
191	Winter - Next 3,000 DTs	2,707,361	-	2,707,361	15,000	2,722,361		1.1570	3,149,771		3,149,771
192	Winter - Next 9,000 DTs	2,984,365	-	2,984,365	45,000	3,029,365		0.8158	2,471,356		2,471,356
193	Winter - Next 16,500 DTs	1,907,877	-	1,907,877	82,500	1,990,377		0.6675	1,328,577		1,328,577
194	Winter - Next 30,000 DTs	1,654,315	-	1,654,315	70,125	1,724,440		0.6270	1,081,224		1,081,224
195	Winter - Over 60,000 DTs	3,001,054	-	3,001,054	-	3,001,054		0.2420	726,255		726,255
196	Total Winter DTs	14,254,233	-	14,254,233	220,125	14,474,358			12,348,683	-	12,348,683
197											
198	Summer - First 1,500 DTs	2,634,064	-	2,634,064	10,500	2,644,564		1.1691	3,091,760		3,091,760
199	Summer - Next 3,000 DTs	3,185,097	-	3,185,097	21,000	3,206,097		0.8429	2,702,419		2,702,419
200	Summer - Next 9,000 DTs	3,397,313	-	3,397,313	63,000	3,460,313		0.5989	2,072,382		2,072,382
201	Summer - Next 16,500 DTs	2,302,383	-	2,302,383	113,487	2,415,870		0.4849	1,171,456		1,171,456
202	Summer - Next 30,000 DTs	2,100,219	-	2,100,219	41,590	2,141,810		0.3168	678,525		678,525
203	Summer - Over 60,000 DTs	3,512,795	-	3,512,795	-	3,512,795		0.1437	504,789		504,789
204	Total Summer DTs	17,131,872	-	17,131,872	249,577	17,381,449			10,221,330	-	10,221,330
205											
206	Integrity Management Rider Revenues								679,082	95,780	774,862
207	Minimum Margin Agreement Revenues								355,314	(317,659)	37,655
208											
209											
210	Experimental Motor Vehicle Fue										
211	143 / 113 - Large General Transportation Service										
212	Bills	96			12		108	350.00	37,800		37,800
213	Demand	44,823			600	45,423		2,9500	133,999		133,999
214	Winter - First 1,500 DTs	59,894	-	59,894	7,500	67,394		1.7897	120,615		120,615
215	Winter - Next 3,000 DTs	90,581	-	90,581	3,905	94,486		1.1570	109,320		109,320
216	Winter - Next 9,000 DTs	58,028	-	58,028	-	58,028		0.8158	47,339		47,339
217	Winter - Next 16,500 DTs	82,500	-	82,500	-	82,500		0.6675	55,069		55,069
218	Winter - Next 30,000 DTs	47,512	-	47,512	-	47,512		0.6270	29,790		29,790
219	Winter - Over 60,000 DTs	-	-	-	-	-		0.2420	-		-
220	Total Winter DTs	338,514	-	338,514	11,405	349,919			362,132		362,132
221											
222	Summer - First 1,500 DTs	84,000	-	84,000	10,500	94,500		1.1691	110,480		110,480
223	Summer - Next 3,000 DTs	137,539	-	137,539	5,467	143,006		0.8429	120,540		120,540
224	Summer - Next 9,000 DTs	87,207	-	87,207	-	87,207		0.5989	52,228		52,228
225	Summer - Next 16,500 DTs	115,500	-	115,500	-	115,500		0.4849	56,006		56,006
226	Summer - Next 30,000 DTs	79,645	-	79,645	-	79,645		0.3168	25,232		25,232
227	Summer - Over 60,000 DTs	-	-	-	-	-		0.1437	-		-
228	Total Summer DTs	503,892	-	503,892	15,967	519,859			364,486		364,486
229											
230	Integrity Management Rider Revenues								-	-	-
231	Minimum Margin Agreement Revenues								10,988	-	10,988
232	Compression Charge Revenues								1,096,104	-	1,096,104

Piedmont Natural Gas Company, Inc
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Line	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
233											
234											
235	114 - Interruptible Transportation Service										
236	Bills	2,884	-		7		2,891	350.00	1,011,850		1,011,850
237	Winter - First 1,500 DTs	1,576,331	-	1,576,331	7,500	1,583,831		1.8937	2,999,301		2,999,301
238	Winter - Next 3,000 DTs	2,387,296	-	2,387,296	5,675	2,392,971		1.3065	3,126,416		3,126,416
239	Winter - Next 9,000 DTs	3,214,190	-	3,214,190	(15,281)	3,198,909		1.0018	3,204,667		3,204,667
240	Winter - Next 16,500 DTs	2,297,944	-	2,297,944	(49,500)	2,248,444		0.6629	1,490,493		1,490,493
241	Winter - Next 30,000 DTs	2,222,135	-	2,222,135	(90,000)	2,132,135		0.4958	1,057,112		1,057,112
242	Winter - Over 60,000 DTs	1,372,297	-	1,372,297	(10,161)	1,362,136		0.2788	379,764		379,764
243	Total Winter DTs	13,070,192	-	13,070,192	(151,767)	12,918,426			12,257,754		12,257,754
244											
245	Summer - First 1,500 DTs	2,239,062	-	2,239,062	3,000	2,242,062		1.2036	2,698,546		2,698,546
246	Summer - Next 3,000 DTs	3,169,572	-	3,169,572	(7,055)	3,162,517		0.7277	2,301,363		2,301,363
247	Summer - Next 9,000 DTs	3,838,369	-	3,838,369	(51,955)	3,786,414		0.6143	2,325,994		2,325,994
248	Summer - Next 16,500 DTs	2,788,562	-	2,788,562	(99,000)	2,689,562		0.4826	1,297,983		1,297,983
249	Summer - Next 30,000 DTs	2,651,927	-	2,651,927	(177,209)	2,474,718		0.3379	836,207		836,207
250	Summer - Over 60,000 DTs	1,532,413	-	1,532,413	(21,443)	1,510,970		0.1931	291,768		291,768
251	Total Summer DTs	16,219,906	-	16,219,906	(353,662)	15,866,243			9,751,862		9,751,862
252											
253	Integrity Management Rider Revenues								673,019	94,925	767,944
254	Minimum Margin Agreement Revenues								1,145,039	(322,630)	822,409
255											
256											
257	Experimental Motor Vehicle Fuel										
258	143 / 114 - Interruptible Transportation Service										
259	Bills	-	-	-	-	-	-	350.00	-		-
260	Winter - First 1,500 DTs	-	-	-	-	-	-	1.8937	-		-
261	Winter - Next 3,000 DTs	-	-	-	-	-	-	1.3065	-		-
262	Winter - Next 9,000 DTs	-	-	-	-	-	-	1.0018	-		-
263	Winter - Next 16,500 DTs	-	-	-	-	-	-	0.6629	-		-
264	Winter - Next 30,000 DTs	-	-	-	-	-	-	0.4958	-		-
265	Winter - Over 60,000 DTs	-	-	-	-	-	-	0.2788	-		-
266	Total Winter DTs	-	-	-	-	-	-	-	-		-
267											
268	Summer - First 1,500 DTs	-	-	-	-	-	-	1.2036	-		-
269	Summer - Next 3,000 DTs	-	-	-	-	-	-	0.7277	-		-
270	Summer - Next 9,000 DTs	-	-	-	-	-	-	0.6143	-		-
271	Summer - Next 16,500 DTs	-	-	-	-	-	-	0.4826	-		-
272	Summer - Next 30,000 DTs	-	-	-	-	-	-	0.3379	-		-
273	Summer - Over 60,000 DTs	-	-	-	-	-	-	0.1931	-		-
274	Total Summer DTs	-	-	-	-	-	-	-	-		-
275											
276											
277	LARGE GENERAL SERVICE										
278	Bills	7,668	-	-	31	-	7,699				
279	Demand Dts	1,893,515	-	-	22,204	1,915,718					
280	Winter Dts	29,305,592	-	29,305,592	79,764	29,385,356					
281	Summer Dts	35,478,309	-	35,478,309	(88,118)	35,390,191					
282	Total Dts	64,783,901	-	64,783,901	(8,355)	64,775,547					
283											
284	Revenues								72,476,657	(432,908)	72,043,749

Piedmont Natural Gas Company, Inc
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285											
286											
287	105 - Outdoor Gas Light Service										
288	Bills	675			-		675				
289	Fixtures	5,397			-		5,397	18.93	102,158		102,158
290	DTs - Winter	3,593		3,593	-	3,593					
291	DTs - Summer	5,042		5,042	-	5,042					
292											
293											
294	T-10 (675) - Military Operations Transportatior										
295	Bills	12			-		12		-		
296	Demand	84,000			-	84,000		10.00	840,000		840,000
297	DTs - Winter	745,667		745,667	-	745,667		1.4475	1,079,353		1,079,353
298	DTs - Summer	514,826		514,826	-	514,826		0.5375	276,719		276,719
299	Integrity Management Rider Revenues								57,601	8,124	65,725
300											
301	12 (667) Military Installations in Onslow County - Sale:										
302	Bills	-			-		-				
303	DTs - Winter	-		-	-	-		5.4162	-		-
304	DTs - Summer	-		-	-	-		4.8773	-		-
305											
306											
307	T-12 (676) Military Installation in Onslow County - Transportatio										
308	Bills	-			-		-				
309	DTs - Winter	-		-	-	-		2.9162	-		-
310	DTs - Summer	-		-	-	-		2.3773	-		-
311											
312											
313	Power Generation Contracts										
314	Bills	188			6		194				
315	DTs - Winter	108,791,607		108,791,607	8,678,554	117,470,161			40,496,910	3,803,503	44,300,413
316	DTs - Summer	140,453,299		140,453,299	16,405,242	156,858,541			62,660,817	(661,953)	61,998,863
317											
318											
319	Municipals Contracts										
320	Bills	37			-		37				
321	DTs - Winter	4,204,171		4,204,171	-	4,204,171			4,110,235	103,325	4,213,561
322	DTs - Summer	2,847,562		2,847,562	-	2,847,562			5,339,768	144,277	5,484,045
323											
324											
325	Special Contracts Military										
326	Bills	36			-		36				
327	DTs - Winter	608,438		608,438	1,319	609,756			3,316,459	250,899	3,567,358
328	DTs - Summer	420,018		420,018	4,038	424,056			3,570,071	329,242	3,899,312
329											
330											
331	Special Contracts										
332	Bills	108			1		109				
333	DTs - Winter	2,023,465		2,023,465	88,077	2,111,542			1,085,627	325,193	1,410,820
334	DTs - Summer	2,123,266		2,123,266	453,718	2,576,984			871,334	849,757	1,721,091
335											
336											
337	SPECIAL TARIFFS & CONTRACTS										
338	Bills	1,056		-	7	-	1,063				
339	Demand Dts	84,000		-	-	84,000					
340	Winter Dts	116,376,940		116,376,940	8,767,949	125,144,889					
341	Summer Dts	146,364,012		146,364,012	16,862,998	163,227,010					
342	Total Dts	262,740,952		262,740,952	25,630,947	288,371,899					
343											
344	Revenues								123,807,050	5,152,368	128,959,418

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345											
346											
347	GRAND TOTAL - ALL TARIFFS & CONTRACTS										
348	Bills	9,189,670	-	-	38	-	9,189,708				
349	Demand Dts	1,977,515	-	-	22,204	1,999,718					
350	Winter Dts	187,908,456	7,831,801	195,740,257	8,847,713	204,587,970					
351	Summer Dts	200,373,014	(135,028)	200,237,985	16,774,880	217,012,865					
352	Total Dts	388,281,470	7,696,772	395,978,242	25,622,593	421,600,835					
353											
354	Revenues								1,013,397,226	32,488,365	1,045,885,591
355											
356											
357	SALES AND TRANSPORTATION										
358	Total Sales							838,098,506	27,903,415		866,001,921
359	Total Transportation							175,298,720	4,584,950		179,883,670
360	Total Annual							1,013,397,226	32,488,365		1,045,885,591

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(KAC-2)

Piedmont Natural Gas Company, Inc
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Components of Pro Forma Sales and Transportation Revenues

Line	(dekatherms) Rate Schedule	Proforma Dekatherms (1)	Proforma Bills (2)	Margin Clean Rates (3)	Calculated Margin Revenues (4)	Revenue Adjustments (5)	Proforma Margin Revenues (6)	COG Demand "Clean" Rates (7)	Proforma COG Demand Revenues (8)	COG Commodity "Clean" Rates (9)	Proforma COG Commodity Revenues (10)
1	101 - Residential Service										
2	Bills - Winter		3,467,266	10.00	34,672,660		34,672,660				
3	Bills - Summer		4,849,056	10.00	48,490,560		48,490,560				
4	DTs - Winter	30,164,236		7.5076	226,461,020	10,423,877	236,884,897	1.3377	40,350,699	2.5475	76,843,392
5	DTs - Summer	8,563,121		7.5076	64,288,490	(597,774)	63,690,716	0.8279	7,089,408	2.5475	21,814,552
6	Integrity Management Rider Revenues				19,638,811	2,769,924	22,408,735				
7											
8											
9	Experimental Motor Vehicle Fue										
10	143 / 101 - Residential Service										
11	Bills - Winter		-	10.00	-		-				
12	Bills - Summer		-	10.00	-		-				
13	DTs - Winter			7.5076	-		-	1.3377	-	2.5475	-
14	DTs - Summer			7.5076	-		-	0.8279	-	2.5475	-
15											
16											
17	RESIDENTIAL SERVICE										
18	Bills		8,316,322								
19	Winter Dts	30,164,236									
20	Summer Dts	8,563,121									
21	Total Dts	38,727,358									
22											
23	Revenues				393,551,542	12,596,026	406,147,568		47,440,107		98,657,944

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Components of Pro Forma Sales and Transportation Revenues

Line	(dekatherms) Rate Schedule	Proforma Dekatherms (1)	Proforma Bills (2)	Margin Clean Rates (3)	Calculated Margin Revenues (4)	Revenue Adjustments (5)	Proforma Margin Revenues (6)	COG Demand "Clean" Rates (7)	Proforma COG Demand Revenues (8)	COG Commodity "Clean" Rates (9)	Proforma COG Commodity Revenues (10)
24											
25											
26	102- Small General Service										
27	Bills		858,495	22.00	18,886,890		18,886,890				
28	DTs - Winter	17,066,103		4.9685	84,792,934	5,463,778	90,256,712	1.1225	19,156,701	2.5475	43,475,898
29	DTs - Summer	7,699,067		4.9685	38,252,814	6,304,484	44,557,298	0.7247	5,579,514	2.5475	19,613,373
30	Integrity Management Rider Revenues				8,000,436	1,128,408	9,128,844				
31	Minimum Margin Agreement Revenues				-	-	-				
32											
33											
34	Experimental Motor Vehicle Fue										
35	143 / 102- Small General Service										
36	Bills		108	22.00	2,376		2,376				
37	DTs - Winter	6,927		4.9685	34,415	(23,091)	11,323	1.1225	7,775	2.5475	17,646
38	DTs - Summer	4,947		4.9685	24,580	(18,967)	5,612	0.7247	3,585	2.5475	12,603
39											
40											
41	152- Medium General Service										
42	Bills		6,021	75.00	451,575		451,575				
43	Winter - First 500 DTs	1,219,093		4.2474	5,177,977	197,243	5,375,220	0.9741	1,187,519	2.5475	3,105,640
44	Winter - Over 500 DTs	1,568,337		4.2474	6,661,354	253,749	6,915,103	0.6431	1,008,597	2.5475	3,995,338
45	Total Winter DTs	2,787,430			11,839,331	450,992	12,290,323		2,196,116		7,100,978
46											
47											
48	Summer - First 500 DTs	1,225,402		4.2474	5,204,772	1,002,929	6,207,700	0.9165	1,123,081	2.5475	3,121,711
49	Summer - Over 500 DTs	858,075		4.2474	3,644,586	702,290	4,346,877	0.6110	524,284	2.5475	2,185,945
50	Total Summer DTs	2,083,477			8,849,358	1,705,219	10,554,577		1,647,364		5,307,656
51											
52	Integrity Management Rider Revenues				1,112,603	156,925	1,269,529				
53	Minimum Margin Agreement Revenues				65,978	-	65,978				
54											
55											
56	Experimental Motor Vehicle Fue										
57	143 / 152- Medium General Service										
58	Bills		-	75.00	-		-				
59	Winter - First 500 DTs	-		4.2474	-	-	-	0.9741	-	2.5475	-
60	Winter - Over 500 DTs	-		4.2474	-	-	-	0.6431	-	2.5475	-
61	Total Winter DTs	-			-	-	-		-		-
62											
63											
64	Summer - First 500 DTs	-		4.2474	-	-	-	0.9165	-	2.5475	-
65	Summer - Over 500 DTs	-		4.2474	-	-	-	0.6110	-	2.5475	-
66	Total Summer DTs	-			-	-	-		-		-
67											
68											
69	Experimental Motor Vehicle Fue										
70	144- Medium General Transportation Service										
71	Bills		-	75.00	-		-				
72	Winter - First 500 DTs	-		4.2474	-	-	-	0.9741	-	0.0475	-
73	Winter - Over 500 DTs	-		4.2474	-	-	-	0.6431	-	0.0475	-
74	Total Winter DTs	-			-	-	-		-		-
75											
76											
77	Summer - First 500 DTs	-		4.2474	-	-	-	0.9165	-	0.0475	-
78	Summer - Over 500 DTs	-		4.2474	-	-	-	0.6110	-	0.0475	-
79	Total Summer DTs	-			-	-	-		-		-
80											

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81											
82	142 - Natural Gas Vehicle Fuel - Company Station:										
83	DTs - Winter	33,028		4.8515	160,236		160,236	1.3449	44,420	2.5475	84,139
84	DTs - Summer	45,052		4.8515	218,571		218,571	1.3449	60,591	2.5475	114,770
85	Compression Charge Revenues			4.0000	312,322		312,322				
86	Integrity Management Rider Revenues				36,379	5,131	41,510				
87											
88	SMALL & MEDIUM GENERAL / NGV FUEL SERVICE										
89	Bills	-	864,624								
90	Winter Dts	19,893,488									
91	Summer Dts	9,832,543									
92	Total Dts	29,726,031									
93											
94	Revenues				173,040,797	15,172,879	188,213,676		28,696,066		75,727,064
95											
96											
97	103 - Large General Sales Service										
98	Bills		940	350.00	329,000		329,000				
99	Demand	175,455		2.2000	386,000		386,000	12.7500	2,237,045	-	-
100	Winter - First 1,500 DTs	540,463		0.8454	456,907		456,907	0.8968	484,687	2.5475	1,376,829
101	Winter - Next 3,000 DTs	472,780		0.2177	102,924		102,924	0.8918	421,625	2.5475	1,204,408
102	Winter - Next 9,000 DTs	166,002		0.2215	36,769		36,769	0.5468	90,770	2.5475	422,889
103	Winter - Next 16,500 DTs	7,041		0.1762	1,241		1,241	0.4438	3,125	2.5475	17,937
104	Winter - Next 30,000 DTs	-		0.1427	-		-	0.4368	-	2.5475	-
105	Winter - Over 60,000 DTs	-		0.0977	-		-	0.0968	-	2.5475	-
106	Total Winter DTs	1,186,286			597,841		597,841		1,000,207		3,022,062
107											
108	Summer - First 1,500 DTs	657,365		0.2860	188,006		188,006	0.8356	549,294	2.5475	1,674,638
109	Summer - Next 3,000 DTs	420,922		0.2098	88,309		88,309	0.5856	246,492	2.5475	1,072,300
110	Summer - Next 9,000 DTs	121,663		0.1908	23,213		23,213	0.3606	43,872	2.5475	309,936
111	Summer - Next 16,500 DTs	3,058		0.1718	525		525	0.2656	812	2.5475	7,791
112	Summer - Next 30,000 DTs	-		0.1337	-		-	0.1356	-	2.5475	-
113	Summer - Over 60,000 DTs	-		0.0956	-		-	0.0006	-	2.5475	-
114	Total Summer DTs	1,203,009			300,055		300,055		840,470		3,064,664
115											
116	Integrity Management Rider Revenues				90,949	12,828	103,776				
117	Minimum Margin Agreement Revenues				35,732	-	35,732				
118											
119											
120	Experimental Motor Vehicle Fue										
121	143 / 103 - Large General Sales Service										
122	Bills		36	350.00	12,600		12,600				
123	Demand	8,419		2.2000	18,521		18,521	12.7500	107,336	-	-
124	Winter - First 1,500 DTs	22,500		0.8454	19,022		19,022	0.8968	20,178	2.5475	57,319
125	Winter - Next 3,000 DTs	29,515		0.2177	6,425		6,425	0.8918	26,321	2.5475	75,189
126	Winter - Next 9,000 DTs	24,500		0.2215	5,427		5,427	0.5468	13,397	2.5475	62,414
127	Winter - Next 16,500 DTs	-		0.1762	-		-	0.4438	-	2.5475	-
128	Winter - Next 30,000 DTs	-		0.1427	-		-	0.4368	-	2.5475	-
129	Winter - Over 60,000 DTs	-		0.0977	-		-	0.0968	-	2.5475	-
130	Total Winter DTs	76,515			30,874		30,874		59,896		194,922
131											
132	Summer - First 1,500 DTs	31,500		0.2860	9,009		9,009	0.8356	26,321	2.5475	80,246
133	Summer - Next 3,000 DTs	45,994		0.2098	9,649		9,649	0.5856	28,934	2.5475	117,169
134	Summer - Next 9,000 DTs	40,008		0.1908	7,634		7,634	0.3606	14,427	2.5475	101,920
135	Summer - Next 16,500 DTs	-		0.1718	-		-	0.2656	-	2.5475	-
136	Summer - Next 30,000 DTs	-		0.1337	-		-	0.1356	-	2.5475	-
137	Summer - Over 60,000 DTs	-		0.0956	-		-	0.0006	-	2.5475	-
138	Total Summer DTs	117,502			26,292		26,292		67,682		299,335
139											
140	Integrity Management Rider Revenues				-	-	-				
141	Minimum Margin Agreement Revenues				-	-	-				
142	Compression Charge Revenues				143,569	-	143,569				

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143											
144											
145	104 - Interruptible Sales Service										
146	Bills		208	350.00	72,800		72,800				
147	Winter - First 1,500 DTs	126,290		0.9170	115,808		115,808	1.1018	139,146	2.5475	321,723
148	Winter - Next 3,000 DTs	167,195		0.3806	63,634		63,634	1.4218	237,717	2.5475	425,928
149	Winter - Next 9,000 DTs	86,368		0.3806	32,872		32,872	1.0768	93,001	2.5475	220,023
150	Winter - Next 16,500 DTs	-		0.3464	-		-	0.8338	-	2.5475	-
151	Winter - Next 30,000 DTs	-		0.2808	-		-	0.6418	-	2.5475	-
152	Winter - Over 60,000 DTs	-		0.1654	-		-	0.5384	-	2.5475	-
153	Total Winter DTs	379,853			212,314	-	212,314		469,865		967,674
154											
155	Summer - First 1,500 DTs	146,785		0.7194	105,597		105,597	0.9749	143,101	2.5475	373,935
156	Summer - Next 3,000 DTs	117,722		0.3755	44,204		44,204	0.8549	100,640	2.5475	299,896
157	Summer - Next 9,000 DTs	34,380		0.3637	12,504		12,504	0.8049	27,673	2.5475	87,584
158	Summer - Next 16,500 DTs	3,243		0.3335	1,082		1,082	0.6799	2,205	2.5475	8,262
159	Summer - Next 30,000 DTs	-		0.2396	-		-	0.6549	-	2.5475	-
160	Summer - Over 60,000 DTs	-		0.1456	-		-	0.5749	-	2.5475	-
161	Total Summer DTs	302,130			163,387	-	163,387		273,619		769,676
162											
163	Integrity Management Rider Revenues				27,285	3,848	31,133				
164	Minimum Margin Agreement Revenues				-	-	-				
165											
166											
167	Experimental Motor Vehicle Fuel										
168	143 / 104 - Interruptible Sales Service										
169	Bills		-	350.00	-		-				
170	Winter - First 1,500 DTs	-		0.9170	-		-	1.1018	-	2.5475	-
171	Winter - Next 3,000 DTs	-		0.3806	-		-	1.4218	-	2.5475	-
172	Winter - Next 9,000 DTs	-		0.3806	-		-	1.0768	-	2.5475	-
173	Winter - Next 16,500 DTs	-		0.3464	-		-	0.8338	-	2.5475	-
174	Winter - Next 30,000 DTs	-		0.2808	-		-	0.6418	-	2.5475	-
175	Winter - Over 60,000 DTs	-		0.1654	-		-	0.5384	-	2.5475	-
176	Total Winter DTs	-			-	-	-		-		-
177											
178	Summer - First 1,500 DTs	-		0.7194	-		-	0.9749	-	2.5475	-
179	Summer - Next 3,000 DTs	-		0.3755	-		-	0.8549	-	2.5475	-
180	Summer - Next 9,000 DTs	-		0.3637	-		-	0.8049	-	2.5475	-
181	Summer - Next 16,500 DTs	-		0.3335	-		-	0.6799	-	2.5475	-
182	Summer - Next 30,000 DTs	-		0.2396	-		-	0.6549	-	2.5475	-
183	Summer - Over 60,000 DTs	-		0.1456	-		-	0.5749	-	2.5475	-
184	Total Summer DTs	-			-	-	-		-		-

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185											
186											
187	113 - Large General Transportation Service										
188	Bills		3,516	350.00	1,230,600		1,230,600		-		
189	Demand	1,686,422		2,2000	3,710,128		3,710,128	0.7500	1,264,817	-	-
190	Winter - First 1,500 DTs	2,006,761		0.8454	1,696,516		1,696,516	0.8968	1,799,663	0.0475	95,321
191	Winter - Next 3,000 DTs	2,722,361		0.2177	592,658		592,658	0.8918	2,427,801	0.0475	129,312
192	Winter - Next 9,000 DTs	3,029,365		0.2215	671,004		671,004	0.5468	1,656,457	0.0475	143,895
193	Winter - Next 16,500 DTs	1,990,377		0.1762	350,704		350,704	0.4438	883,329	0.0475	94,543
194	Winter - Next 30,000 DTs	1,724,440		0.1427	246,078		246,078	0.4368	753,236	0.0475	81,911
195	Winter - Over 60,000 DTs	3,001,054		0.0977	293,203		293,203	0.0968	290,502	0.0475	142,550
196	Total Winter DTs	14,474,358			3,850,163	-	3,850,163		7,810,988		687,532
197											
198	Summer - First 1,500 DTs	2,644,564		0.2860	756,345		756,345	0.8356	2,209,798	0.0475	125,617
199	Summer - Next 3,000 DTs	3,206,097		0.2098	672,639		672,639	0.5856	1,877,490	0.0475	152,290
200	Summer - Next 9,000 DTs	3,460,313		0.1908	660,228		660,228	0.3606	1,247,789	0.0475	164,365
201	Summer - Next 16,500 DTs	2,415,870		0.1718	415,047		415,047	0.2656	641,655	0.0475	114,754
202	Summer - Next 30,000 DTs	2,141,810		0.1337	286,360		286,360	0.1356	290,429	0.0475	101,736
203	Summer - Over 60,000 DTs	3,512,795		0.0956	335,823		335,823	0.0006	2,108	0.0475	166,858
204	Total Summer DTs	17,381,449			3,126,442	-	3,126,442		6,269,269		825,619
205											
206	Integrity Management Rider Revenues				679,082	95,780	774,862				
207	Minimum Margin Agreement Revenues				355,314	(317,659)	37,655				
208											
209											
210	Experimental Motor Vehicle Fuel										
211	143 / 113 - Large General Transportation Service										
212	Bills		108	350.00	37,800		37,800				
213	Demand	45,423		2,2000	99,931		99,931	0.7500	34,068	-	-
214	Winter - First 1,500 DTs	67,394		0.8454	56,975		56,975	0.8968	60,439	0.0475	3,201
215	Winter - Next 3,000 DTs	94,486		0.2177	20,570		20,570	0.8918	84,282	0.0475	4,488
216	Winter - Next 9,000 DTs	58,028		0.2215	12,853		12,853	0.5468	31,729	0.0475	2,756
217	Winter - Next 16,500 DTs	82,500		0.1762	14,537		14,537	0.4438	36,614	0.0475	3,919
218	Winter - Next 30,000 DTs	47,512		0.1427	6,780		6,780	0.4368	20,753	0.0475	2,257
219	Winter - Over 60,000 DTs	-		0.0977	-		-	0.0968	-	0.0475	-
220	Total Winter DTs	349,919			111,714		111,714		233,797		16,621
221											
222	Summer - First 1,500 DTs	94,500		0.2860	27,027		27,027	0.8356	78,964	0.0475	4,489
223	Summer - Next 3,000 DTs	143,006		0.2098	30,003		30,003	0.5856	83,744	0.0475	6,793
224	Summer - Next 9,000 DTs	87,207		0.1908	16,639		16,639	0.3606	31,447	0.0475	4,142
225	Summer - Next 16,500 DTs	115,500		0.1718	19,843		19,843	0.2656	30,677	0.0475	5,486
226	Summer - Next 30,000 DTs	79,645		0.1337	10,649		10,649	0.1356	10,800	0.0475	3,783
227	Summer - Over 60,000 DTs	-		0.0956	-		-	0.0006	-	0.0475	-
228	Total Summer DTs	519,859			104,160		104,160		235,632		24,693
229											
230	Integrity Management Rider Revenues				-	-	-				
231	Minimum Margin Agreement Revenues				10,988	-	10,988				
232	Compression Charge Revenues				1,096,104	-	1,096,104				

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233											
234											
235	114 - Interruptible Transportation Service										
236	Bills		2,891	350.00	1,011,850		1,011,850				
237	Winter - First 1,500 DTs	1,583,831		0.9170	1,452,373		1,452,373	0.9292	1,471,696	0.0475	75,232
238	Winter - Next 3,000 DTs	2,392,971		0.3806	910,765		910,765	0.8784	2,101,986	0.0475	113,666
239	Winter - Next 9,000 DTs	3,198,909		0.3806	1,217,505		1,217,505	0.5737	1,835,214	0.0475	151,948
240	Winter - Next 16,500 DTs	2,248,444		0.3464	778,861		778,861	0.2690	604,831	0.0475	106,801
241	Winter - Next 30,000 DTs	2,132,135		0.2808	598,703		598,703	0.1675	357,133	0.0475	101,276
242	Winter - Over 60,000 DTs	1,362,136		0.1654	225,297		225,297	0.0659	89,765	0.0475	64,701
243	Total Winter DTs	12,918,426			5,183,504	-	5,183,504		6,460,624		613,625
244											
245	Summer - First 1,500 DTs	2,242,062		0.7194	1,612,940		1,612,940	0.4367	979,109	0.0475	106,498
246	Summer - Next 3,000 DTs	3,162,517		0.3755	1,187,525		1,187,525	0.3047	963,619	0.0475	150,220
247	Summer - Next 9,000 DTs	3,786,414		0.3637	1,377,119		1,377,119	0.2031	769,021	0.0475	179,855
248	Summer - Next 16,500 DTs	2,689,562		0.3335	896,969		896,969	0.1016	273,260	0.0475	127,754
249	Summer - Next 30,000 DTs	2,474,718		0.2396	592,942		592,942	0.0508	125,716	0.0475	117,549
250	Summer - Over 60,000 DTs	1,510,970		0.1456	219,997		219,997	-	-	0.0475	71,771
251	Total Summer DTs	15,866,243			5,887,492	-	5,887,492		3,110,723		753,647
252											
253	Integrity Management Rider Revenues				673,019	94,925	767,944				
254	Minimum Margin Agreement Revenues				1,145,039	(322,630)	822,409				
255											
256											
257	Experimental Motor Vehicle Fuel										
258	143 / 114 - Interruptible Transportation Service										
259	Bills		-	350.00	-		-				
260	Winter - First 1,500 DTs	-		0.9170	-		-	0.9292	-	0.0475	-
261	Winter - Next 3,000 DTs	-		0.3806	-		-	0.8784	-	0.0475	-
262	Winter - Next 9,000 DTs	-		0.3806	-		-	0.5737	-	0.0475	-
263	Winter - Next 16,500 DTs	-		0.3464	-		-	0.2690	-	0.0475	-
264	Winter - Next 30,000 DTs	-		0.2808	-		-	0.1675	-	0.0475	-
265	Winter - Over 60,000 DTs	-		0.1654	-		-	0.0659	-	0.0475	-
266	Total Winter DTs	-			-	-	-		-		-
267											
268	Summer - First 1,500 DTs	-		0.7194	-		-	0.4367	-	0.0475	-
269	Summer - Next 3,000 DTs	-		0.3755	-		-	0.3047	-	0.0475	-
270	Summer - Next 9,000 DTs	-		0.3637	-		-	0.2031	-	0.0475	-
271	Summer - Next 16,500 DTs	-		0.3335	-		-	0.1016	-	0.0475	-
272	Summer - Next 30,000 DTs	-		0.2396	-		-	0.0508	-	0.0475	-
273	Summer - Over 60,000 DTs	-		0.1456	-		-	-	-	0.0475	-
274	Total Summer DTs	-			-	-	-		-		-
275											
276											
277	LARGE GENERALSERVICE										
278	Bills		7,699								
279	Demand Dts	1,915,718									
280	Winter Dts	29,385,356									
281	Summer Dts	35,390,191									
282	Total Dts	64,775,547									
283											
284	Revenues				30,760,548	(432,908)	30,327,640		30,476,038		11,240,071

Piedmont Natural Gas Company, Inc
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Components of Pro Forma Sales and Transportation Revenues

Line	(dekatherms) Rate Schedule	Proforma Dekatherms (1)	Proforma Bills (2)	Margin Clean Rates (3)	Calculated Margin Revenues (4)	Revenue Adjustments (5)	Proforma Margin Revenues (6)	COG Demand "Clean" Rates (7)	Proforma COG Demand Revenues (8)	COG Commodity "Clean" Rates (9)	Proforma COG Commodity Revenues (10)
285											
286											
287	105 - Outdoor Gas Light Service										
288	Bills		675								
289	Fixtures		5,397	18.93	102,158		102,158				
290	DTs - Winter	3,593									
291	DTs - Summer	5,042									
292											
293											
294	T-10 (675) - Military Operations Transportatio										
295	Bills		12								
296	Demand	84,000		-	-		-	10.0000	840,000		
297	DTs - Winter	745,667		1.1484	856,324		856,324	0.2516	187,610	0.0475	35,419
298	DTs - Summer	514,826		0.2384	122,734		122,734	0.2516	129,530	0.0475	24,454
299	Integrity Management Rider Revenues				57,601	8,124	65,725				
300											
301	12 (667) Military Installations in Onslow County - Sale:										
302	Bills		-								
303	DTs - Winter	-		2.8687	-		-	-	-	2.5475	-
304	DTs - Summer	-		2.3298	-		-	-	-	2.5475	-
305											
306											
307	T-12 (676) Military Installation in Onslow County - Transportatio										
308	Bills		-								
309	DTs - Winter	-		2.8687	-		-	-	-	0.0475	-
310	DTs - Summer	-		2.3298	-		-	-	-	0.0475	-
311											
312											
313	Power Generation Contracts										
314	Bills		194								
315	DTs - Winter	117,470,161			41,677,015		41,677,015		2,291,140		332,257
316	DTs - Summer	156,858,541			58,327,840		58,327,840		3,216,703		454,320
317											
318											
319	Municipals Contracts										
320	Bills		37								
321	DTs - Winter	4,204,171			3,043,561		3,043,561		1,170,000		-
322	DTs - Summer	2,847,562			3,846,045		3,846,045		1,638,000		-
323											
324											
325	Special Contracts Military										
326	Bills		36								
327	DTs - Winter	609,756			2,821,737		2,821,737		245,173		500,449
328	DTs - Summer	424,056			3,428,259		3,428,259		154,259		316,794
329											
330											
331	Special Contracts										
332	Bills		109								
333	DTs - Winter	2,111,542			1,386,988		1,386,988		-		23,832
334	DTs - Summer	2,576,984			1,690,890		1,690,890		-		30,201
335											
336											
337	SPECIAL TARIFFS & CONTRACTS										
338	Bills		1,063								
339	Demand Dts	84,000									
340	Winter Dts	125,144,889									
341	Summer Dts	163,227,010									
342	Total Dts	288,371,899									
343											
344	Revenues				117,361,152	8,124	117,369,276		9,872,414		1,717,727

Piedmont Natural Gas Company, Inc
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Components of Pro Forma Sales and Transportation Revenues

Line	(dekatherms) Rate Schedule	Proforma Dekatherms (1)	Proforma Bills (2)	Margin Clean Rates (3)	Calculated Margin Revenues (4)	Revenue Adjustments (5)	Proforma Margin Revenues (6)	COG Demand "Clean" Rates (7)	Proforma COG Demand Revenues (8)	COG Commodity "Clean" Rates (9)	Proforma COG Commodity Revenues (10)
345											
346											
347	GRAND TOTAL - ALL TARIFFS & CONTRACTS										
348	Bills	-	9,189,708								
349	Demand Dts	1,999,718									
350	Winter Dts	204,587,970									
351	Summer Dts	217,012,865									
352	Total Dts	421,600,835									
353											
354	Revenues				714,714,039	27,344,121	742,058,160		116,484,625		187,342,806
355											
356											
357	SALES AND TRANSPORTATION										
358	Total Sales				573,138,543	27,785,581	600,924,124		81,591,724		183,486,074
359	Total Transportation				141,575,496	(441,460)	141,134,036		34,892,901		3,856,733
360	Total Annual				714,714,039	27,344,121	742,058,160		116,484,625		187,342,806

I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(KAC-3)

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Sep 13 2021

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Present Rates

Rate Schedule	Present Revenue Rates	Present Margin Revenue Rates	Present IMR Base Revenue Rates ¹	Present COG Demand Revenue Rates	Present COG Commodity Revenue Rates
101 - Residential Service					
Winter Monthly Charge	10.00	10.00			
Summer Monthly Charge	10.00	10.00			
Winter per DT	11.8924	7.5076	0.4996	1.3377	2.5475
Summer per DT	11.3826	7.5076	0.4996	0.8279	2.5475
102- Small General Service					
Monthly Charge	22.00	22.00			
Winter per DT	8.9239	4.9685	0.2854	1.1225	2.5475
Summer per DT	8.5261	4.9685	0.2854	0.7247	2.5475
152- Medium General Service					
Monthly Charge	75.00	75.00			
Winter - First 500 per DT	8.0544	4.2474	0.2854	0.9741	2.5475
Winter - Over 500 per DT	7.7234	4.2474	0.2854	0.6431	2.5475
Summer - First 500 per DT	7.9968	4.2474	0.2854	0.9165	2.5475
Summer - Over 500 per DT	7.6913	4.2474	0.2854	0.611	2.5475
142 - Natural Gas Vehicle Fuel					
Winter per DT	9.0293	4.8515	0.2854	1.3449	2.5475
Summer per DT	9.0293	4.8515	0.2854	1.3449	2.5475
Compression Charge per DT (maximum rate)	4.0000	4.0000			
143- Experimental Motor Vehicle Fuel					
Monthly Charge			<i>Monthly charge is reflected on corresponding rate schedule</i>		
Winter per DT			<i>Volumetric charge is reflected on corresponding rate schedule</i>		
Summer per DT			<i>Volumetric charge is reflected on corresponding rate schedule</i>		
Compression Charge per DT (maximum rate)	4.0000	4.0000			
144- Experimental Medium Gen Motor Fuel - Transportation					
Monthly Charge	75.00	75.00			
Winter - First 500 per DT	5.5544	4.2474	0.2854	0.9741	0.0475
Winter - Over 500 per DT	5.2234	4.2474	0.2854	0.6431	0.0475
Summer - First 500 per DT	5.4968	4.2474	0.2854	0.9165	0.0475
Summer - Over 500 per DT	5.1913	4.2474	0.2854	0.611	0.0475
Compression Charge per DT (maximum rate)	4.0000	4.0000			
103 - Large General Sales Service					
Monthly Charge	350.00	350.00			
Demand Charge per DT	14.9500	2.2000	-	12.7500	-
Winter - First 1,500 per DT	4.3133	0.8454	0.0236	0.8968	2.5475
Winter - Next 3,000 per DT	3.6806	0.2177	0.0236	0.8918	2.5475
Winter - Next 9,000 per DT	3.3394	0.2215	0.0236	0.5468	2.5475
Winter - Next 16,500 per DT	3.1911	0.1762	0.0236	0.4438	2.5475
Winter - Next 30,000 per DT	3.1506	0.1427	0.0236	0.4368	2.5475
Winter - Over 60,000 per DT	2.7656	0.0977	0.0236	0.0968	2.5475
		0.0000			
Summer - First 1,500 per DT	3.6927	0.2860	0.0236	0.8356	2.5475
Summer - Next 3,000 per DT	3.3665	0.2098	0.0236	0.5856	2.5475
Summer - Next 9,000 per DT	3.1225	0.1908	0.0236	0.3606	2.5475
Summer - Next 16,500 per DT	3.0085	0.1718	0.0236	0.2656	2.5475
Summer - Next 30,000 per DT	2.8404	0.1337	0.0236	0.1356	2.5475
Summer - Over 60,000 per DT	2.6673	0.0956	0.0236	0.0006	2.5475
104 - Interruptible Sales Service					
Monthly Charge	350.00	350.00			
Winter - First 1,500 per DT	4.5897	0.9170	0.0234	1.1018	2.5475
Winter - Next 3,000 per DT	4.3733	0.3806	0.0234	1.4218	2.5475
Winter - Next 9,000 per DT	4.0283	0.3806	0.0234	1.0768	2.5475
Winter - Next 16,500 per DT	3.7511	0.3464	0.0234	0.8338	2.5475
Winter - Next 30,000 per DT	3.4935	0.2808	0.0234	0.6418	2.5475
Winter - Over 60,000 per DT	3.2747	0.1654	0.0234	0.5384	2.5475
Summer - First 1,500 per DT	4.2652	0.7194	0.0234	0.9749	2.5475
Summer - Next 3,000 per DT	3.8013	0.3755	0.0234	0.8549	2.5475
Summer - Next 9,000 per DT	3.7395	0.3637	0.0234	0.8049	2.5475
Summer - Next 16,500 per DT	3.5843	0.3335	0.0234	0.6799	2.5475
Summer - Next 30,000 per DT	3.4654	0.2396	0.0234	0.6549	2.5475
Summer - Over 60,000 per DT	3.2914	0.1456	0.0234	0.5749	2.5475

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Present Rates

Rate Schedule	Present Revenue Rates	Present Margin Revenue Rates	Present IMR Base Rates¹	Present COG Demand Revenue Rates	Present COG Commodity Revenue Rates
113 - Large General Transportation Service					
Monthly Charge	350.00	350.00			
Demand Charge per DT	2.9500	2.2000	-	0.7500	0.0000
Winter - First 1,500 per DT	1.8133	0.8454	0.0236	0.8968	0.0475
Winter - Next 3,000 per DT	1.1806	0.2177	0.0236	0.8918	0.0475
Winter - Next 9,000 per DT	0.8394	0.2215	0.0236	0.5468	0.0475
Winter - Next 16,500 per DT	0.6911	0.1762	0.0236	0.4438	0.0475
Winter - Next 30,000 per DT	0.6506	0.1427	0.0236	0.4368	0.0475
Winter - Over 60,000 per DT	0.2656	0.0977	0.0236	0.0968	0.0475
Summer - First 1,500 per DT	1.1927	0.2860	0.0236	0.8356	0.0475
Summer - Next 3,000 per DT	0.8665	0.2098	0.0236	0.5856	0.0475
Summer - Next 9,000 per DT	0.6225	0.1908	0.0236	0.3606	0.0475
Summer - Next 16,500 per DT	0.5085	0.1718	0.0236	0.2656	0.0475
Summer - Next 30,000 per DT	0.3404	0.1337	0.0236	0.1356	0.0475
Summer - Over 60,000 per DT	0.1673	0.0956	0.0236	0.0006	0.0475
114 - Interruptible Transportation Service					
Monthly Charge	350.00	350.00			
Winter - First 1,500 per DT	1.9171	0.9170	0.0234	0.9292	0.0475
Winter - Next 3,000 per DT	1.3299	0.3806	0.0234	0.8784	0.0475
Winter - Next 9,000 per DT	1.0252	0.3806	0.0234	0.5737	0.0475
Winter - Next 16,500 per DT	0.6863	0.3464	0.0234	0.2690	0.0475
Winter - Next 30,000 per DT	0.5192	0.2808	0.0234	0.1675	0.0475
Winter - Over 60,000 per DT	0.3022	0.1654	0.0234	0.0659	0.0475
Summer - First 1,500 per DT	1.2270	0.7194	0.0234	0.4367	0.0475
Summer - Next 3,000 per DT	0.7511	0.3755	0.0234	0.3047	0.0475
Summer - Next 9,000 per DT	0.6377	0.3637	0.0234	0.2031	0.0475
Summer - Next 16,500 per DT	0.5060	0.3335	0.0234	0.1016	0.0475
Summer - Next 30,000 per DT	0.3613	0.2396	0.0234	0.0508	0.0475
Summer - Over 60,000 per DT	0.2165	0.1456	0.0234	0.0000	0.0475
105 - Outdoor Gas Light Service					
Per Fixture Charge	18.93	18.93	-	-	-
T-10 - Military Operations Transportation					
Demand Charge per DT	10.00	0.0000	0.0000	10.0000	0.0000
Winter per DT	1.4711	1.1484	0.0236	0.2516	0.0475
Summer per DT	0.5611	0.2384	0.0236	0.2516	0.0475
12 - Military Installations in Onslow County - Sales					
Winter per DT	5.4398	2.8687	0.0236	0.0000	2.5475
Summer per DT	4.9009	2.3298	0.0236	0.0000	2.5475
T-12 - Military Installation in Onslow County - Transportation					
Winter per DT	2.9398	2.8687	0.0236	0.0000	0.0475
Summer per DT	2.4009	2.3298	0.0236	0.0000	0.0475
106 - Schedule For Limiting and Curtailing					
Emergency Gas per DT	10.0000	0.0000	0.0000	10.0000	0.0000
Unauthorized Gas per DT	25.0000	0.0000	0.0000	25.0000	0.0000
Reconnect Fees					
<u>Residential</u>					
February Through August	55.00				
September Through January	85.00				
<u>All Others</u>					
February Through August	55.00				
September Through January	110.00				
Returned Check Charge					
Returned Check Charge	25.00				

1/ The IMR rates shown above are only for the recovery of the current approved IMR revenue requirement of \$30,316,164, as approved by the NCUC in Docket No. G-9, Sub 777. Therefore, the IMR rates shown above exclude the portion of the current IMR billing rate designed to recover the IMR Deferred Account balance of \$2,396,582 approved by the NCUC in Docket No. G-9, Sub 777.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Proposed Rates

Rate Schedule	Proposed Revenue Rates	Proposed Margin Revenue Rates	Proposed IMR Base Revenue Rates ¹	Proposed COG Demand Revenue Rates	Proposed COG Commodity Revenue Rates
101 - Residential Service					
Winter Monthly Charge	10.00	10.00			
Summer Monthly Charge	10.00	10.00			
Winter per DT	13.9247	10.0395	0.0000	1.3377	2.5475
Summer per DT	13.4149	10.0395	0.0000	0.8279	2.5475
102- Small General Service					
Monthly Charge	22.00	22.00			
Winter per DT	10.6894	7.0194	0.0000	1.1225	2.5475
Summer per DT	10.2916	7.0194	0.0000	0.7247	2.5475
152- Medium General Service					
Monthly Charge	75.00	75.00			
Winter - First 500 per DT	9.3837	5.8621	0.0000	0.9741	2.5475
Winter - Over 500 per DT	9.0527	5.8621	0.0000	0.6431	2.5475
Summer - First 500 per DT	9.3261	5.8621	0.0000	0.9165	2.5475
Summer - Over 500 per DT	9.0206	5.8621	0.0000	0.6110	2.5475
142 - Natural Gas Vehicle Fuel					
Winter per DT	10.8500	6.9576	0.0000	1.3449	2.5475
Summer per DT	10.8500	6.9576	0.0000	1.3449	2.5475
Compression Charge per DT (maximum rate)	4.0000	4.0000			
143- Experimental Motor Vehicle Fuel					
Monthly Charge					
Winter per DT					
Summer per DT					
Compression Charge per DT (maximum rate)	4.0000	4.0000			
144- Experimental Medium Gen Motor Fuel - Transportation					
Monthly Charge	75.00	75.00			
Winter - First 500 per DT	6.8837	5.8621	0.0000	0.9741	0.0475
Winter - Over 500 per DT	6.5527	5.8621	0.0000	0.6431	0.0475
Summer - First 500 per DT	6.8261	5.8621	0.0000	0.9165	0.0475
Summer - Over 500 per DT	6.5206	5.8621	0.0000	0.6110	0.0475
Compression Charge per DT (maximum rate)	4.0000	4.0000			
103 - Large General Sales Service					
Monthly Charge	350.00	350.00			
Demand Charge per DT	15.1700	2.4200	0.0000	12.7500	0.0000
Winter - First 1,500 per DT	4.7948	1.3505	0.0000	0.8968	2.5475
Winter - Next 3,000 per DT	4.0093	0.5700	0.0000	0.8918	2.5475
Winter - Next 9,000 per DT	3.5943	0.5000	0.0000	0.5468	2.5475
Winter - Next 16,500 per DT	3.4073	0.4160	0.0000	0.4438	2.5475
Winter - Next 30,000 per DT	3.3493	0.3650	0.0000	0.4368	2.5475
Winter - Over 60,000 per DT	2.9223	0.2780	0.0000	0.0968	2.5475
Summer - First 1,500 per DT	3.8749	0.4918	0.0000	0.8356	2.5475
Summer - Next 3,000 per DT	3.4908	0.3577	0.0000	0.5856	2.5475
Summer - Next 9,000 per DT	3.2210	0.3129	0.0000	0.3606	2.5475
Summer - Next 16,500 per DT	3.0813	0.2682	0.0000	0.2656	2.5475
Summer - Next 30,000 per DT	2.9075	0.2244	0.0000	0.1356	2.5475
Summer - Over 60,000 per DT	2.7267	0.1786	0.0000	0.0006	2.5475
104 - Interruptible Sales Service					
Monthly Charge	350.00	350.00			
Winter - First 1,500 per DT	4.8596	1.2103	0.0000	1.1018	2.5475
Winter - Next 3,000 per DT	4.4764	0.5071	0.0000	1.4218	2.5475
Winter - Next 9,000 per DT	4.0693	0.4450	0.0000	1.0768	2.5475
Winter - Next 16,500 per DT	3.7543	0.3730	0.0000	0.8338	2.5475
Winter - Next 30,000 per DT	3.5163	0.3270	0.0000	0.6418	2.5475
Winter - Over 60,000 per DT	3.3342	0.2483	0.0000	0.5384	2.5475
Summer - First 1,500 per DT	4.1940	0.6716	0.0000	0.9749	2.5475
Summer - Next 3,000 per DT	3.8924	0.4900	0.0000	0.8549	2.5475
Summer - Next 9,000 per DT	3.7824	0.4300	0.0000	0.8049	2.5475
Summer - Next 16,500 per DT	3.5937	0.3663	0.0000	0.6799	2.5475
Summer - Next 30,000 per DT	3.5084	0.3060	0.0000	0.6549	2.5475
Summer - Over 60,000 per DT	3.3665	0.2441	0.0000	0.5749	2.5475

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Proposed Rates

Rate Schedule	Proposed Revenue Rates	Proposed Margin Revenue Rates	Proposed IMR Base Revenue Rates ¹	Proposed COG Demand Revenue Rates	Proposed COG Commodity Revenue Rates
113 - Large General Transportation Service					
Monthly Charge	350.00	350.00			
Demand Charge per DT	3.1700	2.4200	0.0000	0.7500	0.0000
Winter - First 1,500 per DT	2.2948	1.3505	0.0000	0.8968	0.0475
Winter - Next 3,000 per DT	1.5093	0.5700	0.0000	0.8918	0.0475
Winter - Next 9,000 per DT	1.0943	0.5000	0.0000	0.5468	0.0475
Winter - Next 16,500 per DT	0.9073	0.4160	0.0000	0.4438	0.0475
Winter - Next 30,000 per DT	0.8493	0.3650	0.0000	0.4368	0.0475
Winter - Over 60,000 per DT	0.4223	0.2780	0.0000	0.0968	0.0475
Summer - First 1,500 per DT	1.3749	0.4918	0.0000	0.8356	0.0475
Summer - Next 3,000 per DT	0.9908	0.3577	0.0000	0.5856	0.0475
Summer - Next 9,000 per DT	0.7210	0.3129	0.0000	0.3606	0.0475
Summer - Next 16,500 per DT	0.5813	0.2682	0.0000	0.2656	0.0475
Summer - Next 30,000 per DT	0.4075	0.2244	0.0000	0.1356	0.0475
Summer - Over 60,000 per DT	0.2267	0.1786	0.0000	0.0006	0.0475
114 - Interruptible Transportation Service					
Monthly Charge	350.00	350.00			
Winter - First 1,500 per DT	2.1870	1.2103	0.0000	0.9292	0.0475
Winter - Next 3,000 per DT	1.4330	0.5071	0.0000	0.8784	0.0475
Winter - Next 9,000 per DT	1.0662	0.4450	0.0000	0.5737	0.0475
Winter - Next 16,500 per DT	0.6895	0.3730	0.0000	0.2690	0.0475
Winter - Next 30,000 per DT	0.5420	0.3270	0.0000	0.1675	0.0475
Winter - Over 60,000 per DT	0.3617	0.2483	0.0000	0.0659	0.0475
Summer - First 1,500 per DT	1.1558	0.6716	0.0000	0.4367	0.0475
Summer - Next 3,000 per DT	0.8422	0.4900	0.0000	0.3047	0.0475
Summer - Next 9,000 per DT	0.6806	0.4300	0.0000	0.2031	0.0475
Summer - Next 16,500 per DT	0.5154	0.3663	0.0000	0.1016	0.0475
Summer - Next 30,000 per DT	0.4043	0.3060	0.0000	0.0508	0.0475
Summer - Over 60,000 per DT	0.2916	0.2441	0.0000	0.0000	0.0475
105 - Outdoor Gas Light Service					
Per Fixture Charge	21.18	21.18			
T-10 - Military Operations Transportation					
Demand Charge per DT	10.00	0.0000	0.0000	10.0000	0.0000
Winter per DT	1.9886	1.6895	0.0000	0.2516	0.0475
Summer per DT	0.6498	0.3507	0.0000	0.2516	0.0475
106 - Schedule For Limiting and Curtailing					
Emergency Gas per DT	10.0000	0.0000	0.0000	10.0000	0.0000
Unauthorized Gas per DT	25.0000	0.0000	0.0000	25.0000	0.0000
Reconnect Fees					
<u>Residential</u>					
February Through August	55.00				
September Through January	85.00				
<u>All Others</u>					
February Through August	55.00				
September Through January	110.00				
Returned Check Charge					
Returned Check Charge	25.00				

1/ The IMR rates shown above only represent the proposed IMR base revenue requirement component of the IMR billing rate to take effect upon the Commission's order in this general rate case proceeding.

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(KAC-4)

Piedmont Natural Gas Company, Inc
Docket No. G-9 Sub 781
Proposed Factors for the Margin Decoupling Tracker Mechanism

	R Factor Winter (\$/therm)	R Factor Summer (\$/therm)	Heat Factor (therms/HDD)	Base Factor (therms/HDD)
101 - Residential Service	1.00395	1.00395	0.14424	8.53612
102- Small General Service	0.70194	0.70194	0.66877	111.56444
152- Medium General Service				
First 5,000 therms	0.58621	0.58621	10.82083	5240.74216
Over 5,000 therms	0.58621	0.58621	10.82083	5240.74216
<u>Normal Degree Days¹</u>	<u>15 - 15</u>	<u>1 - 31</u>		
January	696.3	732.8		
February	711.0	560.2		
March	458.7	402.0		
April	273.7	154.2		
May	87.0	38.3		
June	12.5	1.6		
July	0.4	0.1		
August	-	-		
September	1.5	17.4		
October	68.2	173.3		
November	317.4	435.2		
December	539.7	651.3		
Winter	2,723.1	2,781.5		
Summer	443.3	384.9		
Annual	<u>3,166.4</u>	<u>3,166.4</u>		

1/ Normal Heating Degree Days are computed using a thirty-year average of heating degree days through the end of the Test Period, December 31, 2020.

Exhibit_(KAC-1 UPDATED)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Updated Total Pro Forma Revenues for the Sale and Transportation of Gas

Line No.	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
1	101 - Residential Service										
2	Bills - Winter	3,467,266			48,086		3,515,352	10.00	35,153,519		35,153,519
3	Bills - Summer	4,849,056			67,249		4,916,305	10.00	49,163,053		49,163,053
4	DTs - Winter	24,967,801	5,196,435	30,164,236	418,334	30,582,570		12.1571	371,795,362	10,568,440	382,363,802
5	DTs - Summer	8,736,958	(173,837)	8,563,121	118,758	8,681,879		11.6473	101,120,453	(606,064)	100,514,389
6	Integrity Management Rider Revenues								19,638,811	2,488,919	22,127,731
7											
8											
9	Experimental Motor Vehicle Fuel										
10	143 / 101 - Residential Service										
11	Bills - Winter	-			-		-	10.00	-		-
12	Bills - Summer	-			-		-	10.00	-		-
13	DTs - Winter	-	-	-	-	-	-	12.1571	-	-	-
14	DTs - Summer	-	-	-	-	-	-	11.6473	-	-	-
15											
16											
17	RESIDENTIAL SERVICE										
18	Bills	8,316,322	-	-	115,335	-	8,431,657				
19	Winter Dts	24,967,801	5,196,435	30,164,236	418,334	30,582,570					
20	Summer Dts	8,736,958	(173,837)	8,563,121	118,758	8,681,879					
21	Total Dts	33,704,759	5,022,599	38,727,358	537,092	39,264,449					
22											
23	Revenues								576,871,198	12,451,295	589,322,493

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Updated Total Pro Forma Revenues for the Sale and Transportation of Gas

Line No.	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
24											
25											
26	102- Small General Service										
27	Bills	858,495			6,740		865,235	22.00	19,035,177		19,035,177
28	DTs - Winter	14,694,162	2,371,941	17,066,103	133,991	17,200,095		9.4028	161,729,050	5,506,676	167,235,725
29	DTs - Summer	7,668,230	30,837	7,699,067	60,448	7,759,515		9.0050	69,874,430	6,353,982	76,228,412
30	Integrity Management Rider Revenues								8,000,436	1,013,933	9,014,369
31	Minimum Margin Agreement Revenues								-	-	-
32											
33											
34	Experimental Motor Vehicle Fuel										
35	143 / 102- Small General Service										
36	Bills	108			-		108	22.00	2,376		2,376
37	DTs - Winter	6,927	-	6,927	-	6,927		9.4028	65,129	(23,091)	42,038
38	DTs - Summer	4,947	-	4,947	-	4,947		9.0050	44,549	(18,967)	25,581
39											
40											
41	152- Medium General Service										
42	Bills	6,021			204		6,225	75.00	466,888		466,888
43	Winter - First 500 DTs	1,103,883	115,210	1,219,093	41,340	1,260,433		8.5333	10,755,653	203,932	10,959,585
44	Winter - Over 500 DTs	1,420,122	148,215	1,568,337	53,183	1,621,520		8.2023	13,300,191	282,354	13,582,545
45	Total Winter DTs	2,524,005	263,425	2,787,430	94,523	2,881,953			24,055,844	486,285	24,522,129
46											
47	Summer - First 500 DTs	1,220,714	4,688	1,225,402	41,554	1,266,956		8.4757	10,738,335	1,036,938	11,775,273
49	Summer - Over 500 DTs	854,792	3,283	858,075	29,098	887,172		8.1702	7,248,375	726,105	7,974,480
50	Total Summer DTs	2,075,505	7,971	2,083,477	70,651	2,154,128			17,986,710	1,763,043	19,749,753
51											
52	Integrity Management Rider Revenues								1,112,603	141,005	1,253,609
53	Minimum Margin Agreement Revenues								65,978	-	65,978
54											
55											
56	Experimental Motor Vehicle Fuel										
57	143 / 152- Medium General Service										
58	Bills	-			-		-	75.00	-		-
59	Winter - First 500 DTs	-	-	-	-	-		8.5333	-	-	-
60	Winter - Over 500 DTs	-	-	-	-	-		8.2023	-	-	-
61	Total Winter DTs	-	-	-	-	-			-	-	-
62											
63	Summer - First 500 DTs	-	-	-	-	-		8.4757	-	-	-
65	Summer - Over 500 DTs	-	-	-	-	-		8.1702	-	-	-
66	Total Summer DTs	-	-	-	-	-			-	-	-
67											
68											
69	Experimental Motor Vehicle Fuel										
70	144- Medium General Transportation Service										
71	Bills	-			-		-	75.00	-		-
72	Winter - First 500 DTs	-	-	-	-	-		5.2833	-	-	-
73	Winter - Over 500 DTs	-	-	-	-	-		4.9523	-	-	-
74	Total Winter DTs	-	-	-	-	-			-	-	-
75											
76	Summer - First 500 DTs	-	-	-	-	-		5.2257	-	-	-
78	Summer - Over 500 DTs	-	-	-	-	-		4.9202	-	-	-
79	Total Summer DTs	-	-	-	-	-			-	-	-
80											

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Updated Total Pro Forma Revenues for the Sale and Transportation of Gas

Line No.	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
81											
82	142 - Natural Gas Vehicle Fuel - Company Stations										
83	DTs - Winter	33,028	-	33,028	-	33,028		9.5082	314,039		314,039
84	DTs - Summer	45,052	-	45,052	-	45,052		9.5082	428,365		428,365
85	Compression Charge Revenues							4.0000	312,322		312,322
86	Integrity Management Rider Revenues								36,379	4,611	40,990
87											
88	SMALL & MEDIUM GENERAL / NGV FUEL SERVICE										
89	Bills	864,624	-	-	6,944	-	871,568				
90	Winter Dts	17,258,122	2,635,366	19,893,488	228,514	20,122,002					
91	Summer Dts	9,793,735	38,808	9,832,543	131,099	9,963,642					
92	Total Dts	27,051,857	2,674,174	29,726,031	359,613	30,085,644					
93											
94	Revenues								303,530,275	15,207,477	318,737,752
95											
96											
97	103 - Large General Sales Service										
98	Bills	940	-	-	-	-	940	350.00	329,000		329,000
99	Demand	175,455	-	-	-	175,455		14.9500	2,623,045		2,623,045
100	Winter - First 1,500 DTs	540,463	-	540,463	-	540,463		5.0540	2,731,498		2,731,498
101	Winter - Next 3,000 DTs	472,780	-	472,780	-	472,780		4.4213	2,090,303		2,090,303
102	Winter - Next 9,000 DTs	166,002	-	166,002	-	166,002		4.0801	677,303		677,303
103	Winter - Next 16,500 DTs	7,041	-	7,041	-	7,041		3.9318	27,684		27,684
104	Winter - Next 30,000 DTs	-	-	-	-	-		3.8913	-		-
105	Winter - Over 60,000 DTs	-	-	-	-	-		3.5063	-		-
106	Total Winter DTs	1,186,286	-	1,186,286	-	1,186,286			5,526,789		5,526,789
107											
108	Summer - First 1,500 DTs	657,365	-	657,365	-	657,365		4.4334	2,914,363		2,914,363
109	Summer - Next 3,000 DTs	420,922	-	420,922	-	420,922		4.1072	1,728,812		1,728,812
110	Summer - Next 9,000 DTs	121,663	-	121,663	-	121,663		3.8632	470,008		470,008
111	Summer - Next 16,500 DTs	3,058	-	3,058	-	3,058		3.7492	11,466		11,466
112	Summer - Next 30,000 DTs	-	-	-	-	-		3.5811	-		-
113	Summer - Over 60,000 DTs	-	-	-	-	-		3.4080	-		-
114	Total Summer DTs	1,203,009	-	1,203,009	-	1,203,009			5,124,649		5,124,649
115											
116	Integrity Management Rider Revenues								90,949	11,526	102,475
117	Minimum Margin Agreement Revenues								35,732	-	35,732
118											
119											
120	Experimental Motor Vehicle Fuel										
121	143 / 103 - Large General Sales Service										
122	Bills	36	-	-	-	-	36	350.00	12,600		12,600
123	Demand	8,419	-	-	-	8,419		14.9500	125,857		125,857
124	Winter - First 1,500 DTs	22,500	-	22,500	-	22,500		5.0540	113,715		113,715
125	Winter - Next 3,000 DTs	29,515	-	29,515	-	29,515		4.4213	130,494		130,494
126	Winter - Next 9,000 DTs	24,500	-	24,500	-	24,500		4.0801	99,963		99,963
127	Winter - Next 16,500 DTs	-	-	-	-	-		3.9318	-		-
128	Winter - Next 30,000 DTs	-	-	-	-	-		3.8913	-		-
129	Winter - Over 60,000 DTs	-	-	-	-	-		3.5063	-		-
130	Total Winter DTs	76,515	-	76,515	-	76,515			344,172		344,172
131											
132	Summer - First 1,500 DTs	31,500	-	31,500	-	31,500		4.4334	139,652		139,652
133	Summer - Next 3,000 DTs	45,994	-	45,994	-	45,994		4.1072	188,905		188,905
134	Summer - Next 9,000 DTs	40,008	-	40,008	-	40,008		3.8632	154,559		154,559
135	Summer - Next 16,500 DTs	-	-	-	-	-		3.7492	-		-
136	Summer - Next 30,000 DTs	-	-	-	-	-		3.5811	-		-
137	Summer - Over 60,000 DTs	-	-	-	-	-		3.4080	-		-
138	Total Summer DTs	117,502	-	117,502	-	117,502			483,116		483,116
139											
140	Integrity Management Rider Revenues								-	-	-
141	Minimum Margin Agreement Revenues								-	-	-
142	Compression Charge Revenues								143,569	-	143,569

Piedmont Natural Gas Company, Inc.
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 For the Test Period Ending December 31, 2020
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Line No.	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
143											
144											
145	104 - Interruptible Sales Service										
146	Bills	208			-		208	350.00	72,800		72,800
147	Winter - First 1,500 DTs	126,290	-	126,290	-	126,290		5.3306	673,199		673,199
148	Winter - Next 3,000 DTs	167,195	-	167,195	-	167,195		5.1142	855,067		855,067
149	Winter - Next 9,000 DTs	86,368	-	86,368	-	86,368		4.7692	411,908		411,908
150	Winter - Next 16,500 DTs	-	-	-	-	-		4.4920	-		-
151	Winter - Next 30,000 DTs	-	-	-	-	-		4.2344	-		-
152	Winter - Over 60,000 DTs	-	-	-	-	-		4.0156	-		-
153	Total Winter DTs	379,853	-	379,853	-	379,853			1,940,174	-	1,940,174
154											
155	Summer - First 1,500 DTs	146,785	-	146,785	-	146,785		5.0061	734,821		734,821
156	Summer - Next 3,000 DTs	117,722	-	117,722	-	117,722		4.5422	534,715		534,715
157	Summer - Next 9,000 DTs	34,380	-	34,380	-	34,380		4.4804	154,037		154,037
158	Summer - Next 16,500 DTs	3,243	-	3,243	-	3,243		4.3252	14,027		14,027
159	Summer - Next 30,000 DTs	-	-	-	-	-		4.2063	-		-
160	Summer - Over 60,000 DTs	-	-	-	-	-		4.0323	-		-
161	Total Summer DTs	302,130	-	302,130	-	302,130			1,437,600	-	1,437,600
162											
163	Integrity Management Rider Revenues								27,285	3,458	30,742
164	Minimum Margin Agreement Revenues								-	-	-
165											
166											
167	Experimental Motor Vehicle Fuel										
168	143 / 104 - Interruptible Sales Service										
169	Bills	-			-		-	350.00	-		-
170	Winter - First 1,500 DTs	-	-	-	-	-		5.3306	-		-
171	Winter - Next 3,000 DTs	-	-	-	-	-		5.1142	-		-
172	Winter - Next 9,000 DTs	-	-	-	-	-		4.7692	-		-
173	Winter - Next 16,500 DTs	-	-	-	-	-		4.4920	-		-
174	Winter - Next 30,000 DTs	-	-	-	-	-		4.2344	-		-
175	Winter - Over 60,000 DTs	-	-	-	-	-		4.0156	-		-
176	Total Winter DTs	-	-	-	-	-			-		-
177											
178	Summer - First 1,500 DTs	-	-	-	-	-		5.0061	-		-
179	Summer - Next 3,000 DTs	-	-	-	-	-		4.5422	-		-
180	Summer - Next 9,000 DTs	-	-	-	-	-		4.4804	-		-
181	Summer - Next 16,500 DTs	-	-	-	-	-		4.3252	-		-
182	Summer - Next 30,000 DTs	-	-	-	-	-		4.2063	-		-
183	Summer - Over 60,000 DTs	-	-	-	-	-		4.0323	-		-
184	Total Summer DTs	-	-	-	-	-			-		-

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Updated Total Pro Forma Revenues for the Sale and Transportation of Gas

Line No.	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
185											
186											
187	113 - Large General Transportation Service										
188	Bills	3,504			12		3,516	350.00	1,230,600		1,230,600
189	Demand	1,664,818			21,604	1,686,422		2,9500	4,974,945		4,974,945
190	Winter - First 1,500 DTs	1,999,261	-	1,999,261	7,500	2,006,761		1.8040	3,620,197		3,620,197
191	Winter - Next 3,000 DTs	2,707,361	-	2,707,361	15,000	2,722,361		1.1713	3,188,701		3,188,701
192	Winter - Next 9,000 DTs	2,984,365	-	2,984,365	45,000	3,029,365		0.8301	2,514,676		2,514,676
193	Winter - Next 16,500 DTs	1,907,877	-	1,907,877	82,500	1,990,377		0.6818	1,357,039		1,357,039
194	Winter - Next 30,000 DTs	1,654,315	-	1,654,315	70,125	1,724,440		0.6413	1,105,884		1,105,884
195	Winter - Over 60,000 DTs	3,001,054	-	3,001,054	-	3,001,054		0.2563	769,170		769,170
196	Total Winter DTs	14,254,233	-	14,254,233	220,125	14,474,358			12,555,666		12,555,666
197											
198	Summer - First 1,500 DTs	2,634,064	-	2,634,064	10,500	2,644,564		1.1834	3,129,577		3,129,577
199	Summer - Next 3,000 DTs	3,185,097	-	3,185,097	21,000	3,206,097		0.8572	2,748,266		2,748,266
200	Summer - Next 9,000 DTs	3,397,313	-	3,397,313	63,000	3,460,313		0.6132	2,121,864		2,121,864
201	Summer - Next 16,500 DTs	2,302,383	-	2,302,383	113,487	2,415,870		0.4992	1,206,002		1,206,002
202	Summer - Next 30,000 DTs	2,100,219	-	2,100,219	41,590	2,141,810		0.3311	709,153		709,153
203	Summer - Over 60,000 DTs	3,512,795	-	3,512,795	-	3,512,795		0.1580	555,022		555,022
204	Total Summer DTs	17,131,872	-	17,131,872	249,577	17,381,449			10,469,885		10,469,885
205											
206	Integrity Management Rider Revenues								679,082		765,145
207	Minimum Margin Agreement Revenues								355,314	(317,659)	37,655
208											
209											
210	Experimental Motor Vehicle Fuel										
211	143 / 113 - Large General Transportation Service										
212	Bills	96			12		108	350.00	37,800		37,800
213	Demand	44,823			600	45,423		2,9500	133,999		133,999
214	Winter - First 1,500 DTs	59,894	-	59,894	7,500	67,394		1.8040	121,578		121,578
215	Winter - Next 3,000 DTs	90,581	-	90,581	3,905	94,486		1.1713	110,671		110,671
216	Winter - Next 9,000 DTs	58,028	-	58,028	-	58,028		0.8301	48,169		48,169
217	Winter - Next 16,500 DTs	82,500	-	82,500	-	82,500		0.6818	56,249		56,249
218	Winter - Next 30,000 DTs	47,512	-	47,512	-	47,512		0.6413	30,470		30,470
219	Winter - Over 60,000 DTs	-	-	-	-	-		0.2563	-		-
220	Total Winter DTs	338,514	-	338,514	11,405	349,919			367,136		367,136
221											
222	Summer - First 1,500 DTs	84,000	-	84,000	10,500	94,500		1.1834	111,831		111,831
223	Summer - Next 3,000 DTs	137,539	-	137,539	5,467	143,006		0.8572	122,585		122,585
224	Summer - Next 9,000 DTs	87,207	-	87,207	-	87,207		0.6132	53,475		53,475
225	Summer - Next 16,500 DTs	115,500	-	115,500	-	115,500		0.4992	57,658		57,658
226	Summer - Next 30,000 DTs	79,645	-	79,645	-	79,645		0.3311	26,370		26,370
227	Summer - Over 60,000 DTs	-	-	-	-	-		0.1580	-		-
228	Total Summer DTs	503,892	-	503,892	15,967	519,859			371,920		371,920
229											
230	Integrity Management Rider Revenues								-		-
231	Minimum Margin Agreement Revenues								10,988		10,988
232	Compression Charge Revenues								1,096,104		1,096,104

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Updated Total Pro Forma Revenues for the Sale and Transportation of Gas

Line No.	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
233											
234											
235	114 - Interruptible Transportation Service										
236	Bills	2,884			7		2,891	350.00	1,011,850		1,011,850
237	Winter - First 1,500 DTs	1,576,331	-	1,576,331	7,500	1,583,831		1.9080	3,021,950		3,021,950
238	Winter - Next 3,000 DTs	2,387,296	-	2,387,296	5,675	2,392,971		1.3208	3,160,636		3,160,636
239	Winter - Next 9,000 DTs	3,214,190	-	3,214,190	(15,281)	3,198,909		1.0161	3,250,412		3,250,412
240	Winter - Next 16,500 DTs	2,297,944	-	2,297,944	(49,500)	2,248,444		0.6772	1,522,646		1,522,646
241	Winter - Next 30,000 DTs	2,222,135	-	2,222,135	(90,000)	2,132,135		0.5101	1,087,602		1,087,602
242	Winter - Over 60,000 DTs	1,372,297	-	1,372,297	(10,161)	1,362,136		0.2931	399,242		399,242
243	Total Winter DTs	13,070,192	-	13,070,192	(151,767)	12,918,426			12,442,487		12,442,487
244											
245	Summer - First 1,500 DTs	2,239,062	-	2,239,062	3,000	2,242,062		1.2179	2,730,608		2,730,608
246	Summer - Next 3,000 DTs	3,169,572	-	3,169,572	(7,055)	3,162,517		0.7420	2,346,587		2,346,587
247	Summer - Next 9,000 DTs	3,838,369	-	3,838,369	(51,955)	3,786,414		0.6286	2,380,140		2,380,140
248	Summer - Next 16,500 DTs	2,788,562	-	2,788,562	(99,000)	2,689,562		0.4969	1,336,443		1,336,443
249	Summer - Next 30,000 DTs	2,651,927	-	2,651,927	(177,209)	2,474,718		0.3522	871,596		871,596
250	Summer - Over 60,000 DTs	1,532,413	-	1,532,413	(21,443)	1,510,970		0.2074	313,375		313,375
251	Total Summer DTs	16,219,906	-	16,219,906	(353,662)	15,866,243			9,978,749		9,978,749
252											
253	Integrity Management Rider Revenues								673,019	85,295	758,314
254	Minimum Margin Agreement Revenues								1,145,039	(322,630)	822,409
255											
256											
257	Experimental Motor Vehicle Fuel										
258	143 / 114 - Interruptible Transportation Service										
259	Bills	-			-		-	350.00	-		-
260	Winter - First 1,500 DTs	-	-	-	-	-	-	1.9080	-	-	-
261	Winter - Next 3,000 DTs	-	-	-	-	-	-	1.3208	-	-	-
262	Winter - Next 9,000 DTs	-	-	-	-	-	-	1.0161	-	-	-
263	Winter - Next 16,500 DTs	-	-	-	-	-	-	0.6772	-	-	-
264	Winter - Next 30,000 DTs	-	-	-	-	-	-	0.5101	-	-	-
265	Winter - Over 60,000 DTs	-	-	-	-	-	-	0.2931	-	-	-
266	Total Winter DTs	-	-	-	-	-	-	-	-	-	-
267											
268	Summer - First 1,500 DTs	-	-	-	-	-	-	1.2179	-	-	-
269	Summer - Next 3,000 DTs	-	-	-	-	-	-	0.7420	-	-	-
270	Summer - Next 9,000 DTs	-	-	-	-	-	-	0.6286	-	-	-
271	Summer - Next 16,500 DTs	-	-	-	-	-	-	0.4969	-	-	-
272	Summer - Next 30,000 DTs	-	-	-	-	-	-	0.3522	-	-	-
273	Summer - Over 60,000 DTs	-	-	-	-	-	-	0.2074	-	-	-
274	Total Summer DTs	-	-	-	-	-	-	-	-	-	-
275											
276											
277	LARGE GENERALSERVICE										
278	Bills	7,668	-	-	31	-	7,699				
279	Demand Dts	1,893,515	-	-	22,204	1,915,718					
280	Winter Dts	29,305,592	-	29,305,592	79,764	29,385,356					
281	Summer Dts	35,478,309	-	35,478,309	(88,118)	35,390,191					
282	Total Dts	64,783,901	-	64,783,901	(8,355)	64,775,547					
283											
284	Revenues								75,851,917	(453,947)	75,397,971

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Updated Total Pro Forma Revenues for the Sale and Transportation of Gas

Line No.	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
285											
286											
287	105 - Outdoor Gas Light Service										
288	Bills	675			-		675				
289	Fixtures	5,397			-		5,397	18.93	102,158		102,158
290	DTs - Winter	3,593	-	3,593	-	3,593					
291	DTs - Summer	5,042	-	5,042	-	5,042					
292											
293											
294	T-10 (675) - Military Operations Transportation										
295	Bills	12			-		12		-		
296	Demand	84,000			-	84,000		10.00	840,000		840,000
297	DTs - Winter	745,667	-	745,667	-	745,667		1.4618	1,090,016		1,090,016
298	DTs - Summer	514,826	-	514,826	-	514,826		0.5518	284,081		284,081
299	Integrity Management Rider Revenues								57,601	7,300	64,901
300											
301	12 (667) Military Installations in Onslow County - Sales										
302	Bills	-			-						
303	DTs - Winter	-	-	-	-	-		6.1805	-		-
304	DTs - Summer	-	-	-	-	-		5.6416	-		-
305											
306											
307	T-12 (676) Military Installation in Onslow County - Transportation										
308	Bills	-			-						
309	DTs - Winter	-	-	-	-	-		2.9305	-		-
310	DTs - Summer	-	-	-	-	-		2.3916	-		-
311											
312											
313	Power Generation Contracts										
314	Bills	188			6		194				
315	DTs - Winter	108,791,607	-	108,791,607	8,678,554	117,470,161			40,496,910	3,803,503	44,300,413
316	DTs - Summer	140,453,299	-	140,453,299	16,405,242	156,858,541			62,660,817	(661,953)	61,998,863
317											
318											
319	Municipals Contracts										
320	Bills	37			-		37				
321	DTs - Winter	4,204,171	-	4,204,171	-	4,204,171			4,110,235	103,325	4,213,561
322	DTs - Summer	2,847,562	-	2,847,562	-	2,847,562			5,339,768	144,277	5,484,045
323											
324											
325	Special Contracts Military										
326	Bills	36			-		36				
327	DTs - Winter	608,438	-	608,438	1,319	609,756			3,316,459	401,065	3,717,524
328	DTs - Summer	420,018	-	420,018	4,038	424,056			3,570,071	424,301	3,994,372
329											
330											
331	Special Contracts										
332	Bills	108			1		109				
333	DTs - Winter	2,023,465	-	2,023,465	88,077	2,111,542			1,085,627	332,368	1,417,995
334	DTs - Summer	2,123,266	-	2,123,266	453,718	2,576,984			871,334	858,849	1,730,183
335											
336											
337	SPECIAL TARIFFS & CONTRACTS										
338	Bills	1,056	-	-	7	-	1,063				
339	Demand Dts	84,000	-	-	-	84,000					
340	Winter Dts	116,376,940	-	116,376,940	8,767,949	125,144,889					
341	Summer Dts	146,364,012	-	146,364,012	16,862,998	163,227,010					
342	Total Dts	262,740,952	-	262,740,952	25,630,947	288,371,899					
343											
344	Revenues								123,825,075	5,413,035	129,238,110

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
For the Test Period Ending December 31, 2020
Updated Total Pro Forma Revenues for the Sale and Transportation of Gas

Line No.	(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Adjustment Thru 6/30/2021 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
345											
346											
347	GRAND TOTAL - ALL TARIFFS & CONTRACTS										
348	Bills	9,189,670	-	-	122,318	-	9,311,988				
349	Demand Dts	1,977,515	-	-	22,204	1,999,718					
350	Winter Dts	187,908,456	7,831,801	195,740,257	9,494,560	205,234,817					
351	Summer Dts	200,373,014	(135,028)	200,237,985	17,024,737	217,262,722					
352	Total Dts	388,281,470	7,696,772	395,978,242	26,519,297	422,497,539					
353											
354	Revenues								1,080,078,465	32,617,861	1,112,696,326
355											
356											
357	SALES AND TRANSPORTATION										
358	Total Sales								903,882,123	28,026,426	931,908,549
359	Total Transportation								176,196,342	4,591,435	180,787,777
360	Total Annual								1,080,078,465	32,617,861	1,112,696,326

Exhibit_(KAC-2 UPDATED)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
For the Test Period Ended December 31, 2020
Updated Components of Pro Forma Sales and Transportation Revenues

Line No.	(dekatherms) Rate Schedule	Proforma Dekatherms (5)	Proforma Bills (6)	Margin Clean Rates (11)	Calculated Margin Revenues (12)	Revenue Adjustments (13)	Proforma Margin Revenues (14)	COG Demand "Clean" Rates (15)	Proforma COG Demand Revenues (16)	COG Commodity "Clean" Rates (17)	Proforma COG Commodity Revenues (18)
1	101 - Residential Service										
2	Bills - Winter		3,515,352	10.00	35,153,519		35,153,519				
3	Bills - Summer		4,916,305	10.00	49,163,053		49,163,053				
4	DTs - Winter	30,582,570		7.5076	229,601,702	10,568,440	240,170,143	1.3377	40,910,304	3.3118	101,283,355
5	DTs - Summer	8,681,879		7.5076	65,180,077	(606,064)	64,574,013	0.8279	7,187,728	3.3118	28,752,648
6	Integrity Management Rider Revenues				19,638,811	2,488,919	22,127,731				
7											
8											
9	Experimental Motor Vehicle Fuel										
10	143 / 101 - Residential Service										
11	Bills - Winter		-	10.00	-		-				
12	Bills - Summer		-	10.00	-		-				
13	DTs - Winter	-		7.5076	-		-	1.3377	-	3.3118	-
14	DTs - Summer	-		7.5076	-		-	0.8279	-	3.3118	-
15											
16											
17	RESIDENTIAL SERVICE										
18	Bills	-	8,431,657								
19	Winter Dts	30,582,570									
20	Summer Dts	8,681,879									
21	Total Dts	39,264,449									
22											
23	Revenues				398,737,163	12,451,295	411,188,458		48,098,032		130,036,003
24											
25											
26	102- Small General Service										
27	Bills		865,235	22.00	19,035,177		19,035,177				
28	DTs - Winter	17,200,095		4.9685	85,458,670	5,506,676	90,965,346	1.1225	19,307,106	3.3118	56,963,273
29	DTs - Summer	7,759,515		4.9685	38,553,149	6,353,982	44,907,131	0.7247	5,623,320	3.3118	25,697,961
30	Integrity Management Rider Revenues				8,000,436	1,013,933	9,014,369				
31	Minimum Margin Agreement Revenues				-	-	-				
32											
33											
34	Experimental Motor Vehicle Fuel										
35	143 / 102- Small General Service										
36	Bills		108	22.00	2,376		2,376				
37	DTs - Winter	6,927		4.9685	34,415	(23,091)	11,323	1.1225	7,775	3.3118	22,940
38	DTs - Summer	4,947		4.9685	24,580	(18,967)	5,612	0.7247	3,585	3.3118	16,384
39											
40											
41	152- Medium General Service										
42	Bills		6,225	75.00	466,888		466,888				
43	Winter - First 500 DTs	1,260,433		4.2474	5,353,563	203,932	5,557,495	0.9741	1,227,788	3.3118	4,174,302
44	Winter - Over 500 DTs	1,621,520		4.2474	6,887,243	262,354	7,149,596	0.6431	1,042,799	3.3118	5,370,149
45	Total Winter DTs	2,881,953			12,240,806	466,285	12,707,091		2,270,587		9,544,451
46											
47											
48	Summer - First 500 DTs	1,266,956		4.2474	5,381,267	1,036,938	6,418,205	0.9165	1,161,165	3.3118	4,195,903
49	Summer - Over 500 DTs	887,172		4.2474	3,788,175	726,105	4,494,280	0.6110	542,062	3.3118	2,938,137
50	Total Summer DTs	2,154,128			9,149,442	1,763,043	10,912,486		1,703,227		7,134,040
51	Integrity Management Rider Revenues				1,112,603	141,005	1,253,609				
52	Minimum Margin Agreement Revenues				65,978	-	65,978				
53											
54											
55											
56	Experimental Motor Vehicle Fuel										
57	143 / 152- Medium General Service										
58	Bills		-	75.00	-		-				
59	Winter - First 500 DTs	-		4.2474	-		-	0.9741	-	3.3118	-
60	Winter - Over 500 DTs	-		4.2474	-		-	0.6431	-	3.3118	-
61	Total Winter DTs	-			-		-		-		-
62											
63											
64	Summer - First 500 DTs	-		4.2474	-		-	0.9165	-	3.3118	-
65	Summer - Over 500 DTs	-		4.2474	-		-	0.6110	-	3.3118	-
66	Total Summer DTs	-			-		-		-		-
67											
68											
69	Experimental Motor Vehicle Fuel										

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 For the Test Period Ended December 31, 2020
 Updated Components of Pro Forma Sales and Transportation Revenues

Line No.	(dekattherms) Rate Schedule	Proforma Dekattherms (5)	Proforma Bills (6)	Margin Clean Rates (11)	Calculated Margin Revenues (12)	Revenue Adjustments (13)	Proforma Margin Revenues (14)	COG Demand "Clean" Rates (15)	Proforma COG Demand Revenues (16)	COG Commodity "Clean" Rates (17)	Proforma COG Commodity Revenues (18)
282	Total Dts	64,775,547									
283											
284	Revenues				30,760,548	(453,947)	30,306,601		30,476,038		14,615,332
285											
286											
287	105 - Outdoor Gas Light Service										
288	Bills		675								
289	Fixtures		5,397	18.93	102,158		102,158				
290	DTs - Winter	3,593									
291	DTs - Summer	5,042									
292											
293											
294	T-10 (675) - Military Operations Transportation										
295	Bills		12								
296	Demand	84,000		-	-		-	10,000	840,000		
297	DTs - Winter	745,667		1.1484	856,324		856,324	0.2516	187,610	0.0618	46,082
298	DTs - Summer	514,826		0.2384	122,734		122,734	0.2516	129,530	0.0618	31,816
299	Integrity Management Rider Revenues				57,601	7,300	64,901				
300											
301	12 (667) Military Installations in Onslow County - Sales										
302	Bills		-								
303	DTs - Winter	-		2.8687	-		-	-	-	3.3118	-
304	DTs - Summer	-		2.3298	-		-	-	-	3.3118	-
305											
306											
307	T-12 (676) Military Installation in Onslow County - Transportation										
308	Bills		-								
309	DTs - Winter	-		2.8687	-		-	-	-	0.0618	-
310	DTs - Summer	-		2.3298	-		-	-	-	0.0618	-
311											
312											
313	Power Generation Contracts										
314	Bills		194								
315	DTs - Winter	117,470,161			41,677,015		41,677,015		2,291,140		332,257
316	DTs - Summer	156,858,541			58,327,840		58,327,840		3,216,703		454,320
317											
318											
319	Municipals Contracts										
320	Bills		37								
321	DTs - Winter	4,204,171			3,043,561		3,043,561		1,170,000		-
322	DTs - Summer	2,847,562			3,846,045		3,846,045		1,638,000		-
323											
324											
325	Special Contracts Military										
326	Bills		36								
327	DTs - Winter	609,756			2,821,737		2,821,737		245,173		650,614
328	DTs - Summer	424,056			3,428,259		3,428,259		154,259		411,854
329											
330											
331	Special Contracts										
332	Bills		109								
333	DTs - Winter	2,111,542			1,386,988		1,386,988		-		31,007
334	DTs - Summer	2,576,984			1,690,890		1,690,890		-		39,293
335											
336											
337	SPECIAL TARIFFS & CONTRACTS										
338	Bills		1,063								
339	Demand Dts	84,000									
340	Winter Dts	125,144,889									
341	Summer Dts	163,227,010									
342	Total Dts	288,371,899									
343											
344	Revenues				117,361,152	7,300	117,368,452		9,872,414		1,997,244
345											
346											
347	GRAND TOTAL - ALL TARIFFS & CONTRACTS										
348	Bills		9,311,988								
349	Demand Dts	1,999,718									
350	Winter Dts	205,234,817									
351	Summer Dts	217,262,722									

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 For the Test Period Ended December 31, 2020
 Updated Components of Pro Forma Sales and Transportation Revenues

Exhibit_(KAC-2 UPDATED)
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Line No.	(dekatherms) Rate Schedule	Proforma Dekatherms (5)	Proforma Bills (6)	Margin Clean Rates (11)	Calculated Margin Revenues (12)	Revenue Adjustments (13)	Proforma Margin Revenues (14)	COG Demand "Clean" Rates (15)	Proforma COG Demand Revenues (16)	COG Commodity "Clean" Rates (17)	Proforma COG Commodity Revenues (18)
352	Total Dts	422,497,539									
353											
354	Revenues				721,730,890	27,212,126	748,943,016		117,467,095		246,286,215
355											
356											
357	<u>SALES AND TRANSPORTATION</u>										
358	Total Sales				580,155,395	27,673,757	607,829,151		82,574,194		241,505,204
359	Total Transportation				141,575,496	(461,631)	141,113,865		34,892,901		4,781,011
360	Total Annual				721,730,890	27,212,126	748,943,016		117,467,095		246,286,215

Exhibit_(KAC-3 UPDATED)

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Present Rates

Rates Effective July 1, 2021; Docket No. G-9, Sub 790					
Rate Schedule	Updated Present Revenue Rates	Updated Present Margin Revenue Rates	Updated Present IMR Base Revenue Rates ¹	Updated Present COG Demand Revenue Rates	Updated Present COG Commodity Revenue Rates
101 - Residential Service					
Winter Monthly Charge	10.00	10.00			
Summer Monthly Charge	10.00	10.00			
Winter per DT	12.7201	7.5076	0.5630	1.3377	3.3118
Summer per DT	12.2103	7.5076	0.5630	0.8279	3.3118
102- Small General Service					
Monthly Charge	22.00	22.00			
Winter per DT	9.7244	4.9685	0.3216	1.1225	3.3118
Summer per DT	9.3266	4.9685	0.3216	0.7247	3.3118
152- Medium General Service					
Monthly Charge	75.00	75.00			
Winter - First 500 per DT	8.8549	4.2474	0.3216	0.9741	3.3118
Winter - Over 500 per DT	8.5239	4.2474	0.3216	0.6431	3.3118
Summer - First 500 per DT	8.7973	4.2474	0.3216	0.9165	3.3118
Summer - Over 500 per DT	8.4918	4.2474	0.3216	0.611	3.3118
142 - Natural Gas Vehicle Fuel					
Winter per DT	9.8298	4.8515	0.3216	1.3449	3.3118
Summer per DT	9.8298	4.8515	0.3216	1.3449	3.3118
Compression Charge per DT (maximum rate)	4.0000	4.0000			
143- Experimental Motor Vehicle Fuel					
Monthly Charge			<i>Monthly charge is reflected on corresponding rate schedule</i>		
Winter per DT			<i>Volumetric charge is reflected on corresponding rate schedule</i>		
Summer per DT			<i>Volumetric charge is reflected on corresponding rate schedule</i>		
Compression Charge per DT (maximum rate)	4.0000	4.0000			
144- Experimental Medium Gen Motor Fuel - Transportation					
Monthly Charge	75.00	75.00			
Winter - First 500 per DT	5.6049	4.2474	0.3216	0.9741	0.0618
Winter - Over 500 per DT	5.2739	4.2474	0.3216	0.6431	0.0618
Summer - First 500 per DT	5.5473	4.2474	0.3216	0.9165	0.0618
Summer - Over 500 per DT	5.2418	4.2474	0.3216	0.611	0.0618
Compression Charge per DT (maximum rate)	4.0000	4.0000			
103 - Large General Sales Service					
Monthly Charge	350.00	350.00			
Demand Charge per DT	14.9500	2.2000	0.0000	12.7500	0.0000
Winter - First 1,500 per DT	5.0806	0.8454	0.0266	0.8968	3.3118
Winter - Next 3,000 per DT	4.4479	0.2177	0.0266	0.8918	3.3118
Winter - Next 9,000 per DT	4.1067	0.2215	0.0266	0.5468	3.3118
Winter - Next 16,500 per DT	3.9584	0.1762	0.0266	0.4438	3.3118
Winter - Next 30,000 per DT	3.9179	0.1427	0.0266	0.4368	3.3118
Winter - Over 60,000 per DT	3.5329	0.0977	0.0266	0.0968	3.3118
Summer - First 1,500 per DT	4.4600	0.2860	0.0266	0.8356	3.3118
Summer - Next 3,000 per DT	4.1338	0.2098	0.0266	0.5856	3.3118
Summer - Next 9,000 per DT	3.8898	0.1908	0.0266	0.3606	3.3118
Summer - Next 16,500 per DT	3.7758	0.1718	0.0266	0.2656	3.3118
Summer - Next 30,000 per DT	3.6077	0.1337	0.0266	0.1356	3.3118
Summer - Over 60,000 per DT	3.4346	0.0956	0.0266	0.0006	3.3118
104 - Interruptible Sales Service					
Monthly Charge	350.00	350.00			
Winter - First 1,500 per DT	5.3570	0.9170	0.0264	1.1018	3.3118
Winter - Next 3,000 per DT	5.1406	0.3806	0.0264	1.4218	3.3118
Winter - Next 9,000 per DT	4.7956	0.3806	0.0264	1.0768	3.3118
Winter - Next 16,500 per DT	4.5184	0.3464	0.0264	0.8338	3.3118
Winter - Next 30,000 per DT	4.2608	0.2808	0.0264	0.6418	3.3118
Winter - Over 60,000 per DT	4.0420	0.1654	0.0264	0.5384	3.3118
Summer - First 1,500 per DT	5.0325	0.7194	0.0264	0.9749	3.3118
Summer - Next 3,000 per DT	4.5686	0.3755	0.0264	0.8549	3.3118
Summer - Next 9,000 per DT	4.5068	0.3637	0.0264	0.8049	3.3118
Summer - Next 16,500 per DT	4.3516	0.3335	0.0264	0.6799	3.3118
Summer - Next 30,000 per DT	4.2327	0.2396	0.0264	0.6549	3.3118
Summer - Over 60,000 per DT	4.0587	0.1456	0.0264	0.5749	3.3118

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Present Rates

Exhibit _(KAC-3 UPDATED)
Schedule 1
Page 2 of 2

Rates Effective July 1, 2021; Docket No. G-9, Sub 790	Updated Present Revenue Rates	Updated Present Margin Revenue Rates	Updated Present IMR Base Revenue Rates ¹	Updated Present COG Demand Revenue Rates	Updated Present COG Commodity Revenue Rates
Rate Schedule					
113 - Large General Transportation Service					
Monthly Charge	350.00	350.00			
Demand Charge per DT	2.9500	2.2000	0.0000	0.7500	0.0000
Winter - First 1,500 per DT	1.8306	0.8454	0.0266	0.8968	0.0618
Winter - Next 3,000 per DT	1.1979	0.2177	0.0266	0.8918	0.0618
Winter - Next 9,000 per DT	0.8567	0.2215	0.0266	0.5468	0.0618
Winter - Next 16,500 per DT	0.7084	0.1762	0.0266	0.4438	0.0618
Winter - Next 30,000 per DT	0.6679	0.1427	0.0266	0.4368	0.0618
Winter - Over 60,000 per DT	0.2829	0.0977	0.0266	0.0968	0.0618
Summer - First 1,500 per DT	1.2100	0.2860	0.0266	0.8356	0.0618
Summer - Next 3,000 per DT	0.8838	0.2098	0.0266	0.5856	0.0618
Summer - Next 9,000 per DT	0.6398	0.1908	0.0266	0.3606	0.0618
Summer - Next 16,500 per DT	0.5258	0.1718	0.0266	0.2656	0.0618
Summer - Next 30,000 per DT	0.3577	0.1337	0.0266	0.1356	0.0618
Summer - Over 60,000 per DT	0.1846	0.0956	0.0266	0.0006	0.0618
114 - Interruptible Transportation Service					
Monthly Charge	350.00	350.00			
Winter - First 1,500 per DT	1.9344	0.9170	0.0264	0.9292	0.0618
Winter - Next 3,000 per DT	1.3472	0.3806	0.0264	0.8784	0.0618
Winter - Next 9,000 per DT	1.0425	0.3806	0.0264	0.5737	0.0618
Winter - Next 16,500 per DT	0.7036	0.3464	0.0264	0.2690	0.0618
Winter - Next 30,000 per DT	0.5365	0.2808	0.0264	0.1675	0.0618
Winter - Over 60,000 per DT	0.3195	0.1654	0.0264	0.0659	0.0618
Summer - First 1,500 per DT	1.2443	0.7194	0.0264	0.4367	0.0618
Summer - Next 3,000 per DT	0.7684	0.3755	0.0264	0.3047	0.0618
Summer - Next 9,000 per DT	0.6550	0.3637	0.0264	0.2031	0.0618
Summer - Next 16,500 per DT	0.5233	0.3335	0.0264	0.1016	0.0618
Summer - Next 30,000 per DT	0.3786	0.2396	0.0264	0.0508	0.0618
Summer - Over 60,000 per DT	0.2338	0.1456	0.0264	0.0000	0.0618
105 - Outdoor Gas Light Service					
Per Fixture Charge	18.93	18.93	0.00	0.00	0.00
T-10 - Military Operations Transportation					
Demand Charge per DT	10.0000	0.0000	0.0000	10.0000	0.0000
Winter per DT	1.4884	1.1484	0.0266	0.2516	0.0618
Summer per DT	0.5784	0.2384	0.0266	0.2516	0.0618
12 - Military Installations in Onslow County - Sales					
Winter per DT	6.2071	2.8687	0.0266	0.0000	3.3118
Summer per DT	5.6682	2.3298	0.0266	0.0000	3.3118
T-12 - Military Installation in Onslow County - Transportation					
Winter per DT	2.9571	2.8687	0.0266	0.0000	0.0618
Summer per DT	2.4182	2.3298	0.0266	0.0000	0.0618
106 - Schedule For Limiting and Curtailing					
Emergency Gas per DT	10.0000	0.0000	0.0000	10.0000	0.0000
Unauthorized Gas per DT	25.0000	0.0000	0.0000	25.0000	0.0000
Reconnect Fees					
<u>Residential</u>					
February Through August	55.00				
September Through January	85.00				
<u>All Others</u>					
February Through August	55.00				
September Through January	110.00				
Returned Check Charge					
Returned Check Charge	25.00				

1/ The IMR rates shown above are only for the recovery of the current approved IMR revenue requirement of \$34,158,275, as approved by the NCUC in Docket No. G-9, Sub 788. Therefore, the IMR rates shown above exclude the portion of the current IMR billing rate designed to refund the IMR Deferred Account balance of \$1,985,538 approved by the NCUC in Docket No. G-9, Sub 788.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Proposed Rates

Exhibit_(KAC-3 UPDATED)
Schedule 2
Page 1 of 2

Rate Schedule	Updated Proposed Revenue Rates	Updated Proposed Margin Revenue Rates	Updated Proposed IMR Base Revenue Rates ¹	Updated Proposed COG Demand Revenue Rates	Updated Proposed COG Commodity Revenue Rates
101 - Residential Service					
Winter Monthly Charge	10.00	10.00			
Summer Monthly Charge	10.00	10.00			
Winter per DT	14.4492	9.7997	0.0000	1.3377	3.3118
Summer per DT	13.9394	9.7997	0.0000	0.8279	3.3118
102- Small General Service					
Monthly Charge	22.00	22.00			
Winter per DT	11.3058	6.8715	0.0000	1.1225	3.3118
Summer per DT	10.9080	6.8715	0.0000	0.7247	3.3118
152- Medium General Service					
Monthly Charge	75.00	75.00			
Winter - First 500 per DT	10.0929	5.8070	0.0000	0.9741	3.3118
Winter - Over 500 per DT	9.7619	5.8070	0.0000	0.6431	3.3118
Summer - First 500 per DT	10.0353	5.8070	0.0000	0.9165	3.3118
Summer - Over 500 per DT	9.7298	5.8070	0.0000	0.6110	3.3118
142 - Natural Gas Vehicle Fuel					
Winter per DT	11.4121	6.7554	0.0000	1.3449	3.3118
Summer per DT	11.4121	6.7554	0.0000	1.3449	3.3118
Compression Charge per DT (maximum rate)	4.0000	4.0000			
143- Experimental Motor Vehicle Fuel					
Monthly Charge			<i>Monthly charge is reflected on corresponding rate schedule</i>		
Winter per DT			<i>Volumetric charge is reflected on corresponding rate schedule</i>		
Summer per DT			<i>Volumetric charge is reflected on corresponding rate schedule</i>		
Compression Charge per DT (maximum rate)	4.0000	4.0000			
144- Experimental Medium Gen Motor Fuel - Transportation					
Monthly Charge	75.00	75.00			
Winter - First 500 per DT	6.8429	5.807	0.0000	0.9741	0.0618
Winter - Over 500 per DT	6.5119	5.807	0.0000	0.6431	0.0618
Summer - First 500 per DT	6.7853	5.807	0.0000	0.9165	0.0618
Summer - Over 500 per DT	6.4798	5.807	0.0000	0.6110	0.0618
Compression Charge per DT (maximum rate)	4.0000	4.0000			
103 - Large General Sales Service					
Monthly Charge	350.00	350.00			
Demand Charge per DT	15.1700	2.4200	0.0000	12.7500	0.0000
Winter - First 1,500 per DT	5.5170	1.3084	0.0000	0.8968	3.3118
Winter - Next 3,000 per DT	4.7558	0.5522	0.0000	0.8918	3.3118
Winter - Next 9,000 per DT	4.3430	0.4844	0.0000	0.5468	3.3118
Winter - Next 16,500 per DT	4.1586	0.4030	0.0000	0.4438	3.3118
Winter - Next 30,000 per DT	4.1022	0.3536	0.0000	0.4368	3.3118
Winter - Over 60,000 per DT	3.6779	0.2693	0.0000	0.0968	3.3118
Summer - First 1,500 per DT	4.6239	0.4765	0.0000	0.8356	3.3118
Summer - Next 3,000 per DT	4.2439	0.3465	0.0000	0.5856	3.3118
Summer - Next 9,000 per DT	3.9755	0.3031	0.0000	0.3606	3.3118
Summer - Next 16,500 per DT	3.8372	0.2598	0.0000	0.2656	3.3118
Summer - Next 30,000 per DT	3.6648	0.2174	0.0000	0.1356	3.3118
Summer - Over 60,000 per DT	3.4854	0.1730	0.0000	0.0006	3.3118
104 - Interruptible Sales Service					
Monthly Charge	350.00	350.00			
Winter - First 1,500 per DT	5.5900	1.1764	0.0000	1.1018	3.3118
Winter - Next 3,000 per DT	5.2265	0.4929	0.0000	1.4218	3.3118
Winter - Next 9,000 per DT	4.8211	0.4325	0.0000	1.0768	3.3118
Winter - Next 16,500 per DT	4.5082	0.3626	0.0000	0.8338	3.3118
Winter - Next 30,000 per DT	4.2714	0.3178	0.0000	0.6418	3.3118
Winter - Over 60,000 per DT	4.0915	0.2413	0.0000	0.5384	3.3118
Summer - First 1,500 per DT	4.9395	0.6528	0.0000	0.9749	3.3118
Summer - Next 3,000 per DT	4.6430	0.4763	0.0000	0.8549	3.3118
Summer - Next 9,000 per DT	4.5347	0.4180	0.0000	0.8049	3.3118
Summer - Next 16,500 per DT	4.3477	0.3560	0.0000	0.6799	3.3118
Summer - Next 30,000 per DT	4.2641	0.2974	0.0000	0.6549	3.3118
Summer - Over 60,000 per DT	4.1240	0.2373	0.0000	0.5749	3.3118

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Proposed Rates

Exhibit _(KAC-3 UPDATED)
Schedule 2
Page 2 of 2

Rate Schedule	Updated Proposed Revenue Rates	Updated Proposed Margin Revenue Rates	Updated Proposed IMR Base Revenue Rates ¹	Updated Proposed COG Demand Revenue Rates	Updated Proposed COG Commodity Revenue Rates
113 - Large General Transportation Service					
Monthly Charge	350.00	350.00			
Demand Charge per DT	3.1700	2.4200	0.0000	0.7500	0.0000
Winter - First 1,500 per DT	2.2670	1.3084	0.0000	0.8968	0.0618
Winter - Next 3,000 per DT	1.5058	0.5522	0.0000	0.8918	0.0618
Winter - Next 9,000 per DT	1.0930	0.4844	0.0000	0.5468	0.0618
Winter - Next 16,500 per DT	0.9086	0.4030	0.0000	0.4438	0.0618
Winter - Next 30,000 per DT	0.8522	0.3536	0.0000	0.4368	0.0618
Winter - Over 60,000 per DT	0.4279	0.2693	0.0000	0.0968	0.0618
Summer - First 1,500 per DT	1.3739	0.4765	0.0000	0.8356	0.0618
Summer - Next 3,000 per DT	0.9939	0.3465	0.0000	0.5856	0.0618
Summer - Next 9,000 per DT	0.7255	0.3031	0.0000	0.3606	0.0618
Summer - Next 16,500 per DT	0.5872	0.2598	0.0000	0.2656	0.0618
Summer - Next 30,000 per DT	0.4148	0.2174	0.0000	0.1356	0.0618
Summer - Over 60,000 per DT	0.2354	0.1730	0.0000	0.0006	0.0618
114 - Interruptible Transportation Service					
Monthly Charge	350.00	350.00			
Winter - First 1,500 per DT	2.1674	1.1764	0.0000	0.9292	0.0618
Winter - Next 3,000 per DT	1.4331	0.4929	0.0000	0.8784	0.0618
Winter - Next 9,000 per DT	1.0680	0.4325	0.0000	0.5737	0.0618
Winter - Next 16,500 per DT	0.6934	0.3626	0.0000	0.2690	0.0618
Winter - Next 30,000 per DT	0.5471	0.3178	0.0000	0.1675	0.0618
Winter - Over 60,000 per DT	0.3690	0.2413	0.0000	0.0659	0.0618
Summer - First 1,500 per DT	1.1513	0.6528	0.0000	0.4367	0.0618
Summer - Next 3,000 per DT	0.8428	0.4763	0.0000	0.3047	0.0618
Summer - Next 9,000 per DT	0.6829	0.4180	0.0000	0.2031	0.0618
Summer - Next 16,500 per DT	0.5194	0.3560	0.0000	0.1016	0.0618
Summer - Next 30,000 per DT	0.4100	0.2974	0.0000	0.0508	0.0618
Summer - Over 60,000 per DT	0.2991	0.2373	0.0000	0.0000	0.0618
105 - Outdoor Gas Light Service					
Per Fixture Charge	20.79	20.79	0.00	0.00	0.00
T-10 - Military Operations Transportation					
Demand Charge per DT	10.0000	0.0000	0.0000	10.0000	0.0000
Winter per DT	1.9543	1.6409	0.0000	0.2516	0.0618
Summer per DT	0.6540	0.3406	0.0000	0.2516	0.0618
106 - Schedule For Limiting and Curtailing					
Emergency Gas per DT	10.0000	0.0000	0.0000	10.0000	0.0000
Unauthorized Gas per DT	25.0000	0.0000	0.0000	25.0000	0.0000
Reconnect Fees					
<u>Residential</u>					
February Through August	55.00				
September Through January	85.00				
<u>All Others</u>					
February Through August	55.00				
September Through January	110.00				
Returned Check Charge					
Returned Check Charge	25.00				

^{1/} The IMR rates shown above only represent the proposed IMR base revenue requirement component of the IMR billing rate to take effect upon the Commission's order in this general rate case proceeding.

Exhibit_(KAC-4 UPDATED)

Piedmont Natural Gas Company, Inc
Docket No. G-9 Sub 781
Updated Proposed Factors for the Margin Decoupling Tracker Mechanism

	R Factor Winter (\$/therm)	R Factor Summer (\$/therm)	Heat Factor (therms/HDD)	Base Factor (therms/HDD)
101 - Residential Service	0.97997	0.97997	0.14424	8.53612
102- Small General Service	0.68715	0.68715	0.66877	111.56444
152- Medium General Service				
First 5,000 therms	0.58070	0.58070	10.82083	5240.74216
Over 5,000 therms	0.58070	0.58070	10.82083	5240.74216
<u>Normal Degree Days</u>¹	<u>15 - 15</u>	<u>1 - 31</u>		
January	696.3	732.8		
February	711.0	560.2		
March	458.7	402.0		
April	273.7	154.2		
May	87.0	38.3		
June	12.5	1.6		
July	0.4	0.1		
August	-	-		
September	1.5	17.4		
October	68.2	173.3		
November	317.4	435.2		
December	539.7	651.3		
Winter	2,723.1	2,781.5		
Summer	443.3	384.9		
Annual	<u>3,166.4</u>	<u>3,166.4</u>		

1/ Normal Heating Degree Days are computed using a thirty-year average of heating degree days through the end of the Test Period, December 31, 2020.

Piedmont Natural Gas Company, Inc.
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Supporting Schedules Accompanying the Direct Testimony of
Dylan W. D'Ascendis, CRRA, CVA

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I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

SCHEDULE DWD-1

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Step 13 2021

Piedmont Natural Gas Company
Brief Summary of Common Equity Cost Rate

<u>Line No.</u>	<u>Principal Methods</u>	<u>Proxy Group of Eight Natural Gas Distribution Companies</u>	<u>Results using Current Interest Rates</u>
1.	Discounted Cash Flow Model (DCF) (1)	9.46%	9.46%
2.	Risk Premium Model (RPM) (2)	10.11%	9.64%
3.	Capital Asset Pricing Model (CAPM) (3)	12.05%	11.83%
4.	Market Models Applied to Comparable Risk, Non-Price Regulated Companies (4)	<u>12.18%</u>	<u>12.03%</u>
5.	Indicated Range of Common Equity Cost Rates before Adjustment for Size Risk	9.46% - 12.18%	9.46% - 12.03%
6.	Size Risk Adjustment (5)	0.00%	0.00%
7.	Flotation Cost Adjustment (6)	<u>0.12%</u>	<u>0.12%</u>
8.	Recommended Range of Common Equity Cost Rates after Adjustment for Size Risk	<u>9.58% - 12.30%</u>	<u>9.58% - 12.15%</u>
9.	Recommended Cost of Common Equity Cost Rates after Adjustment for Size Risk	<u>10.25%</u>	

- Notes: (1) From Schedule DWD-2.
(2) From page 1 of Schedule DWD-3.
(3) From page 1 of Schedule DWD-4.
(4) From page 1 of Schedule DWD-5.
(5) As discussed in the accompanying Direct Testimony, a size adjustment not applicable in this proceeding.
(6) From Schedule DWD-8.

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

SCHEDULE DWD-2

Piedmont Natural Gas Company
Indicated Common Equity Cost Rate Using the Discounted Cash Flow Model for
Proxy Group of Eight Natural Gas Distribution Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Eight Natural Gas Distribution Companies	Average Dividend Yield (1)	Value Line Projected Five Year Growth in EPS (2)	Zack's Five Year Projected Growth Rate in EPS	Yahoo! Finance Projected Five Year Growth in EPS	Bloomberg Projected Five Year Growth in EPS	Average Projected Five Year Growth in EPS (3)	Adjusted Dividend Yield (4)	Indicated Common Equity Cost Rate (5)
Atmos Energy Corporation	2.64 %	7.00 %	7.10 %	6.77 %	7.22 %	7.02 %	2.73 %	9.76 %
New Jersey Resources Corporation	3.80	2.00	6.00	6.00	6.63	5.16	3.90	9.06
NiSource, Inc.	3.81	13.00	5.60	1.65	5.92	6.54	3.93	10.48
Northwest Natural Holding Company	4.10	NMF	3.10	3.10	2.96	3.05	4.16	7.22
ONE Gas, Inc.	3.05	6.50	6.00	5.00	5.67	5.79	3.14	8.93
South Jersey Industries, Inc.	5.42	12.50	24.50	24.50	13.75	18.81	5.93	24.74 (6)
Southwest Gas Holdings, Inc.	3.59	9.00	5.00	4.00	4.50	5.63	3.69	9.32
Spire Inc.	4.13	5.50	16.50	5.37	5.00	8.09	4.30	12.39
							Average	<u>9.59 %</u>
							Median	<u>9.32 %</u>
							Average of Mean and Median	<u>9.46 %</u>

NA= Not Available

Notes:

- (1) Indicated dividend at 01/29/2021 divided by the average closing price of the last 60 trading days ending 01/29/2021 for each company.
- (2) From pages 2 through 9 of this Schedule.
- (3) Average of columns 2 through 5 excluding negative growth rates.
- (4) This reflects a growth rate component equal to one-half the conclusion of growth rate (from column 6) x column 1 to reflect the periodic payment of dividends (Gordon Model) as opposed to the continuous payment. Thus, for Atmos Energy Corporation, $2.64\% \times (1 + (1/2 \times 7.02\%)) = 2.73\%$.
- (5) Column 6 + column 7.
- (6) South Jersey Industries, Inc.'s DCF results were excluded from the final average and median as they were more than 2 standard deviations above the proxy group's mean.

Source of Information:

Value Line Investment Survey
www.zacks.com Downloaded on 01/29/2021
www.yahoo.com Downloaded on 01/29/2021
Bloomberg Professional Services

NEW JERSEY RES. NYSE-NJR

RECENT PRICE **37.42** P/E RATIO **17.4** (Trailing: 20.9, Median: 17.0) RELATIVE P/E RATIO **0.83** DIV'D YLD **3.6%** VALUE LINE

TIMELINESS **4** Lowered 4/3/20
SAFETY **2** Lowered 4/17/20
TECHNICAL **5** Lowered 11/27/20
BETA .95 (1.00 = Market)

18-Month Target Price Range
Low-High Midpoint (% to Mid)
\$22-\$53 \$38 (0%)

2023-25 PROJECTIONS

Price	Gain	Ann'l Total Return
High 45	(+20%)	8%
Low 35	(-5%)	3%

Institutional Decisions

	4Q2019	1Q2020	2Q2020
To Buy	169	123	139
To Sell	99	131	97
Hld's(000)	67787	67063	67573

LEGENDS
 0.40 x Dividends p sh divided by Interest Rate
 ... Relative Price Strength
 3-for-2 split 3/08
 2-for-1 split 3/15
 Options: Yes
 Shaded area indicates recession

Percent shares traded: 30, 20, 10

% TOT. RETURN 10/20
 THIS STOCK INDEX VL ARITH.
 1 yr. -30.3 0.9
 3 yr. -28.1 8.2
 5 yr. 6.7 39.8

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
30.44	38.10	39.81	36.31	45.37	31.17	32.05	36.30	27.08	38.38	44.40	32.09	21.90	26.28	33.24	29.01	21.35	28.35	Revenues per sh ^A	30.05
1.25	1.31	1.37	1.22	1.81	1.58	1.63	1.70	1.86	1.93	2.73	2.52	2.46	2.68	3.72	2.99	2.90	3.30	"Cash Flow" per sh	3.55
.85	.88	.93	.78	1.35	1.20	1.23	1.29	1.36	1.37	2.08	1.78	1.61	1.73	2.72	1.96	1.90	2.25	Earnings per sh ^B	2.40
.43	.45	.48	.51	.56	.62	.68	.72	.77	.81	.86	.93	.98	1.04	1.11	1.19	1.27	1.34	Div'ds Decl'd per sh ^C	1.57
.72	.64	.64	.73	.86	.90	1.05	1.13	1.26	1.33	1.52	3.76	4.15	3.80	4.39	5.83	4.70	4.10	Cap'l Spending per sh	4.00
5.62	5.30	7.50	7.75	8.64	8.29	8.81	9.36	9.80	10.65	11.48	12.99	13.58	14.33	16.18	17.37	20.50	21.65	Book Value per sh ^D	25.80
83.22	82.64	82.88	83.22	84.12	83.17	82.35	82.89	83.05	83.32	84.20	85.19	85.88	86.32	87.69	89.34	96.00	97.00	Common Shs Outst'g ^E	100.00
15.3	16.8	16.1	21.6	12.3	14.9	15.0	16.8	16.8	16.0	11.7	16.6	21.3	22.4	15.6	24.3	17.3	17.3	Avg Ann'l P/E Ratio	17.0
.81	.89	.87	1.15	.74	.99	.95	1.05	1.07	.90	.62	.84	1.12	1.13	.84	1.33	.95	.95	Relative P/E Ratio	.95
3.3%	3.1%	3.2%	3.0%	3.3%	3.5%	3.7%	3.3%	3.4%	3.7%	3.5%	3.1%	2.9%	2.7%	2.6%	2.5%	3.9%	3.9%	Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 6/30/20

Total Debt \$2243.6 mill. Due in 5 Yrs \$420.5 mill.
 LT Debt \$1664.5 mill. LT Interest \$47.1 mill.
 Incl. \$38.6 mill. capitalized leases.
 (LT interest earned: 5.0x; total interest coverage: 5.0x)

Pension Assets-9/19 \$372.6 mill.
 Oblig. \$620.5 mill.

Prd Stock None

Common Stock 95,930,191 shs.
 as of 8/5/20
 MARKET CAP: \$3.6 billion (Mid Cap)

	2018	2019	6/30/20	
Cash Assets (\$Mill.)	1.5	2.7	42.8	
Other	768.6	508.9	478.3	
Current Assets	770.1	511.6	521.1	
Accts Payable	373.5	295.9	222.4	
Debt Due	275.5	46.9	579.1	
Other	101.9	103.6	100.8	
Current Liab.	750.9	446.4	902.3	
Fix. Chg. Cov.	545%	545%	550%	

BUSINESS: New Jersey Resources Corp. is a holding company providing retail/wholesale energy svcs. to customers in NJ, and in states from the Gulf Coast to New England, and Canada. New Jersey Natural Gas had 547,600 cust. at 9/30/19. Fiscal 2019 volume: 232 bill. cu. ft. (17% interruptible, 17% res., 9% commercial & elec. utility, 40% capacity release programs). N.J. Natural Energy subsidiary provides unregulated retail/wholesale natural gas and related energy svcs. 2019 dep. rate: 2.6%. Has 1,108 empl. Off./dir. own 1.3% of common; BlackRock, 13.9%; Vanguard, 10.4% (12/19 Proxy). CEO, President & Director: Steven D. Westhoven. Incorporated: New Jersey. Address: 1415 Wyckoff Road, Wall, NJ 07719. Telephone: 732-938-1480. Web: www.njresources.com.

Since our August review, shares of New Jersey Resources have rebounded nicely. We think this likely reflected the general uptrend in the broader market averages over this time frame, coupled with the news of the recent dividend raise.

Still, the utility provider faced a challenging operating environment in fiscal 2020 (ended September 30th). We look for the company to post year-over-year revenue and earnings declines as the coronavirus pandemic continues to weigh on end-use consumer demand. (Note: New Jersey Resources was scheduled to report annual financial results shortly after this report went to press.) The slump in volumes is only exacerbated by the downturn in commodity prices earlier this year. NJR's regulated utility business probably continued to grow modestly as that division added new customer accounts. However, the nonutility operations, like the retail and wholesale energy services, were down sharply over the past 12 months and were a drag on overall operations. Moving forward, growth projects, more-normalized commodity prices, and an anticipated COVID-19 vaccine should help to turn things around in fiscal 2021.

New developments like the recently completed solar project are encouraging. The NJR Clean Energy Ventures division and the Borough of Hopatcong turned the former municipal landfill into a new 1.5 megawatt ground-mounted solar facility. This project brings NJR's total installed solar capacity to more than 350 megawatts, representing over \$970 million in capital expenditures. It is also a solid push to the company's green initiatives.

An increase in the quarterly dividend may appeal to income-seekers. The board approved a raise in the quarterly payout nearly 6.5%, to \$0.3325. Opportunistic yield-seeking accounts may look for some sort of near-term price correction to establish a position here.

At the moment, these shares do not stand out. The stock is ranked to lag the broader market averages in the year ahead. And the equity is trading inside our 3- to 5-year Target Price Range, suggesting that it offers limited upside potential for that time frame.

Bryan J. Fong *November 27, 2020*

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^A				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2017	541.1	733.5	457.5	536.5	2268.6
2018	705.3	1019.0	543.4	647.3	2915.1
2019	811.8	866.3	434.9	479.1	2592.0
2020	615.0	639.6	299.0	496.4	2050
2021	665	965	535	585	2750

Fiscal Year Ends	EARNINGS PER SHARE ^{A B}				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2017	.47	1.21	.20	d.14	1.73
2018	1.53	1.61	d.09	d.33	2.72
2019	.61	1.27	d.20	.29	1.96
2020	.44	1.12	d.06	.40	1.90
2021	.55	1.25	d.05	.50	2.25

Calendar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	.24	.24	.24	.255	.98
2017	.255	.255	.255	.273	1.04
2018	.273	.273	.273	.2925	1.11
2019	.2925	.2925	.2925	.3125	1.19
2020	.3125	.3125	.3125	.3325	

(A) Fiscal year ends Sept. 30th.
 (B) Diluted earnings. Qty. sales and eggs may not sum to total due to rounding and change in shares outstanding. Next earnings report due early Feb.
 (C) Dividends historically paid in early Jan., April, July, and October. ■ Dividend reinvestment plan available.
 (D) Includes regulatory assets in 2019: \$496.6 million, \$.56/share.
 (E) In millions, adjusted for splits.

Company's Financial Strength	A+
Stock's Price Stability	85
Price Growth Persistence	60
Earnings Predictability	50

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Sep 13 2021

NISOURCE INC. NYSE-NI

RECENT PRICE **24.62** P/E RATIO **18.4** (Trailing: 17.2 Median: 21.0) RELATIVE P/E RATIO **0.88** DIV'D YLD **3.4%** VALUE LINE

TIMELINESS **3** Lowered 4/5/19 SAFETY **2** Raised 11/29/19 TECHNICAL **5** Lowered 11/27/20 BETA .85 (1.00 = Market)

18-Month Target Price Range High-Low Midpoint (% to Mid) \$18-\$39 \$29 (15%)

2023-25 PROJECTIONS High Price 40 (+60%) Low Price 30 (+20%) Ann'l Return 15% Total Return 8%

Institutional Decisions: 4Q2019 to Buy 255, to Sell 203, Hld's(000) 347952; 1Q2020 to Buy 214, to Sell 230, Hld's(000) 345200; 2Q2020 to Buy 212, to Sell 218, Hld's(000) 342381

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUBL. LLC	23-25
24.63	28.97	27.37	28.96	32.36	24.02	22.99	21.33	16.31	18.04	20.47	14.58	13.90	14.46	13.74	13.63	13.05	14.05	Revenues per sh	17.20
3.47	3.14	3.18	3.20	3.32	2.96	3.19	2.98	3.13	3.41	3.60	2.27	2.71	2.07	2.82	3.03	3.10	3.25	“Cash Flow” per sh	4.10
1.62	1.08	1.14	1.14	1.34	.84	1.06	1.05	1.37	1.57	1.67	.63	1.00	.39	1.30	1.32	1.30	1.40	Earnings per sh A	2.05
.92	.92	.92	.92	.92	.92	.92	.92	.94	.98	1.02	.83	.64	.70	.78	.80	.86	.92	Div'd Decl'd per sh B	1.16
1.91	2.17	2.33	2.88	3.54	2.81	2.88	3.99	4.83	5.99	6.42	4.26	4.57	5.03	4.88	4.72	4.70	4.70	Cap'l Spending per sh C	4.70
17.69	18.09	18.32	18.52	17.24	17.54	17.63	17.71	17.90	18.77	19.54	12.04	12.60	12.82	13.08	13.36	13.75	14.20	Book Value per sh C	16.20
270.63	272.62	273.65	274.18	274.26	276.79	279.30	282.18	310.28	313.68	316.04	319.11	323.16	337.02	372.36	382.14	383.00	384.00	Common Shs Outst'g D	385.00
13.0	21.4	19.2	18.8	12.1	14.3	15.3	19.4	17.9	18.9	22.7	37.3	23.2	NMF	19.3	21.2	Bold figures are Value Line estimates	21.0	Avg Ann'l P/E Ratio	16.0
.69	1.14	1.04	1.00	.73	.95	.97	1.22	1.14	1.06	1.19	1.88	1.22	NMF	1.04	1.15		21.0	Relative P/E Ratio	.90
4.4%	4.0%	4.2%	4.3%	5.7%	7.6%	5.7%	4.5%	3.8%	3.3%	2.7%	3.5%	2.8%	2.8%	3.1%	2.9%		2.0%	Avg Ann'l Div'd Yield	3.5%

CAPITAL STRUCTURE as of 9/30/20
 Total Debt \$10618.5 mill. Due in 5 Yrs \$2196 mill.
 LT Debt \$9208.9 mill. LT Interest \$379 mill.
 (Interest cov. earned: 2.2x) (63% of Cap'l)

Leases, Uncapitalized Annual rentals \$27.2 mill.
Pension Assets-12/19 \$2.3 bill. **Oblig.** \$2.7 bill.
Pfd Stock \$880 mill. **Pfd Div'd** \$28.5 mill.

Common Stock 383,212,193 shs. as of 10/26/20
MARKET CAP: \$9.4 billion (Large Cap)

CURRENT POSITION	2018	2019	9/30/20
Cash Assets	112.8	139.3	58.6
Other	1942.6	1714.6	2762.2
Current Assets	2055.4	1853.9	2820.8
Accts Payable	883.8	666.0	410.3
Debt Due	2027.2	1783.6	1409.6
Other	1125.8	1296.2	1626.9
Current Liab.	4036.8	3745.8	3446.8
Fix. Chg. Cov.	246%	250%	255%

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 of change (per sh) 10 Yrs. 5 Yrs. to '23-'25

Revenues	-7.0%	-5.5%	3.5%
“Cash Flow”	-2.0%	-5.0%	7.5%
Earnings	-1.0%	-8.0%	13.0%
Dividends	-2.0%	-5.0%	7.5%
Book Value	-3.0%	-7.0%	5.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	1598.6	990.7	917.0	1368.3	4874.6
2018	1750.8	1007.0	895.0	1461.7	5114.5
2019	1869.8	1010.4	931.5	1397.2	5208.9
2020	1605.5	962.7	902.5	1529.3	5000
2021	1680	1040	1075	1605	5400

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.65	d.14	.04	d.16	.39
2018	.77	.07	.10	.38	1.30
2019	.82	.05	--	.45	1.32
2020	.76	.13	.09	.32	1.30
2021	.78	.15	.12	.35	1.40

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	.155	.155	.165	.165	.64
2017	.175	.175	.175	.175	.70
2018	.195	.195	.195	.195	.78
2019	.200	.200	.200	.200	.80
2020	.21	.21	.21	.21	

BUSINESS: NiSource Inc. is a holding company for Northern Indiana Public Service Company (NIPSCO), which supplies electricity and gas to the northern third of Indiana. Customers: 472,000 electric in Indiana, 3.5 million gas in Indiana, Ohio, Pennsylvania, Kentucky, Virginia, Maryland, Massachusetts through its Columbia subsidiaries. Revenue breakdown, 2019: electrical, 33%; gas, 67%; other, less than 1%. Generating sources, 2018: coal, 69.4%; purchased & other, 30.6%. 2019 reported depreciation rates: 2.9% electric, 2.2% gas. Has 8,087 employees. Chairman: Richard L. Thompson. President & Chief Executive Officer: Joseph Hamrock. Incorporated: Indiana. Address: 801 East 86th Ave., Merrillville, Indiana 46410. Tel.: 877-647-5990. Internet: www.nisource.com.

NiSource continues to post mixed financial results this year. The September-period revenues fell 3.1%, to \$902.5 million, reflecting a 7.6% downturn from the electric division, partially offset by a slight 1.3% rise in volumes at the gas segment. These trends highlight the continued challenges impacting NiSource's operating environment this year, as the coronavirus weighs on end-user demand. Moreover, the increased volatility with regard to commodity prices adds further uncertainty. On the profitability front, operating expenses declined 440 basis points, as a percentage of the top line. Combined, these factors drove the bottom line significantly higher, to \$0.09 per share. This was in line with our expectation. **We continue to look for the utility provider to register flattish to slightly lower earnings this year.** NiSource will probably experience a 1.5% downturn in earnings, to \$1.30 a share, for 2020. Our call falls within management's recently reaffirmed guidance range of \$1.28-\$1.36 per share. This year-over-year earnings decline ought to reflect a 4% drop in revenues, to \$5.0 billion due to reduced demand from both its commercial and industrial customers. One big unknown here is the number of accounts that will fall into the bad-debt category, as economic hardship stemming from the pandemic weighs on customers' ability to pay. **That said, we believe NiSource will be in a good position to turn things around in 2021.** The gas distribution segment has pending rate cases in both Pennsylvania and Maryland, which would add roughly \$100 million and \$3.5 million in annual revenues, respectively. Additionally, management plans to spend about \$1.75 billion on capital growth projects this year for both wind and solar initiatives. Those developments should begin to bear fruit in the near future. Finally, assuming a COVID-19 vaccine comes down the pipeline, we may see a return to more-normalized consumer demand. **The healthy dividend yield may appeal to income-seeking accounts.** That said, the difficult economic backdrop and pandemic headwinds do add a bit of uncertainty here. And 3- to 5-year appreciation potential is below average.

Bryan J. Fong November 27, 2020

(A) Dil. EPS. Excl. nonrec. gains (losses): '05, (4c); gains (losses) on disc. ops.: '05, 10c; '06, (11c); '07, 3c; '08, (\$1.14); '15, (30c); '18, (\$1.48). Next eps. report due late Feb. Qlt'y	egs. may not sum to total due to rounding.	\$3.89/sh.	Company's Financial Strength	B++
	(B) Div'd historically paid in mid-Feb., May, Aug., Nov. ■ Div'd reinv. avail.	(D) In mill.	Stock's Price Stability	95
	(C) Incl. intang in '19: \$1485.9 million,	(E) Spun off Columbia Pipeline Group (7/15)	Price Growth Persistence	35
			Earnings Predictability	40

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ONE GAS, INC. NYSE-OGS

RECENT PRICE **77.68** P/E RATIO **21.2** (Trailing: 21.9) (Median: NMF) RELATIVE P/E RATIO **1.01** DIV/D YLD **3.0%** VALUE LINE

TIMELINESS 4 Lowered 11/27/20
SAFETY 2 New 6/2/17
TECHNICAL 4 Lowered 11/27/20
BETA .80 (1.00 = Market)

18-Month Target Price Range
Low-High Midpoint (% to Mid)
\$59-\$131 \$95 (20%)

2023-25 PROJECTIONS

High	Price	Gain	Ann'l Total Return
145	145	(+85%)	19%
105	105	(+35%)	10%

Institutional Decisions

4Q2019	1Q2020	2Q2020	Percent	21 shares
153	124	142	21	14
132	157	137		7
Hid's(000)				
41714	41769	42060		

LEGENDS: — 0.50 x Dividends p sh divided by Interest Rate
... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2023 2024 2025
200
160
100
80
60
40
30
20

% TOT. RETURN 10/20
THIS STOCK V. ARITH. INDEX
1 yr. -24.1 0.9
3 yr. -4.1 8.2
5 yr. 58.6 39.8

The shares of ONE Gas, Inc. began trading "regular-way" on the New York Stock Exchange on February 3, 2014. That happened as a result of the separation of ONEOK's natural gas distribution operation. Regarding the details of the spinoff, on January 31, 2014, ONEOK distributed one share of OGS common stock for every four shares of ONEOK common stock held by ONEOK shareholders of record as of the close of business on January 21. It should be mentioned that ONEOK did not retain any ownership interest in the new company.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC 23-25
Revenues per sh	--	--	--	--	34.92	29.62	27.30	29.43	31.08	31.32	28.30	30.20	40.00
"Cash Flow" per sh	--	--	--	--	4.52	4.82	5.43	5.96	6.32	6.96	7.15	7.50	9.65
Earnings per sh ^A	--	--	--	--	2.07	2.24	2.65	3.02	3.25	3.51	3.56	3.70	4.75
Div's Decl'd per sh ^B	--	--	--	--	.84	1.20	1.40	1.68	1.84	2.00	2.16	2.32	2.80
Cap'l Spending per sh	--	--	--	--	5.70	5.63	5.91	6.81	7.50	7.91	8.80	8.95	9.35
Book Value per sh	--	--	--	--	34.45	35.24	36.12	37.47	38.86	40.35	42.70	45.80	54.10
Common Shs Outst'g ^C	--	--	--	--	52.08	52.26	52.28	52.31	52.57	52.77	53.00	53.50	55.00
Avg Ann'l P/E Ratio	--	--	--	--	17.8	19.8	22.7	23.5	23.1	25.3	<i>Bold figures are Value Line estimates</i>		26.5
Relative P/E Ratio	--	--	--	--	.94	1.00	1.19	1.18	1.25	1.37			1.45
Avg Ann'l Div'd Yield	--	--	--	--	2.3%	2.7%	2.3%	2.4%	2.5%	2.3%			2.2%
Revenues (\$mill)	--	--	--	--	1818.9	1547.7	1427.2	1539.6	1633.7	1652.7	1500	1615	2200
Net Profit (\$mill)	--	--	--	--	109.8	119.0	140.1	159.9	172.2	186.7	190	200	260
Income Tax Rate	--	--	--	--	38.4%	38.0%	37.8%	36.4%	23.7%	18.7%	18.0%	18.5%	22.0%
Net Profit Margin	--	--	--	--	6.0%	7.7%	9.8%	10.4%	10.5%	11.3%	12.7%	12.4%	11.8%
Long-Term Debt Ratio	--	--	--	--	40.1%	39.5%	38.7%	37.8%	38.6%	37.7%	42.0%	40.0%	38.0%
Common Equity Ratio	--	--	--	--	59.9%	60.5%	61.3%	62.2%	61.4%	62.3%	58.0%	60.0%	62.0%
Total Capital (\$mill)	--	--	--	--	2995.3	3042.9	3080.7	3153.5	3328.1	3415.5	3900	4085	4800
Net Plant (\$mill)	--	--	--	--	3293.7	3511.9	3731.6	4007.6	4283.7	4565.2	4830	5060	5750
Return on Total Cap'l	--	--	--	--	4.4%	4.7%	5.2%	5.8%	5.9%	6.4%	6.0%	6.0%	6.5%
Return on Shr. Equity	--	--	--	--	6.1%	6.5%	7.4%	8.2%	8.4%	8.8%	8.5%	8.0%	8.5%
Return on Com Equity	--	--	--	--	6.1%	6.5%	7.4%	8.2%	8.4%	8.8%	8.5%	8.0%	8.5%
Retained to Com Eq	--	--	--	--	3.7%	3.1%	3.5%	3.7%	3.7%	3.8%	3.5%	3.0%	3.5%
All Div's to Net Prof	--	--	--	--	40%	53%	52%	55%	56%	56%	60%	62%	59%

CAPITAL STRUCTURE as of 9/30/20
Total Debt \$1890.2 mill. Due in 5 Yrs \$1150.0 mill.
LT Debt \$1582.2 mill. LT Interest \$85.0 mill.
(LT interest earned: 4.7x; total interest coverage: 4.7x)
Leases, Uncapitalized Annual rentals \$7.6 mill.
Pfd Stock None
Pension Assets-12/19 \$908.0 mill.
Oblig. \$1001.4 mill.

Common Stock 53,096,893 shs.
as of 10/26/20
MARKET CAP: \$4.1 billion (Mid Cap)

CURRENT POSITION

	2018	2019	9/30/20 (\$mill)
Cash Assets	21.3	17.9	6.2
Other	522.0	488.3	363.5
Current Assets	543.3	506.2	369.7
Accts Payable	174.5	120.5	65.3
Debt Due	299.5	516.5	308.0
Other	224.9	235.7	202.4
Current Liab.	698.9	872.7	575.7
Fix. Chg. Cov.	677%	567%	563%

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19
of change (per sh)	--	--	2.5%
Revenues	--	2.5%	4.5%
"Cash Flow"	--	7.0%	7.0%
Earnings	--	9.5%	6.5%
Dividends	--	17.0%	7.5%
Book Value	--	2.5%	5.5%

BUSINESS: ONE Gas, Inc. provides natural gas distribution services to more than two million customers. There are three divisions: Oklahoma Natural Gas, Kansas Gas Service, and Texas Gas Service. The company purchased 174 Bcf of natural gas supply in 2019, compared to 180 Bcf in 2018. Total volumes delivered by customer (fiscal 2019): transportation, 56.6%; residential, 32.5%; commercial

It's shaping up to be an underwhelming year for ONE Gas, Inc. Indeed, through the first nine months, share net of \$2.59 was just a few cents higher than 2019's \$2.55 tally. This stemmed, to some extent, from lower gas sales, net of weather normalization, primarily in Kansas and Oklahoma because of warmer temperatures. Also, there were diminished fees associated with collection activities and late payments mainly related to moratoriums on disconnects for nonpayment in response to COVID-19. (Notably, expenses incurred due to the pandemic are eligible for future recovery under regulatory orders the company received in each of its jurisdictions.) Meanwhile, the company benefited from new rates (including in Kansas and Texas) plus a rise in residential sales (supported by net customer growth). Still, it seems that the bottom line will increase only modestly, to \$3.56 a share, for the full year, versus the 2019 figure of \$3.51. But concerning 2021, the bottom line stands to increase a stronger 4%, to \$3.70 a share, if operating margins expand further.

We are constructive about the energy & industrial, 10.3%; other, .6%. ONE Gas has around 3,600 employees. BlackRock owns 12.1% of common stock; The Vanguard Group, 10.1%; T. Rowe Price Associates, 7.0%; officers and directors, 1.9% (4/20 Proxy). CEO: Pierce H. Norton II. Incorporated: Oklahoma. Address: 15 East Fifth Street, Tulsa, Oklahoma 74103. Tel.: 918-947-7000. Internet: www.onegas.com.

firm's business prospects over the 2023-2025 horizon. It presently ranks as the leading natural gas distributor (as measured by customer count) in both Oklahoma and Kansas, and holds the number-three position in Texas. Moreover, these markets appear to have decent growth possibilities and are located in one of the most active drilling regions in the United States. Also, with a solid balance sheet, ONE Gas ought to be able to meet its working capital requirements, capital expenditures, and other commitments for a while.

The equity has faced some pressure during the past six months. We think that price movement can be traced, to a certain degree, to the company's not-so-exciting results of late. Consider, also, these shares' 4 (Below Average) rank for Timeliness. But capital appreciation potential in the 18-month period and out to mid-decade is solid. Dividend growth prospects are promising, as well, though the yield does not stand out relative to the group average of Value Line's Natural Gas Utility Industry.

Frederick L. Harris, III November 27, 2020

(A) Diluted EPS. Excludes nonrecurring gain: 2017, \$0.06. Next earnings report due early Feb. Quarterly EPS for 2018 don't add up due to rounding.	(B) Dividends historically paid in early March, June, Sept., and Dec. ■ Dividend reinvestment plan. Direct stock purchase plan.	(C) In millions.	Company's Financial Strength 95 Stock's Price Stability 95 Price Growth Persistence 90 Earnings Predictability 100
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SOUTH JERSEY INDS. NYSE-SJI				RECENT PRICE	23.26	P/E RATIO	13.4	(Trailing: 15.1)	Median: 19.0	RELATIVE P/E RATIO	0.64	DIV'D YLD	5.3%	VALUE LINE																																																																																																																																																																																																																																																																																																																																																																																				
TIMELINESS 3	Lowered 7/20/18	High:	20.4	27.1	29.0	29.0	31.1	30.6	30.4	34.8	38.4	36.7	34.5	33.4	Target Price Range 2023 2024 2025																																																																																																																																																																																																																																																																																																																																																																																			
SAFETY 3	Lowered 11/27/20	Low:	16.0	18.6	21.4	22.9	25.3	25.9	21.2	22.1	30.8	26.0	26.6	18.2																																																																																																																																																																																																																																																																																																																																																																																				
TECHNICAL 3	Raised 4/24/20	LEGENDS 0.45 x Dividends p sh divided by Interest Rate Relative Price Strength 2-for-1 split 5/15 Options: Yes Shaded area indicates recession																																																																																																																																																																																																																																																																																																																																																																																																
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Due in 5 Yrs \$1045 mill. LT Debt \$2531.6 mill. LT Interest \$100 mill. </td> <td colspan="2"> Revenues (\$mill) Net Profit (\$mill) </td> <td colspan="2"> 2150 275 </td> </tr> <tr> <td colspan="4">Leases, Uncapitalized Annual rentals \$1.2 mill.</td> <td colspan="11"> Pension Assets-12/19 \$312.5 mill. Oblig. \$439.4 mill. </td> <td colspan="2"> Income Tax Rate Net Profit Margin </td> <td colspan="2"> 21.0% 12.8% </td> </tr> <tr> <td colspan="4">Pfd Stock None</td> <td colspan="11"> Common Stock 100,590,307 shs. as of 11/1/20 </td> <td colspan="2"> Long-Term Debt Ratio Common Equity Ratio </td> <td colspan="2"> 59.0% 41.0% </td> </tr> <tr> <td colspan="4">MARKET CAP: \$2.3 billion (Mid Cap)</td> <td colspan="11"> Current Position 2018 2019 9/30/20 (\$MILL) Cash Assets 30.0 6.4 10.1 Other 633.2 646.1 344.7 Current Assets 663.2 652.5 354.8 Accts Payable 410.5 232.2 162.8 Debt Due 1004.4 1316.6 739.8 Other 165.9 183.1 201.1 Current Liab. 1580.8 1731.9 1103.7 Fix. Chg. 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LLC 23-25		14.75	15.89	15.88	16.15	16.18	14.19	15.48	13.71	11.16	11.18	12.98	13.52	13.04	15.63	19.20	17.63	15.60	16.25	Revenues per sh	19.55	1.22	1.25	1.75	1.60	1.74	1.86	2.10	2.23	2.34	2.48	2.67	2.42	2.67	2.79	2.91	2.56	2.70	2.90	"Cash Flow" per sh	3.85	.79	.86	1.23	1.05	1.14	1.19	1.35	1.45	1.52	1.52	1.57	1.44	1.34	1.23	1.38	1.12	1.65	1.80	Earnings per sh ^A	2.50	.41	.43	.46	.51	.56	.61	.68	.75	.83	.90	.96	1.02	1.06	1.10	1.13	1.16	1.20	1.25	Div'ds Decl'd per sh ^B	1.40	1.34	1.60	1.26	.94	1.04	1.83	2.79	3.20	4.01	4.84	5.01	4.87	3.50	3.43	3.99	5.46	4.95	5.85	Cap'l Spending per sh	7.25	6.20	6.75	7.55	8.12	8.67	9.12	9.54	10.33	11.63	12.64	13.65	14.62	16.22	14.99	14.82	15.41	16.60	17.25	Book Value per sh ^C	20.45	55.52	57.96	58.65	59.22	59.46	59.59	59.75	60.43	63.31	65.43	68.33	70.97	79.48	79.55	85.51	92.39	101.00	103.00	Common Shs Outst'g ^D	110.00	14.1	16.6	11.9	17.2	15.9	15.0	16.8	18.4	16.9	18.9	18.0	17.9	21.7	27.9	22.6	28.3	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	16.0	.74	.88	.64	.91	.96	1.00	1.07	1.15	1.08	1.06	.95	.90	1.14	1.40	1.22	1.53			Relative P/E Ratio	.90	3.7%	3.0%	3.2%	2.8%	3.1%	3.4%	3.0%	2.8%	3.2%	3.1%	3.4%	3.9%	3.6%	3.2%	3.6%	3.7%			Avg Ann'l Div'd Yield	3.5%	CAPITAL STRUCTURE as of 9/30/20				Total Debt \$3271.4 mill. 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55.52	57.96	58.65	59.22	59.46	59.59	59.75	60.43	63.31	65.43	68.33	70.97	79.48	79.55	85.51	92.39	101.00	103.00	Common Shs Outst'g ^D	110.00																																																																																																																																																																																																																																																																																																																																																																															
14.1	16.6	11.9	17.2	15.9	15.0	16.8	18.4	16.9	18.9	18.0	17.9	21.7	27.9	22.6	28.3	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	16.0																																																																																																																																																																																																																																																																																																																																																																															
.74	.88	.64	.91	.96	1.00	1.07	1.15	1.08	1.06	.95	.90	1.14	1.40	1.22	1.53			Relative P/E Ratio	.90																																																																																																																																																																																																																																																																																																																																																																															
3.7%	3.0%	3.2%	2.8%	3.1%	3.4%	3.0%	2.8%	3.2%	3.1%	3.4%	3.9%	3.6%	3.2%	3.6%	3.7%			Avg Ann'l Div'd Yield	3.5%																																																																																																																																																																																																																																																																																																																																																																															
CAPITAL STRUCTURE as of 9/30/20				Total Debt \$3271.4 mill. Due in 5 Yrs \$1045 mill. LT Debt \$2531.6 mill. LT Interest \$100 mill.											Revenues (\$mill) Net Profit (\$mill)		2150 275																																																																																																																																																																																																																																																																																																																																																																																	
Leases, Uncapitalized Annual rentals \$1.2 mill.				Pension Assets-12/19 \$312.5 mill. Oblig. \$439.4 mill.											Income Tax Rate Net Profit Margin		21.0% 12.8%																																																																																																																																																																																																																																																																																																																																																																																	
Pfd Stock None				Common Stock 100,590,307 shs. as of 11/1/20											Long-Term Debt Ratio Common Equity Ratio		59.0% 41.0%																																																																																																																																																																																																																																																																																																																																																																																	
MARKET CAP: \$2.3 billion (Mid Cap)				Current Position 2018 2019 9/30/20 (\$MILL) Cash Assets 30.0 6.4 10.1 Other 633.2 646.1 344.7 Current Assets 663.2 652.5 354.8 Accts Payable 410.5 232.2 162.8 Debt Due 1004.4 1316.6 739.8 Other 165.9 183.1 201.1 Current Liab. 1580.8 1731.9 1103.7 Fix. Chg. Cov. 112% 176% 216%											Total Capital (\$mill) Net Plant (\$mill)		5500 5600																																																																																																																																																																																																																																																																																																																																																																																	
ANNUAL RATES				Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 to '23-'25 Revenues 6.0% 6.0% 2.0% "Cash Flow" 5.0% 3.5% 6.0% Earnings 1.5% -2.5% 12.5% Dividends 8.0% 6.0% 3.5% Book Value 6.5% 6.0% 5.0%											Return on Total Cap'l Return on Shr. Equity Return on Com Equity		6.0% 12.0% 12.0%																																																																																																																																																																																																																																																																																																																																																																																	
QUARTERLY REVENUES (\$ mill.)				Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 425.8 244.4 227.1 345.8 1243.1 2018 521.9 227.3 302.5 589.6 1641.3 2019 637.3 266.9 261.2 463.2 1628.6 2020 534.1 260.0 261.5 519.4 1575 2021 575 285 285 530 1675											Retained to Com Eq All Div'ds to Net Prof		2.5% 3.0% 73%																																																																																																																																																																																																																																																																																																																																																																																	
EARNINGS PER SHARE ^A				Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 .72 .06 d.05 .50 1.23 2018 1.19 .07 d.27 .39 1.38 2019 1.09 d.13 d.30 .46 1.12 2020 1.15 d.01 d.06 .57 1.65 2021 1.20 .02 d.05 .63 1.80											Long-Term Debt Ratio Common Equity Ratio		59.0% 41.0%																																																																																																																																																																																																																																																																																																																																																																																	
QUARTERLY DIVIDENDS PAID ^B				Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2016 -- .264 .264 .536 1.06 2017 -- .273 .273 .553 1.10 2018 -- .280 .280 .567 1.13 2019 -- .287 .287 .582 1.16 2020 -- .295 .295 .295											Return on Com Equity Retained to Com Eq		12.0% 2.5%																																																																																																																																																																																																																																																																																																																																																																																	

(A) Based on economic eggs. from 2007. GAAP EPS: '08, \$1.29; '09, \$0.97; '10, \$1.11; '11, \$1.49; '12, \$1.49; '13, \$1.28; '14, \$1.46; '15, \$1.52; '16, \$1.56; '17, (\$0.04); '18, \$0.21; '19, \$0.84. Excl. nonrecr. gain (loss): '09, (\$0.22); '10, (\$0.24); '11, \$0.04; '12, (\$0.03); '13, (\$0.24); '14, (\$0.11); '15, \$0.08; '16, \$0.22; '17, (\$1.27); '18, (\$1.17); '19, (\$0.28). Next eggs. rpt. due late February. (B) Div'ds paid early April, July, Oct., and late Dec. ■ Div. reinvest. plan avail. (C) Incl. reg. assets. In 2019: \$665.9 mill., \$7.21 per shr. (D) In mill., adj. for split.

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Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	15
Earnings Predictability	65

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SPIRE INC. NYSE-SR				RECENT PRICE	P/E RATIO	(Trailing: NMF)	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE							
TIMELINESS 4 Lowered 11/27/20 SAFETY 2 Raised 6/20/03 TECHNICAL 5 Lowered 11/27/20 BETA .85 (1.00 = Market)				High: 48.3 Low: 29.3	37.8 30.8	42.8 32.9	44.0 36.5	48.5 37.4	55.2 44.0	61.0 49.1	71.2 57.1	82.9 62.3	81.1 60.1	88.0 71.7	88.0 50.6	Target Price Range 2023 2024 2025
18-Month Target Price Range Low-High Midpoint (% to Mid) \$44-\$106 \$75 (20%)																
2023-25 PROJECTIONS High Price 120 Low Price 90 Gain (+90%) (+40%) Ann'l Total Return 20% 12%				Institutional Decisions 4Q2019 1Q2020 2Q2020 to Buy 127 120 127 to Sell 114 116 130 Hid's(000) 42195 42039 40679 Percent shares traded 18 12 6												
CAPITAL STRUCTURE as of 6/30/20 Total Debt \$2961.3 mill. Due in 5 Yrs \$725.0 mill. LT Debt \$2478.3 mill. LT Interest \$120.0 mill. (Total interest coverage: 3.1x)				MARKET CAP: \$3.3 billion (Mid Cap) CURRENT POSITION 2018 2019 6/30/20 (SMILL) Cash Assets 4.4 5.8 7.4 Other 655.2 608.7 551.9 Current Assets 659.6 614.5 559.3 Accts Payable 290.1 301.5 200.8 Debt Due 729.1 783.2 483.0 Other 302.5 384.1 424.0 Current Liab. 1321.7 1468.8 1107.8 Fix. Chg. Cov. 284% 272% 275%												
Leases, Uncapitalized Annual rentals \$8.2 mill. Pension Assets-9/19 \$521.8 mill. Pfd Stock \$242.0 mill. Common Stock 51,482,424 shs. as of 7/31/20				Business: Spire Inc., formerly known as the Laclede Group, Inc., is a holding company for natural gas utilities, which distributes natural gas across Missouri, including the cities of St. Louis and Kansas City, Alabama, and Mississippi. Has roughly 1.7 million customers. Acquired Missouri Gas 9/13, Alabama Gas Co 9/14. Utility terms sold and transported in fiscal 2019: 3.4 bill. Revenue mix for gas operations: residential, 68%; commercial and industrial, 23%; transportation, 6%; other, 3%. Has about 3,536 employees. Officers and directors own 2.9% of common shares; BlackRock, 15.0% (1/20 proxy). Chairman: Edward Glotzbach; CEO: Suzanne Sitherwood, Inc.: Missouri. Address: 700 Market Street, St. Louis, Missouri 63101. Tel.: 314-342-0500. Internet: www.spireenergy.com.												
ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 of change (per sh)				Spire Inc. stands to stage a big earnings rebound in fiscal 2021. (The year started on October 1st.) This is based partially on our assumption that COVID-19 has a less severe effect on the company. Notably, in last year's third quarter, it recorded a total pre-tax impairment charge of \$148.6 million, equivalent to \$2.29 a share after tax, attributed primarily to the writedown of the value of storage assets and, to a lesser degree, two commercial compressed natural gas fueling stations. (Spire states, however, that it is pursuing potential regulatory mechanisms to help offset the damage from the health crisis.) So, at this juncture, it appears that share net will jump more than twofold, to \$3.30, compared to the fiscal 2020 figure of \$1.44. If operating margins widen further, profits may advance another 7%, to \$3.55 a share, the following year.												
QUARTERLY REVENUES (\$ mill.)^A				Capital expenditures for last year were around \$638 million. (That marked a significant decrease from the fiscal 2019 figure of \$823 million, reflecting the completion of the Spire STL Pipeline.) Funds were allocated to such areas as infrastructure upgrades at the utilities and												
QUARTERLY DIVIDENDS PAID^C				The stock, though untimely, has some appealing qualities. Consider the dividend yield and payout growth prospects. Capital gains potential in both the 18-month period and out to 2023-2025 is solid, too.												
QUARTERLY EARNINGS PER SHARE^{A B F}				Frederick L. Harris, III November 27, 2020												
QUARTERLY DIVIDENDS PAID^C				Company's Financial Strength B++ Stock's Price Stability 95 Price Growth Persistence 60 Earnings Predictability 50												

(A) Fiscal year ends Sept. 30th. (B) Based on diluted shares outstanding. Excludes nonrecurring loss: '06, 7c. Excludes gain from discontinued operations: '08, 94c. Next earnings report due late Jan. (C) Dividends paid in early January, April, July, and October. (D) Dividend reinvestment plan available. (E) Incl. deferred charges. In '19: \$1,171.6 mill., \$22.99/sh. (F) In millions. (G) Qly, egs. may not sum due to rounding or change in shares outstanding.

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Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

SCHEDULE DWD-3

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Piedmont Natural Gas Company
Summary of Risk Premium Models for the
Proxy Group of Eight Natural Gas Distribution Companies

	<u>Proxy Group of Eight Natural Gas Distribution Companies</u>	<u>Results using Current Interest Rates</u>
Predictive Risk Premium Model (PRPM) (1)	9.82 %	9.21 %
Risk Premium Using an Adjusted Total Market Approach (2)	<u>10.40 %</u>	<u>10.07 %</u>
Average	<u><u>10.11 %</u></u>	<u><u>9.64 %</u></u>

Notes:

- (1) From page 2 of this Schedule.
(2) From page 3 of this Schedule.

Piedmont Natural Gas Company
Indicated ROE
Derived by the Predictive Risk Premium Model (1)

Using Projected Interest Rates

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Proxy Group of Eight Natural Gas Distribution Companies	LT Average Predicted Variance	Spot Predicted Variance	Recommended Variance (2)	GARCH Coefficient	Predicted Risk Premium (3)	Risk-Free Rate (4)	Indicated ROE (6)
Atmos Energy Corporation	0.33%	0.25%	0.33%	2.13052	8.75%	2.31%	11.06%
New Jersey Resources Corporation	0.38%	0.52%	0.38%	2.01870	9.70%	2.31%	12.01%
NiSource, Inc.	0.49%	0.39%	0.49%	0.72854	4.40%	2.31%	6.71%
Northwest Natural Holding Company	0.32%	0.40%	0.32%	1.47770	5.90%	2.31%	8.21%
ONE Gas, Inc.	0.27%	0.31%	0.27%	3.76881	12.93%	2.31%	15.24% (7)
South Jersey Industries, Inc.	0.39%	0.82%	0.39%	1.59683	7.63%	2.31%	9.94%
Southwest Gas Holdings, Inc.	0.44%	0.39%	0.44%	1.32031	7.11%	2.31%	9.42%
Spire Inc.	0.71%	0.48%	0.71%	0.92510	8.19%	2.31%	10.50%
						Average	<u>9.69%</u>
						Median	<u>9.94%</u>
						Average of Mean and Median	<u>9.82%</u>

Using Current Interest Rates

Proxy Group of Eight Natural Gas Distribution Companies	LT Average Predicted Variance	Spot Predicted Variance	Recommended Variance (2)	GARCH Coefficient	Predicted Risk Premium (3)	Risk-Free Rate (5)	Indicated ROE (6)
Atmos Energy Corporation	0.33%	0.25%	0.33%	2.13052	8.75%	1.70%	10.45%
New Jersey Resources Corporation	0.38%	0.52%	0.38%	2.01870	9.70%	1.70%	11.40%
NiSource, Inc.	0.49%	0.39%	0.49%	0.72854	4.40%	1.70%	6.10%
Northwest Natural Holding Company	0.32%	0.40%	0.32%	1.47770	5.90%	1.70%	7.60%
ONE Gas, Inc.	0.27%	0.31%	0.27%	3.76881	12.93%	1.70%	14.63% (7)
South Jersey Industries, Inc.	0.39%	0.82%	0.39%	1.59683	7.63%	1.70%	9.33%
Southwest Gas Holdings, Inc.	0.44%	0.39%	0.44%	1.32031	7.11%	1.70%	8.81%
Spire Inc.	0.71%	0.48%	0.71%	0.92510	8.19%	1.70%	9.89%
						Average	<u>9.08%</u>
						Median	<u>9.33%</u>
						Average of Mean and Median	<u>9.21%</u>

Notes:

- (1) The Predictive Risk Premium Model uses historical data to generate a predicted variance and a GARCH coefficient. The historical data used are the equity risk premiums for the first available trading month as reported by Bloomberg Professional Service.
- (2) Given current market conditions, I recommend using the long-term average predicted variance.
- (3) $(1 + (\text{Column [3]} * \text{Column [4]})^{12}) - 1$.
- (4) From note 2 on page 2 of Schedule DWD-4.
- (5) From note 3 on page 2 of Schedule DWD-4.
- (6) Column [5] + Column [6].
- (7) ONE Gas Inc.'s PRPM results were excluded from the final average and median as they were more than 2 standard deviations from the proxy group's mean.

Piedmont Natural Gas Company
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

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<u>Line No.</u>		<u>Proxy Group of Eight Natural Gas Distribution Companies</u>	<u>Results using Current Interest Rates</u>
1.	Prospective Yield on Aaa Rated Corporate Bonds (1)	3.06 %	
2.	Adjustment to Reflect Yield Spread Between Aaa Rated Corporate Bonds and A2 Rated Public Utility Bonds	<u>0.50</u> (2)	
3.	Adjusted Prospective Yield on A2 Rated Public Utility Bonds	3.56 %	
4.	Current Yield on A2 Rated Public Utility Bonds (3)		2.84 %
5.	Adjustment to Reflect Bond Rating Difference of Proxy Group(4)	<u>0.10</u>	<u>0.10</u>
6.	Adjusted Bond Yield	3.66 %	2.94 %
7.	Equity Risk Premium (4)	<u>6.74</u>	<u>7.13</u>
8.	Risk Premium Derived Common Equity Cost Rate	<u>10.40</u> %	<u>10.07</u> %

- Notes: (1) Consensus forecast of Moody's Aaa Rated Corporate bonds from Blue Chip Financial Forecasts (see pages 10-11 of this Schedule).
- (2) The average yield spread of A2 rated public utility bonds over Aaa rated corporate bonds of 0.50% from page 4 of this Schedule.
- (3) Source of Information: Bloomberg Professional Services.
- (4) Adjustment to reflect the A3 Moody's LT issuer rating of the Utility Proxy Group as shown on page 5 of this Schedule. The 0.10% upward adjustment is derived by taking 1/3 of the spread between A2 and Baa2 Public Utility Bonds ($1/3 * 0.30\% = 0.10\%$) as derived from page 4 of this Schedule.
- (5) From page 7 of this Schedule.

Piedmont Natural Gas Company
Interest Rates and Bond Spreads for
Moody's Corporate and Public Utility Bonds

Selected Bond Yields - Moody's

	[1]	[3]	[4]
	<u>Aaa Rated Corporate Bond</u>	<u>A2 Rated Public Utility Bond</u>	<u>Baa2 Rated Public Utility Bond</u>
Jan-2021	2.45 %	2.91 %	3.19 %
Dec-2020	2.26	2.77	3.05
Nov-2020	<u>2.30</u>	<u>2.85</u>	<u>3.17</u>
Average	<u>2.34 %</u>	<u>2.84 %</u>	<u>3.14 %</u>

Selected Bond Spreads

A2 Rated Public Utility Bonds Over Aaa Rated Corporate Bonds:

0.50 % (1)

Baa2 Rated Public Utility Bonds Over A2 Rated Public Utility Bonds:

0.30 % (2)

Notes:

(1) Column [3] - Column [1].

(2) Column [4] - Column [3].

Source of Information:

Bloomberg Professional Service

Piedmont Natural Gas Company
Comparison of Long-Term Issuer Ratings for
Proxy Group of Eight Natural Gas Distribution Companies

	<u>Moody's</u>		<u>Standard & Poor's</u>	
	<u>Long-Term Issuer Rating</u>	<u>January 2021</u>	<u>Long-Term Issuer Rating</u>	<u>January 2021</u>
<u>Proxy Group of Eight Natural Gas Distribution Companies</u>	<u>Long-Term Issuer Rating</u>	<u>Numerical Weighting (1)</u>	<u>Long-Term Issuer Rating</u>	<u>Numerical Weighting(1)</u>
Atmos Energy Corporation	A1	5.0	A	6.0
New Jersey Resources Corp. (2)	A1	5.0	NR	--
Nisource, Inc. (3)	Baa1	8.0	BBB+	8.0
Northwest Natural Holding Company (4)	Baa1	8.0	A+	5.0
ONE Gas, Inc.	A2	6.0	A	6.0
South Jersey Inds. (5)	A3	7.0	BBB	9.0
Southwest Gas Holdings, Inc. (6)	Baa1	8.0	A-	7.0
Spire Inc. (7)	A1/A2	5.5	A-	7.0
Average	<u>A3</u>	<u>6.6</u>	<u>A-</u>	<u>6.9</u>

Notes:

- (1) From page 6 of this Schedule.
- (2) Ratings that of New Jersey Natural Gas Company.
- (3) Ratings that of Northern Indiana Public Service Co.
- (4) Ratings that of Northwest Natural Gas Co.
- (5) Ratings that of Elizabethtown Gas Company and South Jersey Gas Company.
- (6) Ratings that of Southwest Gas Corp.
- (7) Ratings that of Spire Alabama and Spire Missouri.

Source Information: Moody's Investors Service
Standard & Poor's Global Utilities Rating Service

Numerical Assignment for
Moody's and Standard & Poor's Bond Ratings

Moody's Bond Rating	Numerical Bond Weighting	Standard & Poor's Bond Rating
Aaa	1	AAA
Aa1	2	AA+
Aa2	3	AA
Aa3	4	AA-
A1	5	A+
A2	6	A
A3	7	A-
Baa1	8	BBB+
Baa2	9	BBB
Baa3	10	BBB-
Ba1	11	BB+
Ba2	12	BB
Ba3	13	BB-
B1	14	B+
B2	15	B
B3	16	B-

Piedmont Natural Gas Company
Judgment of Equity Risk Premium for
Proxy Group of Eight Natural Gas Distribution Companies

<u>Line No.</u>		<u>Proxy Group of Eight Natural Gas Distribution Companies</u>	<u>Results using Current Interest Rates</u>
1.	Calculated equity risk premium based on the total market using the beta approach (1)	8.87 %	9.29 %
2.	Mean equity risk premium based on a study using the holding period returns of public utilities with A2 rated bonds (2)	5.51	5.92
3.	Predicted Equity Risk Premium Based on Regression Analysis of 797 Fully-Litigated Natural Gas Utility Rate Cases (3)	<u>5.83</u>	<u>6.18</u>
4.	Average equity risk premium	<u><u>6.74</u></u> %	<u><u>7.13</u></u> %

Notes: (1) From page 8 of this Schedule.
(2) From page 12 of this Schedule.
(3) From page 13 of this Schedule.

Piedmont Natural Gas Company
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for the
Proxy Group of Eight Natural Gas Distribution Companies

<u>Line No.</u>	<u>Equity Risk Premium Measure</u>	<u>Proxy Group of Eight Natural Gas Distribution Companies</u>	<u>Results using Current Interest Rates</u>
<u>Ibbotson-Based Equity Risk Premiums:</u>			
1.	Ibbotson Equity Risk Premium (1)	5.78 %	5.78 %
2.	Regression on Ibbotson Risk Premium Data	9.30 (2)	10.05 (3)
3.	Ibbotson Equity Risk Premium based on PRPM (4)	9.65	9.65
4.	Equity Risk Premium Based on Value Line Summary and Index	6.77 (5)	7.41 (6)
5.	Equity Risk Premium Based on Value Line S&P 500 Companies	11.04 (7)	11.68 (8)
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies	<u>14.72 (9)</u>	<u>15.36 (10)</u>
7.	Conclusion of Equity Risk Premium	9.54 %	9.99 %
8.	Adjusted Beta (11)	<u>0.93</u>	<u>0.93</u>
9.	Forecasted Equity Risk Premium	<u><u>8.87 %</u></u>	<u><u>9.29 %</u></u>

Notes provided on page 9 of this Schedule.

Piedmont Natural Gas Company
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for the
Proxy Group of Eight Natural Gas Distribution Companies

Notes:

- (1) Based on the arithmetic mean historical monthly returns on large company common stocks from Ibbotson@SBBBI@ 2020 Market Report minus the arithmetic mean monthly yield of Moody's average Aaa and Aa2 corporate bonds from 1926-2019.
- (2) This equity risk premium is based on a regression of the monthly equity risk premiums of large company common stocks relative to Moody's average Aaa and Aa2 rated corporate bond yields from 1928-2019 referenced in Note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the average consensus forecast of Aaa corporate bonds of 3.06% (from page 3 of this Schedule).
- (3) This equity risk premium is based on a regression of the monthly equity risk premiums of large company common stocks relative to Moody's average Aaa and Aa2 rated corporate bond yields from 1928-2019 referenced in Note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the three-month average Aaa and Aa2 rated corporate bond of 2.43%.
- (4) The Predictive Risk Premium Model (PRPM) is discussed in the accompanying direct testimony. The Ibbotson equity risk premium based on the PRPM is derived by applying the PRPM to the monthly risk premiums between Ibbotson large company common stock monthly returns and average Aaa and Aa2 corporate monthly bond yields, from January 1928 through January 2021.
- (5) The equity risk premium based on the Value Line Summary and Index is derived by subtracting the average consensus forecast of Aaa corporate bonds of 3.06% (from page 3 of this Schedule) from the projected 3-5 year total annual market return of 9.83% (described fully in note 1 on page 2 of Schedule DWD-5).
- (6) The equity risk premium based on the Value Line Summary and Index is derived by subtracting the current 3 month average of Aaa and Aa2 corporate bond yields of 2.43% from the projected 3-5 year total annual market return of 9.83% (described fully in note 1 on page 2 of Schedule DWD-5).
- (7) Using data from Value Line for the S&P 500, an expected total return of 14.10% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 3.06% results in an expected equity risk premium of 11.04%.
- (8) Using data from Value Line for the S&P 500, an expected total return of 14.10% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the current 3 month average of Aaa and Aa2 corporate bond yields of 2.43% results in an expected equity risk premium of 11.68%.
- (9) Using data from the Bloomberg Professional Service for the S&P 500, an expected total return of 17.78% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 3.06% results in an expected equity risk premium of 14.72%.
- (10) Using data from the Bloomberg Professional Service for the S&P 500, an expected total return of 17.78% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the current 3 month average of Aaa and Aa2 corporate bond yields of 2.43% results in an expected equity risk premium of 15.36%.
- (11) Average of mean and median beta from Schedule DWD-5.

Sources of Information:

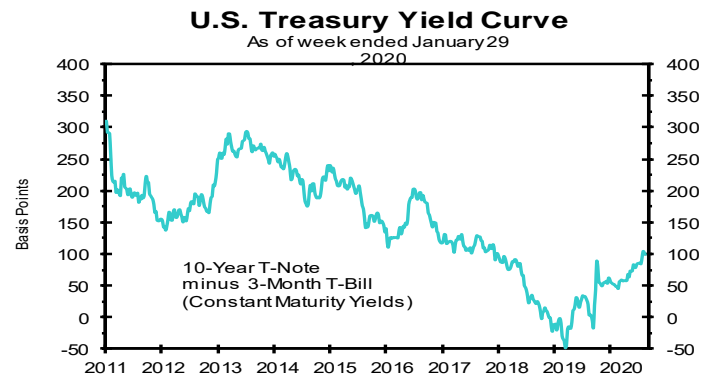
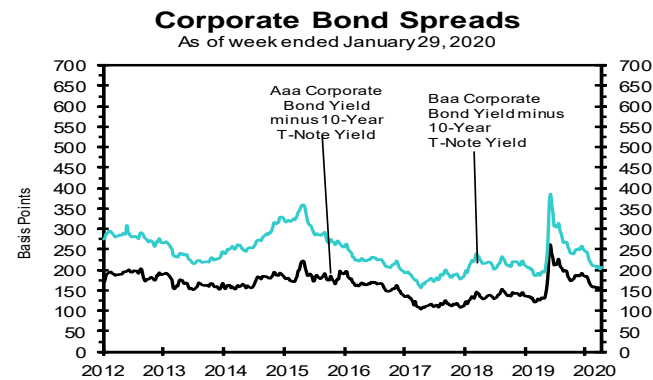
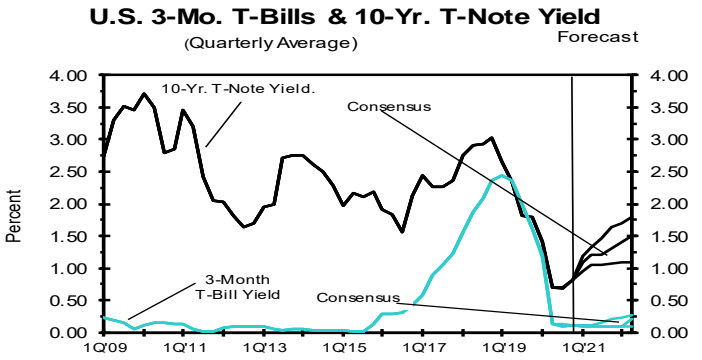
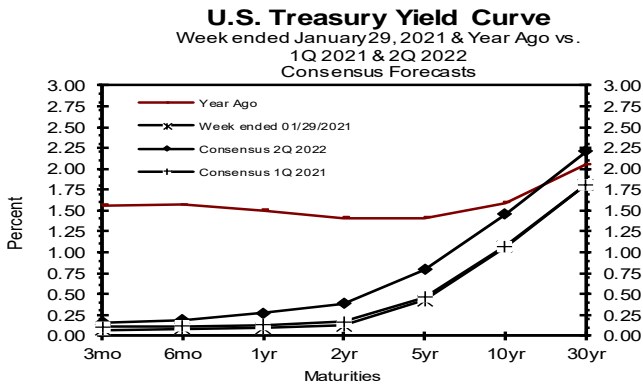
Stocks, Bonds, Bills, and Inflation - 2020 SBBBI Yearbook, John Wiley & Sons, Inc.
Industrial Manual and Mergent Bond Record Monthly Update.
Value Line Summary and Index
Blue Chip Financial Forecasts, February 1, 2021 and December 1, 2020
Bloomberg Professional Service

Consensus Forecasts of U.S. Interest Rates and Key Assumptions

Interest Rates	History								Consensus Forecasts-Quarterly Avg.					
	Average For Week Ending				Average For Month				Latest Qtr	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022
	Jan 22	Jan 15	Jan 8	Jan 1	Dec	Nov	Oct	4Q 2020	2021	2021	2021	2021	2022	2022
Federal Funds Rate	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.1	0.1	0.1	0.1	0.1	0.1
Prime Rate	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.3	3.3	3.3	3.3	3.3	3.3
LIBOR, 3-mo.	0.22	0.23	0.23	0.24	0.23	0.22	0.22	0.22	0.2	0.3	0.3	0.3	0.3	0.3
Commercial Paper, 1-mo.	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.1	0.1	0.2	0.2	0.2	0.2
Treasury bill, 3-mo.	0.09	0.09	0.09	0.10	0.09	0.09	0.10	0.09	0.1	0.1	0.1	0.1	0.1	0.2
Treasury bill, 6-mo.	0.10	0.10	0.09	0.10	0.09	0.10	0.11	0.10	0.1	0.1	0.1	0.2	0.2	0.2
Treasury bill, 1 yr.	0.10	0.11	0.10	0.11	0.10	0.12	0.13	0.12	0.1	0.2	0.2	0.2	0.2	0.3
Treasury note, 2 yr.	0.13	0.14	0.13	0.13	0.14	0.17	0.15	0.15	0.2	0.2	0.3	0.3	0.3	0.4
Treasury note, 5 yr.	0.45	0.49	0.42	0.37	0.39	0.39	0.34	0.37	0.5	0.5	0.6	0.7	0.7	0.8
Treasury note, 10 yr.	1.11	1.13	1.03	0.94	0.93	0.87	0.79	0.86	1.1	1.2	1.2	1.3	1.4	1.5
Treasury note, 30 yr.	1.85	1.86	1.78	1.66	1.67	1.62	1.57	1.62	1.8	1.9	2.0	2.1	2.1	2.2
Corporate Aaa bond	2.65	2.67	2.61	2.49	2.52	2.58	2.65	2.58	2.5	2.6	2.7	2.8	2.9	2.9
Corporate Baa bond	3.13	3.16	3.12	3.00	3.03	3.13	3.27	3.14	3.4	3.6	3.7	3.8	3.9	3.9
State & Local bonds	2.66	2.67	2.67	2.67	2.70	2.82	2.93	2.82	2.5	2.6	2.7	2.8	2.8	2.9
Home mortgage rate	2.77	2.79	2.65	2.67	2.68	2.77	2.83	2.76	2.8	3.0	3.0	3.1	3.2	3.2

Key Assumptions	History								Consensus Forecasts-Quarterly					
	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022
Fed's AFE \$ Index	109.4	110.3	110.5	110.3	111.2	112.4	107.2	105.2	103.4	102.8	102.7	102.7	102.5	102.6
Real GDP	2.9	1.5	2.6	2.4	-5.0	-31.4	33.4	4.0	2.1	5.4	6.0	4.5	3.4	3.0
GDP Price Index	1.2	2.5	1.5	1.4	1.4	-1.8	3.5	2.0	1.8	1.7	1.9	1.9	1.9	2.0
Consumer Price Index	0.9	3.0	1.8	2.4	1.2	-3.5	5.2	2.2	2.3	1.8	2.1	2.0	2.1	2.1
PCE Price Index	0.6	2.5	1.4	1.5	1.3	-1.6	3.7	1.5	2.1	1.7	1.9	1.9	1.9	1.9

Forecasts for interest rates and the Federal Reserve's Major Currency Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index and Consumer Price Index are seasonally-adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data: Treasury rates from the Federal Reserve Board's H.15; AAA-AA and A-BBB corporate bond yields from Bank of America-Merrill Lynch and are 15+ years, yield to maturity; State and local bond yields from Bank of America-Merrill Lynch, A-rated, yield to maturity; Mortgage rates from Freddie Mac, 30-year, fixed; LIBOR quotes from Intercontinental Exchange. All interest rate data are sourced from Haver Analytics. Historical data for Fed's Major Currency Index are from FRSR H.10. Historical data for Real GDP and GDP Chained Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index (CPI) history is from the Department of Labor's Bureau of Labor Statistics (BLS).



Long-Range Survey:

The table below contains the results of our twice-annual long-range CONSENSUS survey. There are also Top 10 and Bottom 10 averages for each variable. Shown are consensus estimates for the years 2022 through 2026 and averages for the five-year periods 2022-2026 and 2027-2031. Apply these projections cautiously. Few if any economic, demographic and political forces can be evaluated accurately over such long time spans.

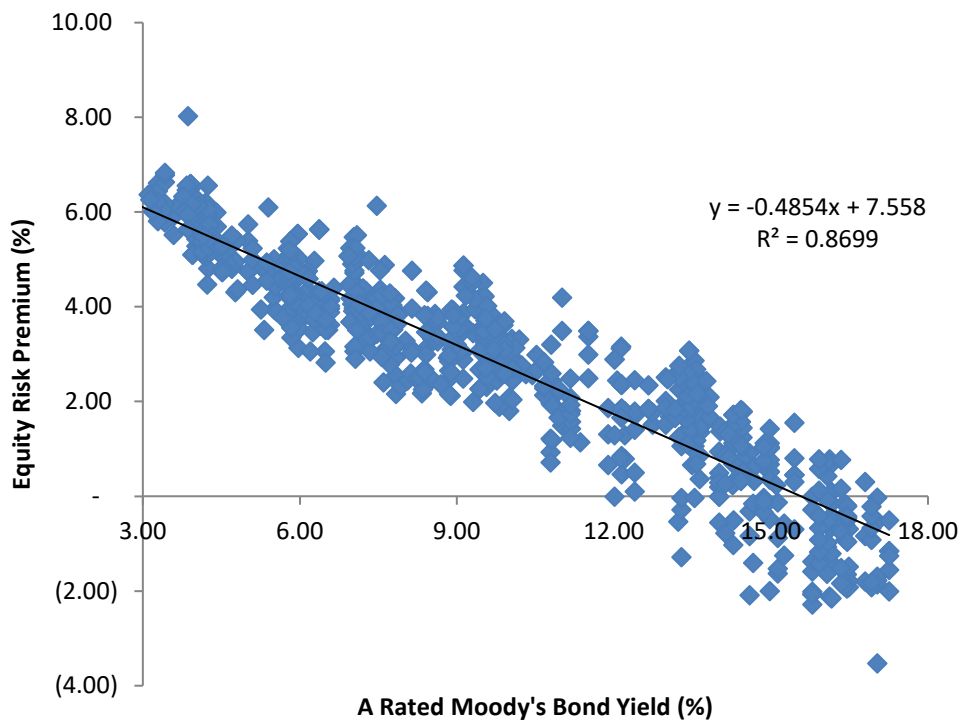
		Average For The Year					Five-Year Averages	
		2022	2023	2024	2025	2026	2022-2026	2027-2031
1. Federal Funds Rate	CONSENSUS	0.1	0.3	0.7	1.2	1.5	0.8	1.8
	Top 10 Average	0.2	0.7	1.4	2.0	2.4	1.3	2.5
	Bottom 10 Average	0.1	0.1	0.2	0.4	0.6	0.3	1.2
2. Prime Rate	CONSENSUS	3.3	3.5	3.9	4.3	4.6	3.9	4.9
	Top 10 Average	3.4	3.7	4.4	5.0	5.4	4.4	5.4
	Bottom 10 Average	3.2	3.2	3.3	3.5	3.8	3.4	4.5
3. LIBOR, 3-Mo.	CONSENSUS	0.4	0.6	1.1	1.5	1.8	1.1	2.2
	Top 10 Average	0.5	1.0	1.7	2.2	2.6	1.6	2.7
	Bottom 10 Average	0.3	0.3	0.5	0.8	1.1	0.6	1.6
4. Commercial Paper, 1-Mo	CONSENSUS	0.3	0.7	1.2	1.6	1.9	1.1	2.1
	Top 10 Average	0.4	0.9	1.6	2.1	2.4	1.5	2.5
	Bottom 10 Average	0.2	0.4	0.8	1.2	1.5	0.8	1.7
5. Treasury Bill Yield, 3-Mo	CONSENSUS	0.2	0.4	0.8	1.2	1.5	0.8	1.9
	Top 10 Average	0.3	0.7	1.5	2.0	2.4	1.4	2.5
	Bottom 10 Average	0.1	0.1	0.2	0.5	0.7	0.3	1.3
6. Treasury Bill Yield, 6-Mo	CONSENSUS	0.2	0.5	0.9	1.3	1.6	0.9	2.0
	Top 10 Average	0.3	0.8	1.6	2.1	2.5	1.5	2.6
	Bottom 10 Average	0.1	0.2	0.3	0.5	0.8	0.4	1.4
7. Treasury Bill Yield, 1-Yr	CONSENSUS	0.3	0.6	1.0	1.4	1.8	1.0	2.1
	Top 10 Average	0.5	1.0	1.7	2.3	2.6	1.6	2.7
	Bottom 10 Average	0.2	0.3	0.4	0.7	0.9	0.5	1.6
8. Treasury Note Yield, 2-Yr	CONSENSUS	0.4	0.8	1.2	1.6	1.9	1.2	2.3
	Top 10 Average	0.7	1.2	1.9	2.4	2.8	1.8	2.9
	Bottom 10 Average	0.2	0.3	0.6	0.8	1.1	0.6	1.7
9. Treasury Note Yield, 5-Yr	CONSENSUS	0.8	1.2	1.6	2.0	2.3	1.5	2.5
	Top 10 Average	1.1	1.6	2.3	2.8	3.1	2.1	3.1
	Bottom 10 Average	0.5	0.7	1.0	1.2	1.4	1.0	1.9
10. Treasury Note Yield, 10-Yr	CONSENSUS	1.3	1.7	2.0	2.4	2.6	2.0	2.8
	Top 10 Average	1.7	2.2	2.7	3.1	3.4	2.6	3.5
	Bottom 10 Average	0.9	1.2	1.4	1.7	1.8	1.4	2.2
11. Treasury Bond Yield, 30-Yr	CONSENSUS	2.1	2.4	2.8	3.1	3.4	2.8	3.6
	Top 10 Average	2.5	3.0	3.5	4.0	4.2	3.4	4.3
	Bottom 10 Average	1.6	1.9	2.2	2.4	2.6	2.1	2.9
12. Corporate Aaa Bond Yield	CONSENSUS	2.8	3.2	3.6	4.0	4.2	3.6	4.5
	Top 10 Average	3.1	3.6	4.2	4.6	4.9	4.1	5.0
	Bottom 10 Average	2.4	2.8	3.0	3.3	3.6	3.0	3.9
13. Corporate Baa Bond Yield	CONSENSUS	3.9	4.3	4.7	5.0	5.2	4.6	5.4
	Top 10 Average	4.3	4.7	5.2	5.6	5.9	5.1	6.0
	Bottom 10 Average	3.5	3.9	4.1	4.3	4.5	4.1	4.9
14. State & Local Bonds Yield	CONSENSUS	2.8	3.1	3.4	3.6	3.8	3.3	3.9
	Top 10 Average	3.1	3.5	3.8	4.1	4.3	3.8	4.3
	Bottom 10 Average	2.5	2.8	2.9	3.2	3.4	2.9	3.6
15. Home Mortgage Rate	CONSENSUS	3.2	3.5	3.9	4.2	4.5	3.9	4.7
	Top 10 Average	3.5	3.9	4.4	4.9	5.2	4.4	5.2
	Bottom 10 Average	2.9	3.2	3.4	3.6	3.8	3.4	4.2
A. Fed's AFE Nominal \$ Index	CONSENSUS	107.2	107.0	106.5	106.4	106.6	106.7	106.7
	Top 10 Average	109.0	108.9	108.8	108.9	109.5	109.0	110.2
	Bottom 10 Average	105.4	105.2	104.4	103.8	103.7	104.5	103.0
		----- Year-Over-Year, % Change -----					Five-Year Averages	
		2022	2023	2024	2025	2026	2022-2026	2027-2031
B. Real GDP	CONSENSUS	3.2	2.5	2.3	2.2	2.1	2.4	2.1
	Top 10 Average	3.8	3.0	2.6	2.5	2.4	2.9	2.4
	Bottom 10 Average	2.6	2.1	1.9	1.9	1.8	2.1	1.8
C. GDP Chained Price Index	CONSENSUS	1.9	2.0	2.1	2.1	2.1	2.0	2.1
	Top 10 Average	2.2	2.3	2.3	2.3	2.3	2.3	2.3
	Bottom 10 Average	1.7	1.8	1.9	1.9	1.9	1.8	1.9
D. Consumer Price Index	CONSENSUS	2.1	2.2	2.2	2.1	2.2	2.1	2.2
	Top 10 Average	2.4	2.4	2.4	2.4	2.4	2.4	2.4
	Bottom 10 Average	1.8	1.9	1.9	1.9	1.9	1.9	1.9
E. PCE Price Index	CONSENSUS	1.9	2.0	2.1	2.1	2.1	2.0	2.1
	Top 10 Average	2.2	2.2	2.2	2.2	2.3	2.2	2.4
	Bottom 10 Average	1.7	1.8	1.9	1.9	1.9	1.8	1.9

Piedmont Natural Gas Company
Derivation of Mean Equity Risk Premium Based Studies
Using Holding Period Returns and
Projected Market Appreciation of the S&P Utility Index

<u>Line No.</u>		<u>Implied Equity Risk Premium</u>	<u>Results using Current Interest Rates</u>
	<u>Equity Risk Premium based on S&P Utility Index Holding Period Returns (1):</u>		
1.	Historical Equity Risk Premium	4.21 %	4.21 %
2.	Regression of Historical Equity Risk Premium	6.83 (2)	7.44 (3)
3.	Forecasted Equity Risk Premium Based on PRPM (4)	5.59	5.59
4.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Value Line Data)	6.80 (5)	7.52 (6)
5.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Bloomberg Data)	<u>4.11 (7)</u>	<u>4.82 (8)</u>
6.	Average Equity Risk Premium (9)	<u>5.51 %</u>	<u>5.92 %</u>

- Notes: (1) Based on S&P Public Utility Index monthly total returns and Moody's Public Utility Bond average monthly yields from 1928-2019. Holding period returns are calculated based upon income received (dividends and interest) plus the relative change in the market value of a security over a one-year holding period.
- (2) This equity risk premium is based on a regression of the monthly equity risk premiums of the S&P Utility Index relative to Moody's A2 rated public utility bond yields from 1928 - 2019 referenced in note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the prospective A2 rated public utility bond yield of 3.56% (from line 3, page 3 of this Schedule).
- (3) This equity risk premium is based on a regression of the monthly equity risk premiums of the S&P Utility Index relative to Moody's A2 rated public utility bond yields from 1928 - 2019 referenced in note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the current A2 rated public utility bond yield of 2.84% (from line 4, page 3 of this Schedule).
- (4) The Predictive Risk Premium Model (PRPM) is applied to the risk premium of the monthly total returns of the S&P Utility Index and the monthly yields on Moody's A2 rated public utility bonds from January 1928 - January 2021.
- (5) Using data from Value Line for the S&P Utilities Index, an expected return of 10.36% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the expected A2 rated public utility bond yield of 3.56%, calculated on line 3 of page 3 of this Schedule results in an equity risk premium of 6.80%. (10.36% - 3.56% = 6.80%)
- (6) Using data from Value Line for the S&P Utilities Index, an expected return of 10.36% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the current A2 rated public utility bond yield of 2.84%, shown on line 4 of page 3 of this Schedule results in an equity risk premium of 7.52%. (10.36% - 2.84% = 7.52%)
- (7) Using data from Bloomberg Professional Service for the S&P Utilities Index, an expected return of 7.67% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the expected A2 rated public utility bond yield of 3.56%, calculated on line 3 of page 3 of this Schedule results in an equity risk premium of 4.11%. (7.67% - 3.56% = 4.11%)
- (8) Using data from Bloomberg Professional Service for the S&P Utilities Index, an expected return of 7.67% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the current A2 rated public utility bond yield of 2.84%, shown on line 4 of page 3 of this Schedule results in an equity risk premium of 4.82%. (7.67% - 2.84% = 4.82%)
- (9) Average of lines 1 through 5.

Piedmont Natural Gas Company
Prediction of Equity Risk Premiums Relative to
Moody's A Rated Utility Bond Yields



		Prospective A2 Rated Utility Bond (1)	Prospective Equity Risk Premium
<u>Constant</u>	<u>Slope</u>	<u>3.56 %</u>	<u>5.83 %</u>
7.558 %	-0.4854		
		Current A2 Rated Utility Bond (2)	Equity Risk Premium
<u>Constant</u>	<u>Slope</u>	<u>2.84 %</u>	<u>6.18 %</u>
7.558 %	-0.4854		

Notes:

(1) From line 3 of page 3 of this Schedule.

(2) From line 4 of page 3 of this Schedule.

Source of Information: Regulatory Research Associates

I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

SCHEDULE DWD-4

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Step 13 2021

Piedmont Natural Gas Company
Indicated Common Equity Cost Rate Through Use
of the Traditional Capital Asset Pricing Model (CAPM) and Empirical Capital Asset Pricing Model (ECAPM)

Using Prospective Interest Rates

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
<u>Proxy Group of Eight Natural Gas Distribution Companies</u>	Value Line Adjusted Beta	Bloomberg Adjusted Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (4)
Atmos Energy Corporation	0.80	0.90	0.85	10.42 %	2.31 %	11.17 %	11.56 %	11.36 %
New Jersey Resources Corporation	0.95	0.97	0.96	10.42	2.31	12.32	12.42	12.37
NiSource, Inc.	0.85	1.00	0.93	10.42	2.31	12.00	12.19	12.09
Northwest Natural Holding Company	0.80	0.87	0.84	10.42	2.31	11.07	11.48	11.27
ONE Gas, Inc.	0.80	0.99	0.90	10.42	2.31	11.69	11.95	11.82
South Jersey Industries, Inc.	1.05	0.99	1.02	10.42	2.31	12.94	12.89	12.92
Southwest Gas Holdings, Inc.	0.95	1.10	1.03	10.42	2.31	13.05	12.97	13.01
Spire Inc.	0.85	0.97	<u>0.91</u>	10.42	2.31	<u>11.79</u>	<u>12.03</u>	<u>11.91</u>
Mean			<u>0.93</u>			<u>12.00 %</u>	<u>12.19 %</u>	<u>12.09 %</u>
Median			<u>0.92</u>			<u>11.90 %</u>	<u>12.11 %</u>	<u>12.00 %</u>
Average of Mean and Median			<u>0.93</u>			<u>11.95</u>	<u>12.15</u>	<u>12.05 %</u>

Using Current Interest Rates

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
<u>Proxy Group of Eight Natural Gas Distribution Companies</u>	Value Line Adjusted Beta	Bloomberg Adjusted Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (3)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (4)
Atmos Energy Corporation	0.80	0.90	0.85	10.83 %	1.70 %	10.91 %	11.31 %	11.11 %
New Jersey Resources Corporation	0.95	0.97	0.96	10.83	1.70	12.10	12.20	12.15
NiSource, Inc.	0.85	1.00	0.93	10.83	1.70	11.77	11.96	11.87
Northwest Natural Holding Company	0.80	0.87	0.84	10.83	1.70	10.80	11.23	11.01
ONE Gas, Inc.	0.80	0.99	0.90	10.83	1.70	11.45	11.72	11.58
South Jersey Industries, Inc.	1.05	0.99	1.02	10.83	1.70	12.75	12.69	12.72
Southwest Gas Holdings, Inc.	0.95	1.10	1.03	10.83	1.70	12.85	12.77	12.81
Spire Inc.	0.85	0.97	<u>0.91</u>	10.83	1.70	11.56	11.80	11.68
Mean			<u>0.93</u>			<u>11.77 %</u>	<u>11.96 %</u>	<u>11.87 %</u>
Median			<u>0.92</u>			<u>11.66 %</u>	<u>11.88 %</u>	<u>11.78 %</u>
Average of Mean and Median			<u>0.93</u>			<u>11.72</u>	<u>11.92</u>	<u>11.83 %</u>

Notes on page 2 of this Schedule.

Piedmont Natural Gas Company
Notes to Accompany the Application of the CAPM and ECAPM

Notes:

- (1) The market risk premium (MRP) is derived by using six different measures from three sources: Ibbotson, Value Line, and Bloomberg as illustrated below:

<u>Historical Data MRP Estimates:</u>	<u>Using Prospective Interest Rates</u>	<u>Using Current Interest Rates</u>
Measure 1: Ibbotson Arithmetic Mean MRP (1926-2019)		
Arithmetic Mean Monthly Returns for Large Stocks 1926-2019:	12.10 %	12.10 %
Arithmetic Mean Income Returns on Long-Term Government Bonds:	5.09	5.09
MRP based on Ibbotson Historical Data:	<u>7.01 %</u>	<u>7.01 %</u>
Measure 2: Application of a Regression Analysis to Ibbotson Historical Data (1926-2019)		
	<u>9.98 %</u>	<u>10.59 %</u>
Measure 3: Application of the PRPM to Ibbotson Historical Data: (January 1926 - January 2021)		
	<u>10.76 %</u>	<u>10.76 %</u>
<u>Value Line MRP Estimates:</u>		
Measure 4: Value Line Projected MRP (Thirteen weeks ending January 29, 2021)		
Total projected return on the market 3-5 years hence*:	9.83 %	9.83 %
Projected Risk-Free Rate (see note 2):	<u>2.31</u>	<u>1.70</u>
MRP based on Value Line Summary & Index:	<u>7.52 %</u>	<u>8.13 %</u>
*Forecasted 3-5 year capital appreciation plus expected dividend yield		
Measure 5: Value Line Projected Return on the Market based on the S&P 500		
Total return on the Market based on the S&P 500:	14.10 %	14.10 %
Projected Risk-Free Rate (see note 2):	<u>2.31</u>	<u>1.70</u>
MRP based on Value Line data	<u>11.79 %</u>	<u>12.40 %</u>
Measure 6: Bloomberg Projected MRP		
Total return on the Market based on the S&P 500:	17.78 %	17.78 %
Projected Risk-Free Rate (see note 2):	<u>2.31</u>	<u>1.70</u>
MRP based on Bloomberg data	<u>15.47 %</u>	<u>16.08 %</u>
Average of Value Line, Ibbotson, and Bloomberg MRP:	<u>10.42 %</u>	<u>10.83</u>

- (2) For reasons explained in the direct testimony, the appropriate risk-free rate for cost of capital purposes is the average forecast of 30 year Treasury Bonds per the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts. (See pages 10 and 11 of Schedule DWD-3.) The projection of the risk-free rate is illustrated below:

First Quarter 2021	1.80 %
Second Quarter 2021	1.90
Third Quarter 2021	2.00
Fourth Quarter 2021	2.10
First Quarter 2022	2.10
Second Quarter 2022	2.20
2022-2026	2.80
2027-2031	<u>3.60</u>
	<u>2.31 %</u>

- (3) Three-month average on 30-year Treasury bond yield ended January, 2021 as shown below:

Nov-20	1.62 %
Dec-20	1.67
Jan-21	<u>1.82</u>
	<u>1.70 %</u>

- (4) Average of Column 6 and Column 7.

Sources of Information:

Value Line Summary and Index
Blue Chip Financial Forecasts, February 1, 2021 and December 1, 2020
Stocks, Bonds, Bills, and Inflation - 2020 SBBI Yearbook, John Wiley & Sons, Inc.
Bloomberg Professional Services

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

SCHEDULE DWD-5

Piedmont Natural Gas Company, Inc.
Basis of Selection of the Group of Non-Price Regulated Companies
Comparable in Total Risk to the Utility Proxy Group

The criteria for selection of the proxy group of forty-seven non-price regulated companies was that the non-price regulated companies be domestic and reported in Value Line Investment Survey (Standard Edition).

The Non-Price Regulated Proxy Group were then selected based on the unadjusted beta range of 0.64 – 0.94 and residual standard error of the regression range of 2.6426 – 3.1518 of the Utility Proxy Group.

These ranges are based upon plus or minus two standard deviations of the unadjusted beta and standard error of the regression. Plus or minus two standard deviations captures 95.50% of the distribution of unadjusted betas and residual standard errors of the regression.

The standard deviation of the Utility Proxy Group's residual standard error of the regression is 0.1273. The standard deviation of the standard error of the regression is calculated as follows:

$$\text{Standard Deviation of the Std. Err. of the Regr.} = \frac{\text{Standard Error of the Regression}}{\sqrt{2N}}$$

where: N = number of observations. Since Value Line betas are derived from weekly price change observations over a period of five years, N = 259

$$\text{Thus, } 0.1273 = \frac{2.8972}{\sqrt{518}} = \frac{2.8972}{22.7596}$$

Source of Information: Value Line, Inc., January 2021
Value Line Investment Survey (Standard Edition)

Piedmont Natural Gas Company
Basis of Selection of Comparable Risk
Domestic Non-Price Regulated Companies

	[1]	[2]	[3]	[4]
<u>Proxy Group of Eight Natural Gas Distribution Companies</u>	<u>Value Line Adjusted Beta</u>	<u>Unadjusted Beta</u>	<u>Residual Standard Error of the Regression</u>	<u>Standard Deviation of Beta</u>
Atmos Energy Corporation	0.80	0.69	2.6472	0.0666
New Jersey Resources Corporation	0.95	0.90	2.9292	0.0736
NiSource, Inc.	0.85	0.72	2.5803	0.0649
Northwest Natural Holding Company	0.80	0.69	3.0008	0.0754
ONE Gas, Inc.	0.80	0.68	2.7404	0.0689
South Jersey Industries, Inc.	1.05	1.01	3.4547	0.0869
Southwest Gas Holdings, Inc.	0.95	0.90	3.0249	0.0760
Spire Inc.	0.85	0.71	2.7999	0.0704
Average	<u>0.88</u>	<u>0.79</u>	<u>2.8972</u>	<u>0.0728</u>
Beta Range (+/- 2 std. Devs. of Beta) 2 std. Devs. of Beta	0.64 0.15	0.94		
Residual Std. Err. Range (+/- 2 std. Devs. of the Residual Std. Err.)	2.6426	3.1518		
Std. dev. of the Res. Std. Err.	0.1273			
2 std. devs. of the Res. Std. Err.	0.2546			

Source of Information: Valueline Proprietary Database, January 2021

Piedmont Natural Gas Company
Proxy Group of Non-Price Regulated Companies
Comparable in Total Risk to the
Proxy Group of Eight Natural Gas Distribution Companies

	[1]	[2]	[3]	[4]
<u>Proxy Group of Forty Seven Non-Price Regulated Companies</u>	<u>VL Adjusted Beta</u>	<u>Unadjusted Beta</u>	<u>Residual Standard Error of the Regression</u>	<u>Standard Deviation of Beta</u>
Abbot Laboratories	0.95	0.91	2.7460	0.0690
Analog Devices	0.95	0.86	2.6778	0.0673
Assurant Inc.	0.95	0.85	2.9139	0.0733
ANSYS, Inc.	0.85	0.76	2.8279	0.0711
Smith (A.O.)	0.90	0.83	2.7524	0.0692
Booz Allen Hamilton	0.90	0.82	3.0724	0.0772
Becton, Dickinson, and Co.	0.80	0.67	2.8794	0.0724
Brown-Forman Corporation	0.85	0.76	2.6920	0.0677
Broadridge Fin'l	0.85	0.72	2.7392	0.0689
Cadence Design Sys.	0.90	0.82	2.9867	0.0751
Cerner Corp.	0.95	0.87	2.7913	0.0702
Cooper Cos.	0.95	0.92	2.7038	0.0680
CSW Industrials	0.85	0.76	2.7444	0.0690
Quest Diagnostics	0.90	0.80	2.6677	0.0671
Dolby Labs.	0.95	0.87	2.6659	0.0670
Estee Lauder	0.90	0.83	2.7514	0.0692
Exponent, Inc.	0.85	0.76	2.9154	0.0733
FirstCash, Inc.	0.85	0.72	3.1426	0.0790
Gentex Corporation	0.95	0.91	2.7484	0.0691
Hershey Co.	0.85	0.72	2.7087	0.0681
Int'l Flavors & Frag	0.90	0.81	3.1117	0.0782
Ingredion Inc.	0.90	0.78	2.9266	0.0736
Iron Mountain	0.95	0.87	3.0310	0.0762
Hunt (J.B.)	0.95	0.88	2.8114	0.0707
J & J Snack Foods Corp.	0.90	0.82	2.8400	0.0714
Jack Henry & Associates, Inc.	0.85	0.70	2.7540	0.0692
St. Joe Corp	0.90	0.84	3.0735	0.0773
ManTech Int'l 'A'	0.85	0.72	3.0697	0.0772
McCormick and Co.	0.85	0.70	2.7595	0.0694
Altria Group	0.90	0.79	2.8916	0.0727
MSCI Inc.	0.95	0.86	2.9256	0.0735
Motorola Solutions, Inc.	0.90	0.82	2.8041	0.0705
Maxim Integrated	0.95	0.85	2.9413	0.0739
Northrop Grumman	0.85	0.71	2.8969	0.0728
Old Dominion Freight	0.95	0.86	3.0843	0.0775
Progressive Corp.	0.80	0.65	2.6455	0.0665
PerkinElmer, Inc.	0.95	0.92	2.6809	0.0674
Pool Corp.	0.90	0.82	2.9389	0.0739
Post Holdings, Inc.	0.95	0.88	2.9687	0.0746
Rollins, Inc.	0.85	0.76	2.8807	0.0724
Starbucks Corporation	0.95	0.92	2.6496	0.0666
Selective Ins. Group	0.85	0.74	2.9102	0.0732
Tetra Tech	0.90	0.83	2.9490	0.0741
AMERCO	0.95	0.87	2.6739	0.0672
United Parcel Serv.	0.80	0.64	2.9674	0.0746
Waters Corp.	0.95	0.87	2.7355	0.0688
Western Union	0.80	0.68	2.7006	0.0679
Average	<u>0.90</u>	<u>0.80</u>	<u>2.8457</u>	<u>0.0715</u>
Proxy Group of Eight Natural Gas Distribution Companies	<u>0.88</u>	<u>0.79</u>	<u>2.8972</u>	<u>0.0728</u>

Source of Information:

Valueline Proprietary Database, January 2021

I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

SCHEDULE DWD-6

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Piedmont Natural Gas Company
 Summary of Cost of Equity Models Applied to
 Proxy Group of Forty Seven Non-Price Regulated Companies
 Comparable in Total Risk to the
Proxy Group of Eight Natural Gas Distribution Companies

<u>Principal Methods</u>	<u>Proxy Group of Forty Seven Non- Price Regulated Companies</u>	<u>Results using Current Interest Rates</u>
Discounted Cash Flow Model (DCF) (1)	11.97 %	11.97 %
Risk Premium Model (RPM) (2)	12.82	12.43
Capital Asset Pricing Model (CAPM) (3)	<u>12.07</u>	<u>11.84</u>
	Mean <u>12.29 %</u>	<u>12.08 %</u>
	Median <u>12.07 %</u>	<u>11.97 %</u>
	Average of Mean and Median <u>12.18 %</u>	<u>12.03 %</u>

Notes:

- (1) From page 2 of this Schedule.
- (2) From page 3 of this Schedule.
- (3) From page 6 of this Schedule.

Piedmont Natural Gas Company
DCF Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Eight Natural Gas Distribution Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Forty Seven Non-Price Regulated Companies	Average Dividend Yield	Value Line Projected Five Year Growth in EPS	Zack's Five Year Projected Growth Rate in EPS	Yahoo! Finance Projected Five Year Growth in EPS	Bloomberg Projected Five Year Growth in EPS	Average Projected Five Year Growth Rate in EPS	Adjusted Dividend Yield	Indicated Common Equity Cost Rate (1)
Abbot Laboratories	1.63 %	12.00 %	12.30 %	16.34 %	15.11 %	13.94 %	1.74 %	15.68 %
Analog Devices	1.72	8.50	12.30	11.47	8.80	10.27	1.81	12.08
Assurant Inc.	1.97	6.50	NA	19.40	NA	12.95	2.10	15.05
ANSYS, Inc.	-	10.00	NA	6.39	13.60	10.00	-	NA
Smith (A.O.)	1.86	5.00	9.00	8.00	10.00	8.00	1.93	9.93
Booz Allen Hamilton	1.39	11.00	10.60	12.24	NA	11.28	1.47	12.75
Becton, Dickinson, and Co.	1.35	9.00	9.00	9.50	11.79	9.82	1.42	11.24
Brown-Forman Corporation	0.93	12.00	NA	8.81	5.57	8.79	0.97	9.76
Broadridge Fin'l	1.54	10.50	NA	10.00	7.40	9.30	1.61	10.91
Cadence Design Sys.	-	13.00	14.70	14.70	11.23	13.41	-	NA
Cerner Corp.	1.15	9.00	11.80	10.03	10.04	10.22	1.21	11.43
Cooper Cos.	0.02	14.50	11.00	10.00	10.83	11.58	0.02	11.60
CSW Industrials	0.48	8.50	NA	12.00	5.00	8.50	0.50	9.00
Quest Diagnostics	1.81	11.00	26.50	9.72	17.71	16.23	1.96	18.19
Dolby Labs.	0.97	10.50	13.00	16.00	NA	13.17	1.03	14.20
Estee Lauder	0.85	12.00	13.00	17.10	15.85	14.49	0.91	15.40
Exponent, Inc.	0.88	11.00	NA	15.00	15.00	13.67	0.94	14.61
FirstCash, Inc.	1.67	9.50	NA	(0.93)	NA	9.50	1.75	11.25
Gentex Corporation	1.43	9.50	2.60	15.00	5.86	8.24	1.49	9.73
Hershey Co.	2.15	5.00	7.70	7.78	7.07	6.89	2.22	9.11
Int'l Flavors & Frag	2.72	6.00	3.50	1.88	13.74	6.28	2.81	9.09
Ingredion Inc.	3.28	6.00	NA	1.88	8.60	5.49	3.37	8.86
Iron Mountain	8.60	8.50	1.70	1.70	2.87	3.69	8.76	12.45
Hunt (J.B.)	0.81	6.50	15.00	20.73	17.23	14.87	0.87	15.74
J & J Snack Foods Corp.	1.50	10.00	NA	6.00	NA	8.00	1.56	9.56
Jack Henry & Associates, Inc.	1.09	10.50	10.70	10.80	9.00	10.25	1.15	11.40
St. Joe Corp	0.73	16.50	NA	(28.10)	NA	16.50	0.79	17.29
ManTech Int'l 'A'	1.52	12.00	7.40	8.41	7.36	8.79	1.59	10.38
McCormick and Co.	1.46	6.50	6.50	4.80	11.07	7.22	1.51	8.73
Altria Group	8.37	6.50	4.00	4.12	3.70	4.58	8.56	13.14
MSCI Inc.	0.75	17.00	NA	13.20	11.35	13.85	0.80	14.65
Motorola Solutions, Inc.	1.67	8.00	9.00	5.88	11.10	8.50	1.74	10.24
Maxim Integrated	-	7.00	10.00	18.44	11.30	11.69	-	NA
Northrop Grumman	1.92	10.50	NA	6.04	4.61	7.05	1.99	9.04
Old Dominion Freight	0.30	9.00	15.60	15.07	11.79	12.87	0.32	13.19
Progressive Corp.	0.43	9.50	6.70	(1.61)	(1.40)	8.10	0.45	8.55
PerkinElmer, Inc.	0.20	17.50	19.50	17.20	11.07	16.32	0.22	16.54
Pool Corp.	0.65	17.50	NA	17.00	17.00	17.17	0.71	17.88
Post Holdings, Inc.	-	11.50	NA	29.70	13.15	18.12	-	NA
Rollins, Inc.	0.83	12.00	NA	8.20	NA	10.10	0.87	10.97
Starbucks Corporation	1.79	13.50	13.60	50.81	18.24	24.04	2.01	26.05 (2)
Selective Ins. Group	1.54	6.50	NA	1.88	37.89	15.42	1.66	17.08
Tetra Tech	0.56	11.00	15.00	15.00	13.65	13.66	0.60	14.26
AMERCO	-	1.50	NA	15.00	NA	8.25	-	NA
United Parcel Serv.	2.44	8.00	7.90	9.61	10.23	8.93	2.55	11.48
Waters Corp.	-	6.00	5.10	4.90	5.32	5.33	-	NA
Western Union	4.09	6.00	NA	8.88	11.90	8.93	4.27	13.20
							Mean	12.39 %
							Median	11.54 %
							Average of Mean and Median	11.97 %

NA= Not Available

NMF= Not Meaningful Figure

(1) The application of the DCF model to the domestic, non-price regulated comparable risk companies is identical to the application of the DCF to the Utility Proxy Group. The dividend yield is derived by using the 60 day average price and the spot indicated dividend as of January 29, 2021. The dividend yield is then adjusted by 1/2 the average projected growth rate in EPS, which is calculated by averaging the 5 year projected growth in EPS provided by Value Line, Bloomberg Professional Service, www.zacks.com, and www.yahoo.com (excluding any negative growth rates) and then adding that growth rate to the adjusted dividend yield.

(2) Starbucks Corporation's DCF results were excluded from the final average and median as they were more than 2 standard deviations from the proxy group's mean.

Source of Information:

Value Line Investment Survey
Bloomberg Professional Service
www.zacks.com Downloaded on 01/29/2021
www.yahoo.com Downloaded on 01/29/2021

Piedmont Natural Gas Company
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

<u>Line No.</u>		<u>Proxy Group of Forty Seven Non-Price Regulated Companies</u>	<u>Results using Current Interest Rates</u>
1.	Prospective Yield on Baa2 Rated Corporate Bonds (1)	4.04 %	
2.	Current Yield on Baa2 Rated Corporate Bonds (2)		3.24 %
3.	Equity Risk Premium (3)	<u>8.78</u>	<u>9.19</u>
4.	Risk Premium Derived Common Equity Cost Rate	<u>12.82 %</u>	<u>12.43 %</u>

Notes: (1) Average forecast of Baa2 corporate bonds based upon the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts dated February 1, 2021 and December 1, 2020 (see pages 10 and 11 of Schedule DWD-3). The estimates are detailed below.

First Quarter 2021	3.40 %
Second Quarter 2021	3.60
Third Quarter 2021	3.70
Fourth Quarter 2021	3.80
First Quarter 2022	3.90
Second Quarter 2022	3.90
2022-2026	4.60
2027-2031	<u>5.40</u>
Average	<u>4.04 %</u>

(2) Three-month average Baa2 corporate bond yield ended January, 2021 as reported by Bloomberg Professional Services shown below:

Nov-20	3.30
Dec-20	3.16
Jan-21	<u>3.25</u>
Average	<u>3.24 %</u>

(3) From page 5 of this Schedule.

Piedmont Natural Gas Company
Comparison of Long-Term Issuer Ratings for the
Proxy Group of Forty Seven Non-Price Regulated Companies of Comparable risk to the
Proxy Group of Eight Natural Gas Distribution Companies

Proxy Group of Forty Seven Non-Price Regulated Companies	Moody's Long-Term Issuer Rating January 2021		Standard & Poor's Long-Term Issuer Rating January 2021	
	Long-Term Issuer Rating	Numerical Weighting (1)	Long-Term Issuer Rating	Numerical Weighting (1)
Abbot Laboratories	A3	7.0	A	6.0
Analog Devices	Baa1	8.0	BBB	--
Assurant Inc.	Baa3	10.0	BBB	9.0
ANSYS, Inc.	NA	--	NA	--
Smith (A.O.)	NA	--	NA	--
Booz Allen Hamilton	NA	--	NA	--
Becton, Dickinson, and Co.	Baa3	10.0	BBB	9.0
Brown-Forman Corporation	A1	5.0	A-	7.0
Broadridge Fin'l	Baa1	8.0	BBB+	8.0
Cadence Design Sys.	Baa2	9.0	BBB+	8.0
Cerner Corp.	NA	--	NA	--
Cooper Cos.	WR	--	NR	--
CSW Industrials	NA	--	NA	--
Quest Diagnostics	Baa2	9.0	BBB+	8.0
Dolby Labs.	NA	--	NA	--
Estee Lauder	A1	5.0	A+	5.0
Exponent, Inc.	NA	--	NA	--
FirstCash, Inc.	Ba1	11.0	BB	12.0
Genx Corporation	NA	--	NA	--
Hershey Co.	A1	5.0	A	6.0
Int'l Flavors & Frag	Baa3	10.0	BBB	9.0
Ingredion Inc.	Baa1	8.0	BBB	9.0
Iron Mountain	Ba3	13.0	BB-	13.0
Hunt (J.B.)	Baa1	8.0	BBB+	8.0
J & J Snack Foods Corp.	NA	--	NA	--
Jack Henry & Associates, Inc.	NA	--	NA	--
St. Joe Corp	NA	--	NA	--
ManTech Int'l 'A'	WR	--	BB+	11.0
McCormick and Co.	Baa2	9.0	BBB	9.0
Altria Group	A3	7.0	BBB	9.0
MSCI Inc.	Ba2	12.0	BB+	11.0
Motorola Solutions, Inc.	Baa3	10.0	BBB-	10.0
Maxim Integrated	Baa1	8.0	BBB+	--
Northrop Grumman	Baa2	9.0	BBB	9.0
Old Dominion Freight	NA	--	NA	--
Progressive Corp.	A2	6.0	A	6.0
PerkinElmer, Inc.	Baa3	10.0	BBB	9.0
Pool Corp.	NA	--	NA	--
Post Holdings, Inc.	B2	15.0	B+	14.0
Rollins, Inc.	NA	--	NA	--
Starbucks Corporation	Baa1	8.0	BBB+	8.0
Selective Ins. Group	Baa2	9.0	BBB	9.0
Tetra Tech	NA	--	NA	--
AMERCO	WR	--	NR	--
United Parcel Serv.	A2	6.0	A-	7.0
Waters Corp.	NA	--	NA	--
Western Union	Baa2	9.0	BBB	9.0
Average	<u>Baa2</u>	<u>8.7</u>	<u>BBB</u>	<u>8.8</u>

Notes:

(1) From page 6 of Schedule DWD-3.

Source of Information:

Bloomberg Professional Services

Piedmont Natural Gas Company
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for
Proxy Group of Forty Seven Non-Price Regulated Companies of Comparable risk to the
Proxy Group of Eight Natural Gas Distribution Companies

<u>Line No.</u>	<u>Equity Risk Premium Measure</u>	<u>Proxy Group of Forty Seven Non- Price Regulated Companies</u>	<u>Results using Current Interest Rates</u>
1.	Ibbotson Equity Risk Premium (1)	5.78 %	5.78 %
2.	Regression on Ibbotson Risk Premium Data	9.30 (2)	10.05 (3)
3.	Ibbotson Equity Risk Premium based on PRPM (4)	9.65	9.65
4.	Equity Risk Premium Based on <u>Value Line</u> Summary and Index	6.77 (5)	7.41 (6)
5.	Equity Risk Premium Based on <u>Value Line</u> S&P 500 Companies	11.04 (7)	11.68 (8)
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies	<u>14.72 (9)</u>	<u>15.36 (10)</u>
7.	Conclusion of Equity Risk Premium	9.54 %	9.99 %
8.	Adjusted Beta (11)	<u>0.92</u>	<u>0.92</u>
9.	Forecasted Equity Risk Premium	<u><u>8.78 %</u></u>	<u><u>9.19 %</u></u>

Notes:

- (1) From note 1 of page 9 of Schedule DWD-3.
- (2) From note 2 of page 9 of Schedule DWD-3.
- (3) From note 3 of page 9 of Schedule DWD-3.
- (4) From note 4 of page 9 of Schedule DWD-3.
- (5) From note 5 of page 9 of Schedule DWD-3.
- (6) From note 6 of page 9 of Schedule DWD-3.
- (7) From note 7 of page 9 of Schedule DWD-3.
- (8) From note 8 of page 9 of Schedule DWD-3.
- (9) From note 9 of page 9 of Schedule DWD-3.
- (10) From note 10 of page 9 of Schedule DWD-3.
- (11) Average of mean and median beta from page 6 of this Schedule.

Sources of Information:

Stocks, Bonds, Bills, and Inflation - 2020 SBBI Yearbook, John Wiley & Sons, Inc.
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Blue Chip Financial Forecasts, February 1, 2021 and December 1, 2020
Bloomberg Professional Services

Piedmont Natural Gas Company
Traditional CAPM and ECAPM Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Eight Natural Gas Distribution Companies

Using Prospective Interest Rates

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Forty Seven Non-Price Regulated Companies	Value Line Adjusted Beta	Bloomberg Beta	Average Beta	Market Risk Premium (1)	Risk- Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (4)
Abbot Laboratories	0.95	0.90	0.92	10.42 %	2.31 %	11.90 %	12.11 %	12.00 %
Analog Devices	0.95	1.06	1.01	10.42	2.31	12.84	12.81	12.82
Assurant Inc.	0.90	1.01	0.95	10.42	2.31	12.21	12.34	12.28
ANSYS, Inc.	0.90	0.93	0.92	10.42	2.31	11.90	12.11	12.00
Smith (A.O.)	0.90	1.01	0.96	10.42	2.31	12.32	12.42	12.37
Booz Allen Hamilton	0.90	0.90	0.90	10.42	2.31	11.69	11.95	11.82
Becton, Dickinson, and Co.	0.80	0.62	0.71	10.42	2.31	9.71	10.47	10.09 (5)
Brown-Forman Corporation	0.85	0.97	0.91	10.42	2.31	11.79	12.03	11.91
Broadridge Fin'l	0.85	0.83	0.84	10.42	2.31	11.07	11.48	11.27
Cadence Design Sys.	0.95	0.98	0.96	10.42	2.31	12.32	12.42	12.37
Cerner Corp.	0.95	0.91	0.93	10.42	2.31	12.00	12.19	12.09
Cooper Cos.	0.95	0.93	0.94	10.42	2.31	12.11	12.26	12.19
CSW Industrials	0.85	1.02	0.94	10.42	2.31	12.11	12.26	12.19
Quest Diagnostics	0.90	0.99	0.95	10.42	2.31	12.21	12.34	12.28
Dolby Labs.	0.95	0.95	0.95	10.42	2.31	12.21	12.34	12.28
Estee Lauder	0.90	0.97	0.94	10.42	2.31	12.11	12.26	12.19
Exponent, Inc.	0.85	0.91	0.88	10.42	2.31	11.48	11.79	11.64
FirstCash, Inc.	0.80	0.97	0.88	10.42	2.31	11.48	11.79	11.64
Gentex Corporation	0.95	1.05	1.00	10.42	2.31	12.73	12.73	12.73
Hershey Co.	0.85	0.83	0.84	10.42	2.31	11.07	11.48	11.27
Int'l Flavors & Frag	0.90	1.04	0.97	10.42	2.31	12.42	12.50	12.46
Ingredion Inc.	0.90	0.92	0.91	10.42	2.31	11.79	12.03	11.91
Iron Mountain	0.95	1.08	1.01	10.42	2.31	12.84	12.81	12.82
Hunt (J.B.)	0.95	0.91	0.93	10.42	2.31	12.00	12.19	12.09
J & J Snack Foods Corp.	0.90	0.78	0.84	10.42	2.31	11.07	11.48	11.27
Jack Henry & Associates, Inc.	0.85	0.90	0.87	10.42	2.31	11.38	11.72	11.55
St. Joe Corp	0.90	0.96	0.93	10.42	2.31	12.00	12.19	12.09
ManTech Int'l 'A'	0.85	1.11	0.98	10.42	2.31	12.52	12.58	12.55
McCormick and Co.	0.85	0.69	0.77	10.42	2.31	10.34	10.93	10.64 (5)
Altria Group	0.90	0.87	0.89	10.42	2.31	11.59	11.87	11.73
MSCI Inc.	0.95	0.92	0.93	10.42	2.31	12.00	12.19	12.09
Motorola Solutions, Inc.	0.90	0.94	0.92	10.42	2.31	11.90	12.11	12.00
Maxim Integrated	0.95	1.01	0.98	10.42	2.31	12.52	12.58	12.55
Northrop Grumman	0.85	0.78	0.82	10.42	2.31	10.86	11.33	11.09
Old Dominion Freight	0.95	0.98	0.96	10.42	2.31	12.32	12.42	12.37
Progressive Corp.	0.80	0.77	0.79	10.42	2.31	10.54	11.09	10.82
PerkinElmer, Inc.	0.95	0.85	0.90	10.42	2.31	11.69	11.95	11.82
Pool Corp.	0.90	0.94	0.92	10.42	2.31	11.90	12.11	12.00
Post Holdings, Inc.	0.95	0.91	0.93	10.42	2.31	12.00	12.19	12.09
Rollins, Inc.	0.85	0.67	0.76	10.42	2.31	10.23	10.86	10.54 (5)
Starbucks Corporation	0.95	1.07	1.01	10.42	2.31	12.84	12.81	12.82
Selective Ins. Group	0.85	0.97	0.91	10.42	2.31	11.79	12.03	11.91
Tetra Tech	0.90	1.02	0.96	10.42	2.31	12.32	12.42	12.37
AMERCO	0.95	1.09	1.02	10.42	2.31	12.94	12.89	12.92
United Parcel Serv.	0.80	0.85	0.82	10.42	2.31	10.86	11.33	11.09
Waters Corp.	0.95	0.84	0.90	10.42	2.31	11.69	11.95	11.82
Western Union	0.85	1.05	0.95	10.42	2.31	12.21	12.34	12.28
		Mean	<u>0.91</u>			<u>11.83 %</u>	<u>12.05 %</u>	<u>12.04 %</u>
		Median	<u>0.93</u>			<u>12.00 %</u>	<u>12.19 %</u>	<u>12.09 %</u>
	Average of Mean and Median		<u>0.92</u>			<u>11.92 %</u>	<u>12.12 %</u>	<u>12.07 %</u>

Piedmont Natural Gas Company
Traditional CAPM and ECAPM Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Eight Natural Gas Distribution Companies

Using Current Interest Rates

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Forty Seven Non-Price Regulated Companies	Value Line Adjusted Beta	Bloomberg Beta	Average Beta	Market Risk Premium (1)	Risk- Free Rate (3)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (4)
Abbot Laboratories	0.95	0.90	0.92	10.83	1.70	11.66 %	11.88 %	11.77 %
Analog Devices	0.95	1.06	1.01	10.83	1.70	12.64	12.61	12.62
Assurant Inc.	0.90	1.01	0.95	10.83	1.70	11.99	12.12	12.06
ANSYS, Inc.	0.90	0.93	0.92	10.83	1.70	11.66	11.88	11.77
Smith (A.O.)	0.90	1.01	0.96	10.83	1.70	12.10	12.20	12.15
Booz Allen Hamilton	0.90	0.90	0.90	10.83	1.70	11.45	11.72	11.58
Becton, Dickinson, and Co.	0.80	0.62	0.71	10.83	1.70	9.39	10.17	9.78 (5)
Brown-Forman Corporation	0.85	0.97	0.91	10.83	1.70	11.56	11.80	11.68
Broadridge Fin'l	0.85	0.83	0.84	10.83	1.70	10.80	11.23	11.01
Cadence Design Sys.	0.95	0.98	0.96	10.83	1.70	12.10	12.20	12.15
Cerner Corp.	0.95	0.91	0.93	10.83	1.70	11.77	11.96	11.87
Cooper Cos.	0.95	0.93	0.94	10.83	1.70	11.88	12.04	11.96
CSW Industrials	0.85	1.02	0.94	10.83	1.70	11.88	12.04	11.96
Quest Diagnostics	0.90	0.99	0.95	10.83	1.70	11.99	12.12	12.06
Dolby Labs.	0.95	0.95	0.95	10.83	1.70	11.99	12.12	12.06
Estee Lauder	0.90	0.97	0.94	10.83	1.70	11.88	12.04	11.96
Exponent, Inc.	0.85	0.91	0.88	10.83	1.70	11.23	11.56	11.39
FirstCash, Inc.	0.80	0.97	0.88	10.83	1.70	11.23	11.56	11.39
Gentex Corporation	0.95	1.05	1.00	10.83	1.70	12.53	12.53	12.53
Hershey Co.	0.85	0.83	0.84	10.83	1.70	10.80	11.23	11.01
Int'l Flavors & Frag	0.90	1.04	0.97	10.83	1.70	12.20	12.29	12.25
Ingredion Inc.	0.90	0.92	0.91	10.83	1.70	11.56	11.80	11.68
Iron Mountain	0.95	1.08	1.01	10.83	1.70	12.64	12.61	12.62
Hunt (J.B.)	0.95	0.91	0.93	10.83	1.70	11.77	11.96	11.87
J & J Snack Foods Corp.	0.90	0.78	0.84	10.83	1.70	10.80	11.23	11.01
Jack Henry & Associates, Inc.	0.85	0.90	0.87	10.83	1.70	11.12	11.47	11.30
St. Joe Corp	0.90	0.96	0.93	10.83	1.70	11.77	11.96	11.87
ManTech Int'l 'A'	0.85	1.11	0.98	10.83	1.70	12.31	12.37	12.34
McCormick and Co.	0.85	0.69	0.77	10.83	1.70	10.04	10.66	10.35 (5)
Altria Group	0.90	0.87	0.89	10.83	1.70	11.34	11.64	11.49
MSCI Inc.	0.95	0.92	0.93	10.83	1.70	11.77	11.96	11.87
Motorola Solutions, Inc.	0.90	0.94	0.92	10.83	1.70	11.66	11.88	11.77
Maxim Integrated	0.95	1.01	0.98	10.83	1.70	12.31	12.37	12.34
Northrop Grumman	0.85	0.78	0.82	10.83	1.70	10.58	11.07	10.82
Old Dominion Freight	0.95	0.98	0.96	10.83	1.70	12.10	12.20	12.15
Progressive Corp.	0.80	0.77	0.79	10.83	1.70	10.26	10.82	10.54
PerkinElmer, Inc.	0.95	0.85	0.90	10.83	1.70	11.45	11.72	11.58
Pool Corp.	0.90	0.94	0.92	10.83	1.70	11.66	11.88	11.77
Post Holdings, Inc.	0.95	0.91	0.93	10.83	1.70	11.77	11.96	11.87
Rollins, Inc.	0.85	0.67	0.76	10.83	1.70	9.93	10.58	10.26 (5)
Starbucks Corporation	0.95	1.07	1.01	10.83	1.70	12.64	12.61	12.62
Selective Ins. Group	0.85	0.97	0.91	10.83	1.70	11.56	11.80	11.68
Tetra Tech	0.90	1.02	0.96	10.83	1.70	12.10	12.20	12.15
AMERCO	0.95	1.09	1.02	10.83	1.70	12.75	12.69	12.72
United Parcel Serv.	0.80	0.85	0.82	10.83	1.70	10.58	11.07	10.82
Waters Corp.	0.95	0.84	0.90	10.83	1.70	11.45	11.72	11.58
Western Union	0.85	1.05	0.95	10.83	1.70	11.99	12.12	12.06
		Mean	0.91			11.59 %	11.82 %	11.81 %
		Median	0.93			11.77 %	11.96 %	11.87 %
		Average of Mean and Median	0.92			11.68 %	11.89 %	11.84 %

Notes:

- (1) From Schedule DWD-4, note 1.
- (2) From Schedule DWD-4, note 2.
- (3) From Schedule DWD-4, note 3.
- (4) Average of CAPM and ECAPM cost rates.
- (5) Results were excluded from the final average and median as they were more than 2 standard deviations from the proxy group's mean.

I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

SCHEDULE DWD-7

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Step 13 2021

Piedmont Natural Gas Company
Derivation of Investment Risk Adjustment Based upon
Ibbotson Associates' Size Premia for the Decile Portfolios of the NYSE/AMEX/NASDAQ

Line No.		[1]		[2]	[3]	[4]
		Market Capitalization on January 29, 2021 (1) (millions)	(times larger)	Applicable Decile of the NYSE/AMEX/NASDAQ (2)	Applicable Size Premium (3)	Spread from Applicable Size Premium (4)
1.	<u>Piedmont Natural Gas Company</u>	\$ 4,004.929		5	1.10%	
2.	<u>Proxy Group of Eight Natural Gas Distribution Companies</u>	\$ 4,505.920	1.1 x	4	0.79%	0.31%
			[A]	[B]	[C]	[D]
			Decile	Market Capitalization of Smallest Company (millions)	Market Capitalization of Largest Company (millions)	Size Premium (Return in Excess of CAPM)*
			Largest	1 \$ 31,090.379	\$ 1,061,355.011	-0.28%
				2 13,142.606	30,542.936	0.50%
				3 6,618.604	13,100.225	0.73%
				4 4,312.546	6,614.962	0.79%
				5 2,688.889	4,311.252	1.10%
				6 1,669.856	2,685.865	1.34%
				7 993.855	1,668.282	1.47%
				8 515.621	993.847	1.59%
				9 230.024	515.602	2.22%
			Smallest	10 1.973	229.748	4.99%

*From Duff & Phelps Cost of Capital Navigator

Notes:

- (1) From page 2 of this Schedule.
- (2) Gleaned from Columns [B] and [C] on the bottom of this page. The appropriate decile (Column [A]) corresponds to the market capitalization of the proxy group, which is found in Column [1].
- (3) Corresponding risk premium to the decile is provided in Column [D] on the bottom of this page.
- (4) Line No. 1 Column [3] – Line No. 2 Column [3]. For example, the 0.31% in Column [4], Line No. 2 is derived as follows $0.31\% = 1.59\% - 0.79\%$.

Piedmont Natural Gas Company
Market Capitalization of Piedmont Natural Gas Company and the
Proxy Group of Eight Natural Gas Distribution Companies

Company	Exchange	[1] Common Stock Shares Outstanding at Fiscal Year End 2019 (millions)	[2] Book Value per Share at Fiscal Year End 2019 (1)	[3] Total Common Equity at Fiscal Year End 2019 (millions)	[4] Closing Stock Market Price on January 29, 2021	[5] Market-to- Book Ratio on January 29, 2021 (2)	[6] Market Capitalization on January 29, 2021 (3) (millions)
Piedmont Natural Gas Company		NA	NA	\$ 2,507.78 (4)	NA		
Based upon Proxy Group of Eight Natural Gas Distribution Companies						159.7 (5)	\$ 4,004.929 (6)
Proxy Group of Eight Natural Gas Distribution Companies							
Atmos Energy Corporation	NYSE	119.339	\$ 48.184	\$ 5,750.223	\$ 89.000	184.7 %	\$ 10,621.164
New Jersey Resources Corporation	NYSE	89.338	17.369	\$ 1,551.717	35.010	201.6	\$ 3,127.725
NiSource, Inc.	NYSE	382.136	15.666	\$ 5,986.700	22.150	141.4	\$ 8,464.305
Northwest Natural Holding Company	NYSE	30.472	28.419	\$ 865.999	46.710	164.4	\$ 1,423.347
ONE Gas, Inc.	NYSE	52.772	40.351	\$ 2,129.390	73.130	181.2	\$ 3,859.198
South Jersey Industries, Inc.	NYSE	92.394	15.410	\$ 1,423.785	23.100	149.9	\$ 2,134.305
Southwest Gas Holdings, Inc.	NYSE	55.007	45.556	\$ 2,505.914	59.960	131.6	\$ 3,298.246
Spire Inc.	NYSE	50.974	49.889	\$ 2,543.000	61.190	122.7	\$ 3,119.069
Average		109.054	\$ 32.606	\$ 2,844.591	\$ 51.281	159.7 %	\$ 4,505.920

NA= Not Available

Notes: (1) Column 3 / Column 1.

(2) Column 4 / Column 2.

(3) Column 1 * Column 4.

(4) Requested rate base multiplied by requested equity ratio.

(5) The market-to-book ratio of Piedmont Natural Gas Company on January 29, 2021 is assumed to be equal to the market-to-book ratio of Proxy Group of Eight Natural Gas Distribution Companies on January 29, 2021 as appropriate.

(6) Column [3] multiplied by Column [5].

Source of Information: 2019 Annual Forms 10K
yahoo.finance.com

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

SCHEDULE DWD-8

Piedmont Natural Gas Company
Derivation of the Flotation Cost Adjustment to the Cost of Common Equity

Equity Issuances since 2010

	[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]	[Column 6]	[Column 7]	[Column 8]	[Column 9]	[Column 10]	
<u>Date of Offering</u>	<u>Transaction (1)</u>	<u>Shares Issued</u>	<u>Market Price per Share</u>	<u>Average Offering Price per Share</u>	<u>Market Pressure (2)</u>	<u>Total Offering Expense per Share</u>	<u>Net Proceeds per Share (3)</u>	<u>Gross Equity Issue before Costs (4)</u>	<u>Total Net Proceeds (5)</u>	<u>Total Flotation Costs (6)</u>	<u>Flotation Cost Percentage (7)</u>
11/18/19	Equity Offering	28,750,000	\$ 88.65	\$ 85.99	\$ 2.66	\$ 0.021	\$ 85.9694	\$ 2,548,687,500	\$ 2,471,620,500	\$ 77,067,000	3.02%
03/06/18	Equity Offering	21,275,000	\$ 75.86	\$ 74.07	\$ 1.79	\$ 0.021	\$ 74.0508	\$ 1,613,921,500	\$ 1,575,431,800	\$ 38,489,700	2.38%
02/29/16	Equity Offering	10,637,500	\$ 73.35	\$ 69.84	\$ 3.51	\$ 0.038	\$ 69.8024	\$ 780,260,625	\$ 742,523,000	\$ 37,737,625	4.84%
								<u>\$ 4,942,869,625</u>	<u>\$ 4,789,575,300</u>	<u>\$ 153,294,325</u>	<u>3.10%</u>

Flotation Cost Adjustment

	<u>Average Dividend Yield</u>	<u>Average Projected EPS Growth Rate</u>	<u>Adjusted Dividend Yield</u>	<u>Average DCF Cost Rate Unadjusted for Flotation (8)</u>	<u>DCF Cost Rate Adjusted for Flotation (9)</u>	<u>Flotation Cost Adjustment (10)</u>
Proxy Group of Eight Natural Gas Distribution Companies	3.59 %	5.90 %	3.69 %	9.59 %	9.71 %	0.12 %

See page 2 of this Schedule for notes.

Source of Information: Company SEC filings

Piedmont Natural Gas Company, Inc.
Notes to Accompany the
Derivation of the Flotation Cost Adjustment to the Cost of Common Equity

- (1) Company-provided.
- (2) Column 2 – Column 3.
- (3) Column 2 – the sum of columns 4 and 5.
- (4) Column 1 * Column 2.
- (5) Column1 * Column 6.
- (6) Column1 * (the sum of columns 4 and 5).
- (7) (Column 7 – Column 8) divided by Column 7.
- (8) Using the average growth rate from Schedule DWD-2.
- (9) Adjustment for flotation costs based on adjusting the average DCF constant growth cost rate in accordance with the following:

$$K = \frac{D(1 + 0.5g)}{P(1 - F)} + g,$$

where g is the growth factor and F is the percentage of flotation costs.

- (10) Flotation cost adjustment of 0.12% equals the difference between the flotation adjusted average DCF cost rate of 9.71% and the unadjusted average DCF cost rate of 9.59% of the Utility Proxy Group.

Source of Information:

Company provided information

Piedmont Natural Gas Company
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of Dylan W. D'Ascendis, CRRA, CVA

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Calculation of Discounted Cash Flow Applied to Book Value Capital Structure of Mr. Hinton and Mr. O'Donnell's Proxy Groups	DWD-3R
Staff's Corrected Discounted Cash Flow Model	DWD-4R
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Piedmont Natural Gas Company
Brief Summary of Common Equity Cost Rate

Line No.	Principal Methods	Proxy Group of Seven Natural Gas Distribution Companies	Results using Current Interest Rates
1.	Discounted Cash Flow Model (DCF) (1)	9.59%	9.59%
2.	Risk Premium Model (RPM) (2)	10.71%	10.25%
3.	Capital Asset Pricing Model (CAPM) (3)	12.02%	11.79%
4.	Market Models Applied to Comparable Risk, Non-Price Regulated Companies (4)	12.72%	12.38%
5.	Indicated Range of Common Equity Cost Rates before Adjustment for Size Risk	9.59% - 12.72%	9.59% - 12.38%
6.	Size Risk Adjustment (5)	0.00%	0.00%
7.	Flotation Cost Adjustment (6)	0.11%	0.11%
8.	Recommended Range of Common Equity Cost Rates after Adjustment for Size Risk	9.70% - 12.83%	9.70% - 12.49%
9.	Recommended Cost of Common Equity Cost Rates after Adjustment for Size Risk	10.25%	

- Notes: (1) From page 2 of this Schedule.
(2) From page 10 of this Schedule.
(3) From page 23 of this Schedule.
(4) From page 28 of this Schedule.
(5) As discussed in Mr. D'Ascendis' Direct Testimony, a size adjustment is not applicable in this proceeding.
(6) From page 37 of this Schedule.

Piedmont Natural Gas Company
Indicated Common Equity Cost Rate Using the Discounted Cash Flow Model for the
Proxy Group of Seven Natural Gas Distribution Companies

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	
Proxy Group of Seven Natural Gas Distribution Companies	Average Dividend Yield (1)	Value Line Projected Five Year Growth in EPS (2)	Zack's Five Year Projected Growth Rate in EPS	Bloomberg's Five Year Projected Growth Rate in EPS	Yahoo! Finance Projected Five Year Growth in EPS	Average Projected Five Year Growth in EPS (3)	Adjusted Dividend Yield (4)	Indicated Common Equity Cost Rate (5)
Atmos Energy Corporation	2.51 %	7.00 %	7.34 %	7.43 %	7.17 %	7.24 %	2.60 %	9.84 %
New Jersey Resources Corporation	3.21	2.00	7.10	7.55	6.00	5.66	3.30	8.96
Northwest Natural Holding Company	3.60	5.50	4.93	4.73	3.80	4.74	3.69	8.43
ONE Gas, Inc.	3.09	6.50	5.00	5.00	5.00	5.38	3.17	8.55
South Jersey Industries, Inc.	4.61	11.50	5.43	4.76	4.80	6.62	4.76	11.38
Southwest Gas Holdings, Inc.	3.51	9.00	5.50	5.17	4.00	5.92	3.61	9.53
Spire Inc.	3.56	10.00	5.49	6.00	7.31	7.20	3.69	10.89
							Average	9.65 %
							Median	9.53 %
							Average of Mean and Median	9.59 %

NA = Not Available
NMF = Not Meaningful Figure

Notes:

- (1) Indicated dividend at 07/30/2021 divided by the average closing price of the last 60 trading days ending 07/30/2021 for each company.
- (2) From pages 3 through 9 of this Schedule.
- (3) Average of columns 2 through 5 excluding negative growth rates.
- (4) This reflects a growth rate component equal to one-half the conclusion of growth rate (from column 6) x column 1 to reflect the periodic payment of dividends (Gordon Model) as opposed to the continuous payment. Thus, for Atmos Energy Corporation, $2.51\% \times (1 + (1/2 \times 7.24\%)) = 2.60\%$.
- (5) Column 6 + column 7.

Source of Information:

Value Line Investment Survey
www.zacks.com Downloaded on 07/30/2021
www.yahoo.com Downloaded on 07/30/2021
Bloomberg Professional Services

ATMOS ENERGY CORP. NYSE-ATO
RECENT PRICE 98.51 P/E RATIO 18.9 (Trailing: 18.5) RELATIVE P/E RATIO 0.87 DIV'D YLD 2.7% VALUE LINE
TIMELINESS 3 Lowered 4/2/21 SAFETY 1 Raised 6/6/14 TECHNICAL 5 Lowered 4/9/21 BETA .80 (1.00 = Market)
18-Month Target Price Range Low-High Midpoint (% to Mid) \$75-\$159 \$117 (20%)
2024-26 PROJECTIONS Price Gain Ann'l Total Return High Low (+60%) (+30%) 15% 10%

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022
61.75 75.27 66.03 79.52 53.69 53.12 48.15 38.10 42.88 49.22 40.82 32.23 26.01 28.00 24.32 22.41 24.50 25.05
Revenues per sh A 35.50
Cash Flow per sh 10.25
Earnings per sh AB 6.50
Div'ds Decl'd per sh C 3.30
Cap'l Spending per sh 15.15
Book Value per sh 87.85
Common Shs Outst'g D 155.00
Avg Ann'l P/E Ratio 22.5
Relative P/E Ratio 1.25
Avg Ann'l Div'd Yield 2.3%

CAPITAL STRUCTURE as of 3/31/21
Total Debt \$7316.6 mill. Due in 5 Yrs \$410.0 mill.
LT Debt \$7316.4 mill. LT Interest \$370.0 mill.
Leases, Uncapitalized Annual rentals \$20.4 mill.
Pfd Stock None
Pension Assets-9/20 \$528.9 mill.
Common Stock 130,671,944 shs. as of 4/30/21
MARKET CAP: \$12.9 billion (Large Cap)

CURRENT POSITION (SMILL)
2019 2020 3/31/21
Cash Assets 24.5 20.8 865.3
Other 433.5 450.5 755.1
Current Assets 458.0 471.3 1620.4
Accts Payable 265.0 235.8 263.6
Debt Due 464.9 .2 .2
Other 479.5 546.4 607.5
Current Liab. 1209.4 782.4 871.3
Fix. Chg. Cov. 990% 1306% 1320%

BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to over three million customers through six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Gas sales breakdown for fiscal 2020: 68.6%, residential; 26.2%, commercial; 3.6%, industrial; and 1.6% other.

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '18-'20 of change (per sh)
Revenues -8.5% -11.0% 6.0%
Cash Flow 5.5% 7.0% 5.0%
Earnings 8.0% 9.0% 7.0%
Dividends 5.0% 7.5% 7.5%
Book Value 7.5% 10.0% 10.5%

Atmos Energy shined during the first half of fiscal 2021 (which concludes on September 30th). Earnings per share jumped 17%, to \$4.01, relative to the previous-year total of \$3.42. One contributor was the natural gas distribution unit, which benefited from higher rates, primarily in the Mid-Tex, Mississippi, Louisiana, and West Texas divisions.

pay for those expenses, it issued \$2.2 billion in long-term debt. Leadership adds that it is working with regulators to recover these costs. Even though finances are now more leveraged, we believe these actions make sense.

QUARTERLY REVENUES (\$ mill.) A
Fiscal Year Ends Dec.31 Mar.31 Jun.30 Sep.30 Full Fiscal Year
2018 889.2 1219.4 562.2 444.7 3115.5
2019 877.8 1094.6 485.7 443.7 2901.8
2020 875.6 977.6 493.0 474.9 2821.1
2021 914.5 1319.1 525.9 500.5 3260
2022 960 1405 545 520 3430

A powerful storm hit the service area, particularly Texas, in February. Consequently, the company experienced unprecedented market pricing for natural gas costs, resulting in total gas purchases during that month of \$2.3 billion. To help

Good things appear to be in store over the 2024-2026 time frame. Atmos ranks as one of the country's largest natural gas-only distributors, boasting more than three million customers across several states, including Texas, Louisiana, and Mississippi. Furthermore, it appears that the pipeline and storage unit has promising overall expansion opportunities, since it operates in one of the most-active drilling regions in the world.

EARNINGS PER SHARE A B E
Fiscal Year Ends Dec.31 Mar.31 Jun.30 Sep.30 Full Fiscal Year
2018 1.40 1.57 .64 .41 4.00
2019 1.38 1.82 .68 .49 4.35
2020 1.47 1.95 .79 .53 4.72
2021 1.71 2.30 .67 .42 5.10
2022 1.82 2.27 .80 .56 5.45

QUARTERLY DIVIDENDS PAID C
Calendar Mar.31 Jun.30 Sep.30 Dec.31 Full Year
2017 .45 .45 .45 .485 1.84
2018 .485 .485 .485 .525 1.98
2019 .525 .525 .525 .575 2.15
2020 .575 .575 .575 .625 2.35
2021 .625 .625

The stock holds decent, risk-adjusted total return potential. Long-term capital appreciation possibilities are solid, even after taking recent price strength into account. Consider, too, the healthy dividend growth prospects. Frederick L. Harris, III May 28, 2021

(A) Fiscal year ends Sept. 30th. (B) Diluted shrs. Excl. nonrec. gains (loss): '10, '5c; '11, '1c; '18, \$1.43; '20, 17c. Excludes discontinued operations: '11, '10c; '12, '27c; '13, '14c; '17, '13c. Next egs. rpt. due early Aug. (C) Dividends historically paid in early March, June, Sept., and Dec. = Div. reinvestment plan. (D) In millions. (E) Qtrs may not add due to change in shrs outstanding. Direct stock purchase plan avail.
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Company's Financial Strength A+
Stock's Price Stability 95
Price Growth Persistence 90
Earnings Predictability 100
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NEW JERSEY RES. NYSE-NJR
RECENT PRICE 42.59 P/E RATIO 19.4 (Trailing: 15.5) RELATIVE P/E RATIO 0.89 DIV'D YLD 3.1% VALUE LINE
TIMELINESS 3 SAFETY 2 TECHNICAL 3 BETA 1.00
18-Month Target Price Range Low-High Midpoint
2024-26 PROJECTIONS
Institutional Decisions

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022
Revenues per sh A 28.40
Cash Flow per sh 4.00
Earnings per sh B 2.55
Div'ds Decl'd per sh C 1.65
Cap'l Spending per sh 4.00
Book Value per sh D 24.60
Common Shs Outst'g E 100.00
Avg Ann'l P/E Ratio 17.0
Relative P/E Ratio .95
Avg Ann'l Div'd Yield 3.7%

CAPITAL STRUCTURE as of 3/31/21
Total Debt \$2296.3 mill. Due in 5 Yrs \$420.5 mill.
LT Debt \$2265.2 mill. LT Interest \$47.1 mill.
Pension Assets-9/20 \$404.4 mill.
Prfd Stock None
Common Stock 96,339,849 shs. as of 5/3/21
MARKET CAP: \$4.1 billion (Mid Cap)

CURRENT POSITION (SMILL.)
Cash Assets 57.7
Other 477.5
Current Assets 535.2
Accts Payable 288.2
Debt Due 31.1
Other 96.8
Current Liab. 416.1
Fix. Chg. Cov. 550%

ANNUAL RATES Past 10 Yrs Past 5 Yrs Est'd '18-'20 to '24-'26
Revenues -2.5% 7.0% -6.5% 5.5%
Cash Flow 7.0% 7.0% 3.0%
Earnings 6.0% 5.5% 2.0%
Dividends 7.0% 6.5% 5.5%
Book Value 7.5% 8.5% 5.5%

QUARTERLY REVENUES (\$ mill.) A
2018 705.3 1019.1 543.4 647.3
2019 811.8 866.2 434.9 479.1
2020 615.0 639.6 299.0 400.1
2021 454.3 802.2 525 618.5
2022 505 850 575 670

EARNINGS PER SHARE A B
2018 2.72
2019 1.96
2020 2.07
2021 2.15
2022 2.40

QUARTERLY DIVIDENDS PAID C
2017 .255 .255 .255 .273
2018 .273 .273 .273 .2925
2019 .2925 .2925 .2925 .3125
2020 .3125 .3125 .3125 .3325
2021 .3325 .3325

BUSINESS: New Jersey Resources Corp. is a holding company providing retail/wholesale energy svcs. to customers in NJ, and in states from the Gulf Coast to New England, and Canada. New Jersey Natural Gas had 558,000 cust. at 9/30/20. Fiscal 2020 volume: 215 bill. cu. ft. (14% interruptible, 21% res., 10% commercial & elec. utility, 55% capacity release programs). N.J. Natural Energy subsidiary provides unregulated retail/wholesale natural gas and related energy svcs. 2020 dep. rate: 2.8%. Has 1,156 empl. Off/dir. own 1.3% of common; BlackRock, 14.3%; Vanguard, 10.6% (12/20 Proxy). CEO, President & Director: Steven D. Westhoven. Incorporated: New Jersey. Address: 1415 Wyckoff Road, Wall, NJ 07719. Telephone: 732-938-1480. Web: www.njresources.com.
Since our February review, shares of New Jersey Resources have advanced nicely. The company's stock price increased about 15% over that time frame. This uptick likely reflected the better-than-expected financial results, of late. The retailer and wholesaler of energy services posted solid results for the March quarter. To that point, revenues increased 25.4%, to \$802.2 million, thanks to double-digit gains of nonutility volumes of nearly 44% and to a lesser extent a 4% rise in utility volumes. Meanwhile, on the profitability front, overall expenses fell 970 basis points, as a percentage of the top line. All told, these factors drove the bottom line 58% higher, to \$1.77 per share. This was markedly better than our call for earnings of \$0.90. We have raised our fiscal 2021 (ends September 30th) share-net estimate by \$0.50, bringing that figure to \$2.15. Our revised figure would represent a year-over-year gain of about 4%, and falls at the top end of management's recently increased guidance range of \$2.05 to \$2.15. The primary driver of this year's results will largely be the Energy Services divi-

sion that has been able to take advantage of the increased volatility affecting commodity prices these days. At the same time, the New Jersey Natural Gas (NJNG) regulated utility segment has added roughly 3,700 new customer accounts in the first six months of this year. Combined, we look for New Jersey Resources annual revenues to advance more than 20% this year, to \$2.4 billion. That said, the industry's operating environment has been experiencing elevated uncertainty due to the COVID-19 pandemic; volatility surrounding commodity prices; a slump in end-user demand; and now fossil fuels transportation factors. We look for this steady momentum to continue into next year, as well. The NJNG unit is on pace to add 28,000-30,000 new customers from 2021-2023. At the same time, the regulated utility business filed for a base rate case increase of about \$165 million, which would help to return some of its investments in capital expansion projects. Steady dividend growth aside, these shares appear richly valued. Bryan J. Fong May 28, 2021

(A) Fiscal year ends Sept. 30th. (B) Diluted earnings. Qtrly. revenues and egs. may not sum to total due to rounding and change in shares outstanding. Next earnings report due early Aug. (C) Dividends historically paid in early Jan., April, July, and October. (D) Includes regulatory assets in 2020: \$527.5 million, \$5.51/share. (E) In millions, adjusted for splits. Company's Financial Strength A+ Stock's Price Stability 80 Price Growth Persistence 60 Earnings Predictability 55

N.W. NATURAL NYSE-NWN				RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE								
TIMELINESS 3 Raised 11/20/20 SAFETY 3 Lowered 3/19/21 TECHNICAL 4 Raised 5/7/21 BETA .85 (1.00 = Market)				54.22	21.3 (Trailing: 20.4 Median: 24.0)	0.98	3.5%									
18-Month Target Price Range Low-High Midpoint (% to Mid) \$27-\$71 \$49 (-10%)				50.9 41.1	49.0 39.6	50.8 41.0	46.6 40.0	52.6 40.1	52.3 42.0	66.2 48.9	69.5 56.5	71.8 51.5	74.1 57.2	77.3 42.3	56.8 41.7	Target Price Range 2024 2025 2026
2024-26 PROJECTIONS High Price 90 Gain (+65%) Ann'l Total Return 15% Low Price 60 Gain (+10%) Return 6%																
Institutional Decisions 2020 3Q2020 4Q2020 to Buy 73 92 99 to Sell 103 94 85 Hid's(000) 21936 21896 22201				Percent shares traded 15 10 5												
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022				© VALUE LINE PUB. LLC 24-26												
CAPITAL STRUCTURE as of 3/31/21 Total Debt \$1192.2 mill. Due in 5 Yrs \$360.2 mill. LT Debt \$860.7 mill. LT Interest \$43.1 mill.				Revenues per sh 31.05 "Cash Flow" per sh 6.85 Earnings per sh ^A 3.10 Div'ds Decl'd per sh ^B 1.96 Cap'l Spending per sh 9.40 Book Value per sh ^D 45.30 Common Shs Outst'g ^C 32.00												
Pension Assets-12/20 \$373.9 mill. Oblig. \$595.2 mill. Pfd Stock None				Avg Ann'l P/E Ratio 24.0 Relative P/E Ratio 1.35 Avg Ann'l Div'd Yield 2.6%												
MARKET CAP \$1.7 billion (Mid Cap)				Revenues (\$mill) 995 Net Profit (\$mill) 120 Income Tax Rate 21.0% Net Profit Margin 10.0% Long-Term Debt Ratio 43.0% Common Equity Ratio 57.0% Total Capital (\$mill) 2550 Net Plant (\$mill) 3105 Return on Total Cap'l 4.0% Return on Shr. Equity 7.0% Return on Com Equity 7.0% Retained to Com Eqf 2.5% All Div'ds to Net Prof 63%												
CURRENT POSITION 2019 2020 3/31/21 (\$MILL.)				BUSINESS: Northwest Natural Holding Co. distributes natural gas to 1000 communities, 775,000 customers, in Oregon (89% of customers) and in southwest Washington state. Principal cities served: Portland and Eugene, OR; Vancouver, WA. Service area population: 3.7 mill. (77% in OR). Company buys gas supply from Canadian and U.S. producers; has transportation rights on Northwest Pipeline system. Owns local underground storage. Rev. breakdown: residential, 37%; commercial, 22%; industrial, gas transportation, 41%. Employs 1,167. BlackRock Inc. owns 16.4% of shares; State Street, 15.4%; Off./Dir., 1.03% (4/21 proxy). CEO: David H. Anderson. Inc.: Oregon. Address: 220 NW 2nd Ave., Portland, OR 97209. Tel.: 503-226-4211. Internet: www.nwnatural.com.												
ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '18-'20 to '24-'26 of change (per sh)				Since our February review, shares of Northwest Natural Holding Co. are trading markedly higher. In fact, over that time frame, the stock's price climbed approximately 17%. While this is encouraging, investors should recall that NWN shares did sell off from the highs experienced in 2020. In fact, the stock lost more than 45% of its value through the lows that were hit earlier this year. Meanwhile, the company posted solid financial results for the March quarter. This is evident in revenues advancing 10.8%, to \$315.9 million, thanks to new rate increases in Oregon, customer growth, and asset management benefits. In fact, the regulated utility business added 11,000 natural gas meters over the past 12 months. Additionally, the colder-than-normal weather patterns across NWN's service territory helped to drive end-use consumer demand. Those benefits were partially offset by ongoing challenges stemming from the COVID-19 pandemic. However, with vaccines rolling out, it appears that there is a light at the end of that tunnel. On the margin front, overall expenses decreased 320 basis points, as a percentage of the top line. Combined, these factors drove the bottom line 22.8% higher, to \$1.94 a share. This bested our call of \$1.60. We have raised our 2021 revenue and earnings estimate by \$10 million and \$0.05, to \$830 million and \$2.55 a share, respectively. Our revised figure would represent a more-than-10% year-over-year share-net advance. This should be supported by an estimated 7.5% rise in sales, thanks to new customer accounts at the Natural Gas Distribution business. At the same time, the Other business segment has been getting a boost from acquisitions. The NW Natural Water Company continues to purchase water and waste water utilities, thereby expanding its geographic footprint and providing clean, reliable service to its customers. Neutrally ranked shares of Northwest Natural may appeal to income-seeking patient investors. Indeed, the stock's above-average dividend yield is enticing and well covered. What's more, NWN offers worthwhile recovery potential for the pull to 2024-2026.												
QUARTERLY REVENUES (\$ mill.) Full Year				Bryan J. Fong May 28, 2021												
QUARTERLY EARNINGS PER SHARE ^A Full Year				Company's Financial Strength A Stock's Price Stability 85 Price Growth Persistence 30 Earnings Predictability 5												
QUARTERLY DIVIDENDS PAID ^B Full Year				To subscribe call 1-800-VALUELINE												

(A) Diluted earnings per share. Excludes non-recurring items: '08, (\$0.06); '09, (\$0.03); '09, \$0.06; May not sum due to rounding. Next earnings report due in early Aug.
 (B) Dividends historically paid in mid-February, May, August, and November.
 (C) In millions.
 (D) Includes intangibles. In 2020: \$69.2 million, \$2.26/share.

ONE GAS, INC. NYSE-OGS		RECENT PRICE	74.20	P/E RATIO	19.5 (Trailing: 19.8 Median: NMF)	RELATIVE P/E RATIO	0.90	DIV/D YLD	3.2%	VALUE LINE	
TIMELINESS 3	Raised 3/26/21	High:	44.3	51.8	67.4	79.5	87.8	96.7	97.0	81.9	Target Price Range 2024 2025 2026 200 160 100 50 20
SAFETY 2	New 6/2/17	Low:	31.9	38.9	48.0	61.4	62.2	75.8	63.7	66.8	
TECHNICAL 4	Raised 5/28/21	LEGENDS — 0.50 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession									
BETA .80	(1.00 = Market)	18-Month Target Price Range Low-High Midpoint (% to Mid) \$60-\$121 \$91 (20%)									
2024-26 PROJECTIONS Ann'l Total High Price 145 Gain (+95%) 20% Low Price 105 Gain (+40%) 12%											
Institutional Decisions 2Q2020 3Q2020 4Q2020 to Buy 142 130 123 to Sell 137 151 163 Hid's(000) 42060 42057 42726 Percent shares traded 21 14 7											
The shares of ONE Gas, Inc. began trading "regular-way" on the New York Stock Exchange on February 3, 2014. That happened as a result of the separation of ONEOK's natural gas distribution operation. Regarding the details of the spinoff, on January 31, 2014, ONEOK distributed one share of OGS common stock for every four shares of ONEOK common stock held by ONEOK shareholders of record as of the close of business on January 21. It should be mentioned that ONEOK did not retain any ownership interest in the new company.											
CAPITAL STRUCTURE as of 3/31/21 Total Debt \$4529.7 mill. Due in 5 Yrs \$1020.0 mill. LT Debt \$4082.7 mill. LT Interest \$150.0 mill. (LT interest earned: 4.8x; total interest coverage: 4.8x) Leases, Uncapitalized Annual rentals \$7.9 mill. Pfd Stock None Pension Assets-12/20 \$987.6 mill. Oblig. \$1077.6 mill. Common Stock 53,245,144 shs. as of 4/26/21 MARKET CAP: \$4.0 billion (Mid Cap)											
CURRENT POSITION (SMILL) Cash Assets 17.9 8.0 704.9 Other 488.3 531.9 453.8 Current Assets 506.2 539.9 1158.7 Accts Payable 120.5 152.3 228.0 Debt Due 516.5 418.2 447.0 Other 235.7 226.6 204.0 Current Liab. 872.7 797.1 879.0 Fix. Chg. Cov. 567% 587% 595%											
ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '18-'20 to '24-'26 Revenues -- -1.0% 6.0% "Cash Flow" -- 8.0% 6.0% Earnings -- 10.0% 6.5% Dividends -- 14.5% 7.0% Book Value -- 3.0% 10.5%											
QUARTERLY REVENUES (\$ mill.) Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2018 638.5 292.5 238.3 464.4 1633.7 2019 661.0 290.6 248.6 452.5 1652.7 2020 528.2 273.3 244.6 484.2 1530.3 2021 625.3 320 257 472.7 1675 2022 650 355 300 505 1810											
EARNINGS PER SHARE A Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2018 1.72 .39 .31 .83 3.25 2019 1.76 .46 .33 .96 3.51 2020 1.72 .48 .39 1.09 3.68 2021 1.79 .51 .42 1.08 3.80 2022 1.85 .55 .47 1.13 4.00											
QUARTERLY DIVIDENDS PAID B Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 .42 .42 .42 .42 1.68 2018 .46 .46 .46 .46 1.84 2019 .50 .50 .50 .50 2.00 2020 .54 .54 .54 .54 2.16 2021 .58 .58											
BUSINESS: ONE Gas, Inc. provides natural gas distribution services to more than two million customers. There are three divisions: Oklahoma Natural Gas, Kansas Gas Service, and Texas Gas Service. The company purchased 153 Bcf of natural gas supply in 2020, compared to 174 Bcf in 2019. Total volumes delivered by customer (fiscal 2020): transportation, 58.3%; residential, 31.7%; commercial & industrial, 9.4%; other, .6%. ONE Gas has around 3,600 employees. BlackRock owns 11.9% of common stock; The Vanguard Group, 9.7%; American Century Investment, 7.6%; officers and directors, 1.9% (4/21 Proxy). CEO: Pierce H. Norton II. Incorporated: Oklahoma. Address: 15 East Fifth Street, Tulsa, Oklahoma 74103. Tel.: 918-947-7000. Internet: www.onegas.com.											
ONE Gas' bottom line exhibited some improvement in the opening quarter of 2021. Share net of \$1.79 was 4% higher than the prior-year total of \$1.72. That partially reflected benefits from new rates, primarily in Texas and Oklahoma. Another contributing factor was an expanded customer base in Oklahoma and Texas. The effective income tax rate decreased, as well. The company adds that there was only a small number of outages across the service area despite the severe storm that occurred there in February (see below for more details). Although the effects of the coronavirus have continued, we believe that full-year earnings will increase around 3%, to \$3.80 a share. Assuming further growth of operating margins in 2022, share net might advance another 5%, to \$4.00.											
Winter Storm Uri prompted leadership to take certain actions. Given that event, ONE Gas experienced unprecedented market pricing for gas costs in its Kansas, Oklahoma, and Texas territories, which resulted in aggregated natural gas purchases for February of approximately \$2.1 billion. To pay for these expenses, the company issued \$1 billion of 0.85 percent senior notes due 2023, \$700 million of 1.10 percent senior notes due 2024, and \$800 million of floating-rate senior notes due 2023. It should also be stated that ONE Gas seeks to recover those costs through future rate filings. Still, since the balance sheet is now more leveraged, we lowered the Financial Strength rating one notch, to B++.											
Business prospects over the 2024-2026 span seem promising. The company remains the leading natural gas distributor (as measured by customer count) in both Oklahoma and Kansas, and holds the number-three position in Texas. Moreover, these markets seem to have decent growth possibilities and are located in one of the most active drilling regions in the United States. Also, ONE Gas seems capable of satisfying its working capital requirements, capital expenditures, and other commitments for a while.											
These shares, although just an Average (3) selection for Timeliness, possess solid long-term total return potential. Frederick L. Harris, III May 28, 2021											
(A) Diluted EPS. Excludes nonrecurring gain: 2017, \$0.06. Next earnings report due early Aug. Quarterly EPS for 2018 don't add up due to rounding.											
(B) Dividends historically paid in early March, June, Sept., and Dec. ■ Dividend reinvestment plan. Direct stock purchase plan.											
(C) In millions.											
Company's Financial Strength B++ Stock's Price Stability 95 Price Growth Persistence 80 Earnings Predictability 100											

Main financial data table for SPIRE INC. NYSE-SR. Includes sections for RECENT PRICE (74.48), P/E RATIO (14.6), RELATIVE P/E RATIO (0.67), DIV'D YLD (3.6%), VALUE LINE, TIMELINESS (3), SAFETY (2), TECHNICAL (2), BETA (.85), 18-Month Target Price Range, 2024-26 PROJECTIONS, Institutional Decisions, CAP. STRUCTURE, Leases, Pension Assets, Pfd Stock, MARKET CAP, CURRENT POSITION, ANNUAL RATES, QUARTERLY REVENUES, EARNINGS PER SHARE, QUARTERLY DIVIDENDS PAID, and BUSINESS description.

(A) Fiscal year ends Sept. 30th. (B) Based on diluted shares outstanding. Excludes nonrecurring loss: '06, 7c. Excludes gain from discontinued operations: '08, 94c. Next earnings report...

(C) Dividends paid in early January, April, July, and October. (D) Dividend reinvestment plan available. (E) In millions. (F) Qlty. egs. may not sum due to rounding or change in shares outstanding.

(G) In millions. (H) Qlty. egs. may not sum due to rounding or change in shares outstanding. (I) In millions. (J) Qlty. egs. may not sum due to rounding or change in shares outstanding.

Company's Financial Strength
Stock's Price Stability
Price Growth Persistence
Earnings Predictability

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Piedmont Natural Gas Company
Summary of Risk Premium Models for the
Proxy Group of Seven Natural Gas Distribution Companies

	<u>Proxy Group of Seven Natural Gas Distribution Companies</u>	<u>Results using Current Interest Rates</u>
Predictive Risk Premium Model (PRPM) (1)	10.86 %	10.26 %
Risk Premium Using an Adjusted Total Market Approach (2)	<u>10.56 %</u>	<u>10.24 %</u>
Average	<u><u>10.71 %</u></u>	<u><u>10.25 %</u></u>

Notes:

- (1) From page 11 of this Schedule.
(2) From page 12 of this Schedule.

Piedmont Natural Gas Company
Indicated ROE
Derived by the Predictive Risk Premium Model (1)

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Proxy Group of Seven Natural Gas Distribution Companies	LT Average Predicted Variance	Spot Predicted Variance	Recommended Variance (2)	GARCH Coefficient	Predicted Risk Premium (3)	Risk-Free Rate (4)	Indicated ROE (6)
Atmos Energy Corporation	0.33%	0.41%	0.33%	2.2493	9.37%	2.74%	12.11%
New Jersey Resources Corporation	0.38%	0.38%	0.38%	2.0290	9.71%	2.74%	12.45%
Northwest Natural Holding Company	0.32%	0.29%	0.32%	1.5450	6.16%	2.74%	8.90%
ONE Gas, Inc.	0.29%	0.35%	0.29%	3.8153	14.28%	2.74%	17.02% (7)
South Jersey Industries, Inc.	0.39%	0.55%	0.39%	1.6294	7.80%	2.74%	10.54%
Southwest Gas Holdings, Inc.	0.43%	0.34%	0.43%	1.3833	7.43%	2.74%	10.17%
Spire Inc.	0.71%	0.45%	0.71%	0.9478	8.38%	2.74%	11.12%
						Average	<u>10.88%</u>
						Median	<u>10.83%</u>
						Average of Mean and Median	<u>10.86%</u>

Using Current Interest Rates

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Proxy Group of Seven Natural Gas Distribution Companies	LT Average Predicted Variance	Spot Predicted Variance	Recommended Variance (2)	GARCH Coefficient	Predicted Risk Premium (3)	Risk-Free Rate (5)	Indicated ROE (6)
Atmos Energy Corporation	0.33%	0.41%	0.33%	2.2493	9.37%	2.14%	11.51%
New Jersey Resources Corporation	0.38%	0.38%	0.38%	2.0290	9.71%	2.14%	11.85%
Northwest Natural Holding Company	0.32%	0.29%	0.32%	1.5450	6.16%	2.14%	8.30%
ONE Gas, Inc.	0.29%	0.35%	0.29%	3.8153	14.28%	2.14%	16.42% (7)
South Jersey Industries, Inc.	0.39%	0.55%	0.39%	1.6294	7.80%	2.14%	9.94%
Southwest Gas Holdings, Inc.	0.43%	0.34%	0.43%	1.3833	7.43%	2.14%	9.57%
Spire Inc.	0.71%	0.45%	0.71%	0.9478	8.38%	2.14%	10.52%
						Average	<u>10.28%</u>
						Median	<u>10.23%</u>
						Average of Mean and Median	<u>10.26%</u>

Notes:

- (1) The Predictive Risk Premium Model uses historical data to generate a predicted variance and a GARCH coefficient. The historical data used are the equity risk premiums for the first available trading month as reported by Bloomberg Professional Service.
- (2) Given current market conditions, I recommend using the long-term average predicted variance.
- (3) $(1 + (\text{Column [3]} * \text{Column [4]})^{12}) - 1$.
- (4) From note 2 on page 24 of this Schedule.
- (5) From note 3 on page 24 of this Schedule.
- (6) Column [5] + Column [6].
- (7) Results were excluded from the final average and median as they were more than 2 standard deviations from the proxy group's mean.

Piedmont Natural Gas Company
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

<u>Line No.</u>		<u>Proxy Group of Seven Natural Gas Distribution Companies</u>	<u>Results using Current Interest Rates</u>
1.	Prospective Yield on Aaa Rated Corporate Bonds (1)	3.48 %	
2.	Adjustment to Reflect Yield Spread Between Aaa Rated Corporate Bonds and A2 Rated Public Utility Bonds	<u>0.38 (2)</u>	
3.	Adjusted Prospective Yield on A2 Rated Public Utility Bonds	3.86 %	
4.	Current Yield on A2 Rated Public Utility Bonds (3)		3.15 %
5.	Adjustment to Reflect Bond Rating Difference of Proxy Group(4)	<u>0.08</u>	<u>0.08</u>
6.	Adjusted Bond Yield	3.94 %	3.23 %
7.	Equity Risk Premium (5)	<u>6.62</u>	<u>7.01</u>
8.	Risk Premium Derived Common Equity Cost Rate	<u><u>10.56</u> %</u>	<u><u>10.24</u> %</u>

- Notes:
- (1) Consensus forecast of Moody's Aaa Rated Corporate bonds from Blue Chip Financial Forecasts (see pages 19 and 20 of this Schedule).
 - (2) The average yield spread of A2 rated public utility bonds over Aaa rated corporate bonds of 0.38% from page 13 of this Schedule.
 - (3) Source of Information: Bloomberg Professional Services.
 - (4) Adjustment to reflect the A2/A3 Moody's LT issuer rating of the Utility Proxy Group as shown on page 14 of this Schedule. The 0.08% upward adjustment is derived by taking 1/3 of the spread between A2 and Baa2 Public Utility Bonds ($1/3 * 0.25\% = 0.08\%$) as derived from page 13 of this Schedule.
 - (5) From page 16 of this Schedule.

Piedmont Natural Gas Company
Interest Rates and Bond Spreads for
Moody's Corporate and Public Utility Bonds

Selected Bond Yields - Moody's

	[1]	[2]	[3]
	<u>Aaa Rated Corporate Bond</u>	<u>A2 Rated Public Utility Bond</u>	<u>Baa2 Rated Public Utility Bond</u>
Jul-2021	2.57 %	2.95 %	3.20 %
Jun-2021	2.79	3.16	3.41
May-2021	<u>2.96</u>	<u>3.33</u>	<u>3.58</u>
Average	<u>2.77 %</u>	<u>3.15 %</u>	<u>3.40 %</u>

Selected Bond Spreads

A2 Rated Public Utility Bonds Over Aaa Rated Corporate Bonds:

0.38 % (1)

Baa2 Rated Public Utility Bonds Over A2 Rated Public Utility Bonds:

0.25 % (2)

Notes:

(1) Column [2] - Column [1].

(2) Column [3] - Column [2].

Source of Information:

Bloomberg Professional Service

Piedmont Natural Gas Company
Comparison of Long-Term Issuer Ratings for
Proxy Group of Seven Natural Gas Distribution Companies

<u>Proxy Group of Seven Natural Gas Distribution Companies</u>	Moody's		Standard & Poor's	
	Long-Term Issuer Rating		Long-Term Issuer Rating	
	July 2021		July 2021	
<u>Proxy Group of Seven Natural Gas Distribution Companies</u>	<u>Long-Term Issuer Rating (1)</u>	<u>Numerical Weighting (2)</u>	<u>Long-Term Issuer Rating (1)</u>	<u>Numerical Weighting (2)</u>
Atmos Energy Corporation	A1	5.0	A-	7.0
New Jersey Resources Corporation	A1	5.0	NR	-
Northwest Natural Holding Company	Baa1	8.0	A+	5.0
ONE Gas, Inc.	A3	7.0	BBB+	8.0
South Jersey Industries, Inc.	A3	7.0	BBB	9.0
Southwest Gas Holdings, Inc.	Baa1	8.0	A-	7.0
Spire Inc.	A1/A2	5.5	A-	7.0
Average	<u>A2/A3</u>	<u>6.5</u>	<u>A-</u>	<u>7.2</u>

Notes:

- (1) Ratings are that of the average of each company's utility operating subsidiaries.
(2) From page 15 of this Schedule.

Source Information: Moody's Investors Service
 Standard & Poor's Global Utilities Rating Service

Numerical Assignment for
Moody's and Standard & Poor's Bond Ratings

Moody's Bond Rating	Numerical Bond Weighting	Standard & Poor's Bond Rating
Aaa	1	AAA
Aa1	2	AA+
Aa2	3	AA
Aa3	4	AA-
A1	5	A+
A2	6	A
A3	7	A-
Baa1	8	BBB+
Baa2	9	BBB
Baa3	10	BBB-
Ba1	11	BB+
Ba2	12	BB
Ba3	13	BB-
B1	14	B+
B2	15	B
B3	16	B-

Piedmont Natural Gas Company
Judgment of Equity Risk Premium for
Proxy Group of Seven Natural Gas Distribution Companies

<u>Line No.</u>		<u>Proxy Group of Seven Natural Gas Distribution Companies</u>	<u>Results using Current Interest Rates</u>
1.	Calculated equity risk premium based on the total market using the beta approach (1)	8.37 %	8.79 %
2.	Mean equity risk premium based on a study using the holding period returns of public utilities with A rated bonds (2)	5.80	6.20
3.	Predicted Equity Risk Premium Based on Regression Analysis of 803 Fully-Litigated Natural Gas Utility Rate Cases (3)	<u>5.69</u>	<u>6.04</u>
4.	Average equity risk premium	<u><u>6.62</u></u> %	<u><u>7.01</u></u> %

Notes: (1) From page 17 of this Schedule.
(2) From page 21 of this Schedule.
(3) From page 22 of this Schedule.

Piedmont Natural Gas Company
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for the
Proxy Group of Seven Natural Gas Distribution Companies

<u>Line No.</u>	<u>Equity Risk Premium Measure</u>	<u>Proxy Group of Seven Natural Gas Distribution Companies</u>	<u>Results using Current Interest Rates</u>
<u>Ibbotson-Based Equity Risk Premiums:</u>			
1.	Ibbotson Equity Risk Premium (1)	5.92 %	5.92 %
2.	Regression on Ibbotson Risk Premium Data	8.79 (2)	9.55 (3)
3.	Ibbotson Equity Risk Premium based on PRPM (4)	9.96	9.96
4.	Equity Risk Premium Based on Value Line Summary and Index	5.03 (5)	5.68 (6)
5.	Equity Risk Premium Based on Value Line S&P 500 Companies	11.20 (7)	11.84 (8)
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies	<u>13.08 (9)</u>	<u>13.73 (10)</u>
7.	Conclusion of Equity Risk Premium	9.00 %	9.45 %
8.	Adjusted Beta (11)	<u>0.93</u>	<u>0.93</u>
9.	Forecasted Equity Risk Premium	<u><u>8.37 %</u></u>	<u><u>8.79 %</u></u>

Notes provided on page 18 of this Schedule.

Piedmont Natural Gas Company
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for the
Proxy Group of Seven Natural Gas Distribution Companies

Notes:

- (1) Based on the arithmetic mean historical monthly returns on large company common stocks from Ibbotson® SBBI® 2021 Market Report minus the arithmetic mean monthly yield of Moody's average Aaa and Aa corporate bonds from 1928-2020.
- (2) This equity risk premium is based on a regression of the monthly equity risk premiums of large company common stocks relative to Moody's average Aaa and Aa2 rated corporate bond yields from 1928-2019 referenced in Note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the average consensus forecast of Aaa corporate bonds of 3.48% (from page 12 of this Schedule).
- (3) This equity risk premium is based on a regression of the monthly equity risk premiums of large company common stocks relative to Moody's average Aaa and Aa2 rated corporate bond yields from 1928-2019 referenced in Note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the three-month average Aaa and Aa2 rated corporate bond of 2.84%.
- (4) The Predictive Risk Premium Model (PRPM) is discussed in the accompanying direct testimony. The Ibbotson equity risk premium based on the PRPM is derived by applying the PRPM to the monthly risk premiums between Ibbotson large company common stock monthly returns and average Aaa and Aa corporate monthly bond yields, from January 1928 through July 2021.
- (5) The equity risk premium based on the Value Line Summary and Index is derived by subtracting the average consensus forecast of Aaa corporate bonds of 3.48% (from page 12 of this Schedule) from the projected 3-5 year total annual market return of 8.51% (described fully in note 1 on page 24 of this Schedule).
- (6) The equity risk premium based on the Value Line Summary and Index is derived by subtracting the current 3 month average of Aaa and Aa2 corporate bonds of 2.84% (from page 12 of this Schedule) from the projected 3-5 year total annual market return of 8.51% (described fully in note 1 on page 24 of this Schedule).
- (7) Using data from Value Line for the S&P 500, an expected total return of 14.68% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 3.48% results in an expected equity risk premium of 11.20%.
- (8) Using data from Value Line for the S&P 500, an expected total return of 14.68% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the current 3 month average of Aaa and Aa2 corporate bonds of 2.84% results in an expected equity risk premium of 11.84%.
- (9) Using data from the Bloomberg Professional Service for the S&P 500, an expected total return of 16.56% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 3.48% results in an expected equity risk premium of 13.08%.
- (10) Using data from the Bloomberg Professional Service for the S&P 500, an expected total return of 16.56% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the 3 month average of Aaa and Aa2 corporate bonds of 2.84% results in an expected equity risk premium of 13.73%.
- (11) Average of mean and median beta from page 23 of this Schedule.

Sources of Information:

Stocks, Bonds, Bills, and Inflation - 2021 SBBI Yearbook, John Wiley & Sons, Inc.
Industrial Manual and Mergent Bond Record Monthly Update.
Value Line Summary and Index
Blue Chip Financial Forecasts, August 3, 2021 and June 1, 2021
Bloomberg Professional Service

Consensus Forecasts of U.S. Interest Rates and Key Assumptions

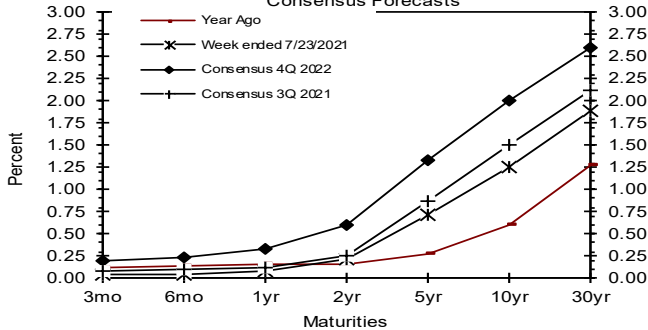
Interest Rates	History								Consensus Forecasts-Quarterly Avg.						
	Average For Week Ending				Average For Month				Latest Qtr	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022
	Jul 23	Jul 16	Jul 9	Jul 2	Jun	May	Apr	2Q 2021	2021	2021	2022	2022	2022	2022	
Federal Funds Rate	0.10	0.10	0.10	0.10	0.08	0.06	0.07	0.07	0.1	0.1	0.1	0.1	0.1	0.1	
Prime Rate	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.3	3.3	3.3	3.3	3.3	3.3	
LIBOR, 3-mo.	0.13	0.13	0.13	0.14	0.13	0.15	0.18	0.16	0.2	0.2	0.2	0.3	0.3	0.3	
Commercial Paper, 1-mo.	0.05	0.06	0.06	0.05	0.04	0.10	0.04	0.06	0.1	0.1	0.1	0.1	0.2	0.2	
Treasury bill, 3-mo.	0.05	0.05	0.06	0.05	0.04	0.02	0.02	0.03	0.1	0.1	0.1	0.1	0.2	0.2	
Treasury bill, 6-mo.	0.05	0.05	0.06	0.06	0.05	0.04	0.04	0.04	0.1	0.1	0.1	0.2	0.2	0.2	
Treasury bill, 1 yr.	0.07	0.08	0.08	0.08	0.07	0.05	0.06	0.06	0.1	0.1	0.2	0.2	0.3	0.3	
Treasury note, 2 yr.	0.21	0.24	0.22	0.25	0.20	0.16	0.16	0.17	0.2	0.3	0.4	0.5	0.5	0.6	
Treasury note, 5 yr.	0.71	0.81	0.78	0.88	0.84	0.82	0.86	0.84	0.9	1.0	1.1	1.2	1.3	1.3	
Treasury note, 10 yr.	1.26	1.36	1.34	1.47	1.52	1.62	1.64	1.59	1.5	1.6	1.8	1.9	1.9	2.0	
Treasury note, 30 yr.	1.89	1.97	1.96	2.08	2.16	2.32	2.30	2.26	2.1	2.3	2.4	2.5	2.6	2.6	
Corporate Aaa bond	2.69	2.74	2.74	2.81	2.91	3.06	3.04	3.00	2.8	3.0	3.1	3.2	3.3	3.3	
Corporate Baa bond	3.13	3.19	3.19	3.26	3.35	3.52	3.51	3.46	3.5	3.7	3.9	4.0	4.1	4.2	
State & Local bonds	2.59	2.60	2.63	2.66	2.64	2.64	2.66	2.65	2.4	2.5	2.6	2.6	2.7	2.7	
Home mortgage rate	2.78	2.88	2.90	2.98	2.98	2.96	3.06	3.00	3.0	3.2	3.3	3.4	3.5	3.5	

Key Assumptions	History								Consensus Forecasts-Quarterly					
	3Q		4Q		1Q		2Q		3Q	4Q	1Q	2Q	3Q	4Q
	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	2022	2022	2022	2022
Fed's AFE \$ Index	110.6	110.5	111.4	112.4	107.3	105.2	103.4	102.9	104.5	104.4	104.0	103.9	103.9	104.0
Real GDP	2.8	1.9	-5.1	-31.2	33.8	4.5	6.3	6.5	7.2	5.5	4.0	3.3	2.7	2.3
GDP Price Index	1.4	1.5	1.6	-1.5	3.6	2.2	4.3	6.0	3.7	2.5	2.4	2.3	2.3	2.3
Consumer Price Index	1.3	2.6	1.0	-3.1	4.7	2.4	3.7	8.4	4.7	2.4	2.2	2.4	2.4	2.2
PCE Price Index	1.1	1.7	1.3	-1.6	3.7	1.5	3.8	6.4	3.7	2.2	2.1	2.3	2.2	2.2

Forecasts for interest rates and the Federal Reserve's Major Currency Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index, PCE Price Index and Consumer Price Index are seasonally-adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data: Treasury rates from the Federal Reserve Board's H.15; AAA-AA and A-BBB corporate bond yields from Bank of America-Merrill Lynch and are 15+ years, yield to maturity; State and local bond yields from Bank of America-Merrill Lynch, A-rated, yield to maturity; Mortgage rates from Freddie Mac, 30-year, fixed; LIBOR quotes from Intercontinental Exchange. All interest rate data are sourced from Haver Analytics. Historical data for Fed's Major Currency Index are from FRSR H.10. Historical data for Real GDP, GDP Price Index and PCE Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index history is from the Department of Labor's Bureau of Labor Statistics (BLS).

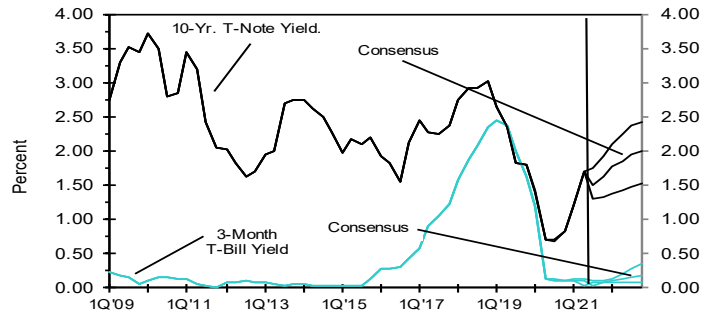
U.S. Treasury Yield Curve

Week ended July 23, 2021 & Year Ago v.s. 3Q 2021 & 4Q 2022 Consensus Forecasts



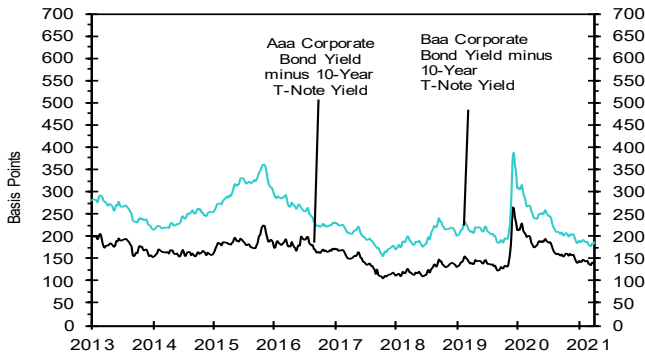
U.S. 3-Mo. T-Bills & 10-Yr. T-Note Yield

(Quarterly Average) Forecast



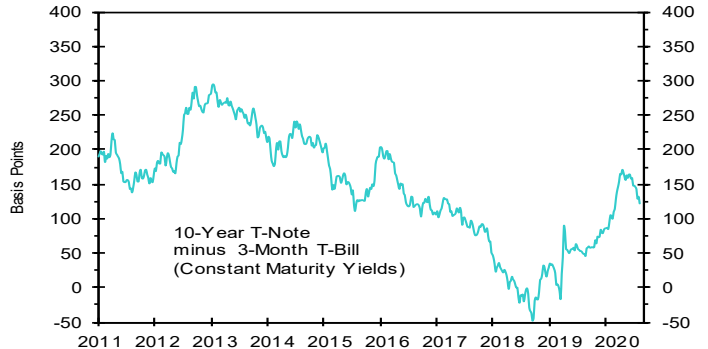
Corporate Bond Spreads

As of week ended July 23, 2021



U.S. Treasury Yield Curve

As of week ended July 23, 2021



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Sep 15 2021

Long-Range Survey:

The table below contains the results of our twice-annual long-range CONSENSUS survey. There are also Top 10 and Bottom 10 averages for each variable. Shown are consensus estimates for the years 2022 through 2027 and averages for the five-year periods 2023-2027 and 2028-2032. Apply these projections cautiously. Few if any economic, demographic and political forces can be evaluated accurately over such long time spans.

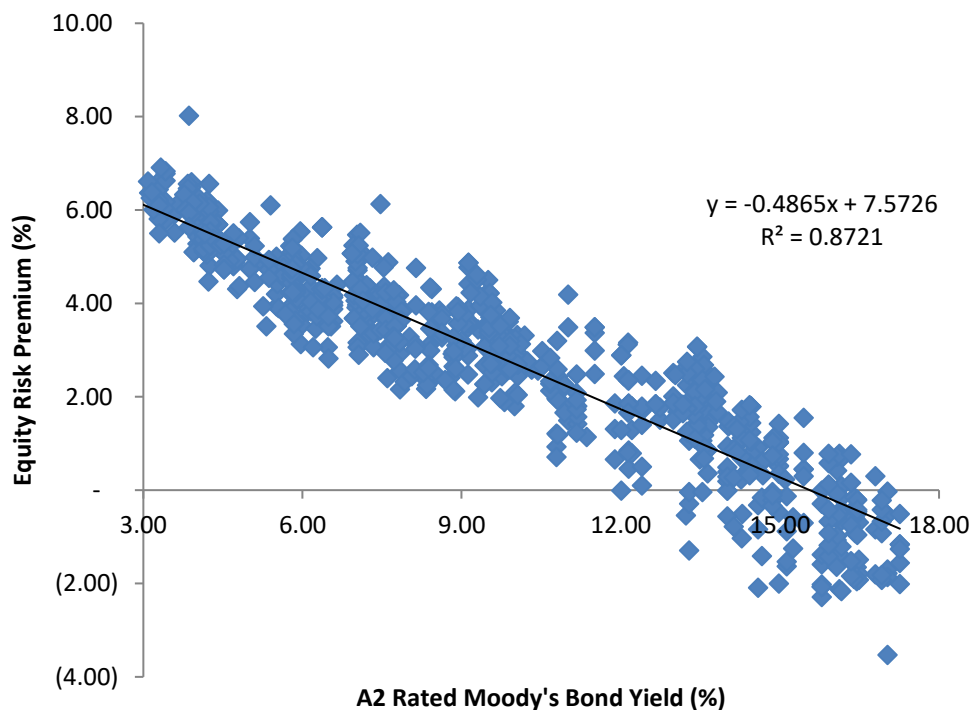
		Average For The Year						Five-Year Averages	
		2022	2023	2024	2025	2026	2027	2023-2027	2028-2032
1. Federal Funds Rate	CONSENSUS	0.1	0.4	1.0	1.6	1.9	2.1	1.4	2.2
	Top 10 Average	0.2	0.7	1.6	2.4	2.6	2.7	2.0	2.7
	Bottom 10 Average	0.1	0.1	0.5	0.9	1.3	1.5	0.9	1.6
2. Prime Rate	CONSENSUS	3.3	3.5	4.2	4.7	5.0	5.2	4.5	5.2
	Top 10 Average	3.4	3.8	4.7	5.4	5.7	5.8	5.1	5.8
	Bottom 10 Average	3.2	3.3	3.7	4.0	4.4	4.6	4.0	4.7
3. LIBOR, 3-Mo.	CONSENSUS	0.4	0.6	1.3	1.8	2.1	2.3	1.6	2.4
	Top 10 Average	0.5	1.0	1.8	2.4	2.7	2.9	2.2	3.0
	Bottom 10 Average	0.2	0.4	0.8	1.2	1.6	1.7	1.1	1.8
4. Commercial Paper, 1-Mo	CONSENSUS	0.2	0.6	1.3	1.8	2.1	2.3	1.6	2.4
	Top 10 Average	0.4	0.9	1.6	2.3	2.6	2.8	2.0	2.8
	Bottom 10 Average	0.1	0.3	0.9	1.3	1.8	1.9	1.2	2.0
5. Treasury Bill Yield, 3-Mo	CONSENSUS	0.2	0.5	1.0	1.6	1.9	2.1	1.4	2.2
	Top 10 Average	0.3	0.8	1.6	2.2	2.5	2.7	1.9	2.7
	Bottom 10 Average	0.1	0.2	0.6	0.9	1.3	1.5	0.9	1.6
6. Treasury Bill Yield, 6-Mo	CONSENSUS	0.2	0.5	1.1	1.6	2.0	2.2	1.5	2.3
	Top 10 Average	0.3	0.8	1.7	2.3	2.6	2.7	2.0	2.8
	Bottom 10 Average	0.1	0.3	0.6	1.0	1.4	1.6	1.0	1.7
7. Treasury Bill Yield, 1-Yr	CONSENSUS	0.3	0.7	1.2	1.8	2.1	2.3	1.6	2.4
	Top 10 Average	0.5	1.0	1.8	2.4	2.8	2.9	2.2	3.0
	Bottom 10 Average	0.2	0.3	0.7	1.1	1.5	1.7	1.1	1.8
8. Treasury Note Yield, 2-Yr	CONSENSUS	0.5	0.9	1.5	2.0	2.3	2.5	1.8	2.6
	Top 10 Average	0.7	1.3	2.1	2.7	3.0	3.1	2.5	3.3
	Bottom 10 Average	0.3	0.5	0.9	1.3	1.6	1.8	1.2	1.9
9. Treasury Note Yield, 5-Yr	CONSENSUS	1.2	1.6	2.1	2.5	2.8	2.8	2.4	3.0
	Top 10 Average	1.5	2.0	2.8	3.3	3.5	3.5	3.0	3.6
	Bottom 10 Average	0.9	1.2	1.5	1.8	2.0	2.2	1.7	2.3
10. Treasury Note Yield, 10-Yr	CONSENSUS	2.0	2.4	2.7	3.0	3.2	3.3	2.9	3.3
	Top 10 Average	2.3	2.8	3.4	3.8	4.0	3.9	3.6	4.0
	Bottom 10 Average	1.7	1.9	2.1	2.3	2.5	2.6	2.3	2.7
11. Treasury Bond Yield, 30-Yr	CONSENSUS	2.6	2.9	3.3	3.6	3.8	3.8	3.5	3.9
	Top 10 Average	3.0	3.5	4.0	4.5	4.6	4.5	4.2	4.6
	Bottom 10 Average	2.3	2.4	2.5	2.7	2.9	3.1	2.7	3.2
12. Corporate Aaa Bond Yield	CONSENSUS	3.3	3.7	4.1	4.5	4.7	4.7	4.3	4.8
	Top 10 Average	3.6	4.2	4.7	5.2	5.4	5.4	5.0	5.4
	Bottom 10 Average	3.1	3.2	3.4	3.7	3.9	4.1	3.7	4.2
13. Corporate Baa Bond Yield	CONSENSUS	4.3	4.7	5.1	5.4	5.6	5.7	5.3	5.8
	Top 10 Average	4.6	5.1	5.6	6.1	6.3	6.2	5.9	6.4
	Bottom 10 Average	4.0	4.3	4.5	4.7	4.9	5.2	4.7	5.2
14. State & Local Bonds Yield	CONSENSUS	2.9	3.2	3.6	3.9	4.1	4.2	3.8	4.2
	Top 10 Average	3.2	3.5	4.1	4.5	4.7	4.7	4.3	4.8
	Bottom 10 Average	2.6	2.9	3.1	3.4	3.7	3.7	3.3	3.8
15. Home Mortgage Rate	CONSENSUS	3.6	4.0	4.4	4.7	4.9	5.0	4.6	5.0
	Top 10 Average	4.0	4.5	5.0	5.5	5.6	5.6	5.2	5.7
	Bottom 10 Average	3.2	3.6	3.8	4.0	4.2	4.3	4.0	4.4
A. Fed's AFE Nominal \$ Index	CONSENSUS	103.7	103.7	104.0	103.7	103.6	103.3	103.7	103.1
	Top 10 Average	105.3	106.0	106.8	107.0	107.3	107.5	106.9	107.9
	Bottom 10 Average	102.0	101.5	101.4	100.8	100.4	100.0	100.8	99.4
		Year-Over-Year, % Change						Five-Year Averages	
		2022	2023	2024	2025	2026	2027	2023-2027	2028-2032
B. Real GDP	CONSENSUS	4.2	2.6	2.3	2.2	2.1	2.1	2.2	2.1
	Top 10 Average	5.3	3.3	2.7	2.5	2.4	2.4	2.7	2.5
	Bottom 10 Average	2.9	2.0	1.9	1.8	1.8	1.7	1.8	1.7
C. GDP Chained Price Index	CONSENSUS	2.3	2.3	2.2	2.1	2.2	2.1	2.2	2.1
	Top 10 Average	2.6	2.6	2.4	2.4	2.4	2.4	2.4	2.3
	Bottom 10 Average	2.0	2.0	2.0	1.9	1.9	1.9	1.9	1.9
D. Consumer Price Index	CONSENSUS	2.4	2.4	2.2	2.2	2.2	2.2	2.2	2.2
	Top 10 Average	2.8	2.7	2.5	2.5	2.5	2.4	2.5	2.4
	Bottom 10 Average	2.1	2.1	1.9	1.9	2.0	1.9	2.0	1.9
E. PCE Price Index	CONSENSUS	2.3	2.2	2.1	2.1	2.1	2.1	2.1	2.1
	Top 10 Average	2.7	2.5	2.4	2.4	2.4	2.4	2.4	2.3
	Bottom 10 Average	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9

Piedmont Natural Gas Company
Derivation of Mean Equity Risk Premium Based Studies
Using Holding Period Returns and
Projected Market Appreciation of the S&P Utility Index

<u>Line No.</u>		<u>Implied Equity Risk Premium</u>	<u>Results using Current Interest Rates</u>
	<u>Equity Risk Premium based on S&P Utility Index Holding Period Returns (1):</u>		
1.	Historical Equity Risk Premium	4.16 %	4.16 %
2.	Regression of Historical Equity Risk Premium	6.45 (2)	7.03 (3)
3.	Forecasted Equity Risk Premium Based on PRPM (4)	5.62	5.62
4.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Value Line Data)	7.37 (5)	8.08 (6)
5.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Bloomberg Data)	<u>5.38 (7)</u>	<u>6.09 (8)</u>
6.	Average Equity Risk Premium (9)	<u>5.80 %</u>	<u>6.20 %</u>

- Notes: (1) Based on S&P Public Utility Index monthly total returns and Moody's Public Utility Bond average monthly yields from 1928-2020. Holding period returns are calculated based upon income received (dividends and interest) plus the relative change in the market value of a security over a one-year holding period.
- (2) This equity risk premium is based on a regression of the monthly equity risk premiums of the S&P Utility Index relative to Moody's A2 rated public utility bond yields from 1928 - 2020 referenced in note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the prospective A2 rated public utility bond yield of 3.86% (from line 3, page 12 of this Schedule).
- (3) This equity risk premium is based on a regression of the monthly equity risk premiums of the S&P Utility Index relative to Moody's A2 rated public utility bond yields from 1928 - 2020 referenced in note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the current A2 rated public utility bond yield of 3.15% (from line 4, page 12 of this Schedule).
- (4) The Predictive Risk Premium Model (PRPM) is applied to the risk premium of the monthly total returns of the S&P Utility Index and the monthly yields on Moody's A2 rated public utility bonds from January 1928 - July 2021.
- (5) Using data from Value Line for the S&P Utilities Index, an expected return of 11.23% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the expected A2 rated public utility bond yield of 3.86%, calculated on line 3 of page 12 of this Schedule results in an equity risk premium of 7.37%. (11.23% - 3.86% = 7.37%)
- (6) Using data from Value Line for the S&P Utilities Index, an expected return of 11.23% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the current A2 rated public utility bond yield of 3.15%, calculated on line 4 of page 12 of this Schedule results in an equity risk premium of 8.08%. (11.23% - 3.15% = 8.08%)
- (7) Using data from Bloomberg Professional Service for the S&P Utilities Index, an expected return of 9.24% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the expected A2 rated public utility bond yield of 3.86%, calculated on line 3 of page 12 of this Schedule results in an equity risk premium of 5.38%. (9.24% - 3.86% = 5.38%)
- (8) Using data from Bloomberg Professional Service for the S&P Utilities Index, an expected return of 9.24% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the current A2 rated public utility bond yield of 3.15%, calculated on line 3 of page 12 of this Schedule results in an equity risk premium of 6.09%. (9.24% - 3.15% = 6.09%)
- (9) Average of lines 1 through 5.

Piedmont Natural Gas Company
Prediction of Equity Risk Premiums Relative to
Moody's A2 Rated Utility Bond Yields



		Prospective A2 Rated Utility Bond (1)	Prospective Equity Risk Premium
<u>Constant</u>	<u>Slope</u>	<u>3.86 %</u>	<u>5.69 %</u>
7.5726 %	-0.4865		
		Current A2 Rated Utility Bond (1)	Prospective Equity Risk Premium
<u>Constant</u>	<u>Slope</u>	<u>3.15</u>	<u>6.04 %</u>
7.5726 %	-0.4865		

Notes:

- (1) From line 3 of page 12 of this Schedule.
- (2) From line 4 of page 12 of this Schedule.

Source of Information: Regulatory Research Associates

Piedmont Natural Gas Company
Indicated Common Equity Cost Rate Through Use
of the Traditional Capital Asset Pricing Model (CAPM) and Empirical Capital Asset Pricing Model (ECAPM)

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Seven Natural Gas Distribution Companies	Line Adjusted Beta	Bloomberg Adjusted Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Common Equity Cost Rate (4)
Atmos Energy Corporation	0.80	0.92	0.86	9.88 %	2.74 %	11.24 %	11.58 %	11.41 %
New Jersey Resources Corporation	1.00	0.98	0.99	9.88	2.74	12.52	12.55	12.53
Northwest Natural Holding Company	0.85	0.86	0.86	9.88	2.74	11.24	11.58	11.41
ONE Gas, Inc.	0.80	1.00	0.90	9.88	2.74	11.63	11.88	11.76
South Jersey Industries, Inc.	1.05	1.00	1.03	9.88	2.74	12.92	12.84	12.88
Southwest Gas Holdings, Inc.	0.95	1.10	1.02	9.88	2.74	12.82	12.77	12.79
Spire Inc.	0.85	0.99	0.92	9.88	2.74	11.83	12.03	11.93
Mean			<u>0.94</u>			<u>12.03 %</u>	<u>12.18 %</u>	<u>12.10 %</u>
Median			<u>0.92</u>			<u>11.83 %</u>	<u>12.03 %</u>	<u>11.93 %</u>
Average of Mean and Median			<u>0.93</u>			<u>11.93 %</u>	<u>12.11 %</u>	<u>12.02 %</u>

Using Current Interest Rates

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Seven Natural Gas Distribution Companies	Line Adjusted Beta	Bloomberg Adjusted Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (3)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Common Equity Cost Rate (4)
Atmos Energy Corporation	0.80	0.92	0.86	10.28 %	2.14 %	10.98 %	11.34 %	11.16 %
New Jersey Resources Corporation	1.00	0.98	0.99	10.28	2.14	12.32	12.34	12.33
Northwest Natural Holding Company	0.85	0.86	0.86	10.28	2.14	10.98	11.34	11.16
ONE Gas, Inc.	0.80	1.00	0.90	10.28	2.14	11.39	11.65	11.52
South Jersey Industries, Inc.	1.05	1.00	1.03	10.28	2.14	12.73	12.65	12.69
Southwest Gas Holdings, Inc.	0.95	1.10	1.02	10.28	2.14	12.63	12.57	12.60
Spire Inc.	0.85	0.99	0.92	10.28	2.14	11.60	11.80	11.70
Mean			<u>0.94</u>			<u>11.80 %</u>	<u>11.96 %</u>	<u>11.88 %</u>
Median			<u>0.92</u>			<u>11.60 %</u>	<u>11.80 %</u>	<u>11.70 %</u>
Average of Mean and Median			<u>0.93</u>			<u>11.70 %</u>	<u>11.88 %</u>	<u>11.79 %</u>

Notes on page 24 of this Schedule.

Piedmont Natural Gas Company
Notes to Accompany the Application of the CAPM and ECAPM

Notes:

- (1) The market risk premium (MRP) is derived by using six different measures from three sources: Ibbotson, Value Line, and Bloomberg as illustrated below:

	Prospective Interest Rates	Using Current Interest Rates
<u>Historical Data MRP Estimates:</u>		
Measure 1: Ibbotson Arithmetic Mean MRP (1926-2020)		
Arithmetic Mean Monthly Returns for Large Stocks 1926-2020:	12.20 %	12.20 %
Arithmetic Mean Income Returns on Long-Term Government Bonds:	5.05	5.05
MRP based on Ibbotson Historical Data:	7.15 %	7.15 %
Measure 2: Application of a Regression Analysis to Ibbotson Historical Data (1926-2020)		
	9.53 %	10.13 %
Measure 3: Application of the PRPM to Ibbotson Historical Data: (January 1926 - July 2021)		
	11.07 %	11.07 %
<u>Value Line MRP Estimates:</u>		
Measure 4: Value Line Projected MRP (Thirteen weeks ending July 30, 2021)		
Total projected return on the market 3-5 years hence*:	8.51 %	8.51 %
Projected Risk-Free Rate (see note 2):	2.74	2.14
MRP based on Value Line Summary & Index:	5.77 %	6.37 %
*Forecasted 3-5 year capital appreciation plus expected dividend yield		
Measure 5: Value Line Projected Return on the Market based on the S&P 500		
Total return on the Market based on the S&P 500:	14.68 %	14.68 %
Projected Risk-Free Rate (see note 2):	2.74	2.14
MRP based on Value Line data	11.94 %	12.54 %
Measure 6: Bloomberg Projected MRP		
Total return on the Market based on the S&P 500:	16.56 %	16.56 %
Projected Risk-Free Rate (see note 2):	2.74	2.14
MRP based on Bloomberg data	13.82 %	14.42 %
Average of Value Line, Ibbotson, and Bloomberg MRP:	9.88 %	10.28 %

- (2) For reasons explained in the direct testimony, the appropriate risk-free rate for cost of capital purposes is the average forecast of 30 year Treasury Bonds per the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts. (See pages 19 and 20 of this Schedule.) The projection of the risk-free rate is illustrated below:

Third Quarter 2021	2.10 %
Fourth Quarter 2021	2.30
First Quarter 2022	2.40
Second Quarter 2022	2.50
Third Quarter 2022	2.60
Fourth Quarter 2022	2.60
2023-2027	3.50
2028-2032	3.90
	2.74 %

- (3) Three-month average on 30-year Treasury bond yield ended July, 2021 as shown below:

May-21	2.32 %
Jun-21	2.16
Jul-21	1.94
	2.14 %

- (4) Average of Column 6 and Column 7.

Sources of Information:

Value Line Summary and Index
Blue Chip Financial Forecasts, August 3, 2021 and June 1, 2021
Stocks, Bonds, Bills, and Inflation - 2021 SBBI Yearbook, John Wiley & Sons, Inc.
Bloomberg Professional Services

Piedmont Natural Gas Company
Basis of Selection of the Group of Non-Price Regulated Companies
Comparable in Total Risk to the Utility Proxy Group

The criteria for selection of the proxy group of forty-three non-price regulated companies was that the non-price regulated companies be domestic and reported in Value Line Investment Survey (Standard Edition).

The Non-Price Regulated Proxy Group were then selected based on the unadjusted beta range of 0.65 – 0.95 and residual standard error of the regression range of 2.8123 – 3.3543 of the Utility Proxy Group.

These ranges are based upon plus or minus two standard deviations of the unadjusted beta and standard error of the regression. Plus or minus two standard deviations captures 95.50% of the distribution of unadjusted betas and residual standard errors of the regression.

The standard deviation of the Utility Proxy Group's residual standard error of the regression is 0.1355. The standard deviation of the standard error of the regression is calculated as follows:

$$\text{Standard Deviation of the Std. Err. of the Regr.} = \frac{\text{Standard Error of the Regression}}{\sqrt{2N}}$$

where: N = number of observations. Since Value Line betas are derived from weekly price change observations over a period of five years, N = 259

$$\text{Thus, } 0.1355 = \frac{2.8123}{\sqrt{518}} = \frac{3.3543}{22.7596}$$

Source of Information: Value Line, Inc., June 2021
Value Line Investment Survey (Standard Edition)

Piedmont Natural Gas Company
Basis of Selection of Comparable Risk
Domestic Non-Price Regulated Companies

	[1]	[2]	[3]	[4]
	Value Line Adjusted Beta	Unadjusted Beta	Residual Standard Error of the Regression	Standard Deviation of Beta
<u>Proxy Group of Seven Natural Gas Distribution Companies</u>				
Atmos Energy Corporation	0.80	0.67	2.7774	0.0693
New Jersey Resources Corporation	1.00	0.93	3.0337	0.0757
Northwest Natural Holding Company	0.85	0.70	3.2144	0.0802
ONE Gas, Inc.	0.80	0.68	2.7447	0.0685
South Jersey Industries, Inc.	1.05	1.01	3.7945	0.0947
Southwest Gas Holdings, Inc.	0.95	0.86	3.1572	0.0788
Spire Inc.	0.85	0.73	2.8613	0.0714
Average	<u>0.90</u>	<u>0.80</u>	<u>3.0833</u>	<u>0.0769</u>
Beta Range (+/- 2 std. Devs. of Beta)	0.65	0.95		
2 std. Devs. of Beta	0.15			
Residual Std. Err. Range (+/- 2 std. Devs. of the Residual Std. Err.)	2.8123	3.3543		
Std. dev. of the Res. Std. Err.	0.1355			
2 std. devs. of the Res. Std. Err.	0.2710			

Source of Information: Valueline Proprietary Database, June 2021

Piedmont Natural Gas Company
Proxy Group of Non-Price Regulated Companies
Comparable in Total Risk to the
Proxy Group of Seven Natural Gas Distribution Companies

	[1]	[2]	[3]	[4]
<u>Proxy Group of Forty-Three Non-Price Regulated Companies</u>	<u>VL Adjusted Beta</u>	<u>Unadjusted Beta</u>	<u>Residual Standard Error of the Regression</u>	<u>Standard Deviation of Beta</u>
Apple Inc.	0.90	0.83	3.2843	0.0819
Assurant Inc.	0.90	0.84	2.8245	0.0705
ANSYS, Inc.	0.85	0.77	3.1971	0.0798
Booz Allen Hamilton	0.90	0.84	3.1767	0.0793
Bristol-Myers Squibb	0.85	0.75	3.3304	0.0831
Brady Corp.	1.00	0.94	2.9465	0.0735
CACI Int'l	0.95	0.89	2.9930	0.0747
Casey's Gen'l Stores	0.90	0.81	3.2028	0.0799
Quest Diagnostics	0.80	0.69	2.9288	0.0731
Lauder (Estee)	0.95	0.91	2.8562	0.0713
Exponent, Inc.	0.90	0.81	2.9605	0.0739
Fastenal Co.	0.95	0.88	3.2005	0.0799
FirstCash, Inc.	0.90	0.79	3.2437	0.0809
Franklin Electric	0.95	0.89	3.2374	0.0808
GATX Corp.	1.00	0.92	3.1223	0.0779
Gorman-Rupp Co.	1.00	0.93	3.2972	0.0823
Int'l Flavors & Frag	0.95	0.85	3.3168	0.0828
Ingredion Inc.	0.90	0.84	2.8771	0.0718
Iron Mountain	0.90	0.78	3.1699	0.0791
Hunt (J.B.)	0.95	0.87	2.8702	0.0716
J&J Snack Foods	0.95	0.86	2.9559	0.0738
Henry (Jack) & Assoc	0.85	0.71	2.8328	0.0707
ManTech Int'l 'A'	0.85	0.77	3.1011	0.0774
Monster Beverage	0.85	0.76	3.0195	0.0753
Altria Group	0.95	0.86	2.9525	0.0737
MSA Safety	1.00	0.94	3.0342	0.0757
MSCI Inc.	0.95	0.87	2.9742	0.0742
Vail Resorts	0.95	0.88	3.2995	0.0823
Maxim Integrated	0.95	0.87	3.0073	0.0750
Northrop Grumman	0.85	0.72	2.8865	0.0720
Old Dominion Freight	0.95	0.86	2.9913	0.0746
Packaging Corp.	1.00	0.92	2.8690	0.0716
PerkinElmer Inc.	0.90	0.82	3.0422	0.0759
Philip Morris Int'l	0.95	0.91	3.2461	0.0810
Pool Corp.	0.85	0.74	3.2969	0.0823
Post Holdings	0.95	0.87	2.9481	0.0736
RLI Corp.	0.80	0.67	3.0423	0.0759
Rollins, Inc.	0.85	0.73	2.9580	0.0738
Selective Ins. Group	0.90	0.80	2.9918	0.0746
Sirius XM Holdings	0.95	0.88	2.8551	0.0712
Synopsys, Inc.	0.95	0.91	2.8936	0.0722
Tetra Tech	0.95	0.88	3.2523	0.0811
West Pharm. Svcs.	0.80	0.69	3.2862	0.0820
Average	0.92	0.83	3.0600	0.0800
Proxy Group of Seven Natural Gas Distribution Companies	0.90	0.80	3.0833	0.0769

Source of Information:

Valueline Proprietary Database, June 2021

Piedmont Natural Gas Company
 Summary of Cost of Equity Models Applied to
 Proxy Group of Forty-Three Non-Price Regulated Companies
 Comparable in Total Risk to the
Proxy Group of Seven Natural Gas Distribution Companies

<u>Principal Methods</u>	<u>Proxy Group of Forty-Three Non- Price Regulated Companies</u>	<u>Results using Current Interest Rates</u>
Discounted Cash Flow Model (DCF) (1)	13.12 %	13.12 %
Risk Premium Model (RPM) (2)	12.77	12.32
Capital Asset Pricing Model (CAPM) (3)	<u>12.10</u>	<u>11.88</u>
	Mean <u>12.66</u> %	<u>12.44</u> %
	Median <u>12.77</u> %	<u>12.32</u> %
	Average of Mean and Median <u>12.72</u> %	<u>12.38</u> %

Notes:

- (1) From page 29 of this Schedule.
- (2) From page 30 of this Schedule.
- (3) From pages 33 and 34 of this Schedule.

Piedmont Natural Gas Company
DCF Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Seven Natural Gas Distribution Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Forty-Three Non-Price Regulated Companies	Average Dividend Yield	Value Line Projected Five Year Growth in EPS	Zack's Five Year Projected Growth Rate in EPS	Bloomberg's Five Year Projected Growth Rate in EPS	Yahoo! Finance Projected Five Year Growth in EPS	Average Projected Five Year Growth Rate in EPS	Adjusted Dividend Yield	Indicated Common Equity Cost Rate (1)
Apple Inc.	0.66 %	14.50 %	12.70 %	12.80 %	17.93 %	14.48 %	0.71 %	15.19 %
Assurant Inc.	1.67	11.50	17.80	17.78	17.80	16.22	1.81	18.03
ANSYS, Inc.	-	8.00	12.30	12.12	11.52	10.99	-	NA
Booz Allen Hamilton	1.71	10.50	11.00	13.00	9.83	11.08	1.80	12.88
Bristol-Myers Squibb	2.95	12.50	7.00	5.53	7.95	8.25	3.07	11.32
Brady Corp.	1.57	7.50	7.00	9.00	7.00	7.63	1.63	9.26
CACI Int'l	-	13.50	13.10	12.06	13.68	13.08	-	NA
Casey's Gen'l Stores	0.66	10.50	NA	13.75	7.50	10.58	0.69	11.27
Quest Diagnostics	1.86	7.00	26.50	(4.96)	(8.66)	16.75	2.02	18.77
Lauder (Estee)	0.68	11.00	10.70	18.25	26.73	16.67	0.74	17.41
Exponent, Inc.	0.88	12.50	NA	NA	15.00	13.75	0.94	14.69
Fastenal Co.	2.12	9.00	9.00	7.85	7.17	8.26	2.21	10.47
FirstCash, Inc.	1.53	9.50	NA	NA	23.00	16.25	1.65	17.90
Franklin Electric	0.86	10.00	NA	15.00	13.40	12.80	0.92	13.72
GATX Corp.	2.14	6.00	NA	3.00	12.00	7.00	2.21	9.21
Gorman-Rupp Co.	1.76	8.50	NA	13.00	15.00	12.17	1.87	14.04
Int'l Flavors & Frag	2.12	7.50	9.80	15.99	7.72	10.25	2.23	12.48
Ingredion Inc.	2.77	7.50	NA	11.00	1.90	6.80	2.86	9.66
Iron Mountain	5.66	11.50	1.70	0.66	1.70	3.89	5.77	9.66
Hunt (J.B.)	0.72	8.00	15.00	14.65	21.53	14.80	0.77	15.57
J&J Snack Foods	1.47	10.00	NA	NA	6.00	8.00	1.53	9.53
Henry (Jack) & Assoc	1.13	9.00	14.00	12.47	10.64	11.53	1.20	12.73
ManTech Int'l 'A'	1.75	9.00	5.10	5.53	3.87	5.88	1.80	7.68
Monster Beverage	-	11.50	13.30	11.48	14.86	12.78	-	NA
Altria Group	7.10	6.00	4.00	4.25	4.54	4.70	7.27	11.97
MSA Safety	1.07	6.50	NA	9.00	18.00	11.17	1.13	12.30
MSCI Inc.	0.81	16.00	NA	14.95	15.31	15.42	0.87	16.29
Vail Resorts	-	7.50	NA	65.25	56.46	43.07	-	NA
Maxim Integrated	-	11.00	10.00	9.25	21.91	13.04	-	NA
Northrop Grumman	1.71	7.00	8.70	5.53	5.77	6.75	1.77	8.52
Old Dominion Freight	0.31	9.00	22.70	20.51	19.83	18.01	0.34	18.35
Packaging Corp.	2.82	5.00	5.00	3.00	13.06	6.52	2.91	9.43
PerkinElmer Inc.	0.19	11.00	37.90	(5.71)	37.90	28.93	0.22	29.15 (2)
Philip Morris Int'l	4.88	7.00	8.80	10.85	13.30	9.99	5.12	15.11
Pool Corp.	0.71	15.00	NA	17.00	17.00	16.33	0.77	17.10
Post Holdings	-	9.50	NA	20.30	31.20	20.33	-	NA
RLI Corp.	0.95	12.00	NA	NA	9.80	10.90	1.00	11.90
Rollins, Inc.	0.91	11.50	NA	NA	8.20	9.85	0.95	10.80
Selective Ins. Group	1.29	9.50	9.50	10.17	5.10	8.57	1.35	9.92
Sirius XM Holdings	0.92	31.50	12.20	28.98	10.10	20.69	1.02	21.71
Synopsys, Inc.	-	12.50	14.60	15.18	14.70	14.25	-	NA
Tetra Tech	0.65	13.50	15.00	16.00	15.00	14.88	0.70	15.58
West Pharmac. Svcs.	0.19	17.00	25.80	19.46	25.80	22.01	0.21	22.22
							Mean	13.50 %
							Median	12.73 %
							Average of Mean and Median	13.12 %

NA= Not Available

NMF= Not Meaningful Figure

- (1) The application of the DCF model to the domestic, non-price regulated comparable risk companies is identical to the application of the DCF to the Utility Proxy Group. The dividend yield is derived by using the 60 day average price and the spot indicated dividend as of July 30, 2021. The dividend yield is then adjusted by 1/2 the average projected growth rate in EPS, which is calculated by averaging the 5 year projected growth in EPS provided by Value Line, www.zacks.com, Bloomberg Professional Services, and www.yahoo.com (excluding any negative growth rates) and then adding that growth rate to the adjusted dividend yield.
- (2) PKG's DCF results were excluded from the final average and median as they were more than 2 standard deviations above the proxy group's mean.

Source of Information: Value Line Investment Survey
www.zacks.com Downloaded on 07/30/2021
www.yahoo.com Downloaded on 07/30/2021
Bloomberg Professional Services

Piedmont Natural Gas Company
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

<u>Line No.</u>		<u>Proxy Group of Forty- Three Non-Price Regulated Companies</u>	<u>Results using Current Interest Rates</u>
1.	Prospective Yield on Baa2 Rated Corporate Bonds (1)	4.31 %	
2.	Current Yield on Baa2 Rated Corporate Bonds (2)		3.44 %
3.	Equity Risk Premium (3)	<u>8.46</u>	<u>8.88</u>
4.	Risk Premium Derived Common Equity Cost Rate	<u>12.77 %</u>	<u>12.32 %</u>

Notes: (1) Average forecast of Baa2 corporate bonds based upon the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts dated August 3, 2021 and June 1, 2021 (see pages 19 and 20 of this Schedule). The estimates are detailed below.

Third Quarter 2021	3.50 %
Fourth Quarter 2021	3.70
First Quarter 2022	3.90
Second Quarter 2022	4.00
Third Quarter 2022	4.10
Fourth Quarter 2022	4.20
2023-2027	5.30
2028-2032	<u>5.80</u>
Average	<u>4.31 %</u>

(2) Three-month average Baa2 corporate bond yield ended July, 2021 as reported by Bloomberg Professional Services shown below:

May-21	3.62
Jun-21	3.45
Jul-21	<u>3.24</u>
Average	<u>3.44 %</u>

(3) From page 32 of this Schedule.

Piedmont Natural Gas Company
Comparison of Long-Term Issuer Ratings for the
Proxy Group of Forty-Three Non-Price Regulated Companies of Comparable risk to the
Proxy Group of Seven Natural Gas Distribution Companies

Proxy Group of Forty-Three Non-Price Regulated Companies	Moody's Long-Term Issuer Rating July 2021		Standard & Poor's Long-Term Issuer Rating July 2021	
	Long-Term Issuer Rating	Numerical Weighting (1)	Long-Term Issuer Rating	Numerical Weighting (1)
Apple Inc.	Aa1	2.0	AA+	2.0
Assurant Inc.	Baa3	10.0	BBB	9.0
ANSYS, Inc.	NA	--	NA	--
Booz Allen Hamilton	NA	--	NA	--
Bristol-Myers Squibb	A2	6.0	A+	5.0
Brady Corp.	NA	--	NA	--
CACI Int'l	NA	--	BB+	11.0
Casey's Gen'l Stores	NA	--	NA	--
Quest Diagnostics	Baa2	9.0	BBB+	8.0
Lauder (Estee)	A1	5.0	A+	5.0
Exponent, Inc.	NA	--	NA	--
Fastenal Co.	NA	--	NA	--
FirstCash, Inc.	Ba1	11.0	BB	12.0
Franklin Electric	NA	--	NA	--
GATX Corp.	Baa2	9.0	BBB	9.0
Gorman-Rupp Co.	NA	--	NA	--
Int'l Flavors & Frag	Baa3	10.0	BBB	9.0
Ingredion Inc.	Baa1	8.0	BBB	9.0
Iron Mountain	Ba3	13.0	BB-	13.0
Hunt (J.B.)	Baa1	8.0	BBB+	8.0
J&J Snack Foods	NA	--	NA	--
Henry (Jack) & Assoc	NA	--	NA	--
ManTech Int'l 'A'	WR	--	BB+	11.0
Monster Beverage	NA	--	NA	--
Altria Group	A3	7.0	BBB	9.0
MSA Safety	NA	--	NA	--
MSCI Inc.	Ba1	11.0	BB+	11.0
Vail Resorts	B2	15.0	BB	12.0
Maxim Integrated	Baa1	8.0	BBB+	8.0
Northrop Grumman	Baa2	9.0	BBB+	8.0
Old Dominion Freight	NA	--	NA	--
Packaging Corp.	Baa2	9.0	BBB	9.0
PerkinElmer Inc.	Baa3	10.0	BBB	9.0
Philip Morris Int'l	A2	6.0	A	6.0
Pool Corp.	NA	--	NA	--
Post Holdings	B2	15.0	B+	14.0
RLI Corp.	Baa2	9.0	BBB	9.0
Rollins, Inc.	NA	--	NA	--
Selective Ins. Group	Baa2	9.0	BBB	9.0
Sirius XM Holdings	NA	--	BB	12.0
Synopsys, Inc.	NA	--	NA	--
Tetra Tech	NA	--	NA	--
West Pharmac. Svcs.	NA	--	NA	--
Average	Baa2	9.0	BBB	9.1

Notes:

(1) From page 15 of this Schedule.

Source of Information:

Bloomberg Professional Services

Piedmont Natural Gas Company
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for
Proxy Group of Forty-Three Non-Price Regulated Companies of Comparable risk to the
Proxy Group of Seven Natural Gas Distribution Companies

<u>Line No.</u>	<u>Equity Risk Premium Measure</u>	<u>Proxy Group of Forty-Three Non- Price Regulated Companies</u>	<u>Results using Current Interest Rates</u>
1.	Ibbotson Equity Risk Premium (1)	5.92 %	5.92 %
2.	Regression on Ibbotson Risk Premium Data	8.79 (2)	9.55 (3)
3.	Ibbotson Equity Risk Premium based on PRPM (4)	9.96	9.96
4.	Equity Risk Premium Based on <u>Value Line</u> Summary and Index	5.03 (5)	5.68 (6)
5.	Equity Risk Premium Based on <u>Value Line</u> S&P 500 Companies	11.20 (7)	11.84 (8)
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies	<u>13.08 (9)</u>	<u>13.73 (10)</u>
7.	Conclusion of Equity Risk Premium	9.00 %	9.45 %
8.	Adjusted Beta (11)	<u>0.94</u>	<u>0.94</u>
9.	Forecasted Equity Risk Premium	<u>8.46 %</u>	<u>8.88 %</u>

Notes:

- (1) From note 1 of page 17 of this Schedule.
- (2) From note 2 of page 17 of this Schedule.
- (3) From note 3 of page 17 of this Schedule.
- (4) From note 4 of page 17 of this Schedule.
- (5) From note 5 of page 17 of this Schedule.
- (6) From note 6 of page 17 of this Schedule.
- (7) From note 7 of page 17 of this Schedule.
- (8) From note 8 of page 17 of this Schedule.
- (9) From note 9 of page 17 of this Schedule.
- (10) From note 10 of page 17 of this Schedule.
- (11) Average of mean and median beta from page 33 of this Schedule.

Sources of Information:

Stocks, Bonds, Bills, and Inflation - 2021 SBBI Yearbook, John Wiley & Sons, Inc.
Value Line Summary and Index
Blue Chip Financial Forecasts, August 3, 2021 and June 1, 2021
Bloomberg Professional Services

Piedmont Natural Gas Company
Traditional CAPM and ECAPM Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Seven Natural Gas Distribution Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Forty-Three Non-Price Regulated Companies	Value Line Adjusted Beta	Bloomberg Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (4)
Apple Inc.	0.90	1.00	0.95	9.88 %	2.74 %	12.13 %	12.25 %	12.19 %
Assurant Inc.	0.90	1.00	0.95	9.88	2.74	12.13	12.25	12.19
ANSYS, Inc.	0.85	0.95	0.90	9.88	2.74	11.63	11.88	11.76
Booz Allen Hamilton	0.90	0.91	0.91	9.88	2.74	11.73	11.95	11.84
Bristol-Myers Squibb	0.85	0.80	0.82	9.88	2.74	10.84	11.29	11.06
Brady Corp.	1.00	1.08	1.04	9.88	2.74	13.01	12.92	12.97
CACI Int'l	0.95	1.01	0.98	9.88	2.74	12.42	12.47	12.45
Casey's Gen'l Stores	0.90	0.92	0.91	9.88	2.74	11.73	11.95	11.84
Quest Diagnostics	0.80	0.96	0.88	9.88	2.74	11.43	11.73	11.58
Lauder (Estee)	0.95	1.00	0.97	9.88	2.74	12.32	12.40	12.36
Exponent, Inc.	0.90	0.96	0.93	9.88	2.74	11.93	12.10	12.01
Fastenal Co.	0.95	0.94	0.94	9.88	2.74	12.03	12.18	12.10
FirstCash, Inc.	0.85	0.94	0.90	9.88	2.74	11.63	11.88	11.76
Franklin Electric	0.95	0.99	0.97	9.88	2.74	12.32	12.40	12.36
GATX Corp.	1.00	1.00	1.00	9.88	2.74	12.62	12.62	12.62
Gorman-Rupp Co.	1.00	1.06	1.03	9.88	2.74	12.92	12.84	12.88
Int'l Flavors & Frag	0.95	1.08	1.01	9.88	2.74	12.72	12.69	12.71
Ingredion Inc.	0.90	0.93	0.91	9.88	2.74	11.73	11.95	11.84
Iron Mountain	0.90	1.04	0.97	9.88	2.74	12.32	12.40	12.36
Hunt (J.B.)	0.95	0.94	0.95	9.88	2.74	12.13	12.25	12.19
J&J Snack Foods	0.95	0.81	0.88	9.88	2.74	11.43	11.73	11.58
Henry (Jack) & Assoc	0.85	0.89	0.87	9.88	2.74	11.34	11.66	11.50
ManTech Int'l 'A'	0.85	1.12	0.99	9.88	2.74	12.52	12.55	12.53
Monster Beverage	0.85	0.97	0.91	9.88	2.74	11.73	11.95	11.84
Altria Group	0.95	0.89	0.92	9.88	2.74	11.83	12.03	11.93
MSA Safety	1.00	1.01	1.01	9.88	2.74	12.72	12.69	12.71
MSCI Inc.	0.95	0.91	0.93	9.88	2.74	11.93	12.10	12.01
Vail Resorts	0.95	1.13	1.04	9.88	2.74	13.01	12.92	12.97
Maxim Integrated	0.95	0.96	0.95	9.88	2.74	12.13	12.25	12.19
Northrop Grumman	0.85	0.78	0.82	9.88	2.74	10.84	11.29	11.06
Old Dominion Freight	0.95	0.99	0.97	9.88	2.74	12.32	12.40	12.36
Packaging Corp.	1.00	0.79	0.90	9.88	2.74	11.63	11.88	11.76
PerkinElmer Inc.	0.90	0.80	0.85	9.88	2.74	11.14	11.51	11.32
Philip Morris Int'l	0.95	0.92	0.94	9.88	2.74	12.03	12.18	12.10
Pool Corp.	0.85	0.95	0.90	9.88	2.74	11.63	11.88	11.76
Post Holdings	0.95	0.90	0.93	9.88	2.74	11.93	12.10	12.01
RLI Corp.	0.80	0.91	0.85	9.88	2.74	11.14	11.51	11.32
Rollins, Inc.	0.85	0.70	0.77	9.88	2.74	10.35	10.92	10.63 (5)
Selective Ins. Group	0.90	0.99	0.94	9.88	2.74	12.03	12.18	12.10
Sirius XM Holdings	0.95	1.13	1.04	9.88	2.74	13.01	12.92	12.97
Synopsys, Inc.	0.95	1.02	0.98	9.88	2.74	12.42	12.47	12.45
Tetra Tech	0.95	1.06	1.00	9.88	2.74	12.62	12.62	12.62
West Pharmac. Svcs.	0.80	0.74	0.77	9.88	2.74	10.35	10.92	10.63 (5)
		Mean	0.94			12.03 %	12.18 %	12.10 %
		Median	0.94			12.03 %	12.18 %	12.10 %
		Average of Mean and Median	0.94			12.03 %	12.18 %	12.10 %

Using Current Interest Rates

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Seven Natural Gas Distribution Companies	Value Line Adjusted Beta	Bloomberg Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (3)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (4)
Apple Inc.	0.90	1.00	0.95	10.28 %	2.14 %	11.91 %	12.03 %	11.97
Assurant Inc.	0.90	1.00	0.95	10.28	2.14	11.91	12.03	11.97
ANSYS, Inc.	0.85	0.95	0.90	10.28	2.14	11.39	11.65	11.52
Booz Allen Hamilton	0.90	0.91	0.91	10.28	2.14	11.49	11.73	11.61
Bristol-Myers Squibb	0.85	0.80	0.82	10.28	2.14	10.57	11.03	10.80
Brady Corp.	1.00	1.08	1.04	10.28	2.14	12.83	12.73	12.78
CACI Int'l	0.95	1.01	0.98	10.28	2.14	12.21	12.27	12.24
Casey's Gen'l Stores	0.90	0.92	0.91	10.28	2.14	11.49	11.73	11.61
Quest Diagnostics	0.80	0.96	0.88	10.28	2.14	11.19	11.49	11.34
Lauder (Estee)	0.95	1.00	0.97	10.28	2.14	12.11	12.19	12.15
Exponent, Inc.	0.90	0.96	0.93	10.28	2.14	11.70	11.88	11.79
Fastenal Co.	0.95	0.94	0.94	10.28	2.14	11.80	11.96	11.88
FirstCash, Inc.	0.85	0.94	0.90	10.28	2.14	11.39	11.65	11.52
Franklin Electric	0.95	0.99	0.97	10.28	2.14	12.11	12.19	12.15
GATX Corp.	1.00	1.00	1.00	10.28	2.14	12.42	12.42	12.42
Gorman-Rupp Co.	1.00	1.06	1.03	10.28	2.14	12.73	12.65	12.69
Int'l Flavors & Frag	0.95	1.08	1.01	10.28	2.14	12.52	12.50	12.51
Ingredion Inc.	0.90	0.93	0.91	10.28	2.14	11.49	11.73	11.61
Iron Mountain	0.90	1.04	0.97	10.28	2.14	12.11	12.19	12.15
Hunt (J.B.)	0.95	0.94	0.95	10.28	2.14	11.91	12.03	11.97
J&J Snack Foods	0.95	0.81	0.88	10.28	2.14	11.19	11.49	11.34
Henry (Jack) & Assoc	0.85	0.89	0.87	10.28	2.14	11.08	11.42	11.25
ManTech Int'l 'A'	0.85	1.12	0.99	10.28	2.14	12.32	12.34	12.33
Monster Beverage	0.85	0.97	0.91	10.28	2.14	11.49	11.73	11.61
Altria Group	0.95	0.89	0.92	10.28	2.14	11.60	11.80	11.70
MSA Safety	1.00	1.01	1.01	10.28	2.14	12.52	12.50	12.51
MSCI Inc.	0.95	0.91	0.93	10.28	2.14	11.70	11.88	11.79
Vail Resorts	0.95	1.13	1.04	10.28	2.14	12.83	12.73	12.78
Maxim Integrated	0.95	0.96	0.95	10.28	2.14	11.91	12.03	11.97
Northrop Grumman	0.85	0.78	0.82	10.28	2.14	10.57	11.03	10.80
Old Dominion Freight	0.95	0.99	0.97	10.28	2.14	12.11	12.19	12.15
Packaging Corp.	1.00	0.79	0.90	10.28	2.14	11.39	11.65	11.52
PerkinElmer Inc.	0.90	0.80	0.85	10.28	2.14	10.88	11.26	11.07
Philip Morris Int'l	0.95	0.92	0.94	10.28	2.14	11.80	11.96	11.88
Pool Corp.	0.85	0.95	0.90	10.28	2.14	11.39	11.65	11.52
Post Holdings	0.95	0.90	0.93	10.28	2.14	11.70	11.88	11.79
RLI Corp.	0.80	0.91	0.85	10.28	2.14	10.88	11.26	11.07
Rollins, Inc.	0.85	0.70	0.77	10.28	2.14	10.06	10.65	10.35 (5)
Selective Ins. Group	0.90	0.99	0.94	10.28	2.14	11.80	11.96	11.88
Sirius XM Holdings	0.95	1.13	1.04	10.28	2.14	12.83	12.73	12.78
Synopsys, Inc.	0.95	1.02	0.98	10.28	2.14	12.21	12.27	12.24
Tetra Tech	0.95	1.06	1.00	10.28	2.14	12.42	12.42	12.42
West Pharmac. Svcs.	0.80	0.74	0.77	10.28	2.14	10.06	10.65	10.35 (5)
		Mean	0.94			11.80 %	11.96 %	11.88 %
		Median	0.94			11.80 %	11.96 %	11.88 %
		Average of Mean and Median	0.94			11.80 %	11.96 %	11.88 %

Notes:

- (1) From page 23 of this Schedule, note 1.
- (2) From page 23 of this Schedule, note 2.
- (3) From page 23 of this Schedule, note 3.
- (4) Average of CAPM and ECAPM cost rates.
- (5) ROL and WST CAPM results were excluded from the final average and median as they were more than 2 standard deviations below the proxy group's mean.

Piedmont Natural Gas Company
Derivation of Investment Risk Adjustment Based upon
Ibbotson Associates' Size Premia for the Decile Portfolios of the NYSE/AMEX/NASDAQ

Line No.	[1] Market Capitalization on July 30, 2021 (1) (millions)	[2] Applicable Decile of the NYSE/AMEX/ NASDAQ (2)	[3] Applicable Size Premium (3)	[4] Spread from Applicable Size Premium (4)
1.	\$ 4,300.847	4	0.75%	
2.	\$ 4,546.016	1.1 x	0.75%	0.00%
	[A]	[B]	[C]	[D]
		Market Capitalization of Smallest Company (millions)	Market Capitalization of Largest Company (millions)	Size Premium (Return in Excess of CAPM)*
	Largest	1 \$ 29,025.803	\$ 1,966,078.882	-0.22%
		2 13,178.743	28,808.073	0.49%
		3 6,743.361	13,177.828	0.71%
		4 3,861.858	6,710.676	0.75%
		5 2,445.693	3,836.536	1.09%
		6 1,591.865	2,444.745	1.37%
		7 911.586	1,591.765	1.54%
		8 451.955	911.103	1.46%
		9 190.019	451.800	2.29%
	Smallest	10 2.194	189.831	5.01%

*From 2021 Duff & Phelps Cost of Capital Navigator

Notes:

- (1) From page 36 of this Schedule.
- (2) Gleaned from Columns [B] and [C] on the bottom of this page. The appropriate decile (Column [A]) corresponds to the market capitalization of the proxy group, which is found in Column [1].
- (3) Corresponding risk premium to the decile is provided in Column [D] on the bottom of this page.
- (4) Line No. 1 Column [3] - Line No. 2 Column [3]. For example, the 0.00% in Column [4], Line No. 2 is derived as follows 0.00% = 0.75% - 0.75%.

Piedmont Natural Gas Company
Market Capitalization of Piedmont Natural Gas Company and the
Proxy Group of Seven Natural Gas Distribution Companies

Company	Exchange	[1] Common Stock Shares Outstanding at Fiscal Year End 2020 (millions)	[2] Book Value per Share at Fiscal Year End 2020 (1)	[3] Total Common Equity at Fiscal Year End 2020 (millions)	[4] Closing Stock Market Price on July 30, 2021	[5] Market-to- Book Ratio on July 30, 2021 (2)	[6] Market Capitalization on July 30, 2021 (3) (millions)
Piedmont Natural Gas Company		NA	NA	2,507.783 (4)	NA		
Based upon Proxy Group of Seven Natural Gas Distribution Companies						171.5 (5)	\$ 4,300.847 (6)
Proxy Group of Seven Natural Gas Distribution Companies							
Atmos Energy Corporation	NYSE	125.882	\$ 53.949	\$ 6,791.203	\$ 98.590	182.7 %	\$ 12,410.753
New Jersey Resources Corporation	NYSE	95.949	19.226	1,844.692	38.520	200.4	3,695.963
Northwest Natural Holding Company	NYSE	30.589	29.054	888.733	52.290	180.0	1,599.499
ONE Gas, Inc.	NYSE	53.167	42.006	2,233.311	73.780	175.6	3,922.642
South Jersey Industries, Inc.	NYSE	100.592	16.571	1,666.876	25.170	151.9	2,531.899
Southwest Gas Holdings, Inc.	NYSE	57.193	46.771	2,674.953	69.930	149.5	3,999.501
Spire Inc.	NYSE	51.612	44.182	2,280.300	70.950	160.6	3,661.856
Average		73.569	\$ 35.966	\$ 2,625.724	\$ 61.319	171.5 %	\$ 4,546.016

NA= Not Available

Notes: (1) Column 3 / Column 1.
(2) Column 4 / Column 2.
(3) Column 1 * Column 4.

(4) Requested rate base multiplied by the requested common equity ratio.

(5) The market-to-book ratio of Piedmont Natural Gas Company on July 30, 2021 is assumed to be equal to the market-to-book ratio of Proxy Group of Seven Natural Gas Distribution Companies on July 30, 2021 as appropriate.

(6) Column [3] multiplied by Column [5].

Source of Information: 2020 Annual Forms 10K
yahoo.finance.com
Bloomberg Professional

Piedmont Natural Gas Company
Derivation of the Flotation Cost Adjustment to the Cost of Common Equity

Equity Issuances since 2010

Date of Offering	Transaction (1)	[Column 1] Shares Issued	[Column 2] Market Price per Share	[Column 3] Average Offering Price per Share	[Column 4] Market Pressure (2)	[Column 5] Total Offering Expense per Share	[Column 6] Net Proceeds per Share (3)	[Column 7] Gross Equity Issue before Costs (4)	[Column 8] Total Net Proceeds (5)	[Column 9] Total Flotation Costs (6)	[Column 10] Flotation Cost Percentage (7)
11/18/19	Equity Offering	28,750,000	\$ 88.65	\$ 85.99	\$ 2.66	\$ 0.021	\$ 85.9694	\$ 2,548,687,500	\$ 2,471,620,500	\$ 77,067,000	3.02%
03/06/18	Equity Offering	21,275,000	\$ 75.86	\$ 74.07	\$ 1.79	\$ 0.021	\$ 74.0508	\$ 1,613,921,500	\$ 1,575,431,800	\$ 38,489,700	2.38%
02/29/16	Equity Offering	10,637,500	\$ 73.35	\$ 69.84	\$ 3.51	\$ 0.038	\$ 69.8024	\$ 780,260,625	\$ 742,523,000	\$ 37,737,625	4.84%
								\$ 4,942,869,625	\$ 4,789,575,300	\$ 153,294,325	3.10%

Flotation Cost Adjustment

Proxy Group of Seven Natural Gas Distribution Companies	Average Dividend Yield	3.44 %	Average Projected EPS Growth Rate	6.11 %	Adjusted Dividend Yield	3.55 %	Average DCF Cost Rate Unadjusted for Flotation (8)	9.66 %	DCF Cost Rate Adjusted for Flotation (9)	9.77 %	Flotation Cost Adjustment (10)	0.11 %
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See page 38 of this Schedule for notes.

Source of Information: Company SEC filings

Piedmont Natural Gas Company
Notes to Accompany the
Derivation of the Flotation Cost Adjustment to the Cost of Common Equity

- (1) S&P Global Market Intelligence.
- (2) Column 2 – Column 3.
- (3) Column 2 – the sum of columns 4 and 5.
- (4) Column 1 * Column 2.
- (5) Column 1 * Column 6.
- (6) Column 1 * (the sum of columns 4 and 5).
- (7) (Column 7 – Column 8) divided by Column 7.
- (8) Using the average growth rate from page 2 of this Schedule.
- (9) Adjustment for flotation costs based on adjusting the average DCF constant growth cost rate in accordance with the following:

$$K = \frac{D(1 + 0.5g)}{P(1 - F)} + g,$$

where g is the growth factor and F is the percentage of flotation costs.

- (10) Flotation cost adjustment of 0.11% equals the difference between the flotation adjusted average DCF cost rate of 9.77% and the unadjusted average DCF cost rate of 9.66% of the Utility Proxy Group.

Source of Information:

S&P Global Market Intelligence

Piedmont Natural Gas Company
 Demonstration of the Inadequacy of
 a DCF Return Rate Related to Book Value
When Market Value is Greater than Book Value

Line No.	[A]	[B]	[C]	[D]
	Based on Mr. Hinton's Proxy Group		Based on Mr. O'Donnell's Proxy Group	
	Market Value	Book Value	Market Value	Book Value
1. Per Share	\$ 62.90 (1)	\$ 31.70 (2)	\$ 62.87 (1)	\$ 32.41 (2)
2. DCF Cost Rate (3)	9.39%	9.39%	9.00%	9.00%
3. Return in Dollars (4)	\$ 5.906	\$ 2.977	\$ 5.658	\$ 2.917
4. Dividends (5)	\$ 2.013	\$ 2.013	\$ 2.012	\$ 2.012
5. Growth in Dollars (6)	\$ 3.893	\$ 0.964	\$ 3.646	\$ 0.905
6. Return on Market Value (7)	9.39%	4.73%	9.00%	4.64%
7. Rate of Growth on Market Value (8)	6.19%	1.53%	5.80%	1.44%

Notes:

- (1) Average price for the 13-week period ending July 23, 2021 from Value Line Summary and Index (Hinton) and the average price for the 13-week period ending July 9, 2021 from Value Line Summary and Index (O'Donnell)
- (2) Average book value from dividing total common equity at year-end 2020 by common shares outstanding at year-end 2020 for each proxy group company.
- (3) Mr. Hinton's average DCF cost rate and Mr. O'Donnell recommended DCF cost rate.
- (4) Line 1 x Line 2.
- (5) Dividends are based on the average 3.2% dividend yield for Mr. Hinton's proxy group from Public Staff Hinton Exhibit 6 and on the 13-week average 3.2% dividend yield for Mr. O'Donnell's proxy group from Exhibit KWO-2.
- (6) Line 3 - Line 4.
- (7) Line 3 / Line 1.
- (8) Line 5 / Line 1.

Piedmont Natural Gas Company
Calculation of Indicated DCF Applied to Book Value Capital Structure
of Mr. Hinton's Proxy Group

Un-lever Indicated Market Capital Structure DCF

$$K_u = K_e - \left(\left(\frac{K_u - i}{1 - t} \right) \frac{D}{E} \right) - (K_u - d) \frac{P}{E}$$

$$K_u = 9.39\% - \left(\left(\frac{K_u - 4.08\%}{1 - 21\%} \right) 41.91\% \right) / 57.72\% - (K_u - 5.90\%) 0.37\% / 57.72\%$$

$$K_u = 9.39\% - \left(\left(\frac{K_u - 4.08\%}{79.00\%} \right) 72.60\% \right) - (K_u - 5.90\%) 0.65\%$$

$$K_u = 9.39\% - \left(79.00\% * K_u - 3.2232\% \right) 72.60\% - (0.65\% * K_u - 0.04\%)$$

$$K_u = 9.39\% - (57.35\% * K_u - 2.34\%) -0.65\% * K_u + 0.04\%$$

$$K_u = 9.39\% -57.35\% * K_u + 2.34\% -0.65\% * K_u + 0.04\%$$

$$K_u = 11.77\% -58.00\% * K_u$$

$$158.00\% * K_u = 11.77\%$$

$$K_u = 7.45\%$$

Re-lever to Indicated Book Value Capital Structure DCF

$$K_e = K_u + \left(\left(\frac{K_u - i}{1 - t} \right) \frac{D}{E} \right) + (K_u - d) \frac{P}{E}$$

$$K_e = 7.45\% + \left(\left(\frac{7.45\% - 4.08\%}{1 - 21\%} \right) 50.39\% \right) / 49.17\% + (7.45\% - 5.90\%) 0.44\% / 49.17\%$$

$$K_e = 7.45\% + \left(\left(\frac{3.37\%}{79\%} \right) 102.47\% \right) + (1.55\%) 0.89\%$$

$$K_e = 7.45\% + ((2.66\%) 102.47\%) + (0.01\%)$$

$$K_e = 7.45\% + (2.73\%) + 0.01\%$$

$$K_e = 10.19\%$$

Calculation of Indicated DCF Applied to Book Value Capital Structure
of Mr. O'Donnell's Proxy Group

Un-lever Indicated Market Capital Structure DCF

$$K_u = K_e - \left(\left(\frac{K_u - i}{1 - t} \right) \frac{D}{E} \right) - (K_u - d) \frac{P}{E}$$

$$K_u = 9.00\% - \left(\left(\frac{K_u - 4.09\%}{1 - 21\%} \right) 43.89\% \right) / 55.28\% - (K_u - 6.01\%) 0.84\% / 55.28\%$$

$$K_u = 9.00\% - \left(\left(\frac{K_u - 4.09\%}{79.00\%} \right) 79.39\% \right) - (K_u - 6.01\%) 1.51\%$$

$$K_u = 9.00\% - \left(79.00\% * K_u - 3.2311\% \right) 79.39\% - (1.51\% * K_u - 0.09\%)$$

$$K_u = 9.00\% - (62.72\% * K_u - 2.57\%) -1.51\% * K_u + 0.09\%$$

$$K_u = 9.00\% -62.72\% * K_u + 2.57\% -1.51\% * K_u + 0.09\%$$

$$K_u = 11.66\% -64.23\% * K_u$$

$$164.23\% * K_u = 11.66\%$$

$$K_u = 7.10\%$$

Re-lever to Indicated Book Value Capital Structure DCF

$$K_e = K_u + \left(\left(\frac{K_u - i}{1 - t} \right) \frac{D}{E} \right) + (K_u - d) \frac{P}{E}$$

$$K_e = 7.10\% + \left(\left(\frac{7.10\% - 4.09\%}{1 - 21\%} \right) 51.69\% \right) / 47.23\% + (7.10\% - 6.01\%) 1.07\% / 47.23\%$$

$$K_e = 7.10\% + \left(\left(\frac{3.01\%}{79\%} \right) 109.44\% \right) + (1.09\%) 2.27\%$$

$$K_e = 7.10\% + ((2.38\%) 109.44\%) + (0.02\%)$$

$$K_e = 7.10\% + (2.60\%) + 0.02\%$$

$$K_e = 9.72\%$$

Where:

- K_u = Un-levered (i.e., 100% equity) cost of common equity
- K_e = Market determined cost of common equity
- i = Cost of debt
- t = Income tax rate
- D = Debt ratio
- E = Equity ratio
- d = Cost of preferred stock
- P = Preferred equity ratio

Piedmont Natural Gas Company
Mr. Hinton's DCF Analysis using only Projected Growth in EPS

DCF ANALYSIS

Company Name	Yield ¹		Value		Yahoo	Average	Growth ²	
			Line ²		Forecast ³			
			EPS		EPS			
			5-Yr		5-Yr			
1 Atmos Energy	2.6	%	7.0	%	7.2	%	7.1	%
2 Chesapeake Utilities	1.6		8.5		4.7		6.6	
3 MDU Resources	2.6		10.5		7.2		8.9	
4 National Fuel Gas	3.4		19.0		8.5		8.5	
5 New Jersey Resources	3.2		2.0		6.0		4.0	
6 Northwest Natural Gas	3.6		5.5		3.8		4.7	
7 One Gas	3.1		6.5		5.0		5.8	
8 South Jersey Inds.	4.9		11.5		4.8		8.2	
9 Southwest Gas Corp	3.5		9.0		4.0		6.5	
10 Spire	3.6		10.0		7.3		8.7	
11 UGI Corp.	3.0		6.0		7.7		6.9	
Average	3.2	%	7.7	%	6.0	%	6.9	%
Average DCF Result			10.8	%	9.2	%	10.1	%

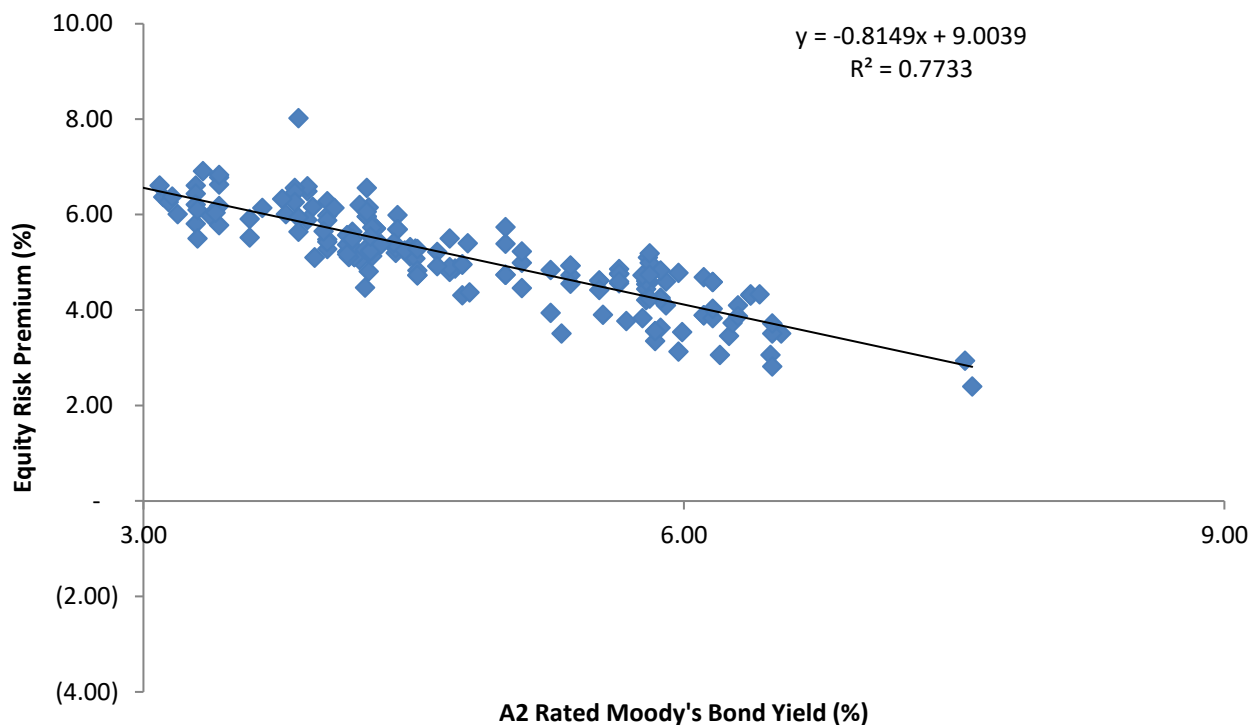
Sources:

¹ Value Line Investment Survey, Summary and Index from April 30, 2021 to July 23, 2021.

² Value Line Investment Survey, Standard Edition, May 28, 2021. The 19% growth estimate for National Fuel Gas was excluded.

³ Yahoo Earnings Forecast as of June 30, 2021.

Piedmont Natural Gas Company
Prediction of Equity Risk Premiums Relative to
Moody's A2 Rated Utility Bond Yields



		Prospective A2 Rated Utility Bond (1)	Prospective Equity Risk Premium	Indicated ROE
<u>Constant</u>	<u>Slope</u>	<u>3.86 %</u>	<u>5.86 %</u>	<u>9.72 %</u>
9.0039 %	-0.8149			
		Current A2 Rated Utility Bond (1)	Prospective Equity Risk Premium	Indicated ROE
<u>Constant</u>	<u>Slope</u>	<u>3.21</u>	<u>6.39 %</u>	<u>9.60 %</u>
9.0039 %	-0.8149			

Notes:

- (1) From line 3 of page 12 of Schedule 1.
- (2) Mr. Hinton's current A-rated bond yield as shown on Hinton Exhibit 7, page 2.

Source of Information: Regulatory Research Associates

Piedmont Natural Gas Company
Mr. Hinton's CEM Analysis using Value Line Projected Returns

CEM ANALYSIS

Company Name	2021		2022		2024-2026	
1 Atmos Energy	8.0	%	7.5	%	7.5	%
2 Chesapeake Utilities	11.0		10.5		12.0	
3 MDU Resources	13.0		13.5		13.5	
4 National Fuel Gas	13.5		13.0		16.5	
5 New Jersey Resources	10.5		11.0		10.5	
6 Northwest Natural Gas	7.5		7.0		7.0	
7 One Gas	8.5		8.5		6.5	
8 South Jersey Inds.	10.0		10.5		11.5	
9 Southwest Gas Corp	9.0		9.0		10.0	
10 Spire	9.5		7.5		7.5	
11 UGI Corp.	14.0		14.0		12.5	
			Average		Median	
			10.35		10.50	

Sources:

¹ Value Line Investment Survey, May 28, 2021.

Piedmont Natural Gas Company
Calculation of Range of ROEs needed
to Obtain a Single "A" Rating

	Capitalization Ratio (1) (a)	Embedded Cost (b)	Overall Cost Rate (2) (c)	Pre-Tax Cost of Capital (d)
<u>Company Proposed Rates</u>				
Long-term Debt	47.45%	4.08% (1)	1.94%	1.94%
Short-term Debt	0.55%	0.35% (1)	0.00%	0.00%
Equity	52.00%	10.25% (3)	5.33%	6.92% (4)
Total	<u>100.00%</u>		<u>7.27%</u>	<u>8.86%</u>
			Pre-Tax Interest Coverage	5.01
<u>Public Staff Proposed Rates</u>				
Long-term Debt	48.80%	4.08% (1)	1.99%	1.99%
Short-term Debt	0.67%	0.20% (1)	0.00%	0.00%
Equity	50.53%	9.42% (5)	4.76%	6.18% (4)
Total	<u>100.00%</u>		<u>6.75%</u>	<u>8.17%</u>
			Pre-Tax Interest Coverage	4.25
<u>Highest Rate Scenario</u>				
Long-term Debt	48.80%	4.08% (1)	1.99%	1.99%
Short-term Debt	0.67%	0.20% (1)	0.00%	0.00%
Equity	50.53%	14.55%	7.35%	9.54% (4)
Total	<u>100.00%</u>		<u>9.34%</u>	<u>11.54%</u>
			Pre-Tax Interest Coverage	6.00
<u>Lowest Rate Scenario</u>				
Long-term Debt	48.80%	4.08% (1)	1.99%	1.99%
Short-term Debt	0.67%	0.20% (1)	0.00%	0.00%
Equity	50.53%	5.76%	2.91%	3.78% (4)
Total	<u>100.00%</u>		<u>4.90%</u>	<u>5.77%</u>
			Pre-Tax Interest Coverage	3.00

Notes

- (1) Hinton Direct Testimony
- (2) Column (a) x Column (b)
- (3) Recommended ROE as shown on Schedule DWD-1R, page 1.
- (4) Overall Equity Cost Rate x Tax Conversion Factor
- (5) Hinton Direct Testimony

Piedmont Natural Gas Company
Summary of Adjustment Clauses & Alternative Regulation/Incentive Plans

Company	Parent	State	Adjustment Clauses				Alternative Regulation / Incentive Plans	
			Gas Commodity	Decoupling (F/P) [1]	Capital Investment [2]	Energy Efficiency [3]	Other [4]	Formula-Based Rates
Atmos Energy	ATO	Colorado	✓		✓	✓		
Atmos Energy	ATO	Kansas	✓	P	✓	✓		✓
Atmos Energy	ATO	Kentucky	✓	P	✓	✓		
Atmos Energy	ATO	Louisiana	✓	P	✓	✓		✓
Atmos Energy	ATO	Mississippi	✓	P	✓	✓		
Atmos Energy	ATO	Tennessee	✓	P	✓	✓		✓
Atmos Energy	ATO	Texas	✓	P	✓	✓		
Atmos Energy	ATO	Virginia	✓	P	✓	✓		
Chesapeake Utilities Corp.	CPK	Delaware	✓	P	✓	✓		
Chesapeake Utilities Corp.	CPK	Maryland	✓	F	✓	✓		
Elkton Gas Company	CPK	Maryland	✓	F	✓	✓		
Florida Public Utilities Co.	CPK	Florida	✓	F	✓	✓		
MDU Resources Group Inc.	MDU	Montana	✓	P	✓	✓		
MDU Resources Group Inc.	MDU	North Dakota	✓	P	✓	✓		
MDU Resources Group Inc.	MDU	Oregon	✓	P	✓	✓		✓
Cascade Natural Gas Corp.	MDU	South Dakota	✓	P	✓	✓		
MDU Resources Group Inc.	MDU	Washington	✓	P	✓	✓		
Cascade Natural Gas Corp.	MDU	Washington	✓	P	✓	✓		
MDU Resources Group Inc.	MDU	Wyoming	✓	P	✓	✓		
National Fuel Gas Distribution Corp.	NFG	New York	✓	F	✓	✓		✓
National Fuel Gas Distribution Corp.	NFG	Pennsylvania	✓	F	✓	✓		✓
New Jersey Natural Gas	NJR	New Jersey	✓	F	✓	✓		✓
Northwest Natural Gas	NWN	Oregon	✓	P	✓	✓		
Northwest Natural Gas	NWN	Washington	✓	P	✓	✓		
Northwest Natural Gas	NWN	Washington	✓	P	✓	✓		
Kansas Gas Service	OGS	Kansas	✓	P	✓	✓		
Oklahoma Natural Gas	OGS	Oklahoma	✓	P	✓	✓		✓
Texas Gas Service	OGS	Texas	✓	P	✓	✓		
Elizabethtown Gas	SJI	New Jersey	✓	P	✓	✓		
South Jersey Gas	SJI	New Jersey	✓	P	✓	✓		
Southwest Gas Corporation	SWX	Arizona	✓	F	✓	✓		
Southwest Gas Corporation	SWX	California	✓	F	✓	✓		
Southwest Gas Corporation	SWX	Nevada	✓	F	✓	✓		
Spire Alabama Inc.	SR	Alabama	✓	F	✓	✓		✓
Spire Gulf Inc.	SR	Alabama	✓	P	✓	✓		✓
Spire Mississippi Inc.	SR	Mississippi	✓	P	✓	✓		✓
Spire Missouri East	SR	Missouri	✓	P	✓	✓		✓
Spire Missouri West	SR	Missouri	✓	P	✓	✓		✓
UGI Utilities	UGI	Pennsylvania	✓	P	✓	✓		✓

Notes:

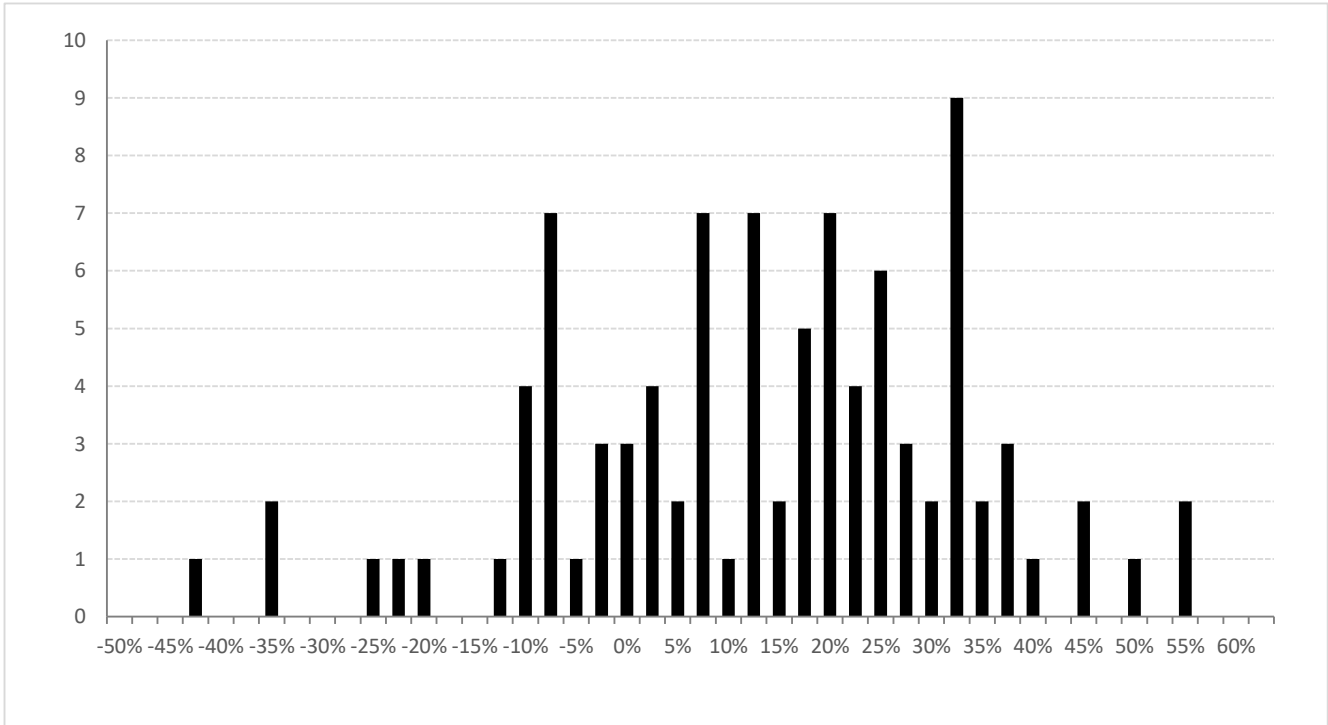
Note: A mechanism may cover one or more cost categories; therefore, designations may not indicate separate mechanisms for each category.

[1] Full or partial decoupling (such as Fixed Variable rate design, weather normalization clauses, and recovery of lost revenues as a result of Energy Efficiency programs). All full or partial decoupling mechanisms include regulatory fee, government & franchise fees and taxes, economic development, and low income programs. weather normalization adjustments.

[2] Includes recovery of costs related to infrastructure replacement, system integrity/hardening, and other capital expenditures. Sources: Company SEC Form 10-Ks; Operating company tariffs; Regulatory Research Associates.

[3] Utility-sponsored conservation, energy efficiency, or other demand side management programs.

Piedmont Natural Gas Company
Frequency Distribution of Observed Market Returns, 1926 - 2020



Piedmont Natural Gas Company
Frequency Distribution of Observed Market Returns, 1926 - 2020

Large Company Stocks Total Returns		Long-Term Government Bond Income Returns	Market Returns		
Year	Jan-Dec*	Jan-Dec*	Bin	Frequency	Cumulative %
1926	0.1162	0.0373	-50.00%	0	0.0%
1927	0.3749	0.0341	-47.50%	0	0.0%
1928	0.4361	0.0322	-45.00%	0	0.0%
1929	-0.0842	0.0347	-42.50%	1	1.1%
1930	-0.2490	0.0332	-40.00%	0	1.1%
1931	-0.4334	0.0333	-37.50%	0	1.1%
1932	-0.0819	0.0369	-35.00%	2	3.2%
1933	0.5399	0.0312	-32.50%	0	3.2%
1934	-0.0144	0.0318	-30.00%	0	3.2%
1935	0.4767	0.0281	-27.50%	0	3.2%
1936	0.3392	0.0277	-25.00%	1	4.2%
1937	-0.3503	0.0266	-22.50%	1	5.3%
1938	0.3112	0.0264	-20.00%	1	6.3%
1939	-0.0041	0.0240	-17.50%	0	6.3%
1940	-0.0978	0.0223	-15.00%	0	6.3%
1941	-0.1159	0.0194	-12.50%	1	7.4%
1942	0.2034	0.0246	-10.00%	4	11.6%
1943	0.2590	0.0244	-7.50%	7	18.9%
1944	0.1975	0.0246	-5.00%	1	20.0%
1945	0.3644	0.0234	-2.50%	3	23.2%
1946	-0.0807	0.0204	0.00%	3	26.3%
1947	0.0571	0.0213	2.50%	4	30.5%
1948	0.0550	0.0240	5.00%	2	32.6%
1949	0.1879	0.0225	7.50%	7	40.0%
1950	0.3171	0.0212	10.00%	1	41.1%
1951	0.2402	0.0238	12.50%	7	48.4%
1952	0.1837	0.0266	15.00%	2	50.5%
1953	-0.0099	0.0284	17.50%	5	55.8%
1954	0.5262	0.0279	20.00%	7	63.2%
1955	0.3156	0.0275	22.50%	4	67.4%
1956	0.0656	0.0299	25.00%	6	73.7%
1957	-0.1078	0.0344	27.50%	3	76.8%
1958	0.4336	0.0327	30.00%	2	78.9%
1959	0.1196	0.0401	32.50%	9	88.4%
1960	0.0047	0.0426	35.00%	2	90.5%
1961	0.2689	0.0383	37.50%	3	93.7%
1962	-0.0873	0.0400	40.00%	1	94.7%
1963	0.2280	0.0389	42.50%	0	94.7%
1964	0.1648	0.0415	45.00%	2	96.8%
1965	0.1245	0.0419	47.50%	0	96.8%
1966	-0.1006	0.0449	50.00%	1	97.9%
1967	0.2398	0.0459	52.50%	0	97.9%
1968	0.1106	0.0550	55.00%	2	100.0%
1969	-0.0850	0.0595	57.50%	0	100.0%
1970	0.0386	0.0674	60.00%	0	100.0%
1971	0.1430	0.0632	62.50%	0	100.0%
1972	0.1899	0.0587			
1973	-0.1469	0.0651			
1974	-0.2647	0.0727			
1975	0.3723	0.0799			
1976	0.2393	0.0789			
1977	-0.0716	0.0714			
1978	0.0657	0.0790			
1979	0.1861	0.0886			
1980	0.3250	0.0997			

Piedmont Natural Gas Company
Frequency Distribution of Observed Market Returns, 1926 - 2020

	Large Company Stocks Total Returns	Long-Term Government Bond Income Returns
Year	Jan-Dec*	Jan-Dec*
1981	-0.0492	0.1155
1982	0.2155	0.1350
1983	0.2256	0.1038
1984	0.0627	0.1174
1985	0.3173	0.1125
1986	0.1867	0.0898
1987	0.0525	0.0792
1988	0.1661	0.0897
1989	0.3169	0.0881
1990	-0.0310	0.0819
1991	0.3047	0.0822
1992	0.0762	0.0726
1993	0.1008	0.0717
1994	0.0132	0.0659
1995	0.3758	0.0760
1996	0.2296	0.0618
1997	0.3336	0.0664
1998	0.2858	0.0583
1999	0.2104	0.0557
2000	-0.0910	0.0650
2001	-0.1189	0.0553
2002	-0.2210	0.0559
2003	0.2868	0.0480
2004	0.1088	0.0502
2005	0.0491	0.0469
2006	0.1579	0.0468
2007	0.0549	0.0486
2008	-0.3700	0.0445
2009	0.2646	0.0347
2010	0.1506	0.0425
2011	0.0211	0.0382
2012	0.1600	0.0246
2013	0.3239	0.0288
2014	0.1369	0.0341
2015	0.0138	0.0247
2016	0.1196	0.0230
2017	0.2183	0.0267
2018	-0.0438	0.0282
2019	0.3149	0.0255
2020	0.1840	0.0142
Average	0.1216	0.0491
Std. Dev.	0.1967	0.0264
<hr/>		
Average Return from Direct		% Rank
12.73%		48.10%
<hr/>		
Average Return from Rebuttal		% Rank
12.62%		48.00%

Source: Duff & Phelps, 2021 SBBI Yearbook, Appendix A-1, A-7

Piedmont Natural Gas Company
Calculation of Price Appreciation and Annualized Volatility of the
Combined Proxy Group, Other Utility Indices, and Market Indices since February 3, 2020

<u>Combined Natural Gas Proxy Group</u>	<u>Price Appreciation (1)</u>	<u>Annualized Volatility (2)</u>
Atmos Energy Corporation	-16.92%	36.23%
Chesapeake Utilities Corporation	27.30%	43.88%
Spire Inc	-17.00%	42.51%
New Jersey Resources Corporation	-9.15%	54.67%
NiSource Inc.	-16.85%	38.86%
Northwest Natural Gas Company	-30.36%	52.70%
ONE Gas, Inc.	-22.74%	43.95%
South Jersey Industries, Inc.	-19.99%	50.96%
Southwest Gas Corporation	-8.87%	44.10%
UGI Corporation	10.00%	44.25%
MDU Resources Group	6.19%	49.31%
National Fuel Gas	21.10%	36.17%
Average	<u>-6.44%</u>	<u>44.80%</u>
Dow Jones Utility Average	<u>-3.54%</u>	<u>33.12%</u>
Utilities Select SPDR Fund	<u>-4.67%</u>	<u>33.13%</u>
Dow Jones Industrial Average	<u>23.01%</u>	<u>30.95%</u>
S&P 500	<u>35.28%</u>	<u>29.28%</u>

Notes:

- (1) (7/30/2021 price minus 2/3/2020 price) divided by 2/3/2020 price.
(2) Standard deviation of returns over the period multiplied by the square root of 252, or number of trading days in a year.

Source: S&P Market Intelligence, S&P Capital IQ

Piedmont Natural Gas Company
Mr. O'Donnell DCF Corrected

<u>Company</u>	<u>Dividend Yield</u>			<u>Forecast</u>				<u>DCF Result</u>		
	<u>13-Weeks</u>	<u>4-Weeks</u>	<u>1-Week</u>	<u>EPS</u>	<u>CFRA</u>	<u>Schwab</u>	<u>Avg Proj EPS</u>	<u>13-Weeks</u>	<u>4-Weeks</u>	<u>1-Week</u>
Atmos Energy	2.6%	2.7%	2.7%	7.0%	8.0%	7.2%	7.4%	10.00%	10.10%	10.10%
Chesapeake Utilities	1.6%	1.6%	1.6%	8.5%	3.6%	-	6.1%	7.65%	7.65%	7.65%
New Jersey Resources	3.1%	3.2%	3.3%	2.0%	8.0%	6.0%	5.3%	8.43%	8.53%	8.63%
NiSource Inc	3.5%	3.5%	3.5%	9.5%	5.0%	3.5%	6.0%	9.50%	9.50%	9.50%
Northwest Natural	3.5%	3.6%	3.6%	5.5%	4.0%	3.8%	4.4%	7.93%	8.03%	8.03%
ONE Gas Inc	3.1%	3.2%	3.2%	6.5%	5.0%	5.0%	5.5%	8.60%	8.70%	8.70%
South Jersey Inds	4.9%	4.7%	4.8%	11.5%	6.0%	4.8%	7.4%	12.33%	12.13%	12.23%
Southwest Gas	3.5%	3.7%	3.7%	9.0%	6.0%	4.0%	6.3%	9.83%	10.03%	10.03%
Spire Inc	3.5%	3.6%	3.6%	10.0%	4.0%	7.3%	7.1%	10.60%	10.70%	10.70%
UGI Corp	3.0%	2.9%	2.9%	6.0%	8.0%	7.7%	7.2%	10.23%	10.13%	10.13%
Average	3.2%	3.3%	3.3%	7.6%	5.8%	5.5%	6.3%	9.51%	9.55%	9.57%
Median								9.67%	9.77%	9.77%
Average - Excl. CPK, UGI								9.65%	9.72%	9.74%
Median - Excl. CPK, UGI								9.67%	9.77%	9.77%
Duke Energy	3.9%	3.9%	3.9%	7.0%	6.0%	5.0%	6.0%	9.90%	9.90%	9.90%

Source: Exhibit KWO-2

Piedmont Natural Gas Company
Recently Authorized ROEs by RRA Ranking

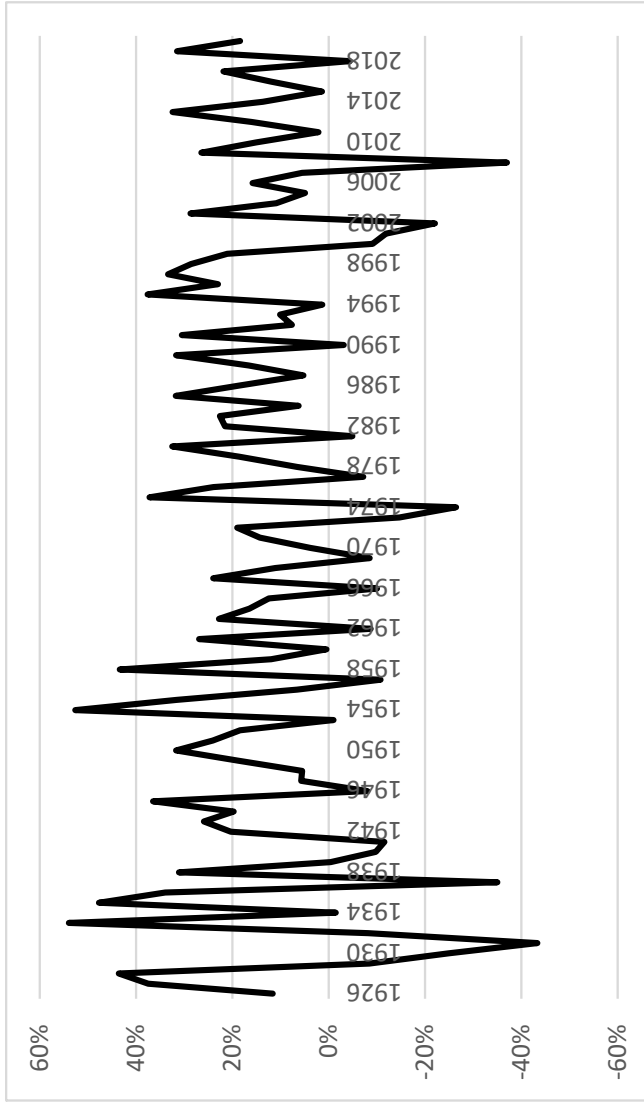
Table with columns: State, Company, Case Identification, Service, Case Type, Date, Return on Equity (%), RRA Rank, Top Third (Average/1 and higher), Middle Third (Average/2), Bottom Third (Average/3 and lower), Year, RRA Rank. Contains data for various utility companies across different states.

Piedmont Natural Gas Company
Recently Authorized ROEs by RRA Ranking

State	Company	Case Identification	Service	Case Type	Date	Return on Equity (%)	RRA Rank	Natural Gas Utilities			Year	RRA Rank
								Top Third (Average/1 and higher)	Middle Third (Average/2)	Bottom Third (Average/3 and lower)		
District of Columbia	Washington Gas Light Co.	FC-1162	Natural Gas	Distribution	2/24/2021	9.25	Below Average / 3			9.25	2021	1
California	Southwest Gas Corp.	A-19-08-015 (SoCal)	Natural Gas	Distribution	3/25/2021	10.00	Average / 2		10.00		2021	5
California	Southwest Gas Corp.	A-19-08-015 (NoCal)	Natural Gas	Distribution	3/25/2021	10.00	Average / 2		10.00		2021	5
California	Southwest Gas Corp.	A-19-08-015 (LkTah)	Natural Gas	Distribution	3/25/2021	10.00	Average / 2		10.00		2021	5
Maryland	Washington Gas Light Co.	C-9651	Natural Gas	Distribution	4/9/2021	9.70	Average / 3			9.70	2021	4
North Dakota	MDU Resources Group	C-PU-20-379	Natural Gas	Distribution	5/5/2021	9.30	Average / 1	9.30			2021	6
Washington	Cascade Natural Gas Corp.	D-UG-200568	Natural Gas	Distribution	5/18/2021	9.40	Average / 3			9.40	2021	4
New York	Corning Natural Gas Corp.	C-20-G-0101	Natural Gas	Distribution	5/19/2021	8.80	Average / 2		8.80		2021	5
Pennsylvania	PECO Energy Co.	D-R-2020-3018929	Natural Gas	Distribution	6/17/2021	10.24	Above Average / 2	10.24			2021	8
Kentucky	Louisville Gas & Electric Co.	C-2020-00350 (gas)	Natural Gas	Distribution	6/30/2021	9.43	Average / 1	9.43			2021	6
West Virginia	Hope Gas Inc.	C-20-0746-G-42T	Natural Gas	Distribution	7/27/2021	9.54	Below Average / 2			9.54	2021	2
New Hampshire	Liberty Utilities EnergyNorth	D-DG-20-105	Natural Gas	Distribution	7/30/2021	9.30	Average / 3			9.30	2021	4
Total Cases						232			71	83	78	
Mean						9.63			9.83	9.45	9.62	0.22
Median						9.60			9.85	9.49	9.60	0.25
Maximum						11.88			10.55	10.20	11.88	
Minimum						8.70			9.20	8.70	9.10	
2021 Mean						9.60						
2021 Median						9.57						

Source: Regulatory Research Associates

Piedmont Natural Gas Company
U.S. Large Company Stock Returns 1926-2020



Source: Duff & Phelps, 2021 SBBI Yearbook

Piedmont Natural Gas Company
Hypothetical Example: Flotation Cost Recovery

Return on Equity	10.75%
Flotation Costs	2.75%
Market Value	\$ 25.00
Dividend Yield	3.50%
Growth Rate	7.25%
Adjusted ROE	10.85%
Flotation Cost Recovery:	No
DCF Estimate	10.65%

	Common Stock	Retained Earnings	Book Value	Market Price	Market/ Book Value	Earnings Per Share	Dividends Per Share	Payout Ratio
1	\$ 24.31		\$ 24.31	\$ 25.00	1.0283	\$ 2.61	\$ 0.88	33.48%
2	\$ 24.31	\$ 1.74	\$ 26.05	\$ 26.79	1.0283	\$ 2.80	\$ 0.94	33.48%
3	\$ 24.31	\$ 3.60	\$ 27.91	\$ 28.70	1.0283	\$ 3.00	\$ 1.00	33.48%
4	\$ 24.31	\$ 5.60	\$ 29.91	\$ 30.76	1.0283	\$ 3.22	\$ 1.08	33.48%
5	\$ 24.31	\$ 7.74	\$ 32.05	\$ 32.96	1.0283	\$ 3.45	\$ 1.15	33.48%
6	\$ 24.31	\$ 10.03	\$ 34.34	\$ 35.31	1.0283	\$ 3.69	\$ 1.24	33.48%
7	\$ 24.31	\$ 12.48	\$ 36.80	\$ 37.84	1.0283	\$ 3.96	\$ 1.32	33.48%
8	\$ 24.31	\$ 15.12	\$ 39.43	\$ 40.54	1.0283	\$ 4.24	\$ 1.42	33.48%
9	\$ 24.31	\$ 17.94	\$ 42.25	\$ 43.44	1.0283	\$ 4.54	\$ 1.52	33.48%
10	\$ 24.31	\$ 20.96	\$ 45.27	\$ 46.55	1.0283	\$ 4.87	\$ 1.63	33.48%
	Growth Rate		7.15%	7.15%		7.15%	7.15%	

Return on Equity	10.75%
Flotation Costs	2.75%
Market Value	\$ 25.00
Dividend Yield	3.50%
Growth Rate	7.25%
Adjusted ROE	10.85%
Flotation Cost Recovery:	Yes
DCF Estimate	10.75%

	Common Stock	Retained Earnings	Book Value	Market Price	Market/ Book Value	Earnings Per Share	Dividends Per Share	Payout Ratio
1	\$ 24.31		\$ 24.31	\$ 25.00	1.0283	\$ 2.64	\$ 0.88	33.17%
2	\$ 24.31	\$ 1.76	\$ 26.08	\$ 26.81	1.0283	\$ 2.83	\$ 0.94	33.17%
3	\$ 24.31	\$ 3.65	\$ 27.97	\$ 28.76	1.0283	\$ 3.03	\$ 1.01	33.17%
4	\$ 24.31	\$ 5.68	\$ 29.99	\$ 30.84	1.0283	\$ 3.25	\$ 1.08	33.17%
5	\$ 24.31	\$ 7.86	\$ 32.17	\$ 33.08	1.0283	\$ 3.49	\$ 1.16	33.17%
6	\$ 24.31	\$ 10.19	\$ 34.50	\$ 35.48	1.0283	\$ 3.74	\$ 1.24	33.17%
7	\$ 24.31	\$ 12.69	\$ 37.00	\$ 38.05	1.0283	\$ 4.01	\$ 1.33	33.17%
8	\$ 24.31	\$ 15.37	\$ 39.68	\$ 40.81	1.0283	\$ 4.31	\$ 1.43	33.17%
9	\$ 24.31	\$ 18.25	\$ 42.56	\$ 43.76	1.0283	\$ 4.62	\$ 1.53	33.17%
10	\$ 24.31	\$ 21.33	\$ 45.65	\$ 46.94	1.0283	\$ 4.95	\$ 1.64	33.17%
	Growth Rate		7.25%	7.25%		7.25%	7.25%	

Settlement Exhibit DWD-1

Piedmont Natural Gas Company
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									Top Third (Average/1 and higher)	Middle Third (Average/2)	Bottom Third (Average/3 and lower)
New York	Consolidated Edison Co. of NY	C-16-G-0061	Natural Gas	Distribution	1/24/2017	9.00	48.00	Average / 2	10.55	9.00	9.25
Georgia	Atlanta Gas Light Co.	D-40828	Natural Gas	Distribution	2/21/2017	10.55	51.00	Above Average / 2			9.50
District of Columbia	Washington Gas Light Co.	FC-1137	Natural Gas	Distribution	3/1/2017	9.25	55.70	Below Average / 3			
Arizona	Natural Gas Corp.	D-G-01551A-16-0107	Natural Gas	Distribution	4/11/2017	9.50	51.70	Below Average / 1			
New York	Natl Fuel Gas Distribution Cor	C-16-G-0257	Natural Gas	Distribution	4/20/2017	8.70	42.90	Average / 2		8.70	
Idaho	Intermountain Gas Co.	C-INT-G-16-2	Natural Gas	Distribution	4/28/2017	9.50	50.00	Average / 2		9.50	
Texas	CenterPoint Energy Resources	D-GUD-10567	Natural Gas	Distribution	5/23/2017	9.60	55.15	Average / 3			9.60
Delaware	Delmarva Power & Light Co.	D-16-0650	Natural Gas	Distribution	6/6/2017	9.70	NA	Average / 3			9.60
Kentucky	Louisville Gas & Electric Co.	C-2016-00371 (gas)	Natural Gas	Distribution	6/22/2017	9.70	NA	Average / 1	9.70		9.70
New Jersey	Elizabethown Gas Co.	D-GR-16090826	Natural Gas	Distribution	6/30/2017	9.60	46.00	Below Average / 1			9.60
Montana	NorthWestern Corp.	D-D2016.9.68	Natural Gas	Distribution	7/20/2017	9.55	46.79	Below Average / 1			9.55
Michigan	Consumers Energy Co.	C-U-18124	Natural Gas	Distribution	7/31/2017	10.10	41.27	Above Average / 3	10.10		
Oregon	Avista Corp.	D-UG 325	Natural Gas	Distribution	9/13/2017	9.40	50.00	Average / 2		9.40	
Maryland	Columbia Gas of Maryland Inc	C-9447	Natural Gas	Distribution	9/19/2017	9.70	NA	Average / 3			9.70
Alaska	ENSTAR Natural Gas Co.	D-U-16-066	Natural Gas	Distribution	9/22/2017	11.88	51.81	Below Average / 1			11.88
South Carolina	Piedmont Natural Gas Co.	D-2017-7-G	Natural Gas	Distribution	9/27/2017	10.20	53.00	Average / 3			10.20
New Jersey	South Jersey Gas Co.	D-GR-17010071	Natural Gas	Distribution	10/20/2017	9.60	52.50	Below Average / 1			9.60
California	San Diego Gas & Electric Co.	Advice No. 2611-G	Natural Gas	Distribution	10/26/2017	10.20	52.00	Average / 2		10.20	
California	Southern California Gas Co.	D-UG-170034	Natural Gas	Distribution	10/30/2017	10.05	52.00	Average / 2			9.50
Washington	Puget Sound Energy Inc.	D-U-17-0239	Natural Gas	Distribution	12/5/2017	9.50	48.50	Average / 3		10.05	
Wisconsin	Northern States Power Co.	D-4220-UR-123 (Gas)	Natural Gas	Distribution	12/7/2017	9.80	51.45	Above Average / 2	9.80		9.50
Connecticut	The Shinn. CT Gas Co	D-17-05-42	Natural Gas	Distribution	12/13/2017	9.25	52.19	Average / 3			9.25
Idaho	Avista Corp.	C-AVU-G-17-01	Natural Gas	Distribution	1/28/2018	9.50	50.00	Average / 2		9.50	
Illinois	Northern Illinois Gas Co.	D-17-0124	Natural Gas	Distribution	1/31/2018	9.80	52.00	Average / 2		9.80	
Missouri	Missouri Gas Energy	C-GR-2017-0216	Natural Gas	Distribution	2/21/2018	9.80	54.16	Average / 3			9.80
Missouri	Spirre Missouri Inc.	D-2017-00215	Natural Gas	Distribution	2/21/2018	9.80	54.16	Average / 3			9.80
Maine	Northern Utilities Inc.	C-GR-2017-00065	Natural Gas	Distribution	2/28/2018	9.50	50.00	Average / 3			9.50
New York	Niagara Mohawk Power Corp.	C-17-G-0239	Natural Gas	Distribution	3/15/2018	9.00	48.00	Average / 2		9.00	
Florida	Pivotal Utility Holdings Inc.	D-20170179-GU	Natural Gas	Distribution	3/26/2018	10.19	48.00	Above Average / 2	10.19		
Washington	Avista Corp.	D-UG-170486	Natural Gas	Distribution	4/26/2018	9.50	48.50	Average / 3			9.50
New Hampshire	Liberty Utilities Energy/North	D-DG-17-048	Natural Gas	Distribution	4/27/2018	9.30	49.21	Average / 3			9.30
New Hampshire	Northern Utilities Inc.	D-DG-17-070	Natural Gas	Distribution	5/2/2018	9.50	51.70	Average / 3			9.50
Kentucky	Amos Energy Corp.	C-2017-00349	Natural Gas	Distribution	5/3/2018	9.70	52.57	Average / 1	9.70		9.40
Montana	MDU Resources Group	D2017.9.79	Natural Gas	Distribution	5/29/2018	9.40	51.62	Below Average / 1			9.40
Missouri	Liberty Utilities (Midstates)	C-GR-2018-0013	Natural Gas	Distribution	6/6/2018	9.80	NA	Average / 3			9.80
New York	Central Hudson Gas & Electric	C-17-G-0460	Natural Gas	Distribution	6/14/2018	8.80	48.00	Average / 2		8.80	
Wyoming	Black Hills Northwest Wyoming	D-30011-97-GR-17	Natural Gas	Distribution	7/16/2018	9.60	54.00	Average / 2		9.60	
Washington	Cascade Natural Gas Corp.	D-UG-170929	Natural Gas	Distribution	7/20/2018	9.40	49.00	Average / 3			9.40
Rhode Island	Narragansett Electric Co.	D-4770 (gas)	Natural Gas	Distribution	8/24/2018	9.28	50.95	Average / 2		9.28	
Michigan	Consumers Energy Co.	C-U-18424	Natural Gas	Distribution	8/28/2018	10.00	40.91	Above Average / 3	10.00		
Michigan	DTE Gas Co.	C-U-18999	Natural Gas	Distribution	9/13/2018	10.00	38.30	Above Average / 3	10.00		
Wisconsin	Wisconsin Power and Light Co	D-6680-UR-121 (Gas)	Natural Gas	Distribution	9/14/2018	10.00	52.00	Above Average / 3	10.00		
Indiana	Northern IN Public Svc Co.	Ca-44988	Natural Gas	Distribution	9/19/2018	9.85	46.88	Average / 1	9.85		
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-122 (Gas)	Natural Gas	Distribution	9/20/2018	9.80	56.06	Above Average / 2	9.80		
North Dakota	MDU Resources Group	C-PU-17-295	Natural Gas	Distribution	9/26/2018	9.40	51.00	Average / 1	9.40		10.20
South Carolina	Piedmont Natural Gas Co.	D-2018-7-G	Natural Gas	Distribution	9/26/2018	10.20	53.00	Average / 3			
Massachusetts	Boston Gas Co.	DPU-17-170 (Boston Gas)	Natural Gas	Distribution	9/28/2018	9.50	53.04	Average / 2		9.50	
Massachusetts	Colonial Gas Co.	DPU-17-170 (Colonial Gas)	Natural Gas	Distribution	9/28/2018	9.50	53.04	Average / 2		9.50	
Arkansas	Black Hills Energy Arkansas	D-17-071-U	Natural Gas	Distribution	10/5/2018	9.61	40.43	Average / 1	9.61		
Tennessee	Chattanooga Gas Co.	D-18-00017	Natural Gas	Distribution	10/15/2018	9.80	49.23	Above Average / 3	9.80		
Oregon	Northwest Natural Gas Co.	D-UG-344	Natural Gas	Distribution	10/26/2018	9.40	50.00	Average / 2	9.40		
New Jersey	Public Service Electric Gas	D-GR18010030	Natural Gas	Distribution	10/29/2018	9.60	54.00	Below Average / 1		9.40	9.60
Illinois	Ameren Illinois	D-18-0463	Natural Gas	Distribution	11/1/2018	9.87	50.00	Average / 2		9.87	

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									Top Third (Average/1 and higher)	Middle Third (Average/2)	Bottom Third (Average/3 and lower)
Delaware	Delmarva Power & Light Co.	D-17-0978	Natural Gas	Distribution	11/8/2018	9.70	50.52	Average / 3	9.70	9.70	9.70
Minnesota	Minnesota Energy Resources	D-G-011/GR-17-563	Natural Gas	Distribution	11/8/2018	9.70	50.90	Average / 2	9.70	9.70	9.70
Missouri	Washington Gas Light Co.	C-9481	Natural Gas	Distribution	12/11/2018	9.70	51.69	Average / 3	9.70	9.70	9.70
Connecticut	Yankee Gas Services Co.	D-18-05-10	Natural Gas	Distribution	12/12/2018	9.30	53.76	Average / 3	9.60	9.30	9.30
Iowa	Interstate Power & Light Co.	D-RPU-2018-0002	Natural Gas	Distribution	12/13/2018	9.60	51.00	Above Average / 3	9.60	9.60	9.60
Connecticut	CT Natural Gas Corp.	D-18-05-16	Natural Gas	Distribution	12/19/2018	9.30	55.00	Average / 3	9.35	9.35	9.30
Colorado	Public Service Co. of CO	D-17AL-0363G	Natural Gas	Distribution	12/21/2018	9.35	54.60	Average / 1	9.25	9.25	9.30
Nevada	Southwest Gas Corp.	D-18-05031 (Southern)	Natural Gas	Distribution	12/24/2018	9.25	49.66	Average / 2	9.25	9.25	9.80
Nevada	Southwest Gas Corp.	D-18-05031 (Northern)	Natural Gas	Distribution	12/24/2018	9.25	49.66	Average / 2	9.25	9.25	9.80
Maryland	Baltimore Gas and Electric Co.	C-9484	Natural Gas	Distribution	1/4/2019	9.80	52.85	Average / 3	9.70	9.70	9.80
Massachusetts	The Berkshire Gas Co.	DPU 18-40	Natural Gas	Distribution	1/18/2019	9.70	54.00	Average / 2	9.70	9.70	9.80
New York	Orange & Rockland Utills Inc.	C-18-G-0068	Natural Gas	Distribution	3/14/2019	9.00	48.00	Average / 2	9.00	9.00	9.80
New York	Duke Energy Kentucky Inc.	C-2018-00261	Natural Gas	Distribution	3/27/2019	9.70	50.76	Average / 1	9.70	9.70	9.80
Kentucky	Louisville Gas & Electric Co.	C-2018-00295 (gas)	Natural Gas	Distribution	4/30/2019	9.73	NA	Average / 1	9.73	9.73	9.80
Kentucky	Atmos Energy Corp.	C-2018-00281	Natural Gas	Distribution	5/7/2019	9.65	58.06	Average / 1	9.65	9.65	9.80
Texas	Atmos Energy Corp.	D-GUD-10779 (Mid-Tex Division)	Natural Gas	Distribution	5/21/2019	9.80	60.18	Average / 3	10.00	9.80	9.80
Wisconsin	Northern States Power Co.	D-4220-UR-124 (Gas)	Natural Gas	Distribution	9/4/2019	10.00	52.52	Above Average / 2	9.90	9.90	9.80
Michigan	Consumers Energy Co.	C-U-20322	Natural Gas	Distribution	9/26/2019	9.90	41.78	Above Average / 3	9.73	9.73	9.80
Illinois	Northern Illinois Gas Co.	D-18-1775	Natural Gas	Distribution	10/2/2019	9.73	54.20	Average / 2	9.73	9.73	9.80
Illinois	Avista Corp.	D-UG-366	Natural Gas	Distribution	10/8/2019	9.40	50.00	Average / 2	9.40	9.40	9.80
Oregon	Washington Gas Light Co.	C-9605	Natural Gas	Distribution	10/15/2019	9.70	53.50	Average / 3	9.70	9.70	9.80
Maryland	Northwest Natural Gas Co.	D-UG-181053	Natural Gas	Distribution	10/21/2019	9.40	49.00	Average / 3	9.70	9.70	9.80
Washington	Piedmont Natural Gas Co.	D-G-9, Sub 743	Natural Gas	Distribution	10/31/2019	9.70	52.00	Average / 1	9.70	9.70	9.80
North Carolina	Wisconsin Electric Power Co.	D-05-UR-109 (WEP-Gas)	Natural Gas	Distribution	10/31/2019	10.00	54.46	Above Average / 2	10.00	10.00	9.80
Wisconsin	Wisconsin Gas LLC	D-05-UR-109	Natural Gas	Distribution	10/31/2019	10.20	52.02	Above Average / 2	10.20	10.20	9.80
Wisconsin	Wisconsin Public Service Corp.	D-6690-UR-126 (Gas)	Natural Gas	Distribution	10/31/2019	10.00	51.96	Above Average / 2	10.00	10.00	9.80
Wisconsin	Wisconsin New Orleans LLC	D-UD-18-07 (gas)	Natural Gas	Distribution	11/7/2019	9.35	50.00	Average / 3	9.35	9.35	9.80
Louisiana	Elizabethtown Gas Co.	D-GR19040486	Natural Gas	Distribution	11/13/2019	9.60	51.50	Below Average / 1	9.60	9.60	9.80
New Jersey	New Jersey Natural Gas Co.	D-GR19030420	Natural Gas	Distribution	11/13/2019	9.60	54.00	Below Average / 1	9.87	9.87	9.80
New Jersey	SEMCO Energy Inc.	C-U-20479	Natural Gas	Distribution	12/6/2019	9.87	54.00	Above Average / 3	9.60	9.60	9.80
Michigan	Black Hills Gas Distribution	D-30026-2-GR-19	Natural Gas	Distribution	12/11/2019	9.40	50.23	Average / 3	9.40	9.40	9.80
Wyoming	Baltimore Gas and Electric Co.	C-9610 (GAS)	Natural Gas	Distribution	12/17/2019	9.75	NA	Average / 3	9.60	9.60	9.80
Maryland	Interstate Power & Light Co.	D-RPU-2019-0002	Natural Gas	Distribution	12/18/2019	9.60	51.00	Above Average / 3	9.60	9.60	9.80
Iowa	Columbia Gas of Maryland Inc	C-9609	Natural Gas	Distribution	12/18/2019	9.60	52.90	Average / 3	9.60	9.60	9.80
Maryland	San Diego Gas & Electric Co.	A-19-04-017 (Gas)	Natural Gas	Distribution	12/19/2019	10.20	52.00	Average / 2	10.20	10.20	9.80
California	Southern California Gas Co.	A-19-04-018	Natural Gas	Distribution	12/19/2019	10.05	52.00	Average / 2	10.05	10.05	9.80
California	Atlanta Gas Light Co.	D-42315	Natural Gas	Distribution	12/19/2019	10.25	56.00	Above Average / 2	10.25	10.25	9.80
Georgia	Washington Gas Light Co.	C-PUR-2018-00080	Natural Gas	Distribution	12/20/2019	9.20	53.48	Average / 1	9.20	9.20	9.80
Virginia	Mountainair Gas Co.	C-19-0316-G-42T	Natural Gas	Distribution	12/26/2019	9.75	NA	Below Average / 2	9.75	9.75	9.80
West Virginia	MDU Resources Group	D-30013-351-GR-19	Natural Gas	Distribution	1/15/2020	9.35	51.25	Average / 2	9.35	9.35	9.80
West Virginia	Consolidated Edison Co. of NY	C-19-G-0066	Natural Gas	Distribution	1/16/2020	8.80	48.00	Average / 2	8.80	8.80	9.80
New York	Roanoke Gas Co.	C-PUR-2018-00013	Natural Gas	Distribution	1/24/2020	9.44	49.10	Average / 1	9.44	9.44	9.80
Virginia	Cascade Natural Gas Corp.	D-UG-190210	Natural Gas	Distribution	2/3/2020	9.40	59.64	Average / 3	9.40	9.40	9.80
Washington	Atmos Energy Corp.	D-19-ATMG-525-RTS	Natural Gas	Distribution	2/24/2020	9.10	56.32	Below Average / 1	9.10	9.10	9.80
Kansas	Questar Gas Co.	D-19-057-02	Natural Gas	Distribution	2/25/2020	9.50	55.00	Average / 2	9.50	9.50	9.80
Utah	Fitchburg Gas & Electric Light	DPU 19-131	Natural Gas	Distribution	2/28/2020	9.70	52.45	Average / 2	9.70	9.70	9.80
Massachusetts	Avista Corp.	D-UG-190335	Natural Gas	Distribution	3/25/2020	9.40	48.50	Average / 3	9.40	9.40	9.80
Washington	Northern Utilities Inc.	D-2019-00092	Natural Gas	Distribution	3/26/2020	9.48	50.00	Average / 3	9.48	9.48	9.80
Maine	Atmos Energy Corp.	D-GUD-10900	Natural Gas	Distribution	4/21/2020	9.80	60.12	Average / 3	9.20	9.20	9.80
Texas	Black Hills Colorado Gas Inc.	D-19AL-0075G	Natural Gas	Distribution	5/19/2020	9.20	50.15	Average / 1	9.20	9.20	9.80
Colorado	CenterPoint Energy Resources	D-GUD-10920	Natural Gas	Distribution	6/16/2020	9.65	56.95	Average / 3	9.65	9.65	9.80
Texas	Puget Sound Energy Inc.	D-UG-190530	Natural Gas	Distribution	7/8/2020	9.40	48.50	Average / 3	9.40	9.40	9.80
Washington	Texas Gas Service Co.	D-GUD-10928	Natural Gas	Distribution	8/4/2020	9.50	59.00	Average / 3	9.50	9.50	9.80
Texas											

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Michigan	DTE Gas Co.	C-U-20642	Natural Gas	Distribution	8/21/2020	9.90	NA	Above Average / 3	9.90		
Michigan	Questar Gas Co.	D-30010-187-GR-19	Natural Gas	Distribution	8/21/2020	9.35	55.00	Average / 2	9.35		
Michigan	Consumers Energy Co.	C-U-20650	Natural Gas	Distribution	9/10/2020	9.90	NA	Above Average / 3	9.90		
New Jersey	South Jersey Gas Co.	D-GR20030243	Natural Gas	Distribution	9/23/2020	9.60	54.00	Below Average / 1	9.60		9.60
Nevada	Southwest Gas Corp.	D-20-02023 (Southern)	Natural Gas	Distribution	9/25/2020	9.25	49.26	Average / 2	9.25		
Nevada	Southwest Gas Corp.	D-20-02023 (Northern)	Natural Gas	Distribution	9/25/2020	9.25	49.26	Average / 2	9.25		
Massachusetts	Eversource Gas Company of MA	DPJ 20-59	Natural Gas	Distribution	10/7/2020	9.70	53.25	Average / 2	9.70		
Colorado	Public Service Co. of CO	D-20AL-0049G	Natural Gas	Distribution	10/12/2020	9.20	55.62	Average / 1	9.20		
Oregon	Northwest Natural Gas Co.	D-UG-388	Natural Gas	Distribution	10/16/2020	9.40	50.00	Average / 2	9.40		
Massachusetts	NSTAR Gas Co.	DPJ 19-120	Natural Gas	Distribution	10/30/2020	9.90	54.77	Average / 2	9.90		9.60
Maryland	Columbia Gas of Maryland Inc	C-9644	Natural Gas	Distribution	11/7/2020	9.60	52.63	Average / 3	9.60		
Florida	Peoples Gas System	D-20200051	Natural Gas	Distribution	11/19/2020	9.90	54.70	Above Average / 2	9.90		
New York	NY State Electric & Gas Corp.	C-19-G-0379	Natural Gas	Distribution	11/19/2020	8.80	48.00	Average / 2	8.80		
New York	Rochester Gas & Electric Co	C-19-G-0381	Natural Gas	Distribution	11/19/2020	8.80	48.00	Average / 2	8.80		
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-123 (Gas)	Natural Gas	Distribution	11/24/2020	9.80	55.00	Above Average / 2	9.80		9.10
Arizona	Southwest Gas Corp.	D-G-01551A-19-0055	Natural Gas	Distribution	12/9/2020	9.10	51.10	Below Average / 1	9.10		
Oregon	Avista Corp.	D-UG-389	Natural Gas	Distribution	12/10/2020	9.40	50.00	Average / 2	9.40		
Maryland	Baltimore Gas and Electric Co.	C-9645 (Gas)	Natural Gas	Distribution	12/16/2020	9.65	52.00	Average / 3	9.65		9.65
New Mexico	New Mexico Gas Co.	D-20-0308	Natural Gas	Distribution	12/16/2020	9.38	52.00	Below Average / 2	9.38		9.38
Wisconsin	Wisconsin Power and Light Co	D-6680-UR-122 (Gas)	Natural Gas	Distribution	12/23/2020	10.00	52.53	Above Average / 2	10.00		
Delaware	Delmarva Power & Light Co.	D-20-0150	Natural Gas	Distribution	1/6/2021	9.60	50.37	Average / 3	9.60		9.60
Oregon	Cascade Natural Gas Corp.	D-UG-390	Natural Gas	Distribution	1/6/2021	9.40	50.00	Average / 2	9.40		
Illinois	Ameren Illinois	D-20-0308	Natural Gas	Distribution	1/13/2021	9.67	52.00	Average / 2	9.67		
Nebraska	Black Hills/NE Gas Utility Co	D-NG-109	Natural Gas	Distribution	1/26/2021	9.50	50.00	Average / 1	9.50		
Tennessee	Piedmont Natural Gas Co.	D-20-00086	Natural Gas	Distribution	2/16/2021	9.80	50.50	Above Average / 3	9.80		
Pennsylvania	Columbia Gas of Pennsylvania	D-R-2020-3018835	Natural Gas	Distribution	2/19/2021	9.86	54.19	Above Average / 2	9.86		9.25
District of Columbia	Washington Gas Light Co.	FC-1162	Natural Gas	Distribution	2/24/2021	9.25	52.10	Below Average / 3	9.25		
California	Southwest Gas Corp.	A-19-08-015 (SoCal)	Natural Gas	Distribution	3/25/2021	10.00	52.00	Average / 2	10.00		
California	Southwest Gas Corp.	A-19-08-015 (NoCal)	Natural Gas	Distribution	3/25/2021	10.00	52.00	Average / 2	10.00		
California	Washington Gas Corp.	A-19-08-015 (Utah)	Natural Gas	Distribution	3/25/2021	10.00	52.00	Average / 2	10.00		
Maryland	Washington Gas Light Co.	C-9651	Natural Gas	Distribution	4/9/2021	9.70	52.03	Average / 3	9.70		9.70
North Dakota	MDU Resources Group	C-PU-20-379	Natural Gas	Distribution	5/5/2021	9.30	50.31	Average / 1	9.30		9.40
Washington	Cascade Natural Gas Corp.	D-UG-200568	Natural Gas	Distribution	5/18/2021	9.40	49.10	Average / 3	9.40		
New York	Conning Natural Gas Corp.	C-20-G-0101	Natural Gas	Distribution	5/19/2021	8.80	48.00	Average / 2	8.80		
Pennsylvania	PECO Energy Co.	D-R-2020-3018929	Natural Gas	Distribution	6/17/2021	10.24	53.38	Above Average / 2	10.24		
Kentucky	Louisville Gas & Electric Co.	C-2020-00350 (gas)	Natural Gas	Distribution	6/30/2021	9.43	NA	Average / 1	9.43		
West Virginia	Hope Gas Inc.	C-20-0746-G-421	Natural Gas	Distribution	7/27/2021	9.54	46.26	Below Average / 2	9.54		9.54
New Hampshire	Liberty Utilities Energy North	D-DG-20-105	Natural Gas	Distribution	7/30/2021	9.30	52.00	Average / 3	9.30		9.30
Total Cases						144			43	45	56
Mean						9.61			9.78	9.46	9.60
Median						9.60			9.80	9.40	9.60
Maximum						11.88			10.55	10.20	11.88
Minimum						8.70			9.20	8.70	9.10
#>=9.60%						80					

Source: Regulatory Research Associates

Piedmont Natural Gas Company
Recently Authorized ROEs by RRA Ranking

State	Company	Case Identification	Service	Case Type	Date	Return on Equity (%)	Common Equity to Total Capital (%)	Natural Gas Utilities		
								Top Third (Average/1 and higher)	Middle Third (Average/2)	Bottom Third (Average/3 and lower)
New York	Consolidated Edison Co. of NY	C-16-G-0061	Natural Gas	Distribution	1/24/2017	9.00	48.00	Average / 2	48.00	51.00
Georgia	Atlanta Gas Light Co.	D-40828	Natural Gas	Distribution	2/21/2017	10.55	51.00	Above Average / 2		
District of Columbia	Washington Gas Light Co.	FC-1137	Natural Gas	Distribution	3/1/2017	9.25	55.70	Below Average / 3		55.70
Arizona	Southwest Gas Corp.	D-G-01551A-16-0107	Natural Gas	Distribution	4/11/2017	9.50	51.70	Below Average / 1		51.70
New York	Natl Fuel Gas Distribution Cor	C-16-G-0257	Natural Gas	Distribution	4/20/2017	8.70	42.90	Average / 2		42.90
Idaho	Intermountain Gas Co.	C-INT-G-16-2	Natural Gas	Distribution	4/28/2017	9.50	50.00	Average / 2		50.00
Texas	CenterPoint Energy Resources	D-GUD-10567	Natural Gas	Distribution	5/23/2017	9.60	55.15	Average / 3		55.15
Delaware	Delmarva Power & Light Co.	D-16-0650	Natural Gas	Distribution	6/6/2017	9.70	NA	Average / 3		NA
Kentucky	Louisville Gas & Electric Co.	C-2016-00371 (gas)	Natural Gas	Distribution	6/22/2017	9.70	NA	Average / 1		NA
New Jersey	Elizabethown Gas Co.	D-GR-16090826	Natural Gas	Distribution	6/30/2017	9.60	46.00	Below Average / 1		46.00
Montana	NorthWestern Corp.	D-D2016.9.68	Natural Gas	Distribution	7/20/2017	9.55	46.79	Below Average / 1		46.79
Michigan	Consumers Energy Co.	C-U-18124	Natural Gas	Distribution	7/31/2017	10.10	41.27	Above Average / 3		41.27
Oregon	Avista Corp.	D-UG 325	Natural Gas	Distribution	9/13/2017	9.40	50.00	Average / 2		50.00
Maryland	Columbia Gas of Maryland Inc	C-9447	Natural Gas	Distribution	9/19/2017	9.70	NA	Average / 3		NA
Alaska	ENSTAR Natural Gas Co.	D-U-16-066	Natural Gas	Distribution	9/22/2017	11.88	51.81	Below Average / 1		51.81
South Carolina	Piedmont Natural Gas Co.	D-2017-7-G	Natural Gas	Distribution	9/27/2017	10.20	53.00	Average / 3		53.00
New Jersey	South Jersey Gas Co.	D-GR-17010071	Natural Gas	Distribution	10/20/2017	9.60	52.50	Below Average / 1		52.50
California	San Diego Gas & Electric Co.	Advice No. 2611-G	Natural Gas	Distribution	10/26/2017	10.20	52.00	Average / 2		52.00
California	Southern California Gas Co.	Advice No. 5192	Natural Gas	Distribution	10/30/2017	10.05	52.00	Average / 2		52.00
Washington	Puget Sound Energy Inc.	D-UG-170034	Natural Gas	Distribution	12/5/2017	9.50	48.50	Average / 3		48.50
Wisconsin	Northern States Power Co.	D-4220-UR-123 (Gas)	Natural Gas	Distribution	12/7/2017	9.80	51.45	Above Average / 2		51.45
Connecticut	The Shinn CT Gas Co	D-17-05-42	Natural Gas	Distribution	12/13/2017	9.25	52.19	Average / 3		52.19
Idaho	Avista Corp.	C-AVU-G-17-01	Natural Gas	Distribution	12/28/2017	9.50	50.00	Average / 2		50.00
Illinois	Northern Illinois Gas Co.	D-17-0124	Natural Gas	Distribution	1/31/2018	9.80	52.00	Average / 2		52.00
Missouri	Missouri Gas Energy	C-GR-2017-0216	Natural Gas	Distribution	2/21/2018	9.80	54.16	Average / 3		54.16
Missouri	Spiral Missouri Inc.	C-GR-2017-0215	Natural Gas	Distribution	2/21/2018	9.50	54.16	Average / 3		54.16
Maine	Northern Utilities Inc.	D-2017-00065	Natural Gas	Distribution	2/28/2018	9.80	50.00	Average / 3		50.00
New York	Niagara Mohawk Power Corp.	C-17-G-0239	Natural Gas	Distribution	3/15/2018	9.00	48.00	Average / 2		48.00
Florida	Pivotal Utility Holdings Inc.	20170179-GU	Natural Gas	Distribution	3/26/2018	10.19	48.00	Above Average / 2		48.00
Washington	Avista Corp.	D-UG-170486	Natural Gas	Distribution	4/26/2018	9.50	48.50	Average / 3		48.50
New Hampshire	Liberty Utilities Energy/North	D-DG-17-048	Natural Gas	Distribution	4/27/2018	9.30	49.21	Average / 3		49.21
New Hampshire	Northern Utilities Inc.	D-DG-17-070	Natural Gas	Distribution	5/2/2018	9.50	51.70	Average / 3		51.70
Kentucky	Atmos Energy Corp.	C-2017-00349	Natural Gas	Distribution	5/3/2018	9.70	52.57	Average / 1		52.57
Montana	MDU Resources Group	D2017.9.79	Natural Gas	Distribution	5/29/2018	9.40	51.62	Below Average / 1		51.62
Missouri	Liberty Utilities (Midstates)	C-GR-2018-0013	Natural Gas	Distribution	6/6/2018	9.80	NA	Average / 3		NA
New York	Central Hudson Gas & Electric	C-17-G-0460	Natural Gas	Distribution	6/14/2018	8.80	48.00	Average / 2		48.00
Wyoming	Black Hills Northwest Wyoming	D-30011-97-GR-17	Natural Gas	Distribution	7/16/2018	9.60	54.00	Average / 2		54.00
Washington	Cascade Natural Gas Corp.	D-UG-170929	Natural Gas	Distribution	7/20/2018	9.40	49.00	Average / 3		49.00
Washington	Narragansett Electric Co.	D-4770 (gas)	Natural Gas	Distribution	8/24/2018	9.28	50.95	Average / 2		50.95
Rhode Island	Consumers Energy Co.	C-U-18424	Natural Gas	Distribution	8/28/2018	10.00	40.91	Above Average / 3		40.91
Michigan	DTE Gas Co.	C-U-18999	Natural Gas	Distribution	9/13/2018	10.00	38.30	Above Average / 3		38.30
Wisconsin	Wisconsin Power and Light Co	D-6680-UR-121 (Gas)	Natural Gas	Distribution	9/14/2018	10.00	52.00	Above Average / 2		52.00
Indiana	Northern IN Public Svc Co.	Ca-44988	Natural Gas	Distribution	9/19/2018	9.85	46.88	Average / 1		46.88
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-122 (Gas)	Natural Gas	Distribution	9/20/2018	9.80	56.06	Above Average / 2		56.06
North Dakota	MDU Resources Group	C-PU-17-295	Natural Gas	Distribution	9/26/2018	9.40	51.00	Average / 1		51.00
South Dakota	Piedmont Natural Gas Co.	D-2018-7-G	Natural Gas	Distribution	9/26/2018	10.20	53.00	Average / 3		53.00
Massachusetts	Boston Gas Co.	DPU-17-170 (Boston Gas)	Natural Gas	Distribution	9/28/2018	9.50	53.04	Average / 2		53.04
Massachusetts	Colonial Gas Co.	DPU-17-170 (Colonial Gas)	Natural Gas	Distribution	9/28/2018	9.50	53.04	Average / 2		53.04
Arkansas	Black Hills Energy Arkansas	D-17-071-U	Natural Gas	Distribution	10/5/2018	9.61	40.43	Average / 1		40.43
South Carolina	Chattanooga Gas Co.	D-18-00017	Natural Gas	Distribution	10/15/2018	9.80	49.23	Above Average / 3		49.23
Tennessee	Northwest Natural Gas Co.	D-UG-344	Natural Gas	Distribution	10/26/2018	9.40	50.00	Average / 2		50.00
Oregon	Public Service Electric Gas	D-GR18010030	Natural Gas	Distribution	10/29/2018	9.60	54.00	Below Average / 1		54.00
New Jersey	Ameren Illinois	D-18-0463	Natural Gas	Distribution	11/1/2018	9.87	50.00	Average / 2		50.00

Piedmont Natural Gas Company
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								Top Third (Average/1 and higher)	Middle Third (Average/2)	Bottom Third (Average/3 and lower)	
Delaware	Delmarva Power & Light Co.	D-17-0978	Natural Gas	Distribution	11/8/2018	9.70	50.52	Average / 3			50.52
Minnesota	Minnesota Energy Resources	D-G-011/GR-17-563	Natural Gas	Distribution	11/8/2018	9.70	50.90	Average / 2	50.90		
Maryland	Washington Gas Light Co.	C-9481	Natural Gas	Distribution	12/11/2018	9.70	51.69	Average / 3			51.69
Connecticut	Yankee Gas Services Co.	D-18-05-10	Natural Gas	Distribution	12/12/2018	9.30	53.76	Average / 3			53.76
Iowa	Interstate Power & Light Co.	D-RPU-2018-0002	Natural Gas	Distribution	12/13/2018	9.60	51.00	Above Average / 3	51.00		
Connecticut	CT Natural Gas Corp.	D-18-05-16	Natural Gas	Distribution	12/19/2018	9.30	55.00	Average / 3			55.00
Colorado	Public Service Co. of CO	D-17AL-0363G	Natural Gas	Distribution	12/21/2018	9.35	54.60	Average / 1		49.66	
Nevada	Southwest Gas Corp.	D-18-05031 (Southern)	Natural Gas	Distribution	12/24/2018	9.25	49.66	Average / 2		49.66	
Nevada	Southwest Gas Corp.	D-18-05031 (Northern)	Natural Gas	Distribution	12/24/2018	9.25	49.66	Average / 2		49.66	
Maryland	Baltimore Gas and Electric Co.	C-9484	Natural Gas	Distribution	1/4/2019	9.80	52.85	Average / 3			52.85
Massachusetts	The Berkshire Gas Co.	DPU 18-40	Natural Gas	Distribution	1/18/2019	9.70	54.00	Average / 2	54.00		
New York	Orange & Rockland Utills Inc.	C-18-G-0068	Natural Gas	Distribution	3/14/2019	9.00	48.00	Average / 2	48.00		
Kentucky	Duke Energy Kentucky Inc.	C-2018-00261	Natural Gas	Distribution	3/27/2019	9.70	50.76	Average / 1	50.76		
Kentucky	Louisville Gas & Electric Co.	C-2018-00295 (gas)	Natural Gas	Distribution	4/30/2019	9.73	NA	Average / 1	NA		
Kentucky	Atmos Energy Corp.	C-2018-00281	Natural Gas	Distribution	5/7/2019	9.65	58.06	Average / 1	58.06		
Texas	Atmos Energy Corp.	D-GUD-10779 (Mid-Tex Division)	Natural Gas	Distribution	5/21/2019	9.80	60.18	Average / 3			60.18
Wisconsin	Northern States Power Co.	D-4220-UR-124 (Gas)	Natural Gas	Distribution	9/4/2019	10.00	52.52	Above Average / 2	52.52		
Michigan	Consumers Energy Co.	C-U-20322	Natural Gas	Distribution	9/26/2019	9.90	41.78	Above Average / 3	41.78		
Illinois	Northern Illinois Gas Co.	D-18-1775	Natural Gas	Distribution	10/2/2019	9.73	54.20	Average / 2	54.20		
Illinois	Avista Corp.	D-UG 366	Natural Gas	Distribution	10/8/2019	9.40	50.00	Average / 2	50.00		
Oregon	Washington Gas Light Co.	C-9605	Natural Gas	Distribution	10/15/2019	9.70	53.50	Average / 3			53.50
Maryland	Northwest Natural Gas Co.	D-UG-181053	Natural Gas	Distribution	10/21/2019	9.40	49.00	Average / 3			49.00
Washington	Piedmont Natural Gas Co.	D-G-9, Sub 743	Natural Gas	Distribution	10/31/2019	9.70	52.00	Average / 1	52.00		
North Carolina	Wisconsin Electric Power Co.	D-05-UR-109 (WEP-Gas)	Natural Gas	Distribution	10/31/2019	10.00	54.46	Above Average / 2	54.46		
Wisconsin	Wisconsin Gas LLC	D-05-UR-109	Natural Gas	Distribution	10/31/2019	10.20	52.02	Above Average / 2	52.02		
Wisconsin	Wisconsin Public Service Corp.	D-6690-UR-126 (Gas)	Natural Gas	Distribution	10/31/2019	10.00	51.96	Above Average / 2	51.96		
Wisconsin	Energy New Orleans LLC	D-UG-18-07 (gas)	Natural Gas	Distribution	11/7/2019	9.35	50.00	Average / 3			50.00
Louisiana	Elizabethown Gas Co.	D-GR19040486	Natural Gas	Distribution	11/13/2019	9.60	51.50	Below Average / 1			51.50
New Jersey	New Jersey Natural Gas Co.	D-GR190303420	Natural Gas	Distribution	11/13/2019	9.60	54.00	Below Average / 1	54.00		
New Jersey	SEMCO Energy Inc.	C-U-20479	Natural Gas	Distribution	12/6/2019	9.87	54.00	Above Average / 3			54.00
Michigan	Black Hills Gas Distribution	D-30026-2-GR-19	Natural Gas	Distribution	12/11/2019	9.40	50.23	Average / 2	50.23		
Wyoming	Baltimore Gas and Electric Co.	C-9610 (GAS)	Natural Gas	Distribution	12/17/2019	9.75	NA	Average / 3			NA
Maryland	Interstate Power & Light Co.	D-RPU-2019-0002	Natural Gas	Distribution	12/18/2019	9.60	51.00	Above Average / 3	51.00		
Iowa	Columbia Gas of Maryland Inc	C-9609	Natural Gas	Distribution	12/18/2019	9.60	52.90	Average / 3			52.90
Maryland	San Diego Gas & Electric Co.	A-19-04-017 (Gas)	Natural Gas	Distribution	12/19/2019	10.20	52.00	Average / 2	52.00		
California	Southern California Gas Co.	A-19-04-018	Natural Gas	Distribution	12/19/2019	10.05	52.00	Average / 2	52.00		
Georgia	Atlanta Gas Light Co.	D-42315	Natural Gas	Distribution	12/19/2019	10.25	56.00	Above Average / 2	56.00		
Virginia	Washington Gas Light Co.	C-PUR-2018-00080	Natural Gas	Distribution	12/20/2019	9.20	53.48	Average / 1	53.48		
West Virginia	Mountaineer Gas Co.	C-19-0316-G-42T	Natural Gas	Distribution	12/26/2019	9.75	NA	Below Average / 2			NA
Virginia	MDU Resources Group	D-30013-351-GR-19	Natural Gas	Distribution	1/15/2020	9.35	51.25	Average / 2	51.25		
New York	Consolidated Edison Co. of NY	C-19-G-0066	Natural Gas	Distribution	1/16/2020	8.80	48.00	Average / 2	48.00		
Virginia	Roanoke Gas Co.	C-PUR-2018-00013	Natural Gas	Distribution	1/24/2020	9.44	59.64	Average / 1			59.64
Washington	Cascade Natural Gas Corp.	D-UG-190210	Natural Gas	Distribution	2/3/2020	9.40	49.10	Average / 3	49.10		
Washington	Atmos Energy Corp.	D-19-ATMG-525-RTS	Natural Gas	Distribution	2/24/2020	9.10	56.32	Below Average / 1			56.32
Kansas	Questar Gas Co.	D-19-057-02	Natural Gas	Distribution	2/25/2020	9.50	55.00	Average / 2	55.00		
Utah	Fitchburg Gas & Electric Light	DPU 19-131	Natural Gas	Distribution	2/28/2020	9.70	52.45	Average / 2	52.45		
Massachusetts	Avista Corp.	D-UG-190335	Natural Gas	Distribution	3/25/2020	9.40	48.50	Average / 3	48.50		
Washington	Northern Utilities Inc.	D-2019-00092	Natural Gas	Distribution	3/26/2020	9.48	50.00	Average / 3			50.00
Maine	Atmos Energy Corp.	D-GUD-10900	Natural Gas	Distribution	4/21/2020	9.80	60.12	Average / 3			60.12
Texas	Black Hills Colorado Gas Inc.	D-19AL-0075G	Natural Gas	Distribution	5/19/2020	9.20	50.15	Average / 1			50.15
Colorado	CenterPoint Energy Resources	D-GUD-10920	Natural Gas	Distribution	6/16/2020	9.65	56.95	Average / 3			56.95
Texas	Puget Sound Energy Inc.	D-UG-190530	Natural Gas	Distribution	7/8/2020	9.40	48.50	Average / 3			48.50
Washington	Texas Gas Service Co.	D-GUD-10928	Natural Gas	Distribution	8/4/2020	9.50	59.00	Average / 3			59.00

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Michigan	DTE Gas Co.	C-U-20642	Natural Gas	Distribution	8/20/2020	9.90	NA	NA	Above Average / 3		
Wyoming	Questar Gas Co.	D-30010-187-CR-19	Natural Gas	Distribution	8/21/2020	9.35	55.00	55.00	Average / 2		
Michigan	Consumers Energy Co.	D-U-20650	Natural Gas	Distribution	9/10/2020	9.90	NA	NA	Above Average / 3		
New Jersey	South Jersey Gas Co.	D-GR20030243	Natural Gas	Distribution	9/23/2020	9.60	54.00	49.26	Below Average / 1		54.00
Nevada	Southwest Gas Corp.	D-20-02023 (Southern)	Natural Gas	Distribution	9/25/2020	9.25	49.26	49.26	Average / 2		
Nevada	Southwest Gas Corp.	D-20-02023 (Northern)	Natural Gas	Distribution	9/25/2020	9.25	49.26	49.26	Average / 2		
Massachusetts	Eversource Gas Company of MA	DPU 20-59	Natural Gas	Distribution	10/7/2020	9.70	53.25	53.25	Average / 2		
Colorado	Public Service Co. of CO	D-20AL-0049G	Natural Gas	Distribution	10/12/2020	9.20	55.62	55.62	Average / 1		
Oregon	Northwest Natural Gas Co.	D-UG-388	Natural Gas	Distribution	10/16/2020	9.40	50.00	50.00	Average / 2		
Massachusetts	NSTAR Gas Co.	DPU 19-120	Natural Gas	Distribution	10/30/2020	9.90	54.77	54.77	Average / 2		
Maryland	Columbia Gas of Maryland Inc	C-9644	Natural Gas	Distribution	11/7/2020	9.60	52.63	52.63	Average / 3		
Florida	Peoples Gas System	D-20200051	Natural Gas	Distribution	11/19/2020	9.90	54.70	48.00	Above Average / 2		
New York	NY State Electric & Gas Corp.	C-19-G-0379	Natural Gas	Distribution	11/19/2020	8.80	48.00	48.00	Average / 2		
New York	Rochester Gas & Electric Co	C-19-G-0381	Natural Gas	Distribution	11/19/2020	8.80	48.00	48.00	Average / 2		
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-123 (Gas)	Natural Gas	Distribution	11/24/2020	9.10	55.00	55.00	Above Average / 2		
Arizona	Southwest Gas Corp.	D-G-0155 IA-19-0055	Natural Gas	Distribution	12/9/2020	9.80	51.10	51.10	Below Average / 1		
Oregon	Avista Corp.	D-UG 389	Natural Gas	Distribution	12/10/2020	9.40	50.00	50.00	Average / 2		
Maryland	Baltimore Gas and Electric Co.	C-9645 (Gas)	Natural Gas	Distribution	12/16/2020	9.65	52.00	52.00	Average / 3		
New Mexico	New Mexico Gas Co.	C-19-00317-UT	Natural Gas	Distribution	12/16/2020	9.38	52.00	52.00	Below Average / 2		
Wisconsin	Wisconsin Power and Light Co	D-6680-UR-122 (Gas)	Natural Gas	Distribution	12/23/2020	10.00	52.53	52.53	Above Average / 2		
Delaware	Delmarva Power & Light Co.	D-20-0150	Natural Gas	Distribution	1/6/2021	9.60	50.37	50.37	Average / 3		
Oregon	Cascade Natural Gas Corp.	D-UG 390	Natural Gas	Distribution	1/6/2021	9.40	50.00	50.00	Average / 2		
Illinois	Ameren Illinois	D-20-0308	Natural Gas	Distribution	1/13/2021	9.67	52.00	52.00	Average / 2		
Nebraska	Black Hills/NE Gas Utility Co	D-NG-109	Natural Gas	Distribution	1/26/2021	9.50	50.00	50.00	Average / 1		
Tennessee	Piedmont Natural Gas Co.	D-20-00086	Natural Gas	Distribution	2/16/2021	9.80	50.50	50.50	Above Average / 3		
Pennsylvania	Columbia Gas of Pennsylvania	D-R-2020-3018835	Natural Gas	Distribution	2/19/2021	9.86	54.19	54.19	Above Average / 2		
District of Columbia	Washington Gas Light Co.	FC-1162	Natural Gas	Distribution	2/24/2021	9.25	52.10	52.10	Below Average / 3		
California	Southwest Gas Corp.	A-19-08-015 (SoCal)	Natural Gas	Distribution	3/25/2021	10.00	52.00	52.00	Average / 2		
California	Southwest Gas Corp.	A-19-08-015 (NoCal)	Natural Gas	Distribution	3/25/2021	10.00	52.00	52.00	Average / 2		
California	Southwest Gas Corp.	A-19-08-015 (LkTah)	Natural Gas	Distribution	3/25/2021	10.00	52.00	52.00	Average / 2		
Maryland	Washington Gas Light Co.	C-9651	Natural Gas	Distribution	4/9/2021	9.70	52.03	52.03	Average / 3		
North Dakota	MDU Resources Group	C-PIU-20-379	Natural Gas	Distribution	5/5/2021	9.30	50.31	50.31	Average / 1		
Washington	Cascade Natural Gas Corp.	D-UG-200568	Natural Gas	Distribution	5/18/2021	9.40	49.10	49.10	Average / 3		
New York	Conning Natural Gas Corp.	C-20-G-0101	Natural Gas	Distribution	5/19/2021	8.80	48.00	48.00	Average / 2		
Pennsylvania	PECO Energy Co.	D-R-2020-3018929	Natural Gas	Distribution	6/17/2021	10.24	53.38	53.38	Above Average / 2		
Kentucky	Louisville Gas & Electric Co.	C-2020-00350 (gas)	Natural Gas	Distribution	6/30/2021	9.43	NA	NA	Average / 1		
West Virginia	Hope Gas Inc.	C-20-0746-G-421	Natural Gas	Distribution	7/27/2021	9.54	46.26	46.26	Below Average / 2		
New Hampshire	Liberty Utilities EnergyNorth	D-DG-20-105	Natural Gas	Distribution	7/30/2021	9.30	52.00	52.00	Average / 3		
Total Cases						144					
Mean						9.61		45		51	
Median						9.60		50.77		52.07	
Maximum						11.88		50.23		52.00	
Minimum						8.70		55.00		60.18	
#>=9.60%						80		42.90		46.00	

Source: Regulatory Research Associates

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(CAM-1)



Cindy Menhorn
Vice President

Cindy brings over 40 years of rates and regulatory experience, including work on over 80 rate cases and testimony before numerous state commissions, including Maryland, Pennsylvania, Virginia, West Virginia, Ohio, Tennessee, North and South Carolina, New Mexico and FERC. Prior to joining MCR, Cindy held various positions at Allegheny Energy, where she gained deep experience with regulatory commissions in numerous states and extensive knowledge of the rate case process, including widespread interaction with stakeholders.

EXPERIENCE HIGHLIGHTS

Managed implementation of newly developed Cost of Service Tools (COST™) for three separate utilities, including development of rate design modules specific to those utilities with the ability to develop unbundled rate components, new alternative tariffs to study the customer impacts for possible inclusion in upcoming rate cases.

Managed rate case preparation for two separate rate cases for a large investor owned utility by working collaboratively with the utility's regulatory staff. Some of the efforts included analyzing options to address Time of Use rate revisions for Residential and Small Power customers; facilitating follow up on stakeholders' discussions and online survey material to determine revised design for upcoming filing; conducting further analysis of the minimum distribution system that needed to be filed and determining the details that would be included in the filing; and providing details and support for other filing requirements, such as testimony development and review, data request responses and ad hoc requests in the course of preparing and presenting the case.

Provided regulatory research in jurisdictions where there are utilities that have closed coal plants to see if there are opportunities to provide clean-up and reclamation of the sites.

Provided electric utility with customized revenue enhancement strategies base on their corporate goals and the clients' existing regulatory environment.

Managed all aspects of project management for a multi-year regulatory engagement for utility energy efficiency programs across residential, commercial and industrial customers. Included designing a surcharge to recover costs associated with a portfolio of programs; surcharge design steps entailed developing associated testimony, analyzing rate and regulatory issues, reviewing and determining processes necessary to conform to new regulations, participating in statewide regulatory meetings, facilitating weekly update meetings for utility staff and contractors, preparing RFPs to hire contractors, reviewing RFP responses and participating in contractor selection process, defining statements of work for newly hired contractors, facilitating workshops, drafting testimony, providing project team oversight (MCR staff, contractors and client staff), and developing presentation of final recommendations. Achieved ultimate success when existing multi-year client extended the project into three multi-year contracts.

Managed a project for a large investor owned utility to provide an analysis and comparison of existing tariff options to current and future trends in electric pricing for large industrial and commercial customers. Provided an analysis of the potential impact and receptivity of potential alternative rate options for the utility's large industrial and manufacturing customers.

Participated with utility to discuss alternative rate options with stakeholders. Filed with the commission in the next rate proceeding results of the analysis for alternative rate designs.

Managed research project for large investor owned utility to determine an alternative rate mechanism for carbon free rate options; project was in response to a large university that requested a rate design based upon carbon free resources. Shared research results with the client, who presented the results to the customer; final outcome is protected by the confidentiality of customer contracts.

Managed a project for two investor owned utilities to put into place processes to meet jurisdictional regulatory requirements for retail access. Included analysis and recommended requirements to implement internal electronic data interchange (EDI) software changes and billing processes to coordinate with electric generation suppliers (EGS). Provided EDI transaction set analysis and the step-by-step requirements to coordinate with EGS providers. Provided analysis and the step-by step requirements necessary to coordinate with the PJM regional transmission organization for the separation and identification of the retail energy supply to be provided by the EGS. Developed an RFP to solicit software vendors that would meet the requirements for billing system changes related to retail access; facilitated RFP mailing, gathered RFP responses and selected the winning software vendor. Also provided expert rebuttal testimony during the proceeding.

Managed a project for a major southern electric and gas utility to perform a complete and exhaustive review of each rate schedule within the existing tariffs. Suggestions based upon review were provided to determine timing for future tariff revisions.

Managed a project for a large electric cooperative to assess the appropriateness of their load forecasting process and supporting models, and to identify any opportunities for improvement. The assessment included a benchmark study of their peers as well as interviews of senior management to gauge their expectations regarding the forecast.

Pennsylvania Public Utility Commission (Docket No. M-00061957) Policies to Mitigate Potential Electricity Price Increases: Provided expert testimony at the En Banc hearing on June 22, 2006 and filed written comments in the case to discuss all available means to mitigate the size and effect of price increases as rate caps expire while continuing to move forward with customer choice for generation supply.

Pennsylvania Public Utility Commission (Docket No. R-973981) Application of West Penn Power Company for Approval of its Restructuring Plan under Section 2806 of the Public Utility Code: Provided expert witness testimony with regard to the unbundled cost of service studies, unbundled rate design, tariff design for competitive transition charge components as well as generation, transmission and distribution charges. Discussed additional testimony topics, including competitive metering and billing issues.

Pennsylvania Public Utility Commission (Docket A-110172; A-110172F0002; A-110172F0003; A-110172F0004; G-0071229) Application of Trans-Allegheny Interstate Line Company: Provided expert witness testimony on energy efficiency, conservation and demand response initiatives undertaken by

the Company over several decades. Included the customer impact of the existing PJM demand response programs in the testimony. Discussed these existing programs and the analyses performed on new programs in relation to building and seeking approval of a multi-billion dollar, major transmission line. Resulted in project approval.

Maryland Public Service Commission (Case No. 8797) In the matter of The Potomac Edison Company's proposed: (a) stranded cost quantification mechanism; (b) price protection mechanism; and (c) unbundled rates: Provided expert witness testimony with regard to the unbundled cost of service studies, unbundled rate design, tariff design for competitive transition charge components as well as generation, transmission and distribution charges. Discussed additional testimony topics, including competitive metering and billing issues.

Maryland Public Service Commission (Case No. 9111): Coordinated the preparation and filing of the Initial Report of the Potomac Edison Company dba Allegheny Power on Energy Efficiency, Conservation, and Demand Reduction Plan. Testified as the policy witness in the proceeding. Directed by the Commission to develop and file comprehensive energy efficiency, conservation and demand reduction plans proposing programs designed to achieve usage reductions in total electric consumption for each company's Maryland service territory by calendar year 2015 in concert with Governor's O'Malley's EmPower Maryland initiative. Developed an array of possible programs, spanning all customer classes.

West Virginia Public Service Commission (PSC Case No. 98-0452-E-GI) General investigation to determine whether West Virginia should adopt a plan for open access to the electric power supply market and for the development of a deregulation plan: Provided expert witness testimony on behalf of the Monongahela Power Company and the Potomac Edison Company both dba Allegheny Power in West Virginia with regard to the unbundled cost of service studies, unbundled rate design, tariff design for competitive transition charge components, as well as generation, transmission and distribution charges. Discussed additional testimony topics, including competitive metering and billing issues.

West Virginia Public Service Commission (PSC Case No. 07-0508-E-CN) Application of Trans-Allegheny Interstate Line Company: Provided expert witness testimony on energy efficiency, conservation and demand response initiatives undertaken by the Company over several decades. Included the customer impact of the existing PJM demand response programs in the testimony. Discussed these existing programs and the analyses performed on new programs in relation to building and seeking approval of a multi-billion dollar, major transmission line. Resulted in project approval.

West Virginia Public Service Commission (PSC Case No. 01-0011-G-42T) Acquisition of Mountaineer Gas Company by Allegheny Power: Provided testimony to address issues regarding the pooling tariff for interruptible gas transportation customers. Discussed additional cost of service items and large industrial rate design issues.

Virginia State Corporation Commission (Case No. PUE000346) Recommendation and Draft Plan for Retail Electric Billing and Metering Services: Provided expert testimony as to whether electric metering and billing services, or both, should be provided by persons licensed to offer such services. Addressed the appropriateness of, and commencement date for, the competitive provision of these services.

Virginia State Corporation Commission (Case No. PUE-2007-00033) Application of Tran- Allegheny Interstate Line Company: Provided expert witness testimony on energy efficiency, conservation and

demand response initiatives undertaken by the Company over several decades. Included the customer impact of the existing PJM demand response programs in the testimony. Discussed these existing programs and the analyses performed on new programs in relation to building and seeking approval of a multi-billion dollar, major transmission line. Resulted in project approval.

Ohio Public Utility Commission (Case No. 00-02-EL-ETP) In the Matter of the Application of Monongahela Power Company dba Allegheny Power for Approval of an Electric Transition Plan: Provided expert witness testimony with regard to the unbundled cost of service studies, unbundled rate design, tariff design for competitive transition charge components as well as generation, transmission and distribution charges. Discussed additional testimony topics, including competitive metering and billing issues.

Federal Energy Regulatory Commission (Docket No. ER04-081-000): Provided expert witness testimony to describe the development of the carrying charge rate used to determine the recoverable revenue requirement under Schedule 12 of the PJM Open Access Transmission Tariff (PJM OATT).

Federal Energy Regulatory Commission (Docket No. ER02-136-004): Provided expert witness testimony regarding the setting of the distribution level for service to Allegheny Electric Cooperative.

EDUCATION

Master of Business Administration (magna cum laude) with concentration in Investments Indiana University of Pennsylvania

Bachelor in Business Administration (magna cum laude) with a concentration in Finance Seton Hill University

PROFESSIONAL AFFILIATIONS

Advisory Council of the New Mexico State University Center for Public Utilities: Member of the Advisory Board

Electric Energy Institute (EEI): Representative for Allegheny Energy on the Rates and Regulatory Affairs Committee

Southeastern Electric Exchange: Participated in the industry group from the Southeast and became the 2003 Chair of the Rates and Regulation Committee

Energy Association of Pennsylvania: Member of the Electric Board on behalf of Allegheny Energy

Energy Association of Pennsylvania: Member on the Regulatory Committee on behalf of Allegheny Energy

Association of Energy Service Professionals: Member of the Pricing and Load Profiling Committee and elected to be Chair in 1999

Electric Power Generation Association of Pennsylvania: Member of the Regulatory Committee on behalf of Allegheny Energy

DIRECT TESTIMONY EXPERIENCE

Company	State	Case Number	Date Filed	Issue / Description
Monongahela Power Co.	WV	90-504-E-42T	07/30/1990	Rate Design
Potomac Edison Co.	VA	PUE910020	03/26/1992	Rate Design
Monongahela Power Co.	OH	91-1610-EL-AIR	07/15/1992	Rate Design
Potomac Edison Co.	VA	PUE930033	04/30/1993	Rate Design
West Penn Power Co.	PA	R-942986	03/31/1994	Rate Design
Potomac Edison Co.	VA	PUE940045	06/22/1994	Rate Design
West Penn Power Co.	PA	R-973981	08/01/1997	Restructuring
Potomac Edison Co.	MD	8797	07/01/1998	Restructuring
Monongahela Power Co. / Potomac Edison Co.	WV	98-0452-E-GI	07/06/1999	West Virginia Restructuring
Monongahela Power Co.	OH	00-02-EL-ETP	01/03/2000	Ohio Restructuring
Potomac Edison Co.	VA	PUE000346	10/24/2000	Retail Electric Metering and Billing
Mountaineer Gas Co.	WV	01-0011-G-42T 01-0007-G-PC 00-1833-GT-T	07/17/2001	Rate Case
Monongahela Power Co.	OH	01-2411-EL-UNC	10/08/2001	Universal Services
WV Power Gas Service	WV	01-1832-GT-T	08/2001	Pooling Tariff – Interruptible Gas Transportation
Allegheny Power Co.	FERC	ER-03-738		Schedule 12 – PJM OATT
Potomac Edison Co. dba Allegheny Power Co.	MD	9111	10/26/2007	Empower MD EE&C and DR Plan
Allegheny Energy	PA	A-110172, etc	12/10/2007	Trans-Allegheny Interstate Line
Allegheny Energy	WV	07-0508-E-CN	2/4/2008	Trans-Allegheny Interstate Line
Allegheny Energy	VA	PUE-2007-00033	2/5/2008	Trans-Allegheny Interstate Line

Company	State	Case Number	Date Filed	Issue / Description
Citizens / Wellsboro	PA	R-2014-2419774	11/05/2014	EDI Rebuttal Testimony for Vendor Selection and Recovery of Costs

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(CAM-2)
SCHEDULE 1

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	SUMMARY							
2								
3	PER BOOKS RATE BASE							
4								
5	UTILITY NET PLANT							
6	INTANGIBLE PLANT	Page 9 Line 42	73,792,393	34,363,906	13,395,515	1,597,621	602,908	5,277,468
7	OTHER STORAGE PLANT	Page 13 Line 6	123,779,243	72,799,543	41,204,715	6,727,293	3,047,692	-
8	TRANSMISSION PLANT	Page 15 Line 12	2,863,029,037	995,235,787	501,225,175	66,378,017	24,341,317	225,679,963
9	DISTRIBUTION PLANT	Page 19 Line 18	1,615,627,754	1,075,243,546	293,049,209	26,538,385	10,214,398	103,476,037
10	GENERAL PLANT	Page 25 Line 42	216,706,525	100,916,670	39,338,683	4,691,741	1,770,563	15,498,369
11	TOTAL UTILITY NET PLANT IN SERVICE PER BOOKS	Page 25 Line 49	4,892,934,953	2,278,559,451	888,213,298	105,933,057	39,976,878	349,931,838
12								
13	OTHER RATE BASE ADDITIONS	Page 27 Line 45	255,644,460	150,811,052	48,029,095	5,276,569	2,100,867	10,674,050
14	OTHER RATE BASE DEDUCTIONS	Page 29 Line 31	(929,017,124)	(433,212,029)	(168,592,773)	(20,088,275)	(7,580,532)	(66,349,185)
15								
16	TOTAL NET RATE BASE PER BOOKS	Page 29 Line 38	4,219,562,288	1,996,158,475	767,649,620	91,121,350	34,497,213	294,256,703
17								
18								
19								
20	PRO FORMA RATE BASE							
21								
22	UTILITY NET PLANT							
23	INTANGIBLE PLANT	Page 31 Line 40	64,572,836	30,407,377	12,211,973	1,510,065	584,278	4,404,169
24	OTHER STORAGE PLANT	Page 35 Line 6	400,660,299	235,644,410	133,375,299	21,775,534	9,865,056	-
25	TRANSMISSION PLANT	Page 37 Line 12	3,080,760,726	1,070,922,888	539,343,058	71,426,027	26,192,460	242,842,793
26	DISTRIBUTION PLANT	Page 41 Line 18	1,725,259,644	1,145,260,900	311,965,724	28,558,983	11,054,355	112,277,123
27	GENERAL PLANT	Page 47 Line 42	222,171,783	104,620,790	42,016,984	5,195,586	2,010,288	15,153,152
28	TOTAL PRO FORMA UTILITY NET PLANT IN SERVICE	Page 47 Line 49	5,493,425,288	2,586,856,364	1,038,913,038	128,466,194	49,706,437	374,677,237
29								
30	OTHER RATE BASE ADDITIONS	Page 49 Line 44	278,448,209	167,469,544	51,620,969	5,532,303	2,199,828	11,389,600
31	OTHER RATE BASE DEDUCTIONS	Page 51 Line 31	(949,214,689)	(447,553,884)	(179,445,558)	(22,168,758)	(8,577,002)	(64,657,500)
32								
33	TOTAL NET PRO FORMA RATE BASE	Page 51 Line 38	4,822,658,809	2,306,772,024	911,088,449	111,829,739	43,329,263	321,409,337
34								
35								
36								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	SUMMARY							
2								
3	PER BOOKS RATE BASE							
4								
5	UTILITY NET PLANT							
6	INTANGIBLE PLANT	Page 9 Line 42	18,595	719,689	435,688	812,751	2,521,948	14,046,305
7	OTHER STORAGE PLANT	Page 13 Line 6	-	-	-	-	-	-
8	TRANSMISSION PLANT	Page 15 Line 12	-	-	20,648,171	34,421,201	120,240,958	874,858,448
9	DISTRIBUTION PLANT	Page 19 Line 18	1,159,759	44,887,025	6,525,702	16,270,109	37,053,120	1,210,463
10	GENERAL PLANT	Page 25 Line 42	54,607	2,113,514	1,279,487	2,386,809	7,406,220	41,249,862
11	TOTAL UTILITY NET PLANT IN SERVICE PER BOOKS	Page 25 Line 45	1,232,961	47,720,227	28,889,047	53,890,870	167,222,246	931,365,078
12								
13	OTHER RATE BASE ADDITIONS	Page 27 Line 45	45,100	1,615,936	866,454	1,641,369	5,034,223	29,549,746
14	OTHER RATE BASE DEDUCTIONS	Page 29 Line 31	(234,223)	(9,063,046)	(5,476,480)	(10,218,127)	(31,700,276)	(176,502,178)
15								
16	TOTAL NET RATE BASE PER BOOKS	Page 29 Line 38	1,043,839	40,273,117	24,279,021	45,314,112	140,556,192	784,412,646
17								
18								
19								
20	PRO FORMA RATE BASE							
21								
22	UTILITY NET PLANT							
23	INTANGIBLE PLANT	Page 31 Line 40	15,522	603,337	363,497	678,446	2,103,812	11,690,361
24	OTHER STORAGE PLANT	Page 35 Line 6	-	-	-	-	-	-
25	TRANSMISSION PLANT	Page 37 Line 12	-	-	22,218,452	37,038,913	129,385,212	941,390,923
26	DISTRIBUTION PLANT	Page 41 Line 18	1,251,621	48,648,682	7,091,316	17,666,017	40,250,766	1,234,158
27	GENERAL PLANT	Page 47 Line 42	53,407	2,075,865	1,250,663	2,334,288	7,238,456	40,222,304
28	TOTAL PRO FORMA UTILITY NET PLANT IN SERVICE	Page 47 Line 45	1,320,550	51,327,883	30,923,929	57,717,665	178,978,246	994,537,745
29								
30	OTHER RATE BASE ADDITIONS	Page 49 Line 44	52,505	1,885,000	913,761	1,753,129	5,306,920	30,324,650
31	OTHER RATE BASE DEDUCTIONS	Page 51 Line 31	(228,331)	(8,872,594)	(5,335,439)	(9,960,347)	(30,879,939)	(171,535,337)
32								
33	TOTAL NET PRO FORMA RATE BASE	Page 51 Line 38	1,144,724	44,340,289	26,502,251	49,510,447	153,405,227	853,327,059
34								
35								
36								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	PER BOOKS UTILITY INCOME							
2								
3	OPERATION AND MAINTENANCE EXPENSE							
4	PRODUCTION, STORAGE AND PROCESSING EXPENSES	Page 55 Line 24	3,882,519	1,414,053	807,546	134,082	62,571	149,714
5	TRANSMISSION EXPENSES	Page 59 Line 14	12,749,164	4,431,818	2,231,973	295,584	108,393	1,004,960
6	DISTRIBUTION EXPENSES	Page 63 Line 43	61,837,465	44,928,843	10,669,176	715,934	254,965	2,472,287
7	CUSTOMER ACCOUNTS EXPENSES	Page 65 Line 37	28,024,252	25,362,702	2,618,524	18,363	2,977	11,052
8	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	Page 67 Line 18	1,941,164	1,756,806	181,378	1,272	206	766
9	SALES EXPENSES	Page 69 Line 6	5,304,295	4,800,530	495,622	3,476	563	2,092
10	ADMINISTRATIVE AND GENERAL EXPENSES	Page 73 Line 13	96,627,304	68,855,775	15,437,632	1,065,057	387,439	3,149,896
11	TOTAL O&M PER BOOKS	Page 73 Line 20	210,366,163	151,550,527	32,441,850	2,233,767	817,113	6,790,767
12								
13	DEPRECIATION EXPENSE	Page 75 Line 42	132,956,307	68,183,469	24,360,676	2,628,566	964,439	8,190,795
14								
15	TAXES							
16	General Taxes	Page 77 Line 14	31,892,657	16,359,946	5,656,530	625,570	235,161	2,043,181
17	State Income Taxes	Page 77 Line 21	(11,589,378)	(5,482,615)	(2,108,413)	(250,272)	(94,749)	(808,200)
18	Federal Income Taxes	Page 77 Line 28	32,707,113	15,472,832	5,950,286	706,309	267,398	2,280,873
19	Amortization of Investment Tax Credits	Page 77 Line 35	(28,065)	(13,277)	(5,106)	(606)	(229)	(1,957)
20	TOTAL TAXES	Page 77 Line 42	52,982,326	26,336,886	9,493,297	1,081,001	407,580	3,513,896
21								
22	PURCHASED GAS COSTS	Page 79 Line 2	240,811,923	115,909,933	69,680,010	12,884,524	8,634,445	13,811,129
23								
24	OPERATING REVENUE							
25	Gas Sales & Transportation Revenue	Page 79 Line 6	(921,247,240)	(487,543,116)	(221,341,606)	(36,094,012)	(11,242,326)	(26,924,317)
26	NGV and Gas Light Revenue	Page 79 Line 13	(1,138,717)	(538,696)	(207,163)	(24,591)	(9,310)	(79,410)
27	TOTAL OPERATING REVENUE	Page 79 Line 15	(922,385,957)	(488,081,811)	(221,548,769)	(36,118,603)	(11,251,636)	(27,003,727)
28								
29	OTHER GAS REVENUE	Page 79 Line 23	(3,194,374)	(1,511,170)	(581,141)	(68,982)	(26,116)	(222,764)
30								
31	TOTAL REVENUE	Page 79 Line 25	(925,580,331)	(489,592,982)	(222,129,910)	(36,187,585)	(11,277,752)	(27,226,491)
32								
33	UTILITY INCOME PER BOOKS	Page 79 Line 31	288,463,611	127,612,166	86,154,077	17,359,728	454,174	(5,080,097)
34								
35	Less Interest on Customer Deposits	Page 79 Line 38	(895,159)	(416,861)	(162,498)	(19,380)	(7,314)	(64,020)
36								
37	UTILITY NET OPERATING INCOME PER BOOKS	Page 79 Line 41	287,568,452	127,195,305	85,991,579	17,340,347	446,860	(5,144,117)
38								
39	RETURN ON RATE BASE PER BOOKS	Page 79 Line 44	6.82%	6.37%	11.20%	19.03%	1.30%	-1.75%
40								
41	INDEX RATE OF RETURN		1.00	0.93	1.64	2.79	0.19	(0.26)
42								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	PER BOOKS UTILITY INCOME							
2								
3	OPERATION AND MAINTENANCE EXPENSE							
4	PRODUCTION, STORAGE AND PROCESSING EXPENSES	Page 55 Line 24	2,674	112,872	6,608	24,665	35,429	1,132,304
5	TRANSMISSION EXPENSES	Page 59 Line 14	-	-	91,947	153,279	535,437	3,895,774
6	DISTRIBUTION EXPENSES	Page 63 Line 43	29,548	1,074,132	153,472	386,385	882,852	269,871
7	CUSTOMER ACCOUNTS EXPENSES	Page 65 Line 37	634	8,817	37	442	113	592
8	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	Page 67 Line 18	44	611	3	31	8	41
9	SALES EXPENSES	Page 69 Line 6	120	1,669	7	84	21	112
10	ADMINISTRATIVE AND GENERAL EXPENSES	Page 73 Line 13	29,306	1,042,467	216,851	488,907	1,257,316	4,696,657
11	TOTAL O&M PER BOOKS	Page 73 Line 20	62,327	2,240,568	468,924	1,053,793	2,711,176	9,995,351
12								
13	DEPRECIATION EXPENSE	Page 75 Line 42	32,907	1,169,991	669,280	1,255,613	3,881,062	21,619,508
14								
15	TAXES							
16	General Taxes	Page 77 Line 14	8,350	317,371	165,947	314,899	960,705	5,204,998
17	State Income Taxes	Page 77 Line 21	(2,867)	(110,613)	(66,684)	(124,459)	(386,049)	(2,154,455)
18	Federal Income Taxes	Page 77 Line 28	8,091	312,169	188,194	351,243	1,089,494	6,080,221
19	Amortization of Investment Tax Credits	Page 77 Line 35	(7)	(268)	(161)	(301)	(935)	(5,217)
20	TOTAL TAXES	Page 77 Line 42	13,567	518,659	287,295	541,382	1,663,215	9,125,547
21								
22	PURCHASED GAS COSTS	Page 79 Line 2	1,965,855	8,670,518	966,094	1,010,156	2,235,146	5,044,114
23								
24	OPERATING REVENUE							
25	Gas Sales & Transportation Revenue	Page 79 Line 6	(2,613,611)	(21,728,235)	(1,996,799)	(9,356,825)	(8,561,409)	(93,844,982)
26	NGV and Gas Light Revenue	Page 79 Line 13	(282)	(10,868)	(6,552)	(12,229)	(37,931)	(211,686)
27	TOTAL OPERATING REVENUE	Page 79 Line 15	(2,613,893)	(21,739,103)	(2,003,351)	(9,369,054)	(8,599,341)	(94,056,669)
28								
29	OTHER GAS REVENUE	Page 79 Line 23	(790)	(30,488)	(18,380)	(34,305)	(106,407)	(593,831)
30								
31	TOTAL REVENUE	Page 79 Line 25	(2,614,683)	(21,769,592)	(2,021,731)	(9,403,358)	(8,705,747)	(94,650,500)
32								
33	UTILITY INCOME PER BOOKS	Page 79 Line 31	540,028	9,169,856	(369,863)	5,542,414	(1,784,852)	48,865,979
34								
35	Less Interest on Customer Deposits	Page 79 Line 38	(226)	(8,730)	(5,285)	(9,859)	(30,593)	(170,393)
36								
37	UTILITY NET OPERATING INCOME PER BOOKS	Page 79 Line 41	539,802	9,161,126	(375,148)	5,532,555	(1,815,445)	48,695,587
38								
39	RETURN ON RATE BASE PER BOOKS	Page 79 Line 44	51.71%	22.75%	-1.55%	12.21%	-1.29%	6.21%
40								
41	INDEX RATE OF RETURN		7.59	3.34	(0.23)	1.79	(0.19)	0.91
42								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	PRO FORMA UTILITY INCOME							
2								
3	OPERATION AND MAINTENANCE EXPENSE							
4	PRODUCTION, STORAGE AND PROCESSING EXPENSES	Page 83 Line 24	3,955,212	1,441,108	822,988	136,644	63,764	152,419
5	TRANSMISSION EXPENSES	Page 87 Line 19	12,559,059	4,365,734	2,198,691	291,176	106,776	989,975
6	DISTRIBUTION EXPENSES	Page 91 Line 49	64,184,065	46,658,839	11,029,433	744,414	266,458	2,568,238
7	CUSTOMER ACCOUNTS EXPENSES	Page 93 Line 38	27,533,254	25,000,068	2,512,520	3,688	3,076	8,246
8	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	Page 95 Line 18	1,966,085	1,779,360	183,707	1,288	209	775
9	SALES EXPENSES	Page 95 Line 50	3,532,988	3,197,449	330,115	2,315	375	1,393
10	ADMINISTRATIVE AND GENERAL EXPENSES	Page 101 Line 7	101,634,661	72,386,434	16,229,661	1,122,992	409,237	3,333,678
11	TOTAL O&M PRO FORMA	Page 101 Line 14	215,365,324	154,828,993	33,307,114	2,302,517	849,896	7,054,725
12								
13	DEPRECIATION EXPENSE	Page 103 Line 36	171,688,708	88,354,370	32,577,639	3,668,582	1,383,525	10,168,748
14								
15	TAXES							
16	General Taxes	Page 105 Line 6	41,152,004	20,904,454	7,596,525	884,352	340,603	2,582,887
17	State Income Taxes	Page 105 Line 13	5,531,640	2,645,892	1,045,028	128,270	49,699	368,660
18	Federal Income Taxes	Page 105 Line 20	41,241,001	19,726,377	7,791,179	956,313	370,531	2,748,534
19	Amortization of Investment Tax Credits	Page 105 Line 27	(28,065)	(13,424)	(5,302)	(651)	(252)	(1,870)
20	TOTAL TAXES	Page 105 Line 34	87,896,579	43,263,299	16,427,430	1,968,284	760,581	5,698,210
21								
22	PURCHASED GAS COSTS	Page 105 Line 45	303,827,431	146,243,422	87,924,510	16,259,163	10,896,351	17,423,291
23								
24	OPERATING REVENUE							
25	Gas Sales & Transportation Revenue	Page 107 Line 3	(1,044,746,874)	(552,901,679)	(251,013,997)	(40,932,667)	(12,749,439)	(30,533,710)
26	NGV and Gas Light Revenue	Page 107 Line 9	(1,138,717)	(544,671)	(215,125)	(26,405)	(10,231)	(75,891)
27	TOTAL OPERATING REVENUE	Page 107 Line 11	(1,045,885,591)	(553,446,350)	(251,229,121)	(40,959,072)	(12,759,670)	(30,609,601)
28								
29	OTHER GAS REVENUE	Page 107 Line 19	(1,136,144)	(543,440)	(214,638)	(26,345)	(10,208)	(75,719)
30								
31	TOTAL REVENUE	Page 107 Line 21	(1,047,021,735)	(553,989,790)	(251,443,759)	(40,985,417)	(12,769,877)	(30,685,320)
32								
33	UTILITY INCOME PRO FORMA	Page 107 Line 27	268,243,692	121,299,707	81,207,066	16,786,871	(1,120,476)	(9,659,655)
34								
35	Less Interest on Customer Deposits	Page 107 Line 34	(895,159)	(421,531)	(169,292)	(20,934)	(8,100)	(61,054)
36								
37	UTILITY NET OPERATING INCOME PRO FORMA	Page 107 Line 37	267,348,533	120,878,176	81,037,774	16,765,937	(1,128,576)	(9,720,709)
38								
39	RETURN ON RATE BASE PRO FORMA	Page 107 Line 40	5.54%	5.24%	8.89%	14.99%	-2.60%	-3.02%
40								
41	INDEX RATE OF RETURN		1.00	0.95	1.60	2.70	(0.47)	(0.55)
42								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	PRO FORMA UTILITY INCOME							
2								
3	OPERATION AND MAINTENANCE EXPENSE							
4	PRODUCTION, STORAGE AND PROCESSING EXPENSES	Page 83 Line 24	2,722	114,909	6,727	25,111	36,070	1,152,749
5	TRANSMISSION EXPENSES	Page 87 Line 19	-	-	90,576	150,993	527,453	3,837,683
6	DISTRIBUTION EXPENSES	Page 91 Line 49	30,537	1,113,176	159,719	401,529	918,478	293,244
7	CUSTOMER ACCOUNTS EXPENSES	Page 93 Line 38	656	3,776	38	457	117	611
8	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	Page 95 Line 18	45	619	3	31	8	42
9	SALES EXPENSES	Page 95 Line 50	80	1,112	5	56	14	75
10	ADMINISTRATIVE AND GENERAL EXPENSES	Page 101 Line 7	30,983	1,104,803	229,498	517,604	1,330,324	4,939,447
11	TOTAL O&M PRO FORMA	Page 101 Line 1	65,023	2,338,394	486,565	1,095,781	2,812,464	10,223,850
12								
13	DEPRECIATION EXPENSE	Page 103 Line 3	40,644	1,451,201	831,214	1,559,257	4,819,674	26,833,854
14								
15	TAXES							
16	General Taxes	Page 105 Line 6	10,300	394,159	210,338	398,137	1,217,501	6,612,747
17	State Income Taxes	Page 105 Line 1	1,313	50,859	30,398	56,789	175,957	978,775
18	Federal Income Taxes	Page 105 Line 2	9,789	379,176	226,634	423,389	1,311,846	7,297,232
19	Amortization of Investment Tax Credits	Page 105 Line 2	(7)	(258)	(154)	(288)	(893)	(4,966)
20	TOTAL TAXES	Page 105 Line 3	21,395	823,936	467,217	878,027	2,704,412	14,883,788
21								
22	PURCHASED GAS COSTS	Page 105 Line 4	2,480,906	10,941,414	1,218,683	1,273,828	2,817,667	6,348,197
23								
24	OPERATING REVENUE							
25	Gas Sales & Transportation Revenue	Page 107 Line 3	(2,963,984)	(24,641,057)	(2,264,483)	(10,611,173)	(9,709,126)	(106,425,558)
26	NGV and Gas Light Revenue	Page 107 Line 5	(270)	(10,470)	(6,258)	(11,690)	(36,222)	(201,486)
27	TOTAL OPERATING REVENUE	Page 107 Line 1	(2,964,255)	(24,651,526)	(2,270,741)	(10,622,863)	(9,745,348)	(106,627,044)
28								
29	OTHER GAS REVENUE	Page 107 Line 1	(270)	(10,446)	(6,244)	(11,664)	(36,140)	(201,031)
30								
31	TOTAL REVENUE	Page 107 Line 2	(2,964,524)	(24,661,972)	(2,276,985)	(10,634,527)	(9,781,488)	(106,828,075)
32								
33	UTILITY INCOME PRO FORMA	Page 107 Line 2	356,557	9,107,028	(726,695)	5,827,634	(3,372,730)	48,538,386
34								
35	Less Interest on Customer Deposits	Page 107 Line 3	(215)	(8,364)	(5,039)	(9,405)	(29,165)	(162,061)
36								
37	UTILITY NET OPERATING INCOME PRO FORMA	Page 107 Line 3	356,342	9,098,664	(731,734)	5,818,229	(3,401,894)	48,376,325
38								
39	RETURN ON RATE BASE PRO FORMA	Page 107 Line 4	31.13%	20.52%	-2.76%	11.75%	-2.22%	5.67%
40								
41	INDEX RATE OF RETURN		5.62	3.70	(0.50)	2.12	(0.40)	1.02
42								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	UTILITY INCOME AT PROPOSED RATES							
2								
3	OPERATION AND MAINTENANCE EXPENSE							
4	PRODUCTION, STORAGE AND PROCESSING EXPENSES		3,955,212	1,441,108	822,988	136,644	63,764	152,419
5	TRANSMISSION EXPENSES		12,559,059	4,365,734	2,198,691	291,176	106,776	989,975
6	DISTRIBUTION EXPENSES		64,184,065	46,658,839	11,029,433	744,414	266,458	2,568,238
7	CUSTOMER ACCOUNTS EXPENSES		28,118,849	25,496,542	2,591,885	9,956	3,076	9,548
8	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		1,966,085	1,779,360	183,707	1,288	209	775
9	SALES EXPENSES		3,532,988	3,197,449	330,115	2,315	375	1,393
10	ADMINISTRATIVE AND GENERAL EXPENSES		101,775,632	72,486,836	16,252,172	1,124,550	409,805	3,338,302
11	TOTAL O&M AT PROPOSED RATES	Page 109 Line 30	216,091,890	155,425,869	33,408,991	2,310,342	850,464	7,060,651
12								
13	DEPRECIATION EXPENSE	Page 109 Line 37	171,688,708	88,354,370	32,577,639	3,668,582	1,383,525	10,168,748
14								
15	TAXES							
16	General Taxes		41,152,004	20,904,454	7,596,525	884,352	340,603	2,582,887
17	State Income Taxes		8,239,119	3,940,932	1,556,520	191,052	74,025	549,102
18	Federal Income Taxes		63,415,254	30,332,756	11,980,301	1,470,498	569,755	4,226,352
19	Amortization of Investment Tax Credits		(28,065)	(13,424)	(5,302)	(651)	(252)	(1,870)
20	TOTAL TAXES	Page 111 Line 20	112,778,311	55,164,718	21,128,045	2,545,252	984,131	7,356,470
21								
22	PURCHASED GAS COSTS	Page 111 Line 22	303,827,431	146,243,422	87,924,510	16,259,163	10,896,351	17,423,291
23								
24	OPERATING REVENUE							
25	Gas Sales & Transportation Revenue Pro Forma	Page 111 Line 36	(1,044,746,874)	(552,901,679)	(251,013,997)	(40,932,667)	(12,749,439)	(30,533,710)
26	Proposed Revenue Increase	Page 111 Line 44	(109,025,725)	(65,901,626)	(29,996,485)	(4,444,956)	(684,437)	(6,174,981)
27	NGV and Gas Light Revenue	Page 111 Line 42	(1,138,717)	(544,671)	(215,125)	(26,405)	(10,231)	(75,891)
28	TOTAL OPERATING REVENUE	Page 111 Line 46	(1,154,911,316)	(619,347,976)	(281,225,606)	(45,404,027)	(13,444,107)	(36,784,582)
29								
30	OTHER GAS REVENUE	Page 113 Line 7	(1,136,144)	(543,440)	(214,638)	(26,345)	(10,208)	(75,719)
31								
32	TOTAL REVENUE	Page 113 Line 9	(1,156,047,460)	(619,891,416)	(281,440,244)	(45,430,373)	(13,454,314)	(36,860,301)
33								
34	UTILITY INCOME AT PROPOSED RATES	Page 113 Line 15	351,661,119	174,703,038	106,401,060	20,647,034	(660,157)	(5,148,859)
35								
36	Less Interest on Customer Deposits	Page 113 Line 22	(895,159)	(421,531)	(169,292)	(20,934)	(8,100)	(61,054)
37								
38	UTILITY NET OPERATING INCOME AT PROPOSED RATES	Page 113 Line 25	350,765,960	174,281,508	106,231,768	20,626,100	(668,256)	(5,209,913)
39								
40	RETURN ON PRO FORMA RATE BASE AT PROPOSED RATES	Page 113 Line 28	7.27%	7.56%	11.66%	18.44%	-1.54%	-1.62%
41								
42	INDEX RATE OF RETURN		1.00	1.04	1.60	2.54	(0.21)	(0.22)
43								
44								
45								
46								
47								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	UTILITY INCOME AT PROPOSED RATES							
2								
3	OPERATION AND MAINTENANCE EXPENSE							
4	PRODUCTION, STORAGE AND PROCESSING EXPENSES		2,722	114,909	6,727	25,111	36,070	1,152,749
5	TRANSMISSION EXPENSES		-	-	90,576	150,993	527,453	3,837,683
6	DISTRIBUTION EXPENSES		30,537	1,113,176	159,719	401,529	918,478	293,244
7	CUSTOMER ACCOUNTS EXPENSES		656	5,964	38	457	117	611
8	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		45	619	3	31	8	42
9	SALES EXPENSES		80	1,112	5	56	14	75
10	ADMINISTRATIVE AND GENERAL EXPENSES		31,026	1,106,335	229,816	518,322	1,332,169	4,946,298
11	TOTAL O&M AT PROPOSED RATES	Page 109 Line 3	65,066	2,342,114	486,884	1,096,499	2,814,309	10,230,702
12								
13	DEPRECIATION EXPENSE	Page 109 Line 3	40,644	1,451,201	831,214	1,559,257	4,819,674	26,833,854
14								
15	TAXES							
16	General Taxes		10,300	394,159	210,338	398,137	1,217,501	6,612,747
17	State Income Taxes		1,956	75,752	45,277	84,585	262,080	1,457,840
18	Federal Income Taxes		15,052	583,050	348,490	651,035	2,017,193	11,220,771
19	Amortization of Investment Tax Credits		(7)	(258)	(154)	(288)	(893)	(4,966)
20	TOTAL TAXES	Page 111 Line 2	27,301	1,052,702	603,951	1,133,468	3,495,881	19,286,392
21								
22	PURCHASED GAS COSTS	Page 111 Line 2	2,480,906	10,941,414	1,218,683	1,273,828	2,817,667	6,348,197
23								
24	OPERATING REVENUE							
25	Gas Sales & Transportation Revenue Pro Forma	Page 111 Line 3	(2,963,984)	(24,641,057)	(2,264,483)	(10,611,173)	(9,709,126)	(106,425,558)
26	Proposed Revenue Increase	Page 111 Line 4	(41,520)	(1,385,610)	(396,110)	-	-	-
27	NGV and Gas Light Revenue	Page 111 Line 4	(270)	(10,470)	(6,258)	(11,690)	(36,222)	(201,486)
28	TOTAL OPERATING REVENUE	Page 111 Line 4	(3,005,775)	(26,037,136)	(2,666,851)	(10,622,863)	(9,745,348)	(106,627,044)
29								
30	OTHER GAS REVENUE	Page 113 Line 7	(270)	(10,446)	(6,244)	(11,664)	(36,140)	(201,031)
31								
32	TOTAL REVENUE	Page 113 Line 9	(3,006,044)	(26,047,582)	(2,673,095)	(10,634,527)	(9,781,488)	(106,828,075)
33								
34	UTILITY INCOME AT PROPOSED RATES	Page 113 Line 1	392,128	10,260,151	(467,638)	5,571,475	(4,166,044)	44,128,931
35								
36	Less Interest on Customer Deposits	Page 113 Line 2	(215)	(8,364)	(5,039)	(9,405)	(29,165)	(162,061)
37								
38	UTILITY NET OPERATING INCOME AT PROPOSED RATES	Page 113 Line 2	391,913	10,251,787	(472,677)	5,562,070	(4,195,209)	43,966,870
39								
40	RETURN ON PRO FORMA RATE BASE AT PROPOSED RATES	Page 113 Line 2	34.24%	23.12%	-1.78%	11.23%	-2.73%	5.15%
41								
42	INDEX RATE OF RETURN		4.71	3.18	(0.25)	1.54	(0.38)	0.71
43								
44								
45								
46								
47								

Piedmont Natural Gas, Inc.
 North Carolina
 Test Period 12 M.E. 12/31/2020
 Docket No. G-9, Sub 781

Exhibit (CAM-2)
 Schedule 1 - Class Cost of Service Study by Rate Schedule
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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113	
1	DETAILED CLASSIFICATION								
2									
3	PER BOOKS RATE BASE								
4	NET PLANT								
5									
6	INTANGIBLE PLANT								
7	Organization	20100							
8	Storage-Demand	UTILPLT	-	-	-	-	-	-	
9	Transmission-Demand	UTILPLT	-	-	-	-	-	-	
10	Distribution-Demand	UTILPLT	-	-	-	-	-	-	
11	Distribution-Customer	UTILPLT	-	-	-	-	-	-	
12									
13	Franchises and Consents	20200							
14	Storage-Demand	UTILPLT	0	0	0	0	0	0	
15	Transmission-Demand	UTILPLT	0	0	0	0	0	0	
16	Distribution-Demand	UTILPLT	0	0	0	0	0	0	
17	Distribution-Customer	UTILPLT	0	0	0	0	0	0	
18									
19	Miscellaneous Intangible Plant	20300							
20	Storage-Demand	UTILPLT	440,194	204,991	79,908	9,530	3,597	31,482	
21	Transmission-Demand	UTILPLT	10,181,746	4,741,472	1,848,290	220,437	83,188	728,176	
22	Distribution-Demand	UTILPLT	2,337,145	1,088,370	424,261	50,600	19,095	167,147	
23	Distribution-Customer	UTILPLT	3,408,487	1,587,276	618,742	73,794	27,848	243,767	
24									
25	Customer Contracts	20301							
26	Storage-Demand	UTILPLT	(1,154)	(537)	(209)	(25)	(9)	(83)	
27	Transmission-Demand	UTILPLT	(26,687)	(12,428)	(4,844)	(578)	(218)	(1,909)	
28	Distribution-Demand	UTILPLT	(6,126)	(2,853)	(1,112)	(133)	(50)	(438)	
29	Distribution-Customer	UTILPLT	(8,934)	(4,160)	(1,622)	(193)	(73)	(639)	
30									
31	10 Year Software	20310							
32	Storage-Demand	UTILPLT	1,545,553	719,739	280,564	33,462	12,628	110,535	
33	Transmission-Demand	UTILPLT	35,748,841	16,647,648	6,489,479	773,970	292,080	2,556,678	
34	Distribution-Demand	UTILPLT	8,205,885	3,821,346	1,489,612	177,659	67,045	586,867	
35	Distribution-Customer	UTILPLT	11,967,442	5,573,041	2,172,447	259,098	97,778	855,885	
36									
37	TOTAL INTANGIBLE PLANT								
38	Storage-Demand		1,984,594	924,193	360,263	42,967	16,215	141,934	
39	Transmission-Demand		45,903,900	21,376,693	8,332,924	993,829	375,050	3,282,945	
40	Distribution-Demand		10,536,904	4,906,863	1,912,762	228,126	86,090	753,576	
41	Distribution-Customer		15,366,995	7,156,157	2,789,567	332,699	125,553	1,099,013	
42	TOTAL		73,792,393	34,363,906	13,395,515	1,597,621	602,908	5,277,468	
43									
44	OTHER STORAGE PLANT								
45	Non-depr Land & Land Rights	26000							
46	Storage-Demand	WINTHRU	3,187,462	1,874,674	1,061,070	173,236	78,482	-	
47	Transmission-Demand		-	-	-	-	-	-	
48	Distribution-Demand		-	-	-	-	-	-	
49	Distribution-Customer		-	-	-	-	-	-	
50									

Piedmont Natural Gas, Inc.
 North Carolina
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Exhibit (CAM-2)
 Schedule 1 - Class Cost of Service Study by Rate Schedule
 Page 10 of 114

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts	
1	DETAILED CLASSIFICATION								
2									
3	PER BOOKS RATE BASE								
4	NET PLANT								
5									
6	INTANGIBLE PLANT								
7	Organization	20100							
8	Storage-Demand	UTILPLT	-	-	-	-	-	-	
9	Transmission-Demand	UTILPLT	-	-	-	-	-	-	
10	Distribution-Demand	UTILPLT	-	-	-	-	-	-	
11	Distribution-Customer	UTILPLT	-	-	-	-	-	-	
12									
13	Franchises and Consents	20200							
14	Storage-Demand	UTILPLT	0	0	0	0	0	0	
15	Transmission-Demand	UTILPLT	0	0	0	0	0	0	
16	Distribution-Demand	UTILPLT	0	0	0	0	0	0	
17	Distribution-Customer	UTILPLT	0	0	0	0	0	0	
18									
19	Miscellaneous Intangible Plant	20300							
20	Storage-Demand	UTILPLT	111	4,293	2,599	4,848	15,044	83,791	
21	Transmission-Demand	UTILPLT	2,566	99,301	60,115	112,142	347,974	1,938,085	
22	Distribution-Demand	UTILPLT	589	22,794	13,799	25,741	79,875	444,873	
23	Distribution-Customer	UTILPLT	859	33,243	20,125	37,541	116,489	648,802	
24									
25	Customer Contracts	20301							
26	Storage-Demand	UTILPLT	(0)	(11)	(7)	(13)	(39)	(220)	
27	Transmission-Demand	UTILPLT	(7)	(260)	(158)	(294)	(912)	(5,080)	
28	Distribution-Demand	UTILPLT	(2)	(60)	(36)	(67)	(209)	(1,166)	
29	Distribution-Customer	UTILPLT	(2)	(87)	(53)	(98)	(305)	(1,701)	
30									
31	10 Year Software	20310							
32	Storage-Demand	UTILPLT	389	15,074	9,125	17,023	52,821	294,194	
33	Transmission-Demand	UTILPLT	9,008	348,654	211,070	393,738	1,221,762	6,804,755	
34	Distribution-Demand	UTILPLT	2,068	80,031	48,449	90,380	280,446	1,561,982	
35	Distribution-Customer	UTILPLT	3,016	116,717	70,659	131,810	409,002	2,277,990	
36									
37	TOTAL INTANGIBLE PLANT								
38	Storage-Demand		500	19,356	11,718	21,858	67,826	377,765	
39	Transmission-Demand		11,567	447,695	271,028	505,586	1,568,824	8,737,760	
40	Distribution-Demand		2,655	102,765	62,212	116,054	360,112	2,005,689	
41	Distribution-Customer		3,872	149,873	90,730	169,252	525,187	2,925,092	
42	TOTAL		18,595	719,689	435,688	812,751	2,521,948	14,046,305	
43									
44	OTHER STORAGE PLANT								
45	Non-depr Land & Land Rights	26000							
46	Storage-Demand	WINTHRU	-	-	-	-	-	-	
47	Transmission-Demand								
48	Distribution-Demand								
49	Distribution-Customer								
50									

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	S&I		26100					
2	Storage-Demand	WINTHRU	24,950,727	14,674,524	8,305,816	1,356,050	614,337	-
3	Transmission-Demand		-					
4	Distribution-Demand		-					
5	Distribution-Customer		-					
6								
7	Gas Holders		26200					
8	Storage-Demand	WINTHRU	575,776	338,637	191,669	31,293	14,177	-
9	Transmission-Demand		-					
10	Distribution-Demand		-					
11	Distribution-Customer		-					
12								
13	Purification Equipment		26300					
14	Storage-Demand	WINTHRU	9,895,257	5,819,798	3,294,020	537,798	243,641	-
15	Transmission-Demand		-					
16	Distribution-Demand		-					
17	Distribution-Customer		-					
18								
19	Liquefaction Equipment		26310					
20	Storage-Demand	WINTHRU	51,613,293	30,355,850	17,181,484	2,805,137	1,270,822	-
21	Transmission-Demand		-					
22	Distribution-Demand		-					
23	Distribution-Customer		-					
24								
25	Vaporizing Equipment		26320					
26	Storage-Demand	WINTHRU	25,245,989	14,848,180	8,404,105	1,372,097	621,607	-
27	Transmission-Demand		-					
28	Distribution-Demand		-					
29	Distribution-Customer		-					
30								
31	Compressor Equipment		26330					
32	Storage-Demand	WINTHRU	2,295,168	1,349,880	764,036	124,740	56,512	-
33	Transmission-Demand		-					
34	Distribution-Demand		-					
35	Distribution-Customer		-					
36								
37	M&R Equipment		26340					
38	Storage-Demand	WINTHRU	185,565	109,138	61,772	10,085	4,569	-
39	Transmission-Demand		-					
40	Distribution-Demand		-					
41	Distribution-Customer		-					
42								
43	Other Equipment		26350					
44	Storage-Demand	WINTHRU	5,830,007	3,428,861	1,940,744	316,856	143,546	-
45	Transmission-Demand		-					
46	Distribution-Demand		-					
47	Distribution-Customer		-					
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	S&I							
2	Storage-Demand	WINTHRU	-	-	-	-	-	-
3	Transmission-Demand							
4	Distribution-Demand							
5	Distribution-Customer							
6								
7	Gas Holders							
8	Storage-Demand	WINTHRU	-	-	-	-	-	-
9	Transmission-Demand							
10	Distribution-Demand							
11	Distribution-Customer							
12								
13	Purification Equipment							
14	Storage-Demand	WINTHRU	-	-	-	-	-	-
15	Transmission-Demand							
16	Distribution-Demand							
17	Distribution-Customer							
18								
19	Liquefaction Equipment							
20	Storage-Demand	WINTHRU	-	-	-	-	-	-
21	Transmission-Demand							
22	Distribution-Demand							
23	Distribution-Customer							
24								
25	Vaporizing Equipment							
26	Storage-Demand	WINTHRU	-	-	-	-	-	-
27	Transmission-Demand							
28	Distribution-Demand							
29	Distribution-Customer							
30								
31	Compressor Equipment							
32	Storage-Demand	WINTHRU	-	-	-	-	-	-
33	Transmission-Demand							
34	Distribution-Demand							
35	Distribution-Customer							
36								
37	M&R Equipment							
38	Storage-Demand	WINTHRU	-	-	-	-	-	-
39	Transmission-Demand							
40	Distribution-Demand							
41	Distribution-Customer							
42								
43	Other Equipment							
44	Storage-Demand	WINTHRU	-	-	-	-	-	-
45	Transmission-Demand							
46	Distribution-Demand							
47	Distribution-Customer							
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	TOTAL OTHER STORAGE PLANT							
2	Storage-Demand		123,779,243	72,799,543	41,204,715	6,727,293	3,047,692	-
3	Transmission-Demand		-	-	-	-	-	-
4	Distribution-Demand		-	-	-	-	-	-
5	Distribution-Customer		-	-	-	-	-	-
6	TOTAL		123,779,243	72,799,543	41,204,715	6,727,293	3,047,692	-
7								
8	TRANSMISSION PLANT							
9	Non-depr Land & Land Rights	26510	-	-	-	-	-	-
10	Storage-Demand		-	-	-	-	-	-
11	Transmission-Demand	DESDMD	32,662,199	11,353,915	5,718,110	757,258	277,692	2,574,617
12	Distribution-Demand		-	-	-	-	-	-
13	Distribution-Customer		-	-	-	-	-	-
14								
15	Land Rights	26520	-	-	-	-	-	-
16	Storage-Demand		-	-	-	-	-	-
17	Transmission-Demand	DESDMD	115,888,115	40,284,607	20,288,317	2,686,813	985,274	9,134,949
18	Distribution-Demand		-	-	-	-	-	-
19	Distribution-Customer		-	-	-	-	-	-
20								
21	S&I - Comp Station Struct	26610	-	-	-	-	-	-
22	Storage-Demand		-	-	-	-	-	-
23	Transmission-Demand	DESDMD	46,087,794	16,020,872	8,068,505	1,068,524	391,836	3,632,898
24	Distribution-Demand		-	-	-	-	-	-
25	Distribution-Customer		-	-	-	-	-	-
26								
27	S&I - M&R Station Str	26620	-	-	-	-	-	-
28	Storage-Demand		-	-	-	-	-	-
29	Transmission-Demand	DESDMD	33,097,287	11,505,159	5,794,281	767,345	281,391	2,608,913
30	Distribution-Demand		-	-	-	-	-	-
31	Distribution-Customer		-	-	-	-	-	-
32								
33	Mains	26700	-	-	-	-	-	-
34	Storage-Demand		-	-	-	-	-	-
35	Transmission-Demand	DESDMD	2,310,132,751	803,039,982	404,430,650	53,559,370	19,640,623	182,097,585
36	Distribution-Demand		-	-	-	-	-	-
37	Distribution-Customer		-	-	-	-	-	-
38								
39	Mains, Cathodic Protection	26701	-	-	-	-	-	-
40	Storage-Demand		-	-	-	-	-	-
41	Transmission-Demand	DESDMD	(474,715)	(165,019)	(83,108)	(11,006)	(4,036)	(37,420)
42	Distribution-Demand		-	-	-	-	-	-
43	Distribution-Customer		-	-	-	-	-	-
44								
45	Compressor Station Equip	26800	-	-	-	-	-	-
46	Storage-Demand		-	-	-	-	-	-
47	Transmission-Demand	DESDMD	100,835,330	35,052,012	17,653,054	2,337,821	857,297	7,948,405
48	Distribution-Demand		-	-	-	-	-	-
49	Distribution-Customer		-	-	-	-	-	-
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	TOTAL OTHER STORAGE PLANT							
2	Storage-Demand		-	-	-	-	-	-
3	Transmission-Demand		-	-	-	-	-	-
4	Distribution-Demand		-	-	-	-	-	-
5	Distribution-Customer		-	-	-	-	-	-
6	TOTAL		-	-	-	-	-	-
7								
8	TRANSMISSION PLANT							
9	Non-depr Land & Land Rights	26510						
10	Storage-Demand							
11	Transmission-Demand	DESDMD	-	-	235,560	392,686	1,371,741	9,980,619
12	Distribution-Demand							
13	Distribution-Customer							
14								
15	Land Rights	26520						
16	Storage-Demand							
17	Transmission-Demand	DESDMD	-	-	835,785	1,393,282	4,867,047	35,412,039
18	Distribution-Demand							
19	Distribution-Customer							
20								
21	S&I - Comp Station Struct	26610						
22	Storage-Demand							
23	Transmission-Demand	DESDMD	-	-	332,385	554,098	1,935,587	14,083,090
24	Distribution-Demand							
25	Distribution-Customer							
26								
27	S&I - M&R Station Str	26620						
28	Storage-Demand							
29	Transmission-Demand	DESDMD	-	-	238,698	397,917	1,390,014	10,113,569
30	Distribution-Demand							
31	Distribution-Customer							
32								
33	Mains	26700						
34	Storage-Demand							
35	Transmission-Demand	DESDMD	-	-	16,660,682	27,773,921	97,020,523	705,909,415
36	Distribution-Demand							
37	Distribution-Customer							
38								
39	Mains, Cathodic Protection	26701						
40	Storage-Demand							
41	Transmission-Demand	DESDMD	-	-	(3,424)	(5,707)	(19,937)	(145,059)
42	Distribution-Demand							
43	Distribution-Customer							
44								
45	Compressor Station Equip	26800						
46	Storage-Demand							
47	Transmission-Demand	DESDMD	-	-	727,225	1,212,308	4,234,863	30,812,346
48	Distribution-Demand							
49	Distribution-Customer							
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	System Meas & Reg Station		26900					
2	Storage-Demand		-					
3	Transmission-Demand	DESDMD	224,800,276	78,144,258	39,355,367	5,211,891	1,911,240	17,720,015
4	Distribution-Demand		-					
5	Distribution-Customer		-					
6								
7	TOTAL TRANSMISSION PLANT							
8	Storage-Demand		-					
9	Transmission-Demand		2,863,029,037	995,235,787	501,225,175	66,378,017	24,341,317	225,679,963
10	Distribution-Demand		-					
11	Distribution-Customer		-					
12	TOTAL		2,863,029,037	995,235,787	501,225,175	66,378,017	24,341,317	225,679,963
13								
14	DISTRIBUTION PLANT							
15	Non-depr Land & Land Rights	27400						
16	Storage-Demand		-					
17	Transmission-Demand		-					
18	Distribution-Demand	PKAVGDAYDIST	1,953,176	819,311	435,859	64,726	28,058	298,917
19	Distribution-Customer	MSMPLTCUST	2,848,507	2,376,338	435,090	14,147	2,300	8,616
20								
21	Land Rights	27401						
22	Storage-Demand		-					
23	Transmission-Demand		-					
24	Distribution-Demand	PKAVGDAYDIST	4,513,193	1,893,177	1,007,136	149,561	64,833	690,707
25	Distribution-Customer	MSMPLTCUST	6,582,029	5,490,990	1,005,361	32,690	5,314	19,908
26								
27	S&I	27500						
28	Storage-Demand		-					
29	Transmission-Demand		-					
30	Distribution-Demand	PKAVGDAYDIST	346,309	145,268	77,280	11,476	4,975	53,000
31	Distribution-Customer	MSMPLTCUST	505,056	421,338	77,144	2,508	408	1,528
32								
33	Mains	27600						
34	Storage-Demand		-					
35	Transmission-Demand		-					
36	Distribution-Demand	PKAVGDAYDIST	519,767,237	218,029,992	115,988,023	17,224,384	7,466,550	79,546,061
37	Distribution-Customer	BILL	398,062,954	360,257,679	37,194,125	260,826	42,280	156,989
38								
39	M&R Station Equipment	27800						
40	Storage-Demand		-					
41	Transmission-Demand		-					
42	Distribution-Demand	PKAVGDAYDIST	66,603,972	27,938,782	14,862,928	2,207,166	956,778	10,193,185
43	Distribution-Customer		-					
44								
45	M&R City Gate Equipment	27900						
46	Storage-Demand		-					
47	Transmission-Demand		-					
48	Distribution-Demand	PKAVGDAYDIST	63,993,120	26,843,592	14,280,307	2,120,646	919,273	9,793,616
49	Distribution-Customer		-					
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	System Meas & Reg Station	26900						
2	Storage-Demand							
3	Transmission-Demand	DESDMD	-	-	1,621,260	2,702,695	9,441,120	68,692,430
4	Distribution-Demand							
5	Distribution-Customer							
6								
7	TOTAL TRANSMISSION PLANT							
8	Storage-Demand		-	-	-	-	-	-
9	Transmission-Demand		-	-	20,648,171	34,421,201	120,240,958	874,858,448
10	Distribution-Demand		-	-	-	-	-	-
11	Distribution-Customer		-	-	-	-	-	-
12	TOTAL		-	-	20,648,171	34,421,201	120,240,958	874,858,448
13								
14	DISTRIBUTION PLANT							
15	Non-depr Land & Land Rights	27400						
16	Storage-Demand							
17	Transmission-Demand							
18	Distribution-Demand	PKAVGDAYDIST	3,005	126,829	19,382	47,648	109,441	-
19	Distribution-Customer	MSMPLTCUST	442	6,576	12	707	681	3,598
20								
21	Land Rights	27401						
22	Storage-Demand							
23	Transmission-Demand							
24	Distribution-Demand	PKAVGDAYDIST	6,943	293,063	44,786	110,101	252,885	-
25	Distribution-Customer	MSMPLTCUST	1,021	15,195	29	1,633	1,575	8,313
26								
27	S&I	27500						
28	Storage-Demand							
29	Transmission-Demand							
30	Distribution-Demand	PKAVGDAYDIST	533	22,488	3,437	8,448	19,405	-
31	Distribution-Customer	MSMPLTCUST	78	1,166	2	125	121	638
32								
33	Mains	27600						
34	Storage-Demand							
35	Transmission-Demand							
36	Distribution-Demand	PKAVGDAYDIST	799,648	33,751,001	5,157,830	12,679,895	29,123,852	-
37	Distribution-Customer	BILL	9,010	125,236	520	6,281	1,603	8,404
38								
39	M&R Station Equipment	27800						
40	Storage-Demand							
41	Transmission-Demand							
42	Distribution-Demand	PKAVGDAYDIST	102,468	4,324,918	660,934	1,624,826	3,731,986	-
43	Distribution-Customer		-	-	-	-	-	-
44								
45	M&R City Gate Equipment	27900						
46	Storage-Demand							
47	Transmission-Demand							
48	Distribution-Demand	PKAVGDAYDIST	98,452	4,155,383	635,026	1,561,134	3,585,694	-
49	Distribution-Customer		-	-	-	-	-	-
50								

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Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Services		28000					
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand		-					
5	Distribution-Customer	SVCUNIT	399,728,213	324,899,012	67,758,045	3,088,520	484,632	1,819,317
6								
7	Meters		28100					
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand		-					
11	Distribution-Customer	METAVG	62,014,899	43,663,300	16,431,804	560,303	98,304	367,375
12								
13	Meters - Meter Accessories		28104					
14	Storage-Demand		-					
15	Transmission-Demand		-					
16	Distribution-Demand		-					
17	Distribution-Customer	METAVG	714,259	502,894	189,254	6,453	1,132	4,231
18								
19	Meters - Meter Acc, ERTs		28105					
20	Storage-Demand		-					
21	Transmission-Demand		-					
22	Distribution-Demand		-					
23	Distribution-Customer	METAVG	9,504,932	6,692,210	2,518,478	85,877	15,067	56,307
24								
25	Meter Installations		28200					
26	Storage-Demand		-					
27	Transmission-Demand		-					
28	Distribution-Demand		-					
29	Distribution-Customer	METAVG	43,483,481	30,615,744	11,521,619	392,872	68,929	257,595
30								
31	House Regulators		28300					
32	Storage-Demand		-					
33	Transmission-Demand		-					
34	Distribution-Demand		-					
35	Distribution-Customer	METAVG	6,853,285	4,825,244	1,815,884	61,919	10,864	40,599
36								
37	House Regulator Installatio		28400					
38	Storage-Demand		-					
39	Transmission-Demand		-					
40	Distribution-Demand		-					
41	Distribution-Customer	METAVG	323,115	227,498	85,614	2,919	512	1,914
42								
43	Industrial M&R Station Equip		28500					
44	Storage-Demand		-					
45	Transmission-Demand		-					
46	Distribution-Demand		-					
47	Distribution-Customer	METAVG	27,745,689	19,535,118	7,351,648	250,682	43,982	164,365
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Services							
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand							
5	Distribution-Customer	SVCUNIT	95,481	1,373,405	708	108,254	27,624	73,214
6								
7	Meters							
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand							
11	Distribution-Customer	METAVG	17,558	284,436	1,207	49,725	81,370	459,515
12								
13	Meters - Meter Accessories							
14	Storage-Demand							
15	Transmission-Demand							
16	Distribution-Demand							
17	Distribution-Customer	METAVG	202	3,276	14	573	937	5,292
18								
19	Meters - Meter Acc, ERTs							
20	Storage-Demand							
21	Transmission-Demand							
22	Distribution-Demand							
23	Distribution-Customer	METAVG	2,691	43,595	185	7,621	12,472	70,429
24								
25	Meter Installations							
26	Storage-Demand							
27	Transmission-Demand							
28	Distribution-Demand							
29	Distribution-Customer	METAVG	12,311	199,440	846	34,866	57,055	322,202
30								
31	House Regulators							
32	Storage-Demand							
33	Transmission-Demand							
34	Distribution-Demand							
35	Distribution-Customer	METAVG	1,940	31,433	133	5,495	8,992	50,781
36								
37	House Regulator Installatio							
38	Storage-Demand							
39	Transmission-Demand							
40	Distribution-Demand							
41	Distribution-Customer	METAVG	91	1,482	6	259	424	2,394
42								
43	Industrial M&R Station Equip							
44	Storage-Demand							
45	Transmission-Demand							
46	Distribution-Demand							
47	Distribution-Customer	METAVG	7,855	127,258	540	22,247	36,405	205,589
48								

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 Schedule 1 - Class Cost of Service Study by Rate Schedule
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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Other Property on Customer Premises		28600					
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand		-					
5	Distribution-Customer	MSMPLTCUST	58,898	49,135	8,996	293	48	178
6								
7	Other Equipment		28700					
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand	PKAVGDAYDIST	10,344	4,339	2,308	343	149	1,583
11	Distribution-Customer	MSMPLTCUST	15,086	12,585	2,304	75	12	46
12								
13	TOTAL DISTRIBUTION PLANT							
14	Storage-Demand		-	-	-	-	-	-
15	Transmission-Demand		-	-	-	-	-	-
16	Distribution-Demand		657,187,352	275,674,462	146,653,841	21,778,301	9,440,615	100,577,069
17	Distribution-Customer		958,440,402	799,569,084	146,395,368	4,760,084	773,783	2,898,968
18	TOTAL		1,615,627,754	1,075,243,546	293,049,209	26,538,385	10,214,398	103,476,037
19								
20	GENERAL PLANT							
21	Non-depr Land & Land Rights		28900					
22	Storage-Demand	UTILPLT	93,683	43,627	17,006	2,028	765	6,700
23	Transmission-Demand	UTILPLT	2,166,902	1,009,091	393,357	46,914	17,704	154,972
24	Distribution-Demand	UTILPLT	497,396	231,629	90,292	10,769	4,064	35,573
25	Distribution-Customer	UTILPLT	725,402	337,808	131,682	15,705	5,927	51,879
26								
27	S&I		29000					
28	Storage-Demand	UTILPLT	2,860,700	1,332,181	519,302	61,935	23,373	204,591
29	Transmission-Demand	UTILPLT	66,168,334	30,813,506	12,011,522	1,432,558	540,617	4,732,212
30	Distribution-Demand	UTILPLT	15,188,457	7,073,015	2,757,157	328,833	124,095	1,086,245
31	Distribution-Customer	UTILPLT	22,150,807	10,315,267	4,021,031	479,570	180,979	1,584,177
32								
33	Leasehold Improvements		29001					
34	Storage-Demand	UTILPLT	42,501	19,792	7,715	920	347	3,040
35	Transmission-Demand	UTILPLT	983,062	457,796	178,455	21,284	8,032	70,306
36	Distribution-Demand	UTILPLT	225,655	105,084	40,963	4,885	1,844	16,138
37	Distribution-Customer	UTILPLT	329,094	153,254	59,740	7,125	2,689	23,536
38								
39	Compressed Natural Gas		29002					
40	Storage-Demand	UTILPLT	439,026	204,447	79,696	9,505	3,587	31,398
41	Transmission-Demand	UTILPLT	10,154,721	4,728,887	1,843,384	219,852	82,967	726,243
42	Distribution-Demand	UTILPLT	2,330,942	1,085,481	423,135	50,465	19,045	166,704
43	Distribution-Customer	UTILPLT	3,399,440	1,583,063	617,099	73,599	27,775	243,120
44								
45	Office Furniture and Equipm		29100					
46	Storage-Demand	UTILPLT	420,432	195,788	76,321	9,102	3,435	30,068
47	Transmission-Demand	UTILPLT	9,724,633	4,528,602	1,765,310	210,540	79,453	695,484
48	Distribution-Demand	UTILPLT	2,232,218	1,039,507	405,214	48,328	18,238	159,643
49	Distribution-Customer	UTILPLT	3,255,462	1,516,015	590,963	70,481	26,598	232,823
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Other Property on Customer Premises	28600						
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand		-	-	-	-	-	-
5	Distribution-Customer	MSMPLTCUST	9	136	0	15	14	74
6								
7	Other Equipment	28700						
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand	PKAVGDAYDIST	16	672	103	252	580	-
11	Distribution-Customer	MSMPLTCUST	2	35	0	4	4	19
12								
13	TOTAL DISTRIBUTION PLANT							
14	Storage-Demand		-	-	-	-	-	-
15	Transmission-Demand		-	-	-	-	-	-
16	Distribution-Demand		1,011,065	42,674,354	6,521,498	16,032,305	36,823,843	-
17	Distribution-Customer		148,694	2,212,671	4,204	237,805	229,277	1,210,463
18	TOTAL		1,159,759	44,887,025	6,525,702	16,270,109	37,053,120	1,210,463
19								
20	GENERAL PLANT							
21	Non-depr Land & Land Rights	28900						
22	Storage-Demand	UTILPLT	24	914	553	1,032	3,202	17,832
23	Transmission-Demand	UTILPLT	546	21,134	12,794	23,866	74,057	412,467
24	Distribution-Demand	UTILPLT	125	4,851	2,937	5,478	16,999	94,679
25	Distribution-Customer	UTILPLT	183	7,075	4,283	7,990	24,792	138,079
26								
27	S&I	29000						
28	Storage-Demand	UTILPLT	721	27,900	16,890	31,508	97,768	544,531
29	Transmission-Demand	UTILPLT	16,674	645,332	390,674	728,779	2,261,387	12,595,074
30	Distribution-Demand	UTILPLT	3,827	148,131	89,676	167,286	519,085	2,891,107
31	Distribution-Customer	UTILPLT	5,582	216,034	130,784	243,969	757,032	4,216,383
32								
33	Leasehold Improvements	29001						
34	Storage-Demand	UTILPLT	11	415	251	468	1,453	8,090
35	Transmission-Demand	UTILPLT	248	9,588	5,804	10,827	33,597	187,125
36	Distribution-Demand	UTILPLT	57	2,201	1,332	2,485	7,712	42,953
37	Distribution-Customer	UTILPLT	83	3,210	1,943	3,625	11,247	62,643
38								
39	Compressed Natural Gas	29002						
40	Storage-Demand	UTILPLT	111	4,282	2,592	4,835	15,004	83,568
41	Transmission-Demand	UTILPLT	2,559	99,038	59,956	111,844	347,050	1,932,941
42	Distribution-Demand	UTILPLT	587	22,733	13,762	25,673	79,663	443,692
43	Distribution-Customer	UTILPLT	857	33,154	20,071	37,441	116,180	647,080
44								
45	Office Furniture and Equipm	29100						
46	Storage-Demand	UTILPLT	106	4,100	2,482	4,631	14,369	80,029
47	Transmission-Demand	UTILPLT	2,450	94,843	57,417	107,107	332,352	1,851,074
48	Distribution-Demand	UTILPLT	562	21,771	13,180	24,586	76,289	424,900
49	Distribution-Customer	UTILPLT	820	31,750	19,221	35,856	111,260	619,674
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Electronic Data Processing	29101						
2	Storage-Demand	UTILPLT	543	253	99	12	4	39
3	Transmission-Demand	UTILPLT	12,553	5,846	2,279	272	103	898
4	Distribution-Demand	UTILPLT	2,881	1,342	523	62	24	206
5	Distribution-Customer	UTILPLT	4,202	1,957	763	91	34	301
6								
7	PC Equipment (Computer Processing Hardware)	29102						
8	Storage-Demand	UTILPLT	284,213	132,353	51,593	6,153	2,322	20,326
9	Transmission-Demand	UTILPLT	6,573,885	3,061,350	1,193,356	142,326	53,711	470,150
10	Distribution-Demand	UTILPLT	1,508,987	702,711	273,926	32,670	12,329	107,919
11	Distribution-Customer	UTILPLT	2,200,703	1,024,831	399,493	47,646	17,980	157,389
12								
13	Customer Information System	29103						
14	Storage-Demand	UTILPLT	(189,426)	(88,213)	(34,386)	(4,101)	(1,548)	(13,547)
15	Transmission-Demand	UTILPLT	(4,381,451)	(2,040,370)	(795,364)	(94,859)	(35,798)	(313,352)
16	Distribution-Demand	UTILPLT	(1,005,730)	(468,352)	(182,570)	(21,774)	(8,217)	(71,928)
17	Distribution-Customer	UTILPLT	(1,466,754)	(683,043)	(266,259)	(31,756)	(11,984)	(104,899)
18								
19	Client Service Applications	29104						
20	Storage-Demand	UTILPLT	(2,807)	(1,307)	(510)	(61)	(23)	(201)
21	Transmission-Demand	UTILPLT	(64,933)	(30,238)	(11,787)	(1,406)	(531)	(4,644)
22	Distribution-Demand	UTILPLT	(14,905)	(6,941)	(2,706)	(323)	(122)	(1,066)
23	Distribution-Customer	UTILPLT	(21,737)	(10,123)	(3,946)	(471)	(178)	(1,555)
24								
25	SaaS - 3 yr Contract	29105						
26	Storage-Demand	UTILPLT	3	1	0	0	0	0
27	Transmission-Demand	UTILPLT	63	30	12	1	1	5
28	Distribution-Demand	UTILPLT	15	7	3	0	0	1
29	Distribution-Customer	UTILPLT	21	10	4	0	0	2
30								
31	Trans Equip - Leased Buyout	29204						
32	Storage-Demand	UTILPLT	0	0	0	0	0	0
33	Transmission-Demand	UTILPLT	1	1	0	0	0	0
34	Distribution-Demand	UTILPLT	0	0	0	0	0	0
35	Distribution-Customer	UTILPLT	0	0	0	0	0	0
36								
37	Passenger Cars & Station Wagons	29210						
38	Storage-Demand	UTILPLT	9,929	4,624	1,802	215	81	710
39	Transmission-Demand	UTILPLT	229,659	106,948	41,690	4,972	1,876	16,425
40	Distribution-Demand	UTILPLT	52,717	24,549	9,570	1,141	431	3,770
41	Distribution-Customer	UTILPLT	76,882	35,803	13,956	1,665	628	5,498
42								
43	Trucks 1/2 & 3/4 Ton	29211						
44	Storage-Demand	UTILPLT	(7,924)	(3,690)	(1,438)	(172)	(65)	(567)
45	Transmission-Demand	UTILPLT	(183,290)	(85,355)	(33,273)	(3,968)	(1,498)	(13,108)
46	Distribution-Demand	UTILPLT	(42,073)	(19,593)	(7,637)	(911)	(344)	(3,009)
47	Distribution-Customer	UTILPLT	(61,359)	(28,574)	(11,138)	(1,328)	(501)	(4,388)
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Electronic Data Processing	29101						
2	Storage-Demand	UTILPLT	0	5	3	6	19	103
3	Transmission-Demand	UTILPLT	3	122	74	138	429	2,389
4	Distribution-Demand	UTILPLT	1	28	17	32	98	548
5	Distribution-Customer	UTILPLT	1	41	25	46	144	800
6								
7	PC Equipment (Computer Processing Hardware)	29102						
8	Storage-Demand	UTILPLT	72	2,772	1,678	3,130	9,713	54,100
9	Transmission-Demand	UTILPLT	1,657	64,114	38,814	72,405	224,671	1,251,332
10	Distribution-Demand	UTILPLT	380	14,717	8,909	16,620	51,572	287,234
11	Distribution-Customer	UTILPLT	555	21,463	12,993	24,239	75,212	418,902
12								
13	Customer Information System	29103						
14	Storage-Demand	UTILPLT	(48)	(1,847)	(1,118)	(2,086)	(6,474)	(36,057)
15	Transmission-Demand	UTILPLT	(1,104)	(42,732)	(25,869)	(48,257)	(149,742)	(834,005)
16	Distribution-Demand	UTILPLT	(253)	(9,809)	(5,938)	(11,077)	(34,372)	(191,440)
17	Distribution-Customer	UTILPLT	(370)	(14,305)	(8,660)	(16,155)	(50,128)	(279,195)
18								
19	Client Service Applications	29104						
20	Storage-Demand	UTILPLT	(1)	(27)	(17)	(31)	(96)	(534)
21	Transmission-Demand	UTILPLT	(16)	(633)	(383)	(715)	(2,219)	(12,360)
22	Distribution-Demand	UTILPLT	(4)	(145)	(88)	(164)	(509)	(2,837)
23	Distribution-Customer	UTILPLT	(5)	(212)	(128)	(239)	(743)	(4,138)
24								
25	SaaS - 3 yr Contract	29105						
26	Storage-Demand	UTILPLT	0	0	0	0	0	1
27	Transmission-Demand	UTILPLT	0	1	0	1	2	12
28	Distribution-Demand	UTILPLT	0	0	0	0	0	3
29	Distribution-Customer	UTILPLT	0	0	0	0	1	4
30								
31	Trans Equip - Leased Buyout	29204						
32	Storage-Demand	UTILPLT	0	0	0	0	0	0
33	Transmission-Demand	UTILPLT	0	0	0	0	0	0
34	Distribution-Demand	UTILPLT	0	0	0	0	0	0
35	Distribution-Customer	UTILPLT	0	0	0	0	0	0
36								
37	Passenger Cars & Station Wagons	29210						
38	Storage-Demand	UTILPLT	3	97	59	109	339	1,890
39	Transmission-Demand	UTILPLT	58	2,240	1,356	2,529	7,849	43,715
40	Distribution-Demand	UTILPLT	13	514	311	581	1,802	10,035
41	Distribution-Customer	UTILPLT	19	750	454	847	2,628	14,634
42								
43	Trucks 1/2 & 3/4 Ton	29211						
44	Storage-Demand	UTILPLT	(2)	(77)	(47)	(87)	(271)	(1,508)
45	Transmission-Demand	UTILPLT	(46)	(1,788)	(1,082)	(2,019)	(6,264)	(34,889)
46	Distribution-Demand	UTILPLT	(11)	(410)	(248)	(463)	(1,438)	(8,009)
47	Distribution-Customer	UTILPLT	(15)	(598)	(362)	(676)	(2,097)	(11,680)
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Trucks 2 tons & over							
2	Storage-Demand	UTILPLT	(97)	(45)	(18)	(2)	(1)	(7)
3	Transmission-Demand	UTILPLT	(2,254)	(1,049)	(409)	(49)	(18)	(161)
4	Distribution-Demand	UTILPLT	(517)	(241)	(94)	(11)	(4)	(37)
5	Distribution-Customer	UTILPLT	(754)	(351)	(137)	(16)	(6)	(54)
6								
7	Gas NC Trailer							
8	Storage-Demand	UTILPLT	(182)	(85)	(33)	(4)	(1)	(13)
9	Transmission-Demand	UTILPLT	(4,208)	(1,960)	(764)	(91)	(34)	(301)
10	Distribution-Demand	UTILPLT	(966)	(450)	(175)	(21)	(8)	(69)
11	Distribution-Customer	UTILPLT	(1,409)	(656)	(256)	(31)	(12)	(101)
12								
13	Transportation - 3 Year Meter							
14	Storage-Demand	UTILPLT	18,313	8,528	3,324	396	150	1,310
15	Transmission-Demand	UTILPLT	423,589	197,258	76,894	9,171	3,461	30,294
16	Distribution-Demand	UTILPLT	97,232	45,279	17,650	2,105	794	6,954
17	Distribution-Customer	UTILPLT	141,802	66,035	25,741	3,070	1,159	10,141
18								
19	Transportation - 5 Year Rural Use							
20	Storage-Demand	UTILPLT	138,597	64,542	25,160	3,001	1,132	9,912
21	Transmission-Demand	UTILPLT	3,205,771	1,492,875	581,943	69,406	26,192	229,270
22	Distribution-Demand	UTILPLT	735,861	342,678	133,581	15,932	6,012	52,627
23	Distribution-Customer	UTILPLT	1,073,178	499,761	194,814	23,235	8,768	76,751
24								
25	Transportation - 7 Year Urban Use							
26	Storage-Demand	UTILPLT	550,020	256,135	99,845	11,908	4,494	39,336
27	Transmission-Demand	UTILPLT	12,722,027	5,924,439	2,309,427	275,435	103,943	909,851
28	Distribution-Demand	UTILPLT	2,920,248	1,359,912	530,112	63,224	23,859	208,850
29	Distribution-Customer	UTILPLT	4,258,883	1,983,292	773,114	92,206	34,796	304,586
30								
31	Transportation - 10 Year Heavy Duty							
32	Storage-Demand	UTILPLT	147,596	68,733	26,793	3,195	1,206	10,556
33	Transmission-Demand	UTILPLT	3,413,913	1,589,803	619,727	73,912	27,893	244,155
34	Distribution-Demand	UTILPLT	783,639	364,928	142,254	16,966	6,403	56,044
35	Distribution-Customer	UTILPLT	1,142,857	532,210	207,463	24,743	9,338	81,735
36								
37	Transportation - 15 Year Trailers & Other							
38	Storage-Demand	UTILPLT	35,928	16,731	6,522	778	294	2,569
39	Transmission-Demand	UTILPLT	831,010	386,988	150,853	17,992	6,790	59,432
40	Distribution-Demand	UTILPLT	190,752	88,830	34,627	4,130	1,559	13,642
41	Distribution-Customer	UTILPLT	278,193	129,550	50,500	6,023	2,273	19,896
42								
43	Stores Equipment							
44	Storage-Demand	UTILPLT	319	149	58	7	3	23
45	Transmission-Demand	UTILPLT	7,379	3,436	1,340	160	60	528
46	Distribution-Demand	UTILPLT	1,694	789	307	37	14	121
47	Distribution-Customer	UTILPLT	2,470	1,150	448	53	20	177
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Trucks 2 tons & over							
2	Storage-Demand	UTILPLT	(0)	(1)	(1)	(1)	(3)	(19)
3	Transmission-Demand	UTILPLT	(1)	(22)	(13)	(25)	(77)	(429)
4	Distribution-Demand	UTILPLT	(0)	(5)	(3)	(6)	(18)	(98)
5	Distribution-Customer	UTILPLT	(0)	(7)	(4)	(8)	(26)	(144)
6								
7	Gas NC Trailer							
8	Storage-Demand	UTILPLT	(0)	(2)	(1)	(2)	(6)	(35)
9	Transmission-Demand	UTILPLT	(1)	(41)	(25)	(46)	(144)	(801)
10	Distribution-Demand	UTILPLT	(0)	(9)	(6)	(11)	(33)	(184)
11	Distribution-Customer	UTILPLT	(0)	(14)	(8)	(16)	(48)	(268)
12								
13	Transportation- 3 Year Meter							
14	Storage-Demand	UTILPLT	5	179	108	202	626	3,486
15	Transmission-Demand	UTILPLT	107	4,131	2,501	4,665	14,477	80,630
16	Distribution-Demand	UTILPLT	25	948	574	1,071	3,323	18,508
17	Distribution-Customer	UTILPLT	36	1,383	837	1,562	4,846	26,992
18								
19	Transportation - 5 Year Rural Use							
20	Storage-Demand	UTILPLT	35	1,352	818	1,527	4,737	26,382
21	Transmission-Demand	UTILPLT	808	31,266	18,928	35,308	109,561	610,215
22	Distribution-Demand	UTILPLT	185	7,177	4,345	8,105	25,149	140,070
23	Distribution-Customer	UTILPLT	270	10,467	6,336	11,820	36,677	204,278
24								
25	Transportation - 7 Year Urban Use							
26	Storage-Demand	UTILPLT	139	5,364	3,247	6,058	18,798	104,696
27	Transmission-Demand	UTILPLT	3,206	124,076	75,114	140,121	434,791	2,421,625
28	Distribution-Demand	UTILPLT	736	28,481	17,242	32,164	99,803	555,866
29	Distribution-Customer	UTILPLT	1,073	41,536	25,145	46,907	145,553	810,674
30								
31	Transportation - 10 Year Heavy Duty							
32	Storage-Demand	UTILPLT	37	1,439	871	1,626	5,044	28,095
33	Transmission-Demand	UTILPLT	860	33,295	20,157	37,601	116,675	649,835
34	Distribution-Demand	UTILPLT	197	7,643	4,627	8,631	26,782	149,165
35	Distribution-Customer	UTILPLT	288	11,146	6,748	12,587	39,059	217,542
36								
37	Transportation - 15 Year Trailers & Other							
38	Storage-Demand	UTILPLT	9	350	212	396	1,228	6,839
39	Transmission-Demand	UTILPLT	209	8,105	4,906	9,153	28,401	158,182
40	Distribution-Demand	UTILPLT	48	1,860	1,126	2,101	6,519	36,310
41	Distribution-Customer	UTILPLT	70	2,713	1,643	3,064	9,508	52,954
42								
43	Stores Equipment							
44	Storage-Demand	UTILPLT	0	3	2	4	11	61
45	Transmission-Demand	UTILPLT	2	72	44	81	252	1,405
46	Distribution-Demand	UTILPLT	0	17	10	19	58	322
47	Distribution-Customer	UTILPLT	1	24	15	27	84	470
48								

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Exhibit (CAM-2)
 Schedule 1 - Class Cost of Service Study by Rate Schedule
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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Tools, Shop & Garage Equip							
2	Storage-Demand	UTILPLT	278,228	129,566	50,507	6,024	2,273	19,898
3	Transmission-Demand	UTILPLT	6,435,449	2,996,883	1,168,226	139,329	52,580	460,249
4	Distribution-Demand	UTILPLT	1,477,210	687,913	268,158	31,982	12,069	105,647
5	Distribution-Customer	UTILPLT	2,154,360	1,003,250	391,080	46,642	17,602	154,075
6								
7	CNG Station Equipment							
8	Storage-Demand	UTILPLT	-	-	-	-	-	-
9	Transmission-Demand	UTILPLT	-	-	-	-	-	-
10	Distribution-Demand	UTILPLT	-	-	-	-	-	-
11	Distribution-Customer	UTILPLT	-	-	-	-	-	-
12								
13	Laboratory Equipment							
14	Storage-Demand	UTILPLT	13,120	6,110	2,382	284	107	938
15	Transmission-Demand	UTILPLT	303,470	141,321	55,089	6,570	2,479	21,704
16	Distribution-Demand	UTILPLT	69,659	32,439	12,645	1,508	569	4,982
17	Distribution-Customer	UTILPLT	101,591	47,309	18,442	2,199	830	7,266
18								
19	Power Operated Equipment							
20	Storage-Demand	UTILPLT	207,798	96,768	37,721	4,499	1,698	14,861
21	Transmission-Demand	UTILPLT	4,806,390	2,238,257	872,503	104,059	39,270	343,742
22	Distribution-Demand	UTILPLT	1,103,272	513,776	200,277	23,886	9,014	78,904
23	Distribution-Customer	UTILPLT	1,609,009	749,289	292,083	34,835	13,146	115,073
24								
25	Communication Equipment							
26	Storage-Demand	UTILPLT	384,199	178,915	69,744	8,318	3,139	27,477
27	Transmission-Demand	UTILPLT	8,886,580	4,138,335	1,613,179	192,396	72,606	635,548
28	Distribution-Demand	UTILPLT	2,039,849	949,924	370,293	44,163	16,666	145,886
29	Distribution-Customer	UTILPLT	2,974,911	1,385,367	540,035	64,407	24,306	212,759
30								
31	Miscellaneous Equipment							
32	Storage-Demand	UTILPLT	103,457	48,178	18,781	2,240	845	7,399
33	Transmission-Demand	UTILPLT	2,392,976	1,114,370	434,396	51,808	19,551	171,140
34	Distribution-Demand	UTILPLT	549,290	255,795	99,713	11,892	4,488	39,284
35	Distribution-Customer	UTILPLT	801,084	373,051	145,420	17,344	6,545	57,292
36								
37	TOTAL GENERAL PLANT							
38	Storage-Demand		5,828,168	2,714,082	1,057,986	126,181	47,618	416,818
39	Transmission-Demand		134,806,235	62,777,050	24,471,343	2,918,583	1,101,411	9,641,042
40	Distribution-Demand		30,943,784	14,410,012	5,617,218	669,939	252,821	2,213,031
41	Distribution-Customer		45,128,338	21,015,526	8,192,136	977,038	368,713	3,227,478
42	TOTAL		216,706,525	100,916,670	39,338,683	4,691,741	1,770,563	15,498,369
43								
44	TOTAL PLANT IN SERVICE PER BOOKS							
45	Storage-Demand		131,592,004	76,437,818	42,622,964	6,896,441	3,111,525	558,751
46	Transmission-Demand		3,043,739,173	1,079,389,529	534,029,443	70,290,429	25,817,778	238,603,950
47	Distribution-Demand		698,668,040	294,991,337	154,183,820	22,676,366	9,779,525	103,543,676
48	Distribution-Customer		1,018,935,735	827,740,767	157,377,071	6,069,821	1,268,050	7,225,460
49	TOTAL		4,892,934,953	2,278,559,451	888,213,298	105,933,057	39,976,878	349,931,838

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Tools, Shop & Garage Equip	29400						
2	Storage-Demand	UTILPLT	70	2,714	1,643	3,064	9,509	52,960
3	Transmission-Demand	UTILPLT	1,622	62,764	37,996	70,880	219,940	1,224,981
4	Distribution-Demand	UTILPLT	372	14,407	8,722	16,270	50,486	281,185
5	Distribution-Customer	UTILPLT	543	21,011	12,720	23,728	73,628	410,080
6								
7	CNG Station Equipment	29410						
8	Storage-Demand	UTILPLT	-	-	-	-	-	-
9	Transmission-Demand	UTILPLT	-	-	-	-	-	-
10	Distribution-Demand	UTILPLT	-	-	-	-	-	-
11	Distribution-Customer	UTILPLT	-	-	-	-	-	-
12								
13	Laboratory Equipment	29500						
14	Storage-Demand	UTILPLT	3	128	77	145	448	2,497
15	Transmission-Demand	UTILPLT	76	2,960	1,792	3,342	10,371	57,765
16	Distribution-Demand	UTILPLT	18	679	411	767	2,381	13,260
17	Distribution-Customer	UTILPLT	26	991	600	1,119	3,472	19,338
18								
19	Power Operated Equipment	29600						
20	Storage-Demand	UTILPLT	52	2,027	1,227	2,289	7,102	39,554
21	Transmission-Demand	UTILPLT	1,211	46,876	28,378	52,938	164,264	914,891
22	Distribution-Demand	UTILPLT	278	10,760	6,514	12,151	37,706	210,007
23	Distribution-Customer	UTILPLT	405	15,692	9,500	17,722	54,990	306,273
24								
25	Communication Equipment	29700						
26	Storage-Demand	UTILPLT	97	3,747	2,268	4,232	13,131	73,132
27	Transmission-Demand	UTILPLT	2,239	86,670	52,468	97,877	303,710	1,691,551
28	Distribution-Demand	UTILPLT	514	19,894	12,044	22,467	69,714	388,283
29	Distribution-Customer	UTILPLT	750	29,014	17,565	32,766	101,671	566,271
30								
31	Miscellaneous Equipment	29800						
32	Storage-Demand	UTILPLT	26	1,009	611	1,139	3,536	19,693
33	Transmission-Demand	UTILPLT	603	23,338	14,129	26,356	81,783	455,501
34	Distribution-Demand	UTILPLT	138	5,357	3,243	6,050	18,773	104,557
35	Distribution-Customer	UTILPLT	202	7,813	4,730	8,823	27,378	152,485
36								
37	TOTAL GENERAL PLANT							
38	Storage-Demand		1,469	56,841	34,411	64,192	199,185	1,109,386
39	Transmission-Demand		33,970	1,314,750	795,928	1,484,758	4,607,174	25,660,227
40	Distribution-Demand		7,797	301,791	182,699	340,815	1,057,543	5,890,117
41	Distribution-Customer		11,372	440,131	266,448	497,044	1,542,318	8,590,132
42	TOTAL		54,607	2,113,514	1,279,487	2,386,809	7,406,220	41,249,862
43								
44	TOTAL PLANT IN SERVICE PER BOOKS							
45	Storage-Demand		1,969	76,197	46,128	86,050	267,011	1,487,151
46	Transmission-Demand		45,537	1,762,445	21,715,126	36,411,545	126,416,955	909,256,434
47	Distribution-Demand		1,021,517	43,078,910	6,766,410	16,489,174	38,241,498	7,895,806
48	Distribution-Customer		163,939	2,802,675	361,383	904,101	2,296,781	12,725,687
49	TOTAL		1,232,961	47,720,227	28,889,047	53,890,870	167,222,246	931,365,078

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1								
2								
3	OTHER RATE BASE ADDITIONS PER BOOKS							
4	Stored Natural Gas	STOREDGAS						
5	Storage-Demand		-	-	-	-	-	-
6	Transmission-Demand		-	-	-	-	-	-
7	Distribution-Demand	WINTHRU	35,707,698	21,001,131	11,886,690	1,940,682	879,195	-
8	Distribution-Customer		-	-	-	-	-	-
9								
10	Pension/OPEB	OPEB						
11	Storage-Demand	OPERLAB	4,027,967	2,870,294	643,527	44,398	16,151	131,305
12	Transmission-Demand	OPERLAB	11,988,040	8,542,573	1,915,266	132,136	48,068	390,791
13	Distribution-Demand	OPERLAB	13,953,620	9,943,228	2,229,296	153,801	55,949	454,866
14	Distribution-Customer	OPERLAB	69,640,890	49,625,492	11,126,155	767,604	279,234	2,270,182
15								
16	Cash Working Capital	CWC						
17	Storage-Demand	OMP	1,586,561	1,142,979	244,673	16,847	6,163	51,215
18	Transmission-Demand	OMP	4,965,108	3,576,929	765,700	52,722	19,286	160,277
19	Distribution-Demand	OMP	6,085,437	4,384,028	938,472	64,618	23,637	196,442
20	Distribution-Customer	OMP	30,208,212	21,762,390	4,658,593	320,765	117,336	975,142
21								
22	Materials and Supplies	MATL						
23	Storage-Demand	UTILPLT	182,507	84,990	33,130	3,951	1,491	13,052
24	Transmission-Demand	UTILPLT	4,221,405	1,965,839	766,311	91,394	34,490	301,906
25	Distribution-Demand	UTILPLT	968,993	451,244	175,901	20,979	7,917	69,300
26	Distribution-Customer	UTILPLT	1,413,176	658,093	256,534	30,596	11,546	101,067
27								
28	Deferred Pipeline Integrity Costs	REGASSET-1						
29	Storage-Demand		-	-	-	-	-	-
30	Transmission-Demand	DESDMD	68,770,897	23,905,890	12,039,593	1,594,422	584,686	5,420,907
31	Distribution-Demand		-	-	-	-	-	-
32	Distribution-Customer		-	-	-	-	-	-
33								
34	Other	OTHER_ADD						
35	Storage-Demand		-	-	-	-	-	-
36	Transmission-Demand		-	-	-	-	-	-
37	Distribution-Demand	UTILPLT	1,923,949	895,951	349,254	41,654	15,719	137,597
38	Distribution-Customer		-	-	-	-	-	-
39								
40	TOTAL OTHER RATE BASE ADDITIONS PER BOOKS							
41	Storage-Demand		5,797,035	4,098,264	921,331	65,196	23,804	195,573
42	Transmission-Demand		89,945,450	37,991,231	15,486,869	1,870,674	686,530	6,273,880
43	Distribution-Demand		58,639,696	36,675,583	15,579,613	2,221,734	982,417	858,205
44	Distribution-Customer		101,262,279	72,045,975	16,041,282	1,118,965	408,116	3,346,391
45	TOTAL		255,644,460	150,811,052	48,029,095	5,276,569	2,100,867	10,674,050
46								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1								
2								
3	OTHER RATE BASE ADDITIONS PER BOOKS							
4	Stored Natural Gas	STOREDGAS						
5	Storage-Demand		-	-	-	-	-	-
6	Transmission-Demand		-	-	-	-	-	-
7	Distribution-Demand	WINTHRU	-	-	-	-	-	-
8	Distribution-Customer		-	-	-	-	-	-
9								
10	Pension/OPEB	OPEB						
11	Storage-Demand	OPERLAB	1,222	43,456	9,040	20,380	52,412	195,783
12	Transmission-Demand	OPERLAB	3,636	129,333	26,904	60,656	155,989	582,689
13	Distribution-Demand	OPERLAB	4,232	150,539	31,315	70,601	181,565	678,228
14	Distribution-Customer	OPERLAB	21,122	751,323	156,288	352,364	906,168	3,384,958
15								
16	Cash Working Capital	CWC						
17	Storage-Demand	OMP	470	16,898	3,537	7,948	20,447	75,384
18	Transmission-Demand	OMP	1,471	52,882	11,068	24,872	63,990	235,912
19	Distribution-Demand	OMP	1,803	64,815	13,565	30,484	78,428	289,144
20	Distribution-Customer	OMP	8,950	321,742	67,337	151,323	389,320	1,435,315
21								
22	Materials and Supplies	MATL						
23	Storage-Demand	UTILPLT	46	1,780	1,078	2,010	6,237	34,740
24	Transmission-Demand	UTILPLT	1,064	41,171	24,924	46,495	144,272	803,540
25	Distribution-Demand	UTILPLT	244	9,450	5,721	10,673	33,117	184,447
26	Distribution-Customer	UTILPLT	356	13,783	8,344	15,565	48,297	268,997
27								
28	Deferred Pipeline Integrity Costs	REGASSET-1						
29	Storage-Demand		-	-	-	-	-	-
30	Transmission-Demand	DESDMD	-	-	495,976	826,809	2,888,227	21,014,387
31	Distribution-Demand		-	-	-	-	-	-
32	Distribution-Customer		-	-	-	-	-	-
33								
34	Other	OTHER_ADD						
35	Storage-Demand		-	-	-	-	-	-
36	Transmission-Demand		-	-	-	-	-	-
37	Distribution-Demand	UTILPLT	485	18,764	11,359	21,190	65,753	366,222
38	Distribution-Customer		-	-	-	-	-	-
39								
40	TOTAL OTHER RATE BASE ADDITIONS PER BOOKS							
41	Storage-Demand		1,738	62,134	13,654	30,338	79,097	305,907
42	Transmission-Demand		6,171	223,387	558,871	958,831	3,252,477	22,636,529
43	Distribution-Demand		6,764	243,568	61,960	132,948	358,863	1,518,040
44	Distribution-Customer		30,428	1,086,847	231,969	519,251	1,343,785	5,089,270
45	TOTAL		45,100	1,615,936	866,454	1,641,369	5,034,223	29,549,746
46								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	OTHER RATE BASE DEDUCTIONS PER BOOKS							
2	Accrued Vacation Liability	CURRLIAB						
3	Storage-Demand	OPERLAB	(95,646)	(68,157)	(15,281)	(1,054)	(384)	(3,118)
4	Transmission-Demand	OPERLAB	(284,662)	(202,848)	(45,479)	(3,138)	(1,141)	(9,280)
5	Distribution-Demand	OPERLAB	(331,336)	(236,107)	(52,936)	(3,652)	(1,329)	(10,801)
6	Distribution-Customer	OPERLAB	(1,653,657)	(1,178,382)	(264,196)	(18,227)	(6,631)	(53,907)
7								
8	Customer Advances	CUSTADV						
9	Storage-Demand	UTILPLT	(416,260)	(193,846)	(75,564)	(9,012)	(3,401)	(29,770)
10	Transmission-Demand	UTILPLT	(9,628,152)	(4,483,672)	(1,747,796)	(208,451)	(78,665)	(688,584)
11	Distribution-Demand	UTILPLT	(2,210,072)	(1,029,194)	(401,194)	(47,849)	(18,057)	(158,059)
12	Distribution-Customer	UTILPLT	(3,223,163)	(1,500,974)	(585,100)	(69,782)	(26,334)	(230,513)
13								
14	Accumulated Deferred Income Tax	ADIT						
15	Storage-Demand	UTILPLT	(23,777,704)	(11,072,886)	(4,316,361)	(514,792)	(194,272)	(1,700,529)
16	Transmission-Demand	UTILPLT	(549,981,212)	(256,117,218)	(99,837,956)	(11,907,207)	(4,493,526)	(39,333,434)
17	Distribution-Demand	UTILPLT	(126,244,160)	(58,789,832)	(22,917,072)	(2,733,212)	(1,031,456)	(9,028,702)
18	Distribution-Customer	UTILPLT	(184,114,170)	(85,738,945)	(33,422,201)	(3,986,110)	(1,504,273)	(13,167,436)
19								
20	Deferred Revenue	REGLIAB						
21	Storage-Demand	UTILPLT	(727,677)	(338,867)	(132,095)	(15,754)	(5,945)	(52,042)
22	Transmission-Demand	UTILPLT	(16,831,256)	(7,838,040)	(3,055,374)	(364,400)	(137,517)	(1,203,734)
23	Distribution-Demand	UTILPLT	(3,863,492)	(1,799,165)	(701,339)	(83,645)	(31,566)	(276,308)
24	Distribution-Customer	UTILPLT	(5,634,507)	(2,623,897)	(1,022,831)	(121,988)	(46,036)	(402,967)
25								
26	TOTAL OTHER RATE BASE DEDUCTIONS PER BOOKS							
27	Storage-Demand		(25,017,288)	(11,673,756)	(4,539,300)	(540,613)	(204,001)	(1,785,458)
28	Transmission-Demand		(576,725,281)	(268,641,777)	(104,686,605)	(12,483,197)	(4,710,850)	(41,235,032)
29	Distribution-Demand		(132,649,059)	(61,854,298)	(24,072,540)	(2,868,358)	(1,082,408)	(9,473,871)
30	Distribution-Customer		(194,625,496)	(91,042,198)	(35,294,327)	(4,196,108)	(1,583,274)	(13,854,824)
31	TOTAL		(929,017,124)	(433,212,029)	(168,592,773)	(20,088,275)	(7,580,532)	(66,349,185)
32								
33	TOTAL NET RATE BASE PER BOOKS							
34	Storage-Demand		112,371,752	68,862,326	39,004,994	6,421,023	2,931,328	(1,031,134)
35	Transmission-Demand		2,556,959,342	848,738,983	444,829,706	59,677,906	21,793,459	203,642,799
36	Distribution-Demand		624,658,678	269,812,622	145,690,894	22,029,742	9,679,535	94,928,010
37	Distribution-Customer		925,572,517	808,744,544	138,124,026	2,992,678	92,892	(3,282,972)
38	TOTAL		4,219,562,288	1,996,158,475	767,649,620	91,121,350	34,497,213	294,256,703
39								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts	
1	OTHER RATE BASE DEDUCTIONS PER BOOKS								
2	Accrued Vacation Liability	CURRLIAB							
3	Storage-Demand	OPERLAB	(29)	(1,032)	(215)	(484)	(1,245)	(4,649)	
4	Transmission-Demand	OPERLAB	(86)	(3,071)	(639)	(1,440)	(3,704)	(13,836)	
5	Distribution-Demand	OPERLAB	(100)	(3,575)	(744)	(1,676)	(4,311)	(16,105)	
6	Distribution-Customer	OPERLAB	(502)	(17,841)	(3,711)	(8,367)	(21,517)	(80,377)	
7									
8	Customer Advances	CUSTADV							
9	Storage-Demand	UTILPLT	(105)	(4,060)	(2,458)	(4,585)	(14,226)	(79,235)	
10	Transmission-Demand	UTILPLT	(2,426)	(93,902)	(56,847)	(106,045)	(329,054)	(1,832,709)	
11	Distribution-Demand	UTILPLT	(557)	(21,555)	(13,049)	(24,342)	(75,532)	(420,685)	
12	Distribution-Customer	UTILPLT	(812)	(31,435)	(19,030)	(35,500)	(110,156)	(613,526)	
13									
14	Accumulated Deferred Income Tax	ADIT							
15	Storage-Demand	UTILPLT	(5,992)	(231,901)	(140,389)	(261,888)	(812,633)	(4,526,061)	
16	Transmission-Demand	UTILPLT	(138,589)	(5,363,903)	(3,247,219)	(6,057,503)	(18,796,304)	(104,688,351)	
17	Distribution-Demand	UTILPLT	(31,812)	(1,231,245)	(745,375)	(1,390,455)	(4,314,554)	(24,030,445)	
18	Distribution-Customer	UTILPLT	(46,395)	(1,795,644)	(1,087,054)	(2,027,837)	(6,292,335)	(35,045,941)	
19									
20	Deferred Revenue	REGLIAB							
21	Storage-Demand	UTILPLT	(183)	(7,097)	(4,296)	(8,015)	(24,869)	(138,513)	
22	Transmission-Demand	UTILPLT	(4,241)	(164,153)	(99,376)	(185,380)	(575,229)	(3,203,812)	
23	Distribution-Demand	UTILPLT	(974)	(37,680)	(22,811)	(42,553)	(132,040)	(735,412)	
24	Distribution-Customer	UTILPLT	(1,420)	(54,953)	(33,267)	(62,059)	(192,566)	(1,072,522)	
25									
26	TOTAL OTHER RATE BASE DEDUCTIONS PER BOOKS								
27	Storage-Demand		(6,309)	(244,090)	(147,358)	(274,971)	(852,973)	(4,748,457)	
28	Transmission-Demand		(145,343)	(5,625,030)	(3,404,081)	(6,350,367)	(19,704,292)	(109,738,708)	
29	Distribution-Demand		(33,443)	(1,294,054)	(781,979)	(1,459,026)	(4,526,437)	(25,202,646)	
30	Distribution-Customer		(49,128)	(1,899,873)	(1,143,063)	(2,133,762)	(6,616,574)	(36,812,366)	
31	TOTAL		(234,223)	(9,063,046)	(5,476,480)	(10,218,127)	(31,700,276)	(176,502,178)	
32									
33	TOTAL NET RATE BASE PER BOOKS								
34	Storage-Demand		(2,603)	(105,759)	(87,576)	(158,583)	(506,865)	(2,955,400)	
35	Transmission-Demand		(93,635)	(3,639,198)	18,869,917	31,020,009	109,965,141	822,154,255	
36	Distribution-Demand		994,838	42,028,425	6,046,391	15,163,096	34,073,924	(15,788,800)	
37	Distribution-Customer		145,238	1,989,650	(549,711)	(710,410)	(2,976,008)	(18,997,410)	
38	TOTAL		1,043,839	40,273,117	24,279,021	45,314,112	140,556,192	784,412,646	
39									

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	PRO FORMA RATE BASE							
2	NET PLANT							
3								
4	INTANGIBLE PLANT							
5	20100	Organization						
6		Storage-Demand	-	-	-	-	-	-
7		Transmission-Demand	-	-	-	-	-	-
8		Distribution-Demand	-	-	-	-	-	-
9		Distribution-Customer	-	-	-	-	-	-
10								
11	20200	Franchises and Consents						
12		Storage-Demand	(130)	(61)	(25)	(3)	(1)	(9)
13		Transmission-Demand	(998)	(470)	(189)	(23)	(9)	(68)
14		Distribution-Demand	(229)	(108)	(43)	(5)	(2)	(16)
15		Distribution-Customer	(324)	(153)	(61)	(8)	(3)	(22)
16								
17	20300	Miscellaneous Intangible Plant						
18		Storage-Demand	1,040,735	490,082	196,823	24,338	9,417	70,983
19		Transmission-Demand	8,002,425	3,768,345	1,513,413	187,140	72,409	545,803
20		Distribution-Demand	1,835,980	864,564	347,219	42,935	16,613	125,222
21		Distribution-Customer	2,599,278	1,224,001	491,574	60,785	23,519	177,283
22								
23	20301	Customer Contracts						
24		Storage-Demand	(3,313)	(1,560)	(626)	(77)	(30)	(226)
25		Transmission-Demand	(25,471)	(11,994)	(4,817)	(596)	(230)	(1,737)
26		Distribution-Demand	(5,844)	(2,752)	(1,105)	(137)	(53)	(399)
27		Distribution-Customer	(8,273)	(3,896)	(1,565)	(193)	(75)	(564)
28								
29	20310	10 Year Software						
30		Storage-Demand	3,948,692	1,859,441	746,774	92,342	35,729	269,319
31		Transmission-Demand	30,362,318	14,297,629	5,742,102	710,036	274,729	2,070,852
32		Distribution-Demand	6,965,965	3,280,276	1,317,399	162,902	63,030	475,111
33		Distribution-Customer	9,862,025	4,644,032	1,865,100	230,628	89,235	672,636
34								
35	TOTAL INTANGIBLE PLANT							
36		Storage-Demand	4,985,984	2,347,902	942,946	116,599	45,115	340,067
37		Transmission-Demand	38,338,275	18,053,510	7,250,510	896,558	346,898	2,614,849
38		Distribution-Demand	8,795,872	4,141,980	1,663,470	205,695	79,588	599,920
39		Distribution-Customer	12,452,706	5,863,984	2,355,048	291,212	112,676	849,333
40		TOTAL	64,572,836	30,407,377	12,211,973	1,510,065	584,278	4,404,169
41								
42	OTHER STORAGE PLANT							
43	26000	Non-depr Land & Land Rights						
44		Storage-Demand	6,005,823	3,532,265	1,999,271	326,411	147,875	-
45		Transmission-Demand	-	-	-	-	-	-
46		Distribution-Demand	-	-	-	-	-	-
47		Distribution-Customer	-	-	-	-	-	-
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	PRO FORMA RATE BASE							
2	NET PLANT							
3								
4	INTANGIBLE PLANT							
5	20100	Organization						
6		Storage-Demand	-	-	-	-	-	-
7		Transmission-Demand	-	-	-	-	-	-
8		Distribution-Demand	-	-	-	-	-	-
9		Distribution-Customer	-	-	-	-	-	-
10								
11	20200	Franchises and Consents						
12		Storage-Demand	UTILPLT Adj (0)	(1)	(1)	(1)	(4)	(23)
13		Transmission-Demand	UTILPLT Adj (0)	(9)	(6)	(10)	(33)	(181)
14		Distribution-Demand	UTILPLT Adj (0)	(2)	(1)	(2)	(7)	(41)
15		Distribution-Customer	UTILPLT Adj (0)	(3)	(2)	(3)	(11)	(59)
16								
17	20300	Miscellaneous Intangible Plant						
18		Storage-Demand	UTILPLT Adj 250	9,724	5,859	10,935	33,908	188,416
19		Transmission-Demand	UTILPLT Adj 1,924	74,771	45,048	84,079	260,723	1,448,771
20		Distribution-Demand	UTILPLT Adj 441	17,155	10,335	19,290	59,817	332,389
21		Distribution-Customer	UTILPLT Adj 625	24,286	14,632	27,310	84,686	470,577
22								
23	20301	Customer Contracts						
24		Storage-Demand	UTILPLT Adj (1)	(31)	(19)	(35)	(108)	(600)
25		Transmission-Demand	UTILPLT Adj (6)	(238)	(143)	(268)	(830)	(4,611)
26		Distribution-Demand	UTILPLT Adj (1)	(55)	(33)	(61)	(190)	(1,058)
27		Distribution-Customer	UTILPLT Adj (2)	(77)	(47)	(87)	(270)	(1,498)
28								
29	20310	10 Year Software						
30		Storage-Demand	UTILPLT Adj 949	36,895	22,228	41,488	128,650	714,877
31		Transmission-Demand	UTILPLT Adj 7,299	283,691	170,917	319,007	989,218	5,496,838
32		Distribution-Demand	UTILPLT Adj 1,675	65,087	39,213	73,189	226,954	1,261,128
33		Distribution-Customer	UTILPLT Adj 2,371	92,146	55,516	103,617	321,309	1,785,435
34								
35	TOTAL INTANGIBLE PLANT							
36		Storage-Demand	1,199	46,587	28,067	52,386	162,446	902,670
37		Transmission-Demand	9,216	358,214	215,816	402,808	1,249,078	6,940,817
38		Distribution-Demand	2,114	82,184	49,514	92,415	286,573	1,592,418
39		Distribution-Customer	2,993	116,352	70,100	130,837	405,715	2,254,456
40		TOTAL	15,522	603,337	363,497	678,446	2,103,812	11,690,361
41								
42	OTHER STORAGE PLANT							
43	26000	Non-depr Land & Land Rights						
44		Storage-Demand	WINTHRU -	-	-	-	-	-
45		Transmission-Demand						
46		Distribution-Demand						
47		Distribution-Customer						
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	S&I							
2	Storage-Demand	WINTHRU	43,460,587	25,560,916	14,467,540	2,362,045	1,070,086	-
3	Transmission-Demand		-					
4	Distribution-Demand		-					
5	Distribution-Customer		-					
6								
7	Gas Holders							
8	Storage-Demand	WINTHRU	85,210,574	50,115,760	28,365,640	4,631,119	2,098,054	-
9	Transmission-Demand		-					
10	Distribution-Demand		-					
11	Distribution-Customer		-					
12								
13	Purification Equipment							
14	Storage-Demand	WINTHRU	18,730,894	11,016,391	6,235,304	1,018,008	461,192	-
15	Transmission-Demand		-					
16	Distribution-Demand		-					
17	Distribution-Customer		-					
18								
19	Liquefaction Equipment							
20	Storage-Demand	WINTHRU	127,352,597	74,901,176	42,394,245	6,921,501	3,135,675	-
21	Transmission-Demand		-					
22	Distribution-Demand		-					
23	Distribution-Customer		-					
24								
25	Vaporizing Equipment							
26	Storage-Demand	WINTHRU	29,038,256	17,078,564	9,666,508	1,578,204	714,980	-
27	Transmission-Demand		-					
28	Distribution-Demand		-					
29	Distribution-Customer		-					
30								
31	Compressor Equipment							
32	Storage-Demand	WINTHRU	2,290,910	1,347,376	762,618	124,509	56,407	-
33	Transmission-Demand		-					
34	Distribution-Demand		-					
35	Distribution-Customer		-					
36								
37	M&R Equipment							
38	Storage-Demand	WINTHRU	2,413,521	1,419,489	803,434	131,173	59,426	-
39	Transmission-Demand		-					
40	Distribution-Demand		-					
41	Distribution-Customer		-					
42								
43	Other Equipment							
44	Storage-Demand	WINTHRU	86,157,138	50,672,473	28,680,741	4,682,564	2,121,361	-
45	Transmission-Demand		-					
46	Distribution-Demand		-					
47	Distribution-Customer		-					
48								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	S&I							
2	Storage-Demand	WINTHRU	-	-	-	-	-	-
3	Transmission-Demand							
4	Distribution-Demand							
5	Distribution-Customer							
6								
7	Gas Holders							
8	Storage-Demand	WINTHRU	-	-	-	-	-	-
9	Transmission-Demand							
10	Distribution-Demand							
11	Distribution-Customer							
12								
13	Purification Equipment							
14	Storage-Demand	WINTHRU	-	-	-	-	-	-
15	Transmission-Demand							
16	Distribution-Demand							
17	Distribution-Customer							
18								
19	Liquefaction Equipment							
20	Storage-Demand	WINTHRU	-	-	-	-	-	-
21	Transmission-Demand							
22	Distribution-Demand							
23	Distribution-Customer							
24								
25	Vaporizing Equipment							
26	Storage-Demand	WINTHRU	-	-	-	-	-	-
27	Transmission-Demand							
28	Distribution-Demand							
29	Distribution-Customer							
30								
31	Compressor Equipment							
32	Storage-Demand	WINTHRU	-	-	-	-	-	-
33	Transmission-Demand							
34	Distribution-Demand							
35	Distribution-Customer							
36								
37	M&R Equipment							
38	Storage-Demand	WINTHRU	-	-	-	-	-	-
39	Transmission-Demand							
40	Distribution-Demand							
41	Distribution-Customer							
42								
43	Other Equipment							
44	Storage-Demand	WINTHRU	-	-	-	-	-	-
45	Transmission-Demand							
46	Distribution-Demand							
47	Distribution-Customer							
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	TOTAL OTHER STORAGE PLANT							
2	Storage-Demand		400,660,299	235,644,410	133,375,299	21,775,534	9,865,056	-
3	Transmission-Demand		-	-	-	-	-	-
4	Distribution-Demand		-	-	-	-	-	-
5	Distribution-Customer		-	-	-	-	-	-
6	TOTAL		400,660,299	235,644,410	133,375,299	21,775,534	9,865,056	-
7								
8	TRANSMISSION PLANT							
9	Non-depr Land & Land Rights	26510	-	-	-	-	-	-
10	Storage-Demand		-	-	-	-	-	-
11	Transmission-Demand	DESDMD	40,937,829	14,230,660	7,166,910	949,125	348,051	3,226,949
12	Distribution-Demand		-	-	-	-	-	-
13	Distribution-Customer		-	-	-	-	-	-
14								
15	Land Rights	26520	-	-	-	-	-	-
16	Storage-Demand		-	-	-	-	-	-
17	Transmission-Demand	DESDMD	115,096,998	40,009,602	20,149,818	2,668,471	978,548	9,072,589
18	Distribution-Demand		-	-	-	-	-	-
19	Distribution-Customer		-	-	-	-	-	-
20								
21	S&I - Comp Station Struct	26610	-	-	-	-	-	-
22	Storage-Demand		-	-	-	-	-	-
23	Transmission-Demand	DESDMD	46,237,485	16,072,907	8,094,711	1,071,995	393,109	3,644,697
24	Distribution-Demand		-	-	-	-	-	-
25	Distribution-Customer		-	-	-	-	-	-
26								
27	S&I - M&R Station Str	26620	-	-	-	-	-	-
28	Storage-Demand		-	-	-	-	-	-
29	Transmission-Demand	DESDMD	33,198,673	11,540,403	5,812,030	769,696	282,253	2,616,905
30	Distribution-Demand		-	-	-	-	-	-
31	Distribution-Customer		-	-	-	-	-	-
32								
33	Mains	26700	-	-	-	-	-	-
34	Storage-Demand		-	-	-	-	-	-
35	Transmission-Demand	DESDMD	2,481,471,261	862,600,054	434,426,564	57,531,775	21,097,334	195,603,445
36	Distribution-Demand		-	-	-	-	-	-
37	Distribution-Customer		-	-	-	-	-	-
38								
39	Mains, Cathodic Protection	26701	-	-	-	-	-	-
40	Storage-Demand		-	-	-	-	-	-
41	Transmission-Demand	DESDMD	(475,976)	(165,457)	(83,328)	(11,035)	(4,047)	(37,519)
42	Distribution-Demand		-	-	-	-	-	-
43	Distribution-Customer		-	-	-	-	-	-
44								
45	Compressor Station Equip	26800	-	-	-	-	-	-
46	Storage-Demand		-	-	-	-	-	-
47	Transmission-Demand	DESDMD	101,661,435	35,339,180	17,797,679	2,356,974	864,320	8,013,523
48	Distribution-Demand		-	-	-	-	-	-
49	Distribution-Customer		-	-	-	-	-	-
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	TOTAL OTHER STORAGE PLANT							
2	Storage-Demand		-	-	-	-	-	-
3	Transmission-Demand		-	-	-	-	-	-
4	Distribution-Demand		-	-	-	-	-	-
5	Distribution-Customer		-	-	-	-	-	-
6	TOTAL		-	-	-	-	-	-
7								
8	TRANSMISSION PLANT							
9	Non-depr Land & Land Rights	26510						
10	Storage-Demand							
11	Transmission-Demand	DESDMD	-	-	295,244	492,181	1,719,299	12,509,410
12	Distribution-Demand							
13	Distribution-Customer							
14								
15	Land Rights	26520						
16	Storage-Demand							
17	Transmission-Demand	DESDMD	-	-	830,080	1,383,771	4,833,822	35,170,297
18	Distribution-Demand							
19	Distribution-Customer							
20								
21	S&I - Comp Station Struct	26610						
22	Storage-Demand							
23	Transmission-Demand	DESDMD	-	-	333,465	555,897	1,941,873	14,128,831
24	Distribution-Demand							
25	Distribution-Customer							
26								
27	S&I - M&R Station Str	26620						
28	Storage-Demand							
29	Transmission-Demand	DESDMD	-	-	239,429	399,136	1,394,272	10,144,549
30	Distribution-Demand							
31	Distribution-Customer							
32								
33	Mains	26700						
34	Storage-Demand							
35	Transmission-Demand	DESDMD	-	-	17,896,376	29,833,865	104,216,365	758,265,483
36	Distribution-Demand							
37	Distribution-Customer							
38								
39	Mains, Cathodic Protection	26701						
40	Storage-Demand							
41	Transmission-Demand	DESDMD	-	-	(3,433)	(5,722)	(19,990)	(145,445)
42	Distribution-Demand							
43	Distribution-Customer							
44								
45	Compressor Station Equip	26800						
46	Storage-Demand							
47	Transmission-Demand	DESDMD	-	-	733,182	1,222,240	4,269,558	31,064,779
48	Distribution-Demand							
49	Distribution-Customer							
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	System Meas & Reg Station		26900					
2	Storage-Demand		-					
3	Transmission-Demand	DESDMD	262,633,021	91,295,540	45,978,675	6,089,026	2,232,892	20,702,204
4	Distribution-Demand		-					
5	Distribution-Customer		-					
6								
7	TOTAL TRANSMISSION PLANT							
8	Storage-Demand		-					
9	Transmission-Demand		3,080,760,726	1,070,922,888	539,343,058	71,426,027	26,192,460	242,842,793
10	Distribution-Demand		-					
11	Distribution-Customer		-					
12	TOTAL		3,080,760,726	1,070,922,888	539,343,058	71,426,027	26,192,460	242,842,793
13								
14	DISTRIBUTION PLANT							
15	Non-depr Land & Land Rights	27400						
16	Storage-Demand		-					
17	Transmission-Demand		-					
18	Distribution-Demand	PKAVGDAYDIST	2,158,963	905,633	481,781	71,545	31,014	330,411
19	Distribution-Customer	MSMPLTCUST Adj	3,056,539	2,556,518	461,299	14,789	2,404	9,005
20								
21	Land Rights	27401						
22	Storage-Demand		-					
23	Transmission-Demand		-					
24	Distribution-Demand	PKAVGDAYDIST	4,845,286	2,032,482	1,081,244	160,566	69,603	741,531
25	Distribution-Customer	MSMPLTCUST Adj	6,859,687	5,737,506	1,035,278	33,191	5,395	20,210
26								
27	S&I	27500						
28	Storage-Demand		-					
29	Transmission-Demand		-					
30	Distribution-Demand	PKAVGDAYDIST	345,918	145,105	77,193	11,463	4,969	52,940
31	Distribution-Customer	MSMPLTCUST Adj	489,732	409,617	73,911	2,370	385	1,443
32								
33	Mains	27600						
34	Storage-Demand		-					
35	Transmission-Demand		-					
36	Distribution-Demand	PKAVGDAYDIST	570,669,376	239,382,229	127,347,028	18,911,212	8,197,768	87,336,211
37	Distribution-Customer	BILL	437,046,280	395,538,638	40,836,642	286,369	46,420	172,364
38								
39	M&R Station Equipment	27800						
40	Storage-Demand		-					
41	Transmission-Demand		-					
42	Distribution-Demand	PKAVGDAYDIST	70,787,050	29,693,484	15,796,398	2,345,787	1,016,869	10,833,370
43	Distribution-Customer		-					
44								
45	M&R City Gate Equipment	27900						
46	Storage-Demand		-					
47	Transmission-Demand		-					
48	Distribution-Demand	PKAVGDAYDIST	65,356,212	27,415,376	14,584,486	2,165,817	938,854	10,002,226
49	Distribution-Customer		-					
50								

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 Docket No. G-9, Sub 781

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 Schedule 1 - Class Cost of Service Study by Rate Schedule
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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	System Meas & Reg Station	26900						
2	Storage-Demand							
3	Transmission-Demand	DESDMD	-	-	1,894,110	3,157,545	11,030,012	80,253,017
4	Distribution-Demand							
5	Distribution-Customer							
6								
7	TOTAL TRANSMISSION PLANT							
8	Storage-Demand		-	-	-	-	-	-
9	Transmission-Demand		-	-	22,218,452	37,038,913	129,385,212	941,390,923
10	Distribution-Demand		-	-	-	-	-	-
11	Distribution-Customer		-	-	-	-	-	-
12	TOTAL		-	-	22,218,452	37,038,913	129,385,212	941,390,923
13								
14	DISTRIBUTION PLANT							
15	Non-depr Land & Land Rights	27400						
16	Storage-Demand							
17	Transmission-Demand							
18	Distribution-Demand	PKAVGDAYDIST	3,322	140,192	21,424	52,669	120,972	-
19	Distribution-Customer	MSMPLTCUST /	462	6,874	13	736	707	3,731
20								
21	Land Rights	27401						
22	Storage-Demand							
23	Transmission-Demand							
24	Distribution-Demand	PKAVGDAYDIST	7,454	314,628	48,081	118,202	271,493	-
25	Distribution-Customer	MSMPLTCUST /	1,037	15,428	29	1,652	1,587	8,373
26								
27	S&I	27500						
28	Storage-Demand							
29	Transmission-Demand							
30	Distribution-Demand	PKAVGDAYDIST	532	22,462	3,433	8,439	19,383	-
31	Distribution-Customer	MSMPLTCUST /	74	1,101	2	118	113	598
32								
33	Mains	27600						
34	Storage-Demand							
35	Transmission-Demand							
36	Distribution-Demand	PKAVGDAYDIST	877,959	37,056,323	5,662,950	13,921,670	31,976,026	-
37	Distribution-Customer	BILL	9,893	137,501	571	6,896	1,760	9,227
38								
39	M&R Station Equipment	27800						
40	Storage-Demand							
41	Transmission-Demand							
42	Distribution-Demand	PKAVGDAYDIST	108,904	4,596,546	702,444	1,726,874	3,966,375	-
43	Distribution-Customer		-	-	-	-	-	-
44								
45	M&R City Gate Equipment	27900						
46	Storage-Demand							
47	Transmission-Demand							
48	Distribution-Demand	PKAVGDAYDIST	100,549	4,243,895	648,552	1,594,387	3,662,071	-
49	Distribution-Customer		-	-	-	-	-	-
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Services		28000					
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand		-					
5	Distribution-Customer	SVCUNIT	410,116,136	333,342,313	69,518,904	3,168,783	497,227	1,866,597
6								
7	Meters		28100					
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand		-					
11	Distribution-Customer	METAVG	63,572,815	44,760,194	16,844,598	574,379	100,774	376,604
12								
13	Meters - Meter Accessories		28104					
14	Storage-Demand		-					
15	Transmission-Demand		-					
16	Distribution-Demand		-					
17	Distribution-Customer	METAVG	605,780	426,516	160,511	5,473	960	3,589
18								
19	Meters - Meter Acc, ERTs		28105					
20	Storage-Demand		-					
21	Transmission-Demand		-					
22	Distribution-Demand		-					
23	Distribution-Customer	METAVG	8,675,763	6,108,410	2,298,777	78,385	13,753	51,395
24								
25	Meter Installations		28200					
26	Storage-Demand		-					
27	Transmission-Demand		-					
28	Distribution-Demand		-					
29	Distribution-Customer	METAVG	44,927,862	31,632,700	11,904,330	405,922	71,218	266,152
30								
31	House Regulators		28300					
32	Storage-Demand		-					
33	Transmission-Demand		-					
34	Distribution-Demand		-					
35	Distribution-Customer	METAVG	7,099,548	4,998,633	1,881,135	64,144	11,254	42,058
36								
37	House Regulator Installatio		28400					
38	Storage-Demand		-					
39	Transmission-Demand		-					
40	Distribution-Demand		-					
41	Distribution-Customer	METAVG	317,993	223,892	84,257	2,873	504	1,884
42								
43	Industrial M&R Station Equip		28500					
44	Storage-Demand		-					
45	Transmission-Demand		-					
46	Distribution-Demand		-					
47	Distribution-Customer	METAVG	28,250,483	19,890,532	7,485,401	255,242	44,782	167,355
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Services							
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand							
5	Distribution-Customer	SVCUNIT	97,963	1,409,097	726	111,068	28,341	75,117
6								
7	Meters							
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand							
11	Distribution-Customer	METAVG	17,999	291,582	1,238	50,974	83,415	471,059
12								
13	Meters - Meter Accessories							
14	Storage-Demand							
15	Transmission-Demand							
16	Distribution-Demand							
17	Distribution-Customer	METAVG	172	2,778	12	486	795	4,489
18								
19	Meters - Meter Acc, ERTs							
20	Storage-Demand							
21	Transmission-Demand							
22	Distribution-Demand							
23	Distribution-Customer	METAVG	2,456	39,792	169	6,956	11,384	64,285
24								
25	Meter Installations							
26	Storage-Demand							
27	Transmission-Demand							
28	Distribution-Demand							
29	Distribution-Customer	METAVG	12,720	206,065	875	36,024	58,950	332,905
30								
31	House Regulators							
32	Storage-Demand							
33	Transmission-Demand							
34	Distribution-Demand							
35	Distribution-Customer	METAVG	2,010	32,563	138	5,693	9,315	52,606
36								
37	House Regulator Installatio							
38	Storage-Demand							
39	Transmission-Demand							
40	Distribution-Demand							
41	Distribution-Customer	METAVG	90	1,459	6	255	417	2,356
42								
43	Industrial M&R Station Equip							
44	Storage-Demand							
45	Transmission-Demand							
46	Distribution-Demand							
47	Distribution-Customer	METAVG	7,998	129,573	550	22,652	37,068	209,329
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Other Property on Customer Premises		28600					
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand		-					
5	Distribution-Customer	MSMPLTCUST Adj	53,291	44,573	8,043	258	42	157
6								
7	Other Equipment		28700					
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand	PKAVGDAYDIST	10,320	4,329	2,303	342	148	1,579
11	Distribution-Customer	MSMPLTCUST Adj	14,610	12,220	2,205	71	11	43
12								
13	TOTAL DISTRIBUTION PLANT							
14	Storage-Demand		-	-	-	-	-	-
15	Transmission-Demand		-	-	-	-	-	-
16	Distribution-Demand		714,173,126	299,578,638	159,370,432	23,666,732	10,259,225	109,298,269
17	Distribution-Customer		1,011,086,518	845,682,261	152,595,292	4,892,251	795,129	2,978,854
18	TOTAL		1,725,259,644	1,145,260,900	311,965,724	28,558,983	11,054,355	112,277,123
19								
20	GENERAL PLANT							
21	Non-depr Land & Land Rights		28900					
22	Storage-Demand	UTILPLT Adj	268,969	126,658	50,867	6,290	2,434	18,345
23	Transmission-Demand	UTILPLT Adj	2,068,159	973,897	391,129	48,365	18,713	141,058
24	Distribution-Demand	UTILPLT Adj	474,493	223,439	89,736	11,096	4,293	32,363
25	Distribution-Customer	UTILPLT Adj	671,761	316,333	127,043	15,709	6,078	45,817
26								
27	S&I		29000					
28	Storage-Demand	UTILPLT Adj	8,861,144	4,172,717	1,675,814	207,222	80,179	604,371
29	Transmission-Demand	UTILPLT Adj	68,135,191	32,084,891	12,885,683	1,593,372	616,511	4,647,138
30	Distribution-Demand	UTILPLT Adj	15,632,118	7,361,171	2,956,336	365,564	141,445	1,066,183
31	Distribution-Customer	UTILPLT Adj	22,131,081	10,421,536	4,185,416	517,545	200,250	1,509,443
32								
33	Leasehold Improvements		29001					
34	Storage-Demand	UTILPLT Adj	108,921	51,291	20,599	2,547	986	7,429
35	Transmission-Demand	UTILPLT Adj	837,516	394,387	158,391	19,586	7,578	57,123
36	Distribution-Demand	UTILPLT Adj	192,150	90,483	36,339	4,494	1,739	13,106
37	Distribution-Customer	UTILPLT Adj	272,035	128,101	51,447	6,362	2,461	18,554
38								
39	Compressed Natural Gas		29002					
40	Storage-Demand	UTILPLT Adj	1,226,622	577,617	231,978	28,685	11,099	83,661
41	Transmission-Demand	UTILPLT Adj	9,431,757	4,441,418	1,783,728	220,566	85,342	643,290
42	Distribution-Demand	UTILPLT Adj	2,163,909	1,018,986	409,237	50,604	19,580	147,589
43	Distribution-Customer	UTILPLT Adj	3,063,541	1,442,623	579,375	71,642	27,720	208,948
44								
45	Office Furniture and Equipm		29100					
46	Storage-Demand	UTILPLT Adj	1,160,043	546,265	219,387	27,128	10,496	79,120
47	Transmission-Demand	UTILPLT Adj	8,919,815	4,200,345	1,686,910	208,594	80,710	608,373
48	Distribution-Demand	UTILPLT Adj	2,046,455	963,677	387,024	47,857	18,517	139,578
49	Distribution-Customer	UTILPLT Adj	2,897,257	1,364,320	547,927	67,754	26,215	197,606
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Other Property on Customer Premises	28600						
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand		-	-	-	-	-	-
5	Distribution-Customer	MSMPLTCUST /	8	120	0	13	12	65
6								
7	Other Equipment	28700						
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand	PKAVGDAYDIST	16	670	102	252	578	-
11	Distribution-Customer	MSMPLTCUST /	2	33	0	4	3	18
12								
13	TOTAL DISTRIBUTION PLANT							
14	Storage-Demand		-	-	-	-	-	-
15	Transmission-Demand		-	-	-	-	-	-
16	Distribution-Demand		1,098,736	46,374,716	7,086,987	17,422,492	40,016,898	-
17	Distribution-Customer		152,885	2,273,966	4,329	243,526	233,868	1,234,158
18	TOTAL		1,251,621	48,648,682	7,091,316	17,666,017	40,250,766	1,234,158
19								
20	GENERAL PLANT							
21	Non-depr Land & Land Rights	28900						
22	Storage-Demand	UTILPLT Adj	65	2,513	1,514	2,826	8,763	48,695
23	Transmission-Demand	UTILPLT Adj	497	19,324	11,642	21,729	67,382	374,423
24	Distribution-Demand	UTILPLT Adj	114	4,433	2,671	4,985	15,459	85,903
25	Distribution-Customer	UTILPLT Adj	161	6,277	3,782	7,058	21,886	121,617
26								
27	S&I	29000						
28	Storage-Demand	UTILPLT Adj	2,130	82,794	49,882	93,101	288,700	1,604,235
29	Transmission-Demand	UTILPLT Adj	16,379	636,622	383,551	715,875	2,219,875	12,335,295
30	Distribution-Demand	UTILPLT Adj	3,758	146,059	87,997	164,242	509,301	2,830,061
31	Distribution-Customer	UTILPLT Adj	5,320	206,782	124,582	232,524	721,040	4,006,643
32								
33	Leasehold Improvements	29001						
34	Storage-Demand	UTILPLT Adj	26	1,018	613	1,144	3,549	19,719
35	Transmission-Demand	UTILPLT Adj	201	7,825	4,715	8,800	27,287	151,625
36	Distribution-Demand	UTILPLT Adj	46	1,795	1,082	2,019	6,260	34,787
37	Distribution-Customer	UTILPLT Adj	65	2,542	1,531	2,858	8,863	49,250
38								
39	Compressed Natural Gas	29002						
40	Storage-Demand	UTILPLT Adj	295	11,461	6,905	12,888	39,964	222,070
41	Transmission-Demand	UTILPLT Adj	2,267	88,126	53,094	99,096	307,291	1,707,539
42	Distribution-Demand	UTILPLT Adj	520	20,219	12,181	22,735	70,501	391,757
43	Distribution-Customer	UTILPLT Adj	736	28,624	17,245	32,188	99,812	554,628
44								
45	Office Furniture and Equipm	29100						
46	Storage-Demand	UTILPLT Adj	279	10,839	6,530	12,188	37,795	210,016
47	Transmission-Demand	UTILPLT Adj	2,144	83,342	50,212	93,718	290,612	1,614,856
48	Distribution-Demand	UTILPLT Adj	492	19,121	11,520	21,501	66,674	370,493
49	Distribution-Customer	UTILPLT Adj	696	27,071	16,309	30,441	94,394	524,524
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Electronic Data Processing							
2	Storage-Demand	UTILPLT Adj	4,921	2,317	931	115	45	336
3	Transmission-Demand	UTILPLT Adj	37,836	17,817	7,156	885	342	2,581
4	Distribution-Demand	UTILPLT Adj	8,681	4,088	1,642	203	79	592
5	Distribution-Customer	UTILPLT Adj	12,290	5,787	2,324	287	111	838
6								
7	PC Equipment (Computer Processing Hardware)							
8	Storage-Demand	UTILPLT Adj	628,809	296,107	118,920	14,705	5,690	42,888
9	Transmission-Demand	UTILPLT Adj	4,835,047	2,276,826	914,401	113,070	43,749	329,773
10	Distribution-Demand	UTILPLT Adj	1,109,295	522,368	209,789	25,941	10,037	75,659
11	Distribution-Customer	UTILPLT Adj	1,570,478	739,539	297,008	36,726	14,210	107,114
12								
13	Customer Information System							
14	Storage-Demand	UTILPLT Adj	(572,887)	(269,773)	(108,344)	(13,397)	(5,184)	(39,074)
15	Transmission-Demand	UTILPLT Adj	(4,405,044)	(2,074,337)	(833,079)	(103,014)	(39,858)	(300,445)
16	Distribution-Demand	UTILPLT Adj	(1,010,640)	(475,911)	(191,132)	(23,634)	(9,145)	(68,930)
17	Distribution-Customer	UTILPLT Adj	(1,430,808)	(673,768)	(270,594)	(33,460)	(12,946)	(97,588)
18								
19	Client Service Applications							
20	Storage-Demand	UTILPLT Adj	(8,184)	(3,854)	(1,548)	(191)	(74)	(558)
21	Transmission-Demand	UTILPLT Adj	(62,928)	(29,633)	(11,901)	(1,472)	(569)	(4,292)
22	Distribution-Demand	UTILPLT Adj	(14,437)	(6,799)	(2,730)	(338)	(131)	(985)
23	Distribution-Customer	UTILPLT Adj	(20,440)	(9,625)	(3,866)	(478)	(185)	(1,394)
24								
25	SaaS - 3 yr Contract							
26	Storage-Demand	UTILPLT Adj	(152)	(72)	(29)	(4)	(1)	(10)
27	Transmission-Demand	UTILPLT Adj	(1,168)	(550)	(221)	(27)	(11)	(80)
28	Distribution-Demand	UTILPLT Adj	(268)	(126)	(51)	(6)	(2)	(18)
29	Distribution-Customer	UTILPLT Adj	(379)	(179)	(72)	(9)	(3)	(26)
30								
31	Trans Equip - Leased Buyout							
32	Storage-Demand	UTILPLT Adj	0	0	0	0	0	0
33	Transmission-Demand	UTILPLT Adj	1	1	0	0	0	0
34	Distribution-Demand	UTILPLT Adj	0	0	0	0	0	0
35	Distribution-Customer	UTILPLT Adj	0	0	0	0	0	0
36								
37	Passenger Cars & Station Wagons							
38	Storage-Demand	UTILPLT Adj	17,303	8,148	3,272	405	157	1,180
39	Transmission-Demand	UTILPLT Adj	133,050	62,653	25,162	3,111	1,204	9,075
40	Distribution-Demand	UTILPLT Adj	30,525	14,374	5,773	714	276	2,082
41	Distribution-Customer	UTILPLT Adj	43,216	20,351	8,173	1,011	391	2,948
42								
43	Trucks 1/2 & 3/4 Ton							
44	Storage-Demand	UTILPLT Adj	(22,811)	(10,742)	(4,314)	(533)	(206)	(1,556)
45	Transmission-Demand	UTILPLT Adj	(175,401)	(82,596)	(33,172)	(4,102)	(1,587)	(11,963)
46	Distribution-Demand	UTILPLT Adj	(40,242)	(18,950)	(7,611)	(941)	(364)	(2,745)
47	Distribution-Customer	UTILPLT Adj	(56,972)	(26,828)	(10,775)	(1,332)	(516)	(3,886)
48								

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Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Electronic Data Processing	29101						
2	Storage-Demand	UTILPLT Adj	1	46	28	52	160	891
3	Transmission-Demand	UTILPLT Adj	9	354	213	398	1,233	6,850
4	Distribution-Demand	UTILPLT Adj	2	81	49	91	283	1,572
5	Distribution-Customer	UTILPLT Adj	3	115	69	129	400	2,225
6								
7	PC Equipment (Computer Processing Hardware)	29102						
8	Storage-Demand	UTILPLT Adj	151	5,875	3,540	6,607	20,487	113,841
9	Transmission-Demand	UTILPLT Adj	1,162	45,176	27,218	50,800	157,528	875,344
10	Distribution-Demand	UTILPLT Adj	267	10,365	6,245	11,655	36,141	200,828
11	Distribution-Customer	UTILPLT Adj	378	14,674	8,841	16,501	51,167	284,322
12								
13	Customer Information System	29103						
14	Storage-Demand	UTILPLT Adj	(138)	(5,353)	(3,225)	(6,019)	(18,665)	(103,716)
15	Transmission-Demand	UTILPLT Adj	(1,059)	(41,159)	(24,797)	(46,282)	(143,518)	(797,496)
16	Distribution-Demand	UTILPLT Adj	(243)	(9,443)	(5,689)	(10,618)	(32,927)	(182,968)
17	Distribution-Customer	UTILPLT Adj	(344)	(13,369)	(8,054)	(15,033)	(46,616)	(259,036)
18								
19	Client Service Applications	29104						
20	Storage-Demand	UTILPLT Adj	(2)	(76)	(46)	(86)	(267)	(1,482)
21	Transmission-Demand	UTILPLT Adj	(15)	(588)	(354)	(661)	(2,050)	(11,393)
22	Distribution-Demand	UTILPLT Adj	(3)	(135)	(81)	(152)	(470)	(2,614)
23	Distribution-Customer	UTILPLT Adj	(5)	(191)	(115)	(215)	(666)	(3,700)
24								
25	SaaS - 3 yr Contract	29105						
26	Storage-Demand	UTILPLT Adj	(0)	(1)	(1)	(2)	(5)	(27)
27	Transmission-Demand	UTILPLT Adj	(0)	(11)	(7)	(12)	(38)	(211)
28	Distribution-Demand	UTILPLT Adj	(0)	(3)	(2)	(3)	(9)	(49)
29	Distribution-Customer	UTILPLT Adj	(0)	(4)	(2)	(4)	(12)	(69)
30								
31	Trans Equip - Leased Buyout	29204						
32	Storage-Demand	UTILPLT Adj	0	0	0	0	0	0
33	Transmission-Demand	UTILPLT Adj	0	0	0	0	0	0
34	Distribution-Demand	UTILPLT Adj	0	0	0	0	0	0
35	Distribution-Customer	UTILPLT Adj	0	0	0	0	0	0
36								
37	Passenger Cars & Station Wagons	29210						
38	Storage-Demand	UTILPLT Adj	4	162	97	182	564	3,133
39	Transmission-Demand	UTILPLT Adj	32	1,243	749	1,398	4,335	24,088
40	Distribution-Demand	UTILPLT Adj	7	285	172	321	995	5,526
41	Distribution-Customer	UTILPLT Adj	10	404	243	454	1,408	7,824
42								
43	Trucks 1/2 & 3/4 Ton	29211						
44	Storage-Demand	UTILPLT Adj	(5)	(213)	(128)	(240)	(743)	(4,130)
45	Transmission-Demand	UTILPLT Adj	(42)	(1,639)	(987)	(1,843)	(5,715)	(31,755)
46	Distribution-Demand	UTILPLT Adj	(10)	(376)	(227)	(423)	(1,311)	(7,285)
47	Distribution-Customer	UTILPLT Adj	(14)	(532)	(321)	(599)	(1,856)	(10,314)
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Trucks 2 tons & over							
2	Storage-Demand	UTILPLT Adj	(280)	(132)	(53)	(7)	(3)	(19)
3	Transmission-Demand	UTILPLT Adj	(2,151)	(1,013)	(407)	(50)	(19)	(147)
4	Distribution-Demand	UTILPLT Adj	(494)	(232)	(93)	(12)	(4)	(34)
5	Distribution-Customer	UTILPLT Adj	(699)	(329)	(132)	(16)	(6)	(48)
6								
7	Gas NC Trailer							
8	Storage-Demand	UTILPLT Adj	(522)	(246)	(99)	(12)	(5)	(36)
9	Transmission-Demand	UTILPLT Adj	(4,017)	(1,891)	(760)	(94)	(36)	(274)
10	Distribution-Demand	UTILPLT Adj	(922)	(434)	(174)	(22)	(8)	(63)
11	Distribution-Customer	UTILPLT Adj	(1,305)	(614)	(247)	(31)	(12)	(89)
12								
13	Transportation - 3 Year Meter							
14	Storage-Demand	UTILPLT Adj	44,050	20,743	8,331	1,030	399	3,004
15	Transmission-Demand	UTILPLT Adj	338,711	159,499	64,057	7,921	3,065	23,102
16	Distribution-Demand	UTILPLT Adj	77,710	36,594	14,696	1,817	703	5,300
17	Distribution-Customer	UTILPLT Adj	110,017	51,807	20,806	2,573	995	7,504
18								
19	Transportation - 5 Year Rural Use							
20	Storage-Demand	UTILPLT Adj	323,392	152,285	61,160	7,563	2,926	22,057
21	Transmission-Demand	UTILPLT Adj	2,486,629	1,170,955	470,270	58,151	22,500	169,600
22	Distribution-Demand	UTILPLT Adj	570,502	268,650	107,893	13,341	5,162	38,911
23	Distribution-Customer	UTILPLT Adj	807,685	380,339	152,749	18,888	7,308	55,088
24								
25	Transportation - 7 Year Urban Use							
26	Storage-Demand	UTILPLT Adj	1,461,795	688,360	276,454	34,185	13,227	99,701
27	Transmission-Demand	UTILPLT Adj	11,240,051	5,292,945	2,125,711	262,854	101,704	766,624
28	Distribution-Demand	UTILPLT Adj	2,578,782	1,214,350	487,698	60,306	23,334	175,885
29	Distribution-Customer	UTILPLT Adj	3,650,896	1,719,208	690,455	85,378	33,035	249,008
30								
31	Transportation - 10 Year Heavy Duty							
32	Storage-Demand	UTILPLT Adj	395,909	186,434	74,874	9,259	3,582	27,003
33	Transmission-Demand	UTILPLT Adj	3,044,226	1,433,527	575,722	71,191	27,545	207,630
34	Distribution-Demand	UTILPLT Adj	698,431	328,891	132,087	16,333	6,320	47,636
35	Distribution-Customer	UTILPLT Adj	988,799	465,626	187,001	23,124	8,947	67,441
36								
37	Transportation - 15 Year Trailers & Other							
38	Storage-Demand	UTILPLT Adj	99,528	46,868	18,823	2,327	901	6,788
39	Transmission-Demand	UTILPLT Adj	765,289	360,375	144,731	17,897	6,925	52,196
40	Distribution-Demand	UTILPLT Adj	175,579	82,680	33,205	4,106	1,589	11,975
41	Distribution-Customer	UTILPLT Adj	248,575	117,054	47,010	5,813	2,249	16,954
42								
43	Stores Equipment							
44	Storage-Demand	UTILPLT Adj	887	418	168	21	8	61
45	Transmission-Demand	UTILPLT Adj	6,822	3,213	1,290	160	62	465
46	Distribution-Demand	UTILPLT Adj	1,565	737	296	37	14	107
47	Distribution-Customer	UTILPLT Adj	2,216	1,044	419	52	20	151
48								

Piedmont Natural Gas, Inc.
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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Trucks 2 tons & over							
2	Storage-Demand	29213						
		UTILPLT Adj	(0)	(3)	(2)	(3)	(9)	(51)
3	Transmission-Demand							
		UTILPLT Adj	(1)	(20)	(12)	(23)	(70)	(389)
4	Distribution-Demand							
		UTILPLT Adj	(0)	(5)	(3)	(5)	(16)	(89)
5	Distribution-Customer							
		UTILPLT Adj	(0)	(7)	(4)	(7)	(23)	(126)
6								
7	Gas NC Trailer	29218						
		UTILPLT Adj	(0)	(5)	(3)	(5)	(17)	(95)
8	Storage-Demand							
		UTILPLT Adj	(1)	(38)	(23)	(42)	(131)	(727)
9	Transmission-Demand							
		UTILPLT Adj	(0)	(9)	(5)	(10)	(30)	(167)
10	Distribution-Demand							
		UTILPLT Adj	(0)	(12)	(7)	(14)	(43)	(236)
11	Distribution-Customer							
12								
13	Transportation- 3 Year Meter	29240						
		UTILPLT Adj	11	412	248	463	1,435	7,975
14	Storage-Demand							
		UTILPLT Adj	81	3,165	1,907	3,559	11,035	61,321
15	Transmission-Demand							
		UTILPLT Adj	19	726	437	816	2,532	14,069
16	Distribution-Demand							
		UTILPLT Adj	26	1,028	619	1,156	3,584	19,918
17	Distribution-Customer							
18								
19	Transportation - 5 Year Rural Use	29241						
		UTILPLT Adj	78	3,022	1,820	3,398	10,536	58,547
20	Storage-Demand							
		UTILPLT Adj	598	23,234	13,998	26,126	81,015	450,183
21	Transmission-Demand							
		UTILPLT Adj	137	5,330	3,212	5,994	18,587	103,285
22	Distribution-Demand							
		UTILPLT Adj	194	7,547	4,547	8,486	26,315	146,225
23	Distribution-Customer							
24								
25	Transportation - 7 Year Urban Use	29242						
		UTILPLT Adj	351	13,658	8,229	15,359	47,626	264,646
26	Storage-Demand							
		UTILPLT Adj	2,702	105,022	63,273	118,096	366,206	2,034,915
27	Transmission-Demand							
		UTILPLT Adj	620	24,095	14,517	27,094	84,018	466,866
28	Distribution-Demand							
		UTILPLT Adj	878	34,112	20,552	38,359	118,948	660,964
29	Distribution-Customer							
30								
31	Transportation - 10 Year Heavy Duty	29243						
		UTILPLT Adj	95	3,699	2,229	4,160	12,899	71,676
32	Storage-Demand							
		UTILPLT Adj	732	28,444	17,137	31,985	99,182	551,131
33	Transmission-Demand							
		UTILPLT Adj	168	6,526	3,932	7,338	22,755	126,445
34	Distribution-Demand							
		UTILPLT Adj	238	9,239	5,566	10,389	32,216	179,014
35	Distribution-Customer							
36								
37	Transportation - 15 Year Trailers & Other	29244						
		UTILPLT Adj	24	930	560	1,046	3,243	18,019
38	Storage-Demand							
		UTILPLT Adj	184	7,150	4,308	8,041	24,933	138,549
39	Transmission-Demand							
		UTILPLT Adj	42	1,641	988	1,845	5,720	31,787
40	Distribution-Demand							
		UTILPLT Adj	60	2,323	1,399	2,612	8,099	45,002
41	Distribution-Customer							
42								
43	Stores Equipment	29300						
		UTILPLT Adj	0	8	5	9	29	161
44	Storage-Demand							
		UTILPLT Adj	2	64	38	72	222	1,235
45	Transmission-Demand							
		UTILPLT Adj	0	15	9	16	51	283
46	Distribution-Demand							
		UTILPLT Adj	1	21	12	23	72	401
47	Distribution-Customer							
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Tools, Shop & Garage Equip							
	29400							
2	Storage-Demand	UTILPLT Adj	908,414	427,772	171,799	21,244	8,220	61,958
3	Transmission-Demand	UTILPLT Adj	6,984,983	3,289,231	1,320,995	163,347	63,203	476,408
4	Distribution-Demand	UTILPLT Adj	1,602,550	754,642	303,073	37,476	14,500	109,301
5	Distribution-Customer	UTILPLT Adj	2,268,801	1,068,380	429,074	53,057	20,529	154,743
6								
7	CNG Station Equipment							
	29410							
8	Storage-Demand	UTILPLT Adj	-	-	-	-	-	-
9	Transmission-Demand	UTILPLT Adj	-	-	-	-	-	-
10	Distribution-Demand	UTILPLT Adj	-	-	-	-	-	-
11	Distribution-Customer	UTILPLT Adj	-	-	-	-	-	-
12								
13	Laboratory Equipment							
	29500							
14	Storage-Demand	UTILPLT Adj	36,088	16,994	6,825	844	327	2,461
15	Transmission-Demand	UTILPLT Adj	277,485	130,668	52,478	6,489	2,511	18,926
16	Distribution-Demand	UTILPLT Adj	63,663	29,979	12,040	1,489	576	4,342
17	Distribution-Customer	UTILPLT Adj	90,130	42,442	17,045	2,108	816	6,147
18								
19	Power Operated Equipment							
	29600							
20	Storage-Demand	UTILPLT Adj	580,239	273,235	109,734	13,569	5,250	39,575
21	Transmission-Demand	UTILPLT Adj	4,461,580	2,100,960	843,771	104,336	40,370	304,301
22	Distribution-Demand	UTILPLT Adj	1,023,611	482,019	193,585	23,938	9,262	69,815
23	Distribution-Customer	UTILPLT Adj	1,449,172	682,416	274,066	33,890	13,113	98,840
24								
25	Communication Equipment							
	29700							
26	Storage-Demand	UTILPLT Adj	1,347,013	634,309	254,746	31,501	12,188	91,873
27	Transmission-Demand	UTILPLT Adj	10,357,468	4,877,336	1,958,798	242,214	93,718	706,428
28	Distribution-Demand	UTILPLT Adj	2,376,293	1,118,997	449,403	55,571	21,502	162,074
29	Distribution-Customer	UTILPLT Adj	3,364,223	1,584,214	636,240	78,674	30,441	229,456
30								
31	Miscellaneous Equipment							
	29800							
32	Storage-Demand	UTILPLT Adj	285,755	134,562	54,042	6,683	2,586	19,490
33	Transmission-Demand	UTILPLT Adj	2,197,232	1,034,678	415,539	51,383	19,881	149,861
34	Distribution-Demand	UTILPLT Adj	504,107	237,384	95,336	11,789	4,561	34,382
35	Distribution-Customer	UTILPLT Adj	713,686	336,075	134,972	16,690	6,458	48,677
36								
37	TOTAL GENERAL PLANT							
38	Storage-Demand		17,154,969	8,078,282	3,244,337	401,177	155,224	1,170,049
39	Transmission-Demand		131,908,141	62,115,601	24,946,382	3,084,731	1,193,551	8,996,751
40	Distribution-Demand		30,263,415	14,251,055	5,723,398	707,723	273,834	2,064,106
41	Distribution-Customer		42,845,257	20,175,850	8,102,867	1,001,955	387,679	2,922,246
42	TOTAL		222,171,783	104,620,790	42,016,984	5,195,586	2,010,288	15,153,152
43								
44	TOTAL PLANT IN SERVICE PRO FORMA							
45	Storage-Demand		422,801,252	246,070,595	137,562,582	22,293,310	10,065,395	1,510,116
46	Transmission-Demand		3,251,007,142	1,151,092,000	571,539,950	75,407,315	27,732,910	254,454,393
47	Distribution-Demand		753,232,413	317,971,674	166,757,299	24,580,151	10,612,648	111,962,295
48	Distribution-Customer		1,066,384,481	871,722,096	163,053,207	6,185,418	1,295,484	6,750,433
49	TOTAL		5,493,425,288	2,586,856,364	1,038,913,038	128,466,194	49,706,437	374,677,237
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Tools, Shop & Garage Equip							
	29400							
2	Storage-Demand	UTILPLT Adj	218	8,488	5,114	9,544	29,597	164,461
3	Transmission-Demand	UTILPLT Adj	1,679	65,264	39,320	73,389	227,574	1,264,571
4	Distribution-Demand	UTILPLT Adj	385	14,973	9,021	16,837	52,212	290,128
5	Distribution-Customer	UTILPLT Adj	545	21,199	12,772	23,838	73,919	410,747
6								
7	CNG Station Equipment							
	29410							
8	Storage-Demand	UTILPLT Adj	-	-	-	-	-	-
9	Transmission-Demand	UTILPLT Adj	-	-	-	-	-	-
10	Distribution-Demand	UTILPLT Adj	-	-	-	-	-	-
11	Distribution-Customer	UTILPLT Adj	-	-	-	-	-	-
12								
13	Laboratory Equipment							
	29500							
14	Storage-Demand	UTILPLT Adj	9	337	203	379	1,176	6,533
15	Transmission-Demand	UTILPLT Adj	67	2,593	1,562	2,915	9,041	50,236
16	Distribution-Demand	UTILPLT Adj	15	595	358	669	2,074	11,526
17	Distribution-Customer	UTILPLT Adj	22	842	507	947	2,936	16,317
18								
19	Power Operated Equipment							
	29600							
20	Storage-Demand	UTILPLT Adj	139	5,421	3,266	6,096	18,904	105,047
21	Transmission-Demand	UTILPLT Adj	1,073	41,687	25,115	46,876	145,360	807,731
22	Distribution-Demand	UTILPLT Adj	246	9,564	5,762	10,755	33,350	185,316
23	Distribution-Customer	UTILPLT Adj	348	13,540	8,158	15,226	47,215	262,360
24								
25	Communication Equipment							
	29700							
26	Storage-Demand	UTILPLT Adj	324	12,586	7,583	14,153	43,886	243,865
27	Transmission-Demand	UTILPLT Adj	2,490	96,775	58,305	108,823	337,451	1,875,131
28	Distribution-Demand	UTILPLT Adj	571	22,203	13,377	24,967	77,421	430,208
29	Distribution-Customer	UTILPLT Adj	809	31,434	18,938	35,347	109,608	609,064
30								
31	Miscellaneous Equipment							
	29800							
32	Storage-Demand	UTILPLT Adj	69	2,670	1,609	3,002	9,310	51,734
33	Transmission-Demand	UTILPLT Adj	528	20,530	12,369	23,086	71,587	397,790
34	Distribution-Demand	UTILPLT Adj	121	4,710	2,838	5,296	16,424	91,264
35	Distribution-Customer	UTILPLT Adj	172	6,668	4,018	7,498	23,252	129,207
36								
37	TOTAL GENERAL PLANT							
38	Storage-Demand		4,124	160,288	96,570	180,242	558,917	3,105,761
39	Transmission-Demand		31,709	1,232,485	742,545	1,385,917	4,297,626	23,880,843
40	Distribution-Demand		7,275	282,767	170,361	317,968	985,996	5,478,933
41	Distribution-Customer		10,299	400,325	241,187	450,161	1,395,918	7,756,768
42	TOTAL		53,407	2,075,865	1,250,663	2,334,288	7,238,456	40,222,304
43								
44	TOTAL PLANT IN SERVICE PRO FORMA							
45	Storage-Demand		5,322	206,874	124,637	232,628	721,362	4,008,431
46	Transmission-Demand		40,925	1,590,699	23,176,814	38,827,638	134,931,916	972,212,583
47	Distribution-Demand		1,108,125	46,739,667	7,306,862	17,832,875	41,289,467	7,071,350
48	Distribution-Customer		166,178	2,790,643	315,616	824,524	2,035,500	11,245,382
49	TOTAL		1,320,550	51,327,883	30,923,929	57,717,665	178,978,246	994,537,745
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1								
2	OTHER RATE BASE ADDITIONS PRO FORMA							
3	Stored Natural Gas							
4	Storage-Demand	WINTHRU	35,770,534	21,038,087	11,907,608	1,944,097	880,742	-
5	Transmission-Demand		-	-	-	-	-	-
6	Distribution-Demand		-	-	-	-	-	-
7	Distribution-Customer		-	-	-	-	-	-
8								
9	Pension/OPEB	OPEB						
10	Storage-Demand	OPERLAB Adj	4,010,146	2,856,114	640,365	44,309	16,147	131,535
11	Transmission-Demand	OPERLAB Adj	11,935,001	8,500,369	1,905,856	131,873	48,057	391,475
12	Distribution-Demand	OPERLAB Adj	13,891,884	9,894,104	2,218,343	153,496	55,936	455,662
13	Distribution-Customer	OPERLAB Adj	69,332,774	49,380,321	11,071,493	766,079	279,172	2,274,157
14								
15	Cash Working Capital	CWC						
16	Storage-Demand	OMPF	2,500,516	1,797,654	386,715	26,734	9,868	81,909
17	Transmission-Demand	OMPF	7,686,041	5,525,597	1,188,677	82,173	30,331	251,772
18	Distribution-Demand	OMPF	9,787,035	7,036,029	1,513,604	104,635	38,623	320,594
19	Distribution-Customer	OMPF	46,977,125	33,772,479	7,265,201	502,243	185,386	1,538,830
20								
21	Materials and Supplies	MATL						
22	Storage-Demand	UTILPLT Adj	522,135	245,874	98,746	12,210	4,724	35,612
23	Transmission-Demand	UTILPLT Adj	4,014,808	1,890,575	759,278	93,888	36,327	273,829
24	Distribution-Demand	UTILPLT Adj	930,199	438,031	175,919	21,753	8,417	63,444
25	Distribution-Customer	UTILPLT Adj	1,316,924	620,140	249,056	30,797	11,916	89,820
26								
27	Deferred Pipeline Integrity Costs	REGASSET-1						
28	Storage-Demand		-	-	-	-	-	-
29	Transmission-Demand	DESDMD	67,989,399	23,634,229	11,902,778	1,576,303	578,042	5,359,305
30	Distribution-Demand		-	-	-	-	-	-
31	Distribution-Customer		-	-	-	-	-	-
32								
33	Other	OTHER_ADD						
34	Storage-Demand		-	-	-	-	-	-
35	Transmission-Demand		-	-	-	-	-	-
36	Distribution-Demand	UTILPLT Adj	1,783,688	839,939	337,330	41,712	16,139	121,656
37	Distribution-Customer		-	-	-	-	-	-
38								
39	TOTAL OTHER RATE BASE ADDITIONS PRO FORMA							
40	Storage-Demand		42,803,331	25,937,729	13,033,434	2,027,350	911,481	249,057
41	Transmission-Demand		91,625,250	39,550,770	15,756,589	1,884,238	692,758	6,276,380
42	Distribution-Demand		26,392,806	18,208,104	4,245,196	321,596	119,115	961,356
43	Distribution-Customer		117,626,823	83,772,941	18,585,750	1,299,118	476,474	3,902,807
44	TOTAL		278,448,209	167,469,544	51,620,969	5,532,303	2,199,828	11,389,600
45								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1								
2	OTHER RATE BASE ADDITIONS PRO FORMA							
3	Stored Natural Gas							
4	Storage-Demand	WINTHRU	-	-	-	-	-	-
5	Transmission-Demand		-	-	-	-	-	-
6	Distribution-Demand		-	-	-	-	-	-
7	Distribution-Customer		-	-	-	-	-	-
8								
9	Pension/OPEB	OPEB						
10	Storage-Demand	OPERLAB Adj	1,222	43,592	9,055	20,423	52,490	194,893
11	Transmission-Demand	OPERLAB Adj	3,638	129,737	26,950	60,782	156,221	580,041
12	Distribution-Demand	OPERLAB Adj	4,235	151,009	31,369	70,748	181,835	675,146
13	Distribution-Customer	OPERLAB Adj	21,136	753,671	156,558	353,097	907,516	3,369,574
14								
15	Cash Working Capital	CWC						
16	Storage-Demand	OMPF	755	27,150	5,649	12,723	32,654	118,705
17	Transmission-Demand	OMPF	2,321	83,454	17,365	39,107	100,372	364,873
18	Distribution-Demand	OMPF	2,955	106,266	22,111	49,797	127,809	464,611
19	Distribution-Customer	OMPF	14,183	510,068	106,133	239,020	613,476	2,230,104
20								
21	Materials and Supplies	MATL						
22	Storage-Demand	UTILPLT Adj	126	4,879	2,939	5,486	17,011	94,528
23	Transmission-Demand	UTILPLT Adj	965	37,512	22,600	42,182	130,804	726,847
24	Distribution-Demand	UTILPLT Adj	224	8,691	5,236	9,773	30,306	168,405
25	Distribution-Customer	UTILPLT Adj	317	12,305	7,413	13,837	42,906	238,418
26								
27	Deferred Pipeline Integrity Costs	REGASSET-1						
28	Storage-Demand		-	-	-	-	-	-
29	Transmission-Demand	DESDMD	-	-	490,340	817,413	2,855,406	20,775,584
30	Distribution-Demand		-	-	-	-	-	-
31	Distribution-Customer		-	-	-	-	-	-
32								
33	Other	OTHER_ADD						
34	Storage-Demand		-	-	-	-	-	-
35	Transmission-Demand		-	-	-	-	-	-
36	Distribution-Demand	UTILPLT Adj	429	16,666	10,041	18,741	58,113	322,921
37	Distribution-Customer		-	-	-	-	-	-
38								
39	TOTAL OTHER RATE BASE ADDITIONS PRO FORMA							
40	Storage-Demand		2,103	75,620	17,644	38,631	102,156	408,126
41	Transmission-Demand		6,924	250,703	557,255	959,484	3,242,803	22,447,345
42	Distribution-Demand		7,842	282,632	68,757	149,059	398,064	1,631,083
43	Distribution-Customer		35,636	1,276,044	270,105	605,954	1,563,898	5,838,096
44	TOTAL		52,505	1,885,000	913,761	1,753,129	5,306,920	30,324,650
45								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	OTHER RATE BASE DEDUCTIONS WITH PRO FORMA							
2	Accrued Vacation Liability	CURRLIAB						
3	Storage-Demand	OPERLAB Adj	(95,223)	(67,820)	(15,206)	(1,052)	(383)	(3,123)
4	Transmission-Demand	OPERLAB Adj	(283,403)	(201,846)	(45,256)	(3,131)	(1,141)	(9,296)
5	Distribution-Demand	OPERLAB Adj	(329,870)	(234,941)	(52,676)	(3,645)	(1,328)	(10,820)
6	Distribution-Customer	OPERLAB Adj	(1,646,343)	(1,172,562)	(262,898)	(18,191)	(6,629)	(54,001)
7								
8	Customer Advances	CUSTADV						
9	Storage-Demand	UTILPLT Adj	(1,191,269)	(560,969)	(225,292)	(27,858)	(10,779)	(81,250)
10	Transmission-Demand	UTILPLT Adj	(9,159,918)	(4,313,409)	(1,732,318)	(214,209)	(82,882)	(624,749)
11	Distribution-Demand	UTILPLT Adj	(2,122,280)	(999,382)	(401,364)	(49,630)	(19,203)	(144,749)
12	Distribution-Customer	UTILPLT Adj	(3,004,605)	(1,414,870)	(568,229)	(70,264)	(27,187)	(204,928)
13								
14	Accumulated Deferred Income Tax	ADIT						
15	Storage-Demand	UTILPLT Adj	(69,601,325)	(32,775,294)	(13,162,958)	(1,627,658)	(629,777)	(4,747,135)
16	Transmission-Demand	UTILPLT Adj	(535,179,124)	(252,016,083)	(101,212,730)	(12,515,402)	(4,842,488)	(36,501,713)
17	Distribution-Demand	UTILPLT Adj	(123,996,733)	(58,390,115)	(23,450,182)	(2,899,719)	(1,121,966)	(8,457,156)
18	Distribution-Customer	UTILPLT Adj	(175,547,665)	(82,665,472)	(33,199,461)	(4,105,260)	(1,588,417)	(11,973,170)
19								
20	Deferred Revenue	REGLIAB						
21	Storage-Demand	UTILPLT Adj	(2,082,436)	(980,620)	(393,829)	(48,699)	(18,843)	(142,032)
22	Transmission-Demand	UTILPLT Adj	(16,012,282)	(7,540,191)	(3,028,232)	(374,454)	(144,885)	(1,092,112)
23	Distribution-Demand	UTILPLT Adj	(3,709,918)	(1,747,002)	(701,617)	(86,758)	(33,569)	(253,034)
24	Distribution-Customer	UTILPLT Adj	(5,252,295)	(2,473,308)	(993,311)	(122,827)	(47,525)	(358,231)
25								
26	TOTAL OTHER RATE BASE DEDUCTIONS PRO FORMA							
27	Storage-Demand		(72,970,253)	(34,384,703)	(13,797,284)	(1,705,267)	(659,782)	(4,973,540)
28	Transmission-Demand		(560,634,727)	(264,071,529)	(106,018,536)	(13,107,196)	(5,071,396)	(38,227,871)
29	Distribution-Demand		(130,158,801)	(61,371,441)	(24,605,839)	(3,039,752)	(1,176,066)	(8,865,759)
30	Distribution-Customer		(185,450,909)	(87,726,212)	(35,023,899)	(4,316,542)	(1,669,757)	(12,590,330)
31	TOTAL		(949,214,689)	(447,553,884)	(179,445,558)	(22,168,758)	(8,577,002)	(64,657,500)
32								
33	TOTAL NET RATE BASE PRO FORMA							
34	Storage-Demand		392,634,331	237,623,620	136,798,731	22,615,393	10,317,094	(3,214,367)
35	Transmission-Demand		2,781,997,665	926,571,241	481,278,003	64,184,356	23,354,271	222,502,902
36	Distribution-Demand		649,466,418	274,808,337	146,396,656	21,861,996	9,555,697	104,057,892
37	Distribution-Customer		998,560,395	867,768,825	146,615,058	3,167,994	102,201	(1,937,089)
38	TOTAL		4,822,658,809	2,306,772,024	911,088,449	111,829,739	43,329,263	321,409,337
39								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts	
1	OTHER RATE BASE DEDUCTIONS WITH PRO FORMA								
2	Accrued Vacation Liability	CURRLIAB							
3	Storage-Demand	OPERLAB Adj	(29)	(1,035)	(215)	(485)	(1,246)	(4,628)	
4	Transmission-Demand	OPERLAB Adj	(86)	(3,081)	(640)	(1,443)	(3,710)	(13,773)	
5	Distribution-Demand	OPERLAB Adj	(101)	(3,586)	(745)	(1,680)	(4,318)	(16,032)	
6	Distribution-Customer	OPERLAB Adj	(502)	(17,896)	(3,718)	(8,384)	(21,549)	(80,012)	
7									
8	Customer Advances	CUSTADV							
9	Storage-Demand	UTILPLT Adj	(286)	(11,131)	(6,706)	(12,516)	(38,812)	(215,669)	
10	Transmission-Demand	UTILPLT Adj	(2,202)	(85,586)	(51,564)	(96,240)	(298,434)	(1,658,325)	
11	Distribution-Demand	UTILPLT Adj	(510)	(19,830)	(11,947)	(22,298)	(69,145)	(384,221)	
12	Distribution-Customer	UTILPLT Adj	(722)	(28,074)	(16,914)	(31,568)	(97,891)	(543,958)	
13									
14	Accumulated Deferred Income Tax	ADIT							
15	Storage-Demand	UTILPLT Adj	(16,731)	(650,321)	(391,804)	(731,279)	(2,267,642)	(12,600,726)	
16	Transmission-Demand	UTILPLT Adj	(128,650)	(5,000,452)	(3,012,663)	(5,622,956)	(17,436,375)	(96,889,611)	
17	Distribution-Demand	UTILPLT Adj	(29,807)	(1,158,565)	(698,010)	(1,302,794)	(4,039,869)	(22,448,550)	
18	Distribution-Customer	UTILPLT Adj	(42,199)	(1,640,232)	(988,204)	(1,844,423)	(5,719,421)	(31,781,406)	
19									
20	Deferred Revenue	REGLIAB							
21	Storage-Demand	UTILPLT Adj	(501)	(19,457)	(11,723)	(21,879)	(67,847)	(377,007)	
22	Transmission-Demand	UTILPLT Adj	(3,849)	(149,611)	(90,137)	(168,236)	(521,687)	(2,898,887)	
23	Distribution-Demand	UTILPLT Adj	(892)	(34,664)	(20,884)	(38,979)	(120,871)	(671,649)	
24	Distribution-Customer	UTILPLT Adj	(1,263)	(49,075)	(29,567)	(55,184)	(171,122)	(950,883)	
25									
26	TOTAL OTHER RATE BASE DEDUCTIONS PRO FORMA								
27	Storage-Demand		(17,547)	(681,944)	(410,448)	(766,160)	(2,375,547)	(13,198,030)	
28	Transmission-Demand		(134,788)	(5,238,730)	(3,155,004)	(5,888,876)	(18,260,206)	(101,460,596)	
29	Distribution-Demand		(31,310)	(1,216,644)	(731,586)	(1,365,751)	(4,234,202)	(23,520,451)	
30	Distribution-Customer		(44,686)	(1,735,276)	(1,038,402)	(1,939,560)	(6,009,984)	(33,356,260)	
31	TOTAL		(228,331)	(8,872,594)	(5,335,439)	(9,960,347)	(30,879,939)	(171,535,337)	
32									
33	TOTAL NET RATE BASE PRO FORMA								
34	Storage-Demand		(10,122)	(399,449)	(268,167)	(494,900)	(1,552,030)	(8,781,473)	
35	Transmission-Demand		(86,939)	(3,397,327)	20,579,065	33,898,247	119,914,514	893,199,331	
36	Distribution-Demand		1,084,657	45,805,655	6,644,034	16,616,183	37,453,329	(14,818,017)	
37	Distribution-Customer		157,127	2,331,410	(452,681)	(509,083)	(2,410,586)	(16,272,782)	
38	TOTAL		1,144,724	44,340,289	26,502,251	49,510,447	153,405,227	853,327,059	
39									

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1								
2	UTILITY INCOME PER BOOKS							
3								
4	OPERATION AND MAINTENANCE EXPENSE PER BOOKS							
5								
6	PRODUCTION, STORAGE AND PROCESSING EXPENSES							
7	Miscellaneous production expenses	735						
8	Storage-Demand	DESDMD	185,187	64,374	32,420	4,293	1,574	14,597
9	Transmission-Demand		-					
10	Distribution-Demand		-					
11	Distribution-Customer		-					
12								
13	Purchased gas expenses	807						
14	Storage-Demand	THRU	1,660,711	151,860	97,157	19,100	10,851	135,117
15	Transmission-Demand		-					
16	Distribution-Demand		-					
17	Distribution-Customer		-					
18								
19	Compressor station expenses	818						
20	Storage-Demand	WINTHRU	-	-	-	-	-	-
21	Transmission-Demand		-					
22	Distribution-Demand		-					
23	Distribution-Customer		-					
24								
25	Maintenance of purification equipment	836						
26	Storage-Demand	WINTHRU	-	-	-	-	-	-
27	Transmission-Demand		-					
28	Distribution-Demand		-					
29	Distribution-Customer		-					
30								
31	Other Storage operation supervision and engineering	840						
32	Storage-Demand	WINTHRU	-	-	-	-	-	-
33	Transmission-Demand		-					
34	Distribution-Demand		-					
35	Distribution-Customer		-					
36								
37	Other Storage maintenance supervision and engineering	843						
38	Storage-Demand	WINTHRU	247,211	145,394	82,294	13,436	6,087	-
39	Transmission-Demand		-					
40	Distribution-Demand		-					
41	Distribution-Customer		-					
42								
43	Processing operation supervision and engineering	844						
44	Storage-Demand	WINTHRU	332,755	195,707	110,771	18,085	8,193	-
45	Transmission-Demand		-					
46	Distribution-Demand		-					
47	Distribution-Customer		-					
48								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1								
2	UTILITY INCOME PER BOOKS							
3								
4	OPERATION AND MAINTENANCE EXPENSE PER BOOKS							
5								
6	PRODUCTION, STORAGE AND PROCESSING EXPENSES							
7	Miscellaneous production expenses	735						
8	Storage-Demand	DESMD	-	-	1,336	2,226	7,777	56,588
9	Transmission-Demand							
10	Distribution-Demand							
11	Distribution-Customer							
12								
13	Purchased gas expenses	807						
14	Storage-Demand	THRU	2,674	112,872	5,272	22,439	27,652	1,075,716
15	Transmission-Demand							
16	Distribution-Demand							
17	Distribution-Customer							
18								
19	Compressor station expenses	818						
20	Storage-Demand	WINTHRU	-	-	-	-	-	-
21	Transmission-Demand							
22	Distribution-Demand							
23	Distribution-Customer							
24								
25	Maintenance of purification equipment	836						
26	Storage-Demand	WINTHRU	-	-	-	-	-	-
27	Transmission-Demand							
28	Distribution-Demand							
29	Distribution-Customer							
30								
31	Other Storage operation supervision and engineering	840						
32	Storage-Demand	WINTHRU	-	-	-	-	-	-
33	Transmission-Demand							
34	Distribution-Demand							
35	Distribution-Customer							
36								
37	Other Storage maintenance supervision and engineering	843						
38	Storage-Demand	WINTHRU	-	-	-	-	-	-
39	Transmission-Demand							
40	Distribution-Demand							
41	Distribution-Customer							
42								
43	Processing operation supervision and engineering	844						
44	Storage-Demand	WINTHRU	-	-	-	-	-	-
45	Transmission-Demand							
46	Distribution-Demand							
47	Distribution-Customer							
48								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Processing Fuel		845					
2	Storage-Demand	WINTHRU	105,116	61,823	34,992	5,713	2,588	-
3	Transmission-Demand		-					
4	Distribution-Demand		-					
5	Distribution-Customer		-					
6								
7	Processing gas losses		846					
8	Storage-Demand	WINTHRU	1,351,535	794,892	449,911	73,455	33,277	-
9	Transmission-Demand		-					
10	Distribution-Demand		-					
11	Distribution-Customer		-					
12								
13	Processing maintenance supervision and engineering		847					
14	Storage-Demand	WINTHRU	3	2	1	0	0	-
15	Transmission-Demand		-					
16	Distribution-Demand		-					
17	Distribution-Customer		-					
18								
19	TOTAL PRODUCTION, STORAGE AND PROCESSING EXPENSES							
20	Storage-Demand		3,882,519	1,414,053	807,546	134,082	62,571	149,714
21	Transmission-Demand		-	-	-	-	-	-
22	Distribution-Demand		-	-	-	-	-	-
23	Distribution-Customer		-	-	-	-	-	-
24	TOTAL		3,882,519	1,414,053	807,546	134,082	62,571	149,714
25								
26	TRANSMISSION EXPENSES							
27	TRANSMISSION OPERATION							
28	Operation supervision and engineering		850					
29	Storage-Demand		-					
30	Transmission-Demand	DESDMD	271,940	94,531	47,608	6,305	2,312	21,436
31	Distribution-Demand		-					
32	Distribution-Customer		-					
33								
34	System control and load dispatching		851					
35	Storage-Demand		-					
36	Transmission-Demand	DESDMD	803,931	279,459	140,743	18,639	6,835	63,370
37	Distribution-Demand		-					
38	Distribution-Customer		-					
39								
40	Communication system expenses		852					
41	Storage-Demand		-					
42	Transmission-Demand	DESDMD	1,515,070	526,663	265,240	35,126	12,881	119,426
43	Distribution-Demand		-					
44	Distribution-Customer		-					
45								
46	Mains expenses		856					
47	Storage-Demand		-					
48	Transmission-Demand	DESDMD	272,284	94,650	47,668	6,313	2,315	21,463
49	Distribution-Demand		-					
50	Distribution-Customer		-					

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Processing Fuel	845						
2	Storage-Demand	WINTHRU	-	-	-	-	-	-
3	Transmission-Demand							
4	Distribution-Demand							
5	Distribution-Customer							
6								
7	Processing gas losses	846						
8	Storage-Demand	WINTHRU	-	-	-	-	-	-
9	Transmission-Demand							
10	Distribution-Demand							
11	Distribution-Customer							
12								
13	Processing maintenance supervision and engineering	847						
14	Storage-Demand	WINTHRU	-	-	-	-	-	-
15	Transmission-Demand							
16	Distribution-Demand							
17	Distribution-Customer							
18								
19	TOTAL PRODUCTION, STORAGE AND PROCESSING EXPENSES							
20	Storage-Demand		2,674	112,872	6,608	24,665	35,429	1,132,304
21	Transmission-Demand		-	-	-	-	-	-
22	Distribution-Demand		-	-	-	-	-	-
23	Distribution-Customer		-	-	-	-	-	-
24	TOTAL		2,674	112,872	6,608	24,665	35,429	1,132,304
25								
26	TRANSMISSION EXPENSES							
27	TRANSMISSION OPERATION							
28	Operation supervision and engineering	850						
29	Storage-Demand							
30	Transmission-Demand	DESDMD	-	-	1,961	3,269	11,421	83,097
31	Distribution-Demand							
32	Distribution-Customer							
33								
34	System control and load dispatching	851						
35	Storage-Demand							
36	Transmission-Demand	DESDMD	-	-	5,798	9,665	33,763	245,658
37	Distribution-Demand							
38	Distribution-Customer							
39								
40	Communication system expenses	852						
41	Storage-Demand							
42	Transmission-Demand	DESDMD	-	-	10,927	18,215	63,630	462,961
43	Distribution-Demand							
44	Distribution-Customer							
45								
46	Mains expenses	856						
47	Storage-Demand							
48	Transmission-Demand	DESDMD	-	-	1,964	3,274	11,435	83,202
49	Distribution-Demand							
50	Distribution-Customer							

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1								
2	Measuring and regulating station expenses							
3	Storage-Demand		-					
4	Transmission-Demand	DESDMD	115,571	40,174	20,233	2,679	983	9,110
5	Distribution-Demand		-					
6	Distribution-Customer		-					
7								
8	Other expenses							
9	Storage-Demand		-					
10	Transmission-Demand	DESDMD	671,288	233,351	117,521	15,564	5,707	52,915
11	Distribution-Demand		-					
12	Distribution-Customer		-					
13								
14	TOTAL TRANSMISSION OPERATION							
15	Storage-Demand		-	-	-	-	-	-
16	Transmission-Demand		3,650,085	1,268,829	639,014	84,626	31,033	287,720
17	Distribution-Demand		-	-	-	-	-	-
18	Distribution-Customer		-	-	-	-	-	-
19								
20								
21	TRANSMISSION MAINTENANCE							
22	Maintenance supervision and engineering							
23	Storage-Demand		-					
24	Transmission-Demand	DESDMD	694,345	241,366	121,558	16,098	5,903	54,732
25	Distribution-Demand		-					
26	Distribution-Customer		-					
27								
28	Maintenance of structures and improvements							
29	Storage-Demand		-					
30	Transmission-Demand	DESDMD	298,135	103,637	52,194	6,912	2,535	23,501
31	Distribution-Demand		-					
32	Distribution-Customer		-					
33								
34	Maintenance of mains							
35	Storage-Demand		-					
36	Transmission-Demand	DESDMD	6,145,172	2,136,162	1,075,824	142,473	52,246	484,397
37	Distribution-Demand		-					
38	Distribution-Customer		-					
39								
40	Maintenance of compressor station equipment							
41	Storage-Demand		-					
42	Transmission-Demand	DESDMD	926,714	322,141	162,238	21,485	7,879	73,049
43	Distribution-Demand		-					
44	Distribution-Customer		-					
45								
46	Maintenance of measuring and regulating station equipment							
47	Storage-Demand		-					
48	Transmission-Demand	DESDMD	1,034,714	359,683	181,145	23,989	8,797	81,562
49	Distribution-Demand		-					
50	Distribution-Customer		-					

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 Schedule 1 - Class Cost of Service Study by Rate Schedule
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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1								
2	Measuring and regulating station expenses							
3	Storage-Demand							
4	Transmission-Demand	DESDMD	-	-	833	1,389	4,854	35,315
5	Distribution-Demand							
6	Distribution-Customer							
7								
8	Other expenses							
9	Storage-Demand							
10	Transmission-Demand	DESDMD	-	-	4,841	8,071	28,193	205,126
11	Distribution-Demand							
12	Distribution-Customer							
13								
14	TOTAL TRANSMISSION OPERATION							
15	Storage-Demand		-	-	-	-	-	-
16	Transmission-Demand		-	-	26,324	43,884	153,296	1,115,360
17	Distribution-Demand		-	-	-	-	-	-
18	Distribution-Customer		-	-	-	-	-	-
19								
20								
21	TRANSMISSION MAINTENANCE							
22	Maintenance supervision and engineering							
23	Storage-Demand							
24	Transmission-Demand	DESDMD	-	-	5,008	8,348	29,161	212,172
25	Distribution-Demand							
26	Distribution-Customer							
27								
28	Maintenance of structures and improvements							
29	Storage-Demand							
30	Transmission-Demand	DESDMD	-	-	2,150	3,584	12,521	91,101
31	Distribution-Demand							
32	Distribution-Customer							
33								
34	Maintenance of mains							
35	Storage-Demand							
36	Transmission-Demand	DESDMD	-	-	44,319	73,881	258,084	1,877,786
37	Distribution-Demand							
38	Distribution-Customer							
39								
40	Maintenance of compressor station equipment							
41	Storage-Demand							
42	Transmission-Demand	DESDMD	-	-	6,683	11,142	38,920	283,177
43	Distribution-Demand							
44	Distribution-Customer							
45								
46	Maintenance of measuring and regulating station equipment							
47	Storage-Demand							
48	Transmission-Demand	DESDMD	-	-	7,462	12,440	43,456	316,178
49	Distribution-Demand							
50	Distribution-Customer							

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1								
2	TOTAL TRANSMISSION MAINTENANCE							
3	Storage-Demand		-	-	-	-	-	-
4	Transmission-Demand		9,099,080	3,162,989	1,592,959	210,958	77,360	717,240
5	Distribution-Demand		-	-	-	-	-	-
6	Distribution-Customer		-	-	-	-	-	-
7								
8								
9	TOTAL TRANSMISSION EXPENSES							
10	Storage-Demand		-	-	-	-	-	-
11	Transmission-Demand		12,749,164	4,431,818	2,231,973	295,584	108,393	1,004,960
12	Distribution-Demand		-	-	-	-	-	-
13	Distribution-Customer		-	-	-	-	-	-
14	TOTAL		12,749,164	4,431,818	2,231,973	295,584	108,393	1,004,960
15								
16	DISTRIBUTION EXPENSES							
17	DISTRIBUTION OPERATION							
18	Distribution Operation supervision and engineering	870						
19	Storage-Demand		-	-	-	-	-	-
20	Transmission-Demand		-	-	-	-	-	-
21	Distribution-Demand	DESDMD	572,357	198,961	100,201	13,270	4,866	45,116
22	Distribution-Customer	BILL	834,724	755,447	77,995	547	89	329
23								
24	Distribution load dispatching	871						
25	Storage-Demand		-	-	-	-	-	-
26	Transmission-Demand		-	-	-	-	-	-
27	Distribution-Demand	MSMPLT	32,310	22,210	5,741	483	181	1,814
28	Distribution-Customer	MSMPLT	47,121	32,392	8,372	704	264	2,645
29								
30	Mains and services expenses	874						
31	Storage-Demand		-	-	-	-	-	-
32	Transmission-Demand		-	-	-	-	-	-
33	Distribution-Demand	MAINPLT	5,287,282	3,331,303	882,426	100,726	43,256	459,140
34	Distribution-Customer	874CUST	9,504,827	6,985,559	1,600,580	119,293	39,742	376,462
35								
36	Measuring and regulating station expenses--General	875						
37	Storage-Demand		-	-	-	-	-	-
38	Transmission-Demand		-	-	-	-	-	-
39	Distribution-Demand	MSMPLT	316,594	217,628	56,249	4,730	1,775	17,771
40	Distribution-Customer	MSMPLT	461,719	317,389	82,034	6,898	2,589	25,918
41								
42	Measuring and regulating station expenses--Industrial	876						
43	Storage-Demand		-	-	-	-	-	-
44	Transmission-Demand		-	-	-	-	-	-
45	Distribution-Demand	MSMPLT	25,087	17,245	4,457	375	141	1,408
46	Distribution-Customer	MSMPLT	36,587	25,150	6,500	547	205	2,054
47								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1								
2	TOTAL TRANSMISSION MAINTENANCE							
3	Storage-Demand		-	-	-	-	-	-
4	Transmission-Demand		-	-	65,623	109,395	382,141	2,780,414
5	Distribution-Demand		-	-	-	-	-	-
6	Distribution-Customer		-	-	-	-	-	-
7								
8								
9	TOTAL TRANSMISSION EXPENSES							
10	Storage-Demand		-	-	-	-	-	-
11	Transmission-Demand		-	-	91,947	153,279	535,437	3,895,774
12	Distribution-Demand		-	-	-	-	-	-
13	Distribution-Customer		-	-	-	-	-	-
14	TOTAL		-	-	91,947	153,279	535,437	3,895,774
15								
16	DISTRIBUTION EXPENSES							
17	DISTRIBUTION OPERATION							
18	Distribution Operation supervision and engineering	870						
19	Storage-Demand		-	-	-	-	-	-
20	Transmission-Demand		-	-	-	-	-	-
21	Distribution-Demand	DESDMD	-	-	4,128	6,881	24,038	174,896
22	Distribution-Customer	BILL	19	263	1	13	3	18
23								
24	Distribution load dispatching	871						
25	Storage-Demand		-	-	-	-	-	-
26	Transmission-Demand		-	-	-	-	-	-
27	Distribution-Demand	MSMPLT	21	791	114	284	646	26
28	Distribution-Customer	MSMPLT	30	1,154	166	415	942	38
29								
30	Mains and services expenses	874						
31	Storage-Demand		-	-	-	-	-	-
32	Transmission-Demand		-	-	-	-	-	-
33	Distribution-Demand	MAINPLT	4,658	195,149	29,715	73,080	167,781	48
34	Distribution-Customer	874CUST	4,871	168,199	22,767	57,446	128,872	1,036
35								
36	Measuring and regulating station expenses--General	875						
37	Storage-Demand		-	-	-	-	-	-
38	Transmission-Demand		-	-	-	-	-	-
39	Distribution-Demand	MSMPLT	204	7,750	1,113	2,785	6,329	258
40	Distribution-Customer	MSMPLT	298	11,303	1,623	4,062	9,230	377
41								
42	Measuring and regulating station expenses--Industrial	876						
43	Storage-Demand		-	-	-	-	-	-
44	Transmission-Demand		-	-	-	-	-	-
45	Distribution-Demand	MSMPLT	16	614	88	221	502	20
46	Distribution-Customer	MSMPLT	24	896	129	322	731	30
47								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Measuring and regulating station expenses--City gate		877					
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand	MSMPLT	60,942	41,892	10,828	910	342	3,421
5	Distribution-Customer	MSMPLT	88,877	61,095	15,791	1,328	498	4,989
6								
7	Meter and house regulator expenses		878					
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand		-	-	-	-	-	-
11	Distribution-Customer	METAVG	8,560,298	6,027,114	2,268,183	77,342	13,570	50,711
12								
13	Customer installations expenses		879					
14	Storage-Demand		-					
15	Transmission-Demand		-					
16	Distribution-Demand		-	-	-	-	-	-
17	Distribution-Customer	BILL	11,528,176	10,433,310	1,077,167	7,554	1,224	4,547
18								
19	Other expenses		880					
20	Storage-Demand		-					
21	Transmission-Demand		-					
22	Distribution-Demand	MSMPLT	2,484,780	1,708,053	441,470	37,122	13,932	139,479
23	Distribution-Customer	MSMPLT	3,623,797	2,491,021	643,839	54,139	20,319	203,416
24								
25	TOTAL DISTRIBUTION OPERATION							
26	Storage-Demand		-	-	-	-	-	-
27	Transmission-Demand		-	-	-	-	-	-
28	Distribution-Demand		8,779,352	5,537,292	1,501,372	157,616	64,493	668,149
29	Distribution-Customer		34,686,127	27,128,476	5,780,461	268,352	78,500	671,070
30								
31								
32	DISTRIBUTION MAINTENANCE							
33	Maintenance supervision and engineering		885					
34	Storage-Demand		-					
35	Transmission-Demand		-					
36	Distribution-Demand	MSMPLT	1,466,726	1,008,237	260,593	21,913	8,224	82,332
37	Distribution-Customer	MSMPLT	2,139,070	1,470,410	380,048	31,958	11,994	120,073
38								
39	Maintenance of mains		887					
40	Storage-Demand		-					
41	Transmission-Demand		-					
42	Distribution-Demand	MAINPLT	4,696,811	2,959,271	783,879	89,477	38,425	407,864
43	Distribution-Customer	MAINPLT	3,597,046	2,266,353	600,332	68,526	29,428	312,362
44								
45	Maintenance of measuring and regulating station equipment--General		889					
46	Storage-Demand		-					
47	Transmission-Demand		-					
48	Distribution-Demand	MSMPLT	835,591	574,390	148,459	12,484	4,685	46,904
49	Distribution-Customer	MSMPLT	1,218,623	837,689	216,513	18,206	6,833	68,405
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Measuring and regulating station expenses--City gate							
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand	MSMPLT	39	1,492	214	536	1,218	50
5	Distribution-Customer	MSMPLT	57	2,176	312	782	1,777	73
6								
7	Meter and house regulator expenses							
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand		-	-	-	-	-	-
11	Distribution-Customer	METAVG	2,424	39,262	167	6,864	11,232	63,430
12								
13	Customer installations expenses							
14	Storage-Demand							
15	Transmission-Demand							
16	Distribution-Demand		-	-	-	-	-	-
17	Distribution-Customer	BILL	261	3,627	15	182	46	243
18								
19	Other expenses							
20	Storage-Demand							
21	Transmission-Demand							
22	Distribution-Demand	MSMPLT	1,602	60,826	8,736	21,858	49,673	2,027
23	Distribution-Customer	MSMPLT	2,337	88,708	12,741	31,877	72,443	2,956
24								
25	TOTAL DISTRIBUTION OPERATION							
26	Storage-Demand		-	-	-	-	-	-
27	Transmission-Demand		-	-	-	-	-	-
28	Distribution-Demand		6,541	266,621	44,109	105,645	250,187	177,326
29	Distribution-Customer		10,320	315,586	37,921	101,962	225,277	68,201
30								
31								
32	DISTRIBUTION MAINTENANCE							
33	Maintenance supervision and engineering							
34	Storage-Demand							
35	Transmission-Demand							
36	Distribution-Demand	MSMPLT	946	35,905	5,157	12,902	29,321	1,197
37	Distribution-Customer	MSMPLT	1,379	52,363	7,521	18,817	42,762	1,745
38								
39	Maintenance of mains							
40	Storage-Demand							
41	Transmission-Demand							
42	Distribution-Demand	MAINPLT	4,138	173,355	26,397	64,919	149,044	43
43	Distribution-Customer	MAINPLT	3,169	132,764	20,216	49,718	114,145	33
44								
45	Maintenance of measuring and regulating station equipment--General							
46	Storage-Demand							
47	Transmission-Demand							
48	Distribution-Demand	MSMPLT	539	20,455	2,938	7,350	16,704	682
49	Distribution-Customer	MSMPLT	786	29,831	4,285	10,720	24,361	994
50								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Maintenance of measuring and regulating station equipment-- Industrial		890					
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand	MSMPLT	464,402	319,233	82,510	6,938	2,604	26,068
5	Distribution-Customer	MSMPLT	677,283	465,569	120,333	10,119	3,798	38,018
6								
7	Maintenance of measuring and regulating station equipment--City gate		891					
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand	MSMPLT	26,688	18,345	4,742	399	150	1,498
11	Distribution-Customer	MSMPLT	38,922	26,755	6,915	581	218	2,185
12								
13	Maintenance of services		892					
14	Storage-Demand		-					
15	Transmission-Demand		-					
16	Distribution-Demand		-	-	-	-	-	-
17	Distribution-Customer	SVCSPLT	544,211	442,335	92,249	4,205	660	2,477
18								
19	Maintenance of meters and house regulators		893					
20	Storage-Demand		-					
21	Transmission-Demand		-					
22	Distribution-Demand		-	-	-	-	-	-
23	Distribution-Customer	METAVG	2,485,715	1,750,136	658,629	22,458	3,940	14,725
24								
25	Maintenance of other equipment		894					
26	Storage-Demand		-					
27	Transmission-Demand		-					
28	Distribution-Demand	MSMPLT	73,584	50,582	13,074	1,099	413	4,130
29	Distribution-Customer	MSMPLT	107,314	73,769	19,067	1,603	602	6,024
30								
31	TOTAL DISTRIBUTION MAINTENANCE							
32	Storage-Demand		-	-	-	-	-	-
33	Transmission-Demand		-	-	-	-	-	-
34	Distribution-Demand		7,563,802	4,930,059	1,293,257	132,310	54,500	568,798
35	Distribution-Customer		10,808,185	7,333,016	2,094,086	157,656	57,472	564,270
36								
37								
38	TOTAL DISTRIBUTION EXPENSES							
39	Storage-Demand		-	-	-	-	-	-
40	Transmission-Demand		-	-	-	-	-	-
41	Distribution-Demand		16,343,154	10,467,351	2,794,629	289,926	118,993	1,236,947
42	Distribution-Customer		45,494,311	34,461,492	7,874,547	426,008	135,972	1,235,340
43	TOTAL		61,837,465	44,928,843	10,669,176	715,934	254,965	2,472,287
44								
45								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Maintenance of measuring and regulating station equipment-- Industrial	890						
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand	MSMPLT	299	11,368	1,633	4,085	9,284	379
5	Distribution-Customer	MSMPLT	437	16,579	2,381	5,958	13,540	553
6								
7	Maintenance of measuring and regulating station equipment--City gate	891						
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand	MSMPLT	17	653	94	235	534	22
11	Distribution-Customer	MSMPLT	25	953	137	342	778	32
12								
13	Maintenance of services	892						
14	Storage-Demand							
15	Transmission-Demand							
16	Distribution-Demand		-	-	-	-	-	-
17	Distribution-Customer	SVCSPLT	130	1,870	1	147	38	100
18								
19	Maintenance of meters and house regulators	893						
20	Storage-Demand							
21	Transmission-Demand							
22	Distribution-Demand		-	-	-	-	-	-
23	Distribution-Customer	METAVG	704	11,401	48	1,993	3,262	18,419
24								
25	Maintenance of other equipment	894						
26	Storage-Demand							
27	Transmission-Demand							
28	Distribution-Demand	MSMPLT	47	1,801	259	647	1,471	60
29	Distribution-Customer	MSMPLT	69	2,627	377	944	2,145	88
30								
31	TOTAL DISTRIBUTION MAINTENANCE							
32	Storage-Demand		-	-	-	-	-	-
33	Transmission-Demand		-	-	-	-	-	-
34	Distribution-Demand		5,987	243,537	36,477	90,139	206,358	2,382
35	Distribution-Customer		6,699	248,388	34,966	88,639	201,031	21,962
36								
37								
38	TOTAL DISTRIBUTION EXPENSES							
39	Storage-Demand		-	-	-	-	-	-
40	Transmission-Demand		-	-	-	-	-	-
41	Distribution-Demand		12,528	510,158	80,585	195,784	456,544	179,708
42	Distribution-Customer		17,019	563,974	72,887	190,601	426,308	90,163
43	TOTAL		29,548	1,074,132	153,472	386,385	882,852	269,871
44								
45								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	CUSTOMER ACCOUNTS EXPENSES							
2	Operation	901						
3	Storage-Demand		-					
4	Transmission-Demand		-					
5	Distribution-Demand		-					
6	Distribution-Customer	BILL	123,047	111,361	11,497	81	13	49
7								
8	Supervision (Major only)	902						
9	Storage-Demand		-					
10	Transmission-Demand		-					
11	Distribution-Demand		-					
12	Distribution-Customer	BILL	960,143	868,955	89,714	629	102	379
13								
14	Meter reading expenses	903						
15	Storage-Demand		-					
16	Transmission-Demand		-					
17	Distribution-Demand		-					
18	Distribution-Customer	BILL	26,929,624	24,372,034	2,516,245	17,645	2,860	10,621
19								
20	Customer records and collection expenses	904						
21	Storage-Demand		-					
22	Transmission-Demand		-					
23	Distribution-Demand		-					
24	Distribution-Customer	UNCOLL	-	-	-	-	-	-
25								
26	Uncollectible accounts	905						
27	Storage-Demand		-					
28	Transmission-Demand		-					
29	Distribution-Demand		-					
30	Distribution-Customer	BILL	11,438	10,351	1,069	7	1	5
31								
32	TOTAL CUSTOMER ACCOUNTS EXPENSES							
33	Storage-Demand		-	-	-	-	-	-
34	Transmission-Demand		-	-	-	-	-	-
35	Distribution-Demand		-	-	-	-	-	-
36	Distribution-Customer		28,024,252	25,362,702	2,618,524	18,363	2,977	11,052
37	TOTAL		28,024,252	25,362,702	2,618,524	18,363	2,977	11,052
38								
39	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
40	Supervision (Major only)	908						
41	Storage-Demand		-					
42	Transmission-Demand		-					
43	Distribution-Demand		-					
44	Distribution-Customer	BILL	59	54	6	0	0	0
45								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	CUSTOMER ACCOUNTS EXPENSES							
2	Operation	901						
3	Storage-Demand							
4	Transmission-Demand							
5	Distribution-Demand							
6	Distribution-Customer	BILL	3	39	0	2	0	3
7								
8	Supervision (Major only)	902						
9	Storage-Demand							
10	Transmission-Demand							
11	Distribution-Demand							
12	Distribution-Customer	BILL	22	302	1	15	4	20
13								
14	Meter reading expenses	903						
15	Storage-Demand							
16	Transmission-Demand							
17	Distribution-Demand							
18	Distribution-Customer	BILL	610	8,472	35	425	108	569
19								
20	Customer records and collection expenses	904						
21	Storage-Demand							
22	Transmission-Demand							
23	Distribution-Demand							
24	Distribution-Customer	UNCOLL	-	-	-	-	-	-
25								
26	Uncollectible accounts	905						
27	Storage-Demand							
28	Transmission-Demand							
29	Distribution-Demand							
30	Distribution-Customer	BILL	0	4	0	0	0	0
31								
32	TOTAL CUSTOMER ACCOUNTS EXPENSES							
33	Storage-Demand		-	-	-	-	-	-
34	Transmission-Demand		-	-	-	-	-	-
35	Distribution-Demand		-	-	-	-	-	-
36	Distribution-Customer		634	8,817	37	442	113	592
37	TOTAL		634	8,817	37	442	113	592
38								
39	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
40	Supervision (Major only)	908						
41	Storage-Demand							
42	Transmission-Demand							
43	Distribution-Demand							
44	Distribution-Customer	BILL	0	0	0	0	0	0
45								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Customer assistance expenses (Major only)	909						
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand		-					
5	Distribution-Customer	BILL	522,261	472,660	48,799	342	55	206
6								
7	Informational and instructional advertising expenses (Major only)	910						
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand		-					
11	Distribution-Customer	BILL	1,418,844	1,284,092	132,574	930	151	560
12								
13	TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
14	Storage-Demand		-	-	-	-	-	-
15	Transmission-Demand		-	-	-	-	-	-
16	Distribution-Demand		-	-	-	-	-	-
17	Distribution-Customer		1,941,164	1,756,806	181,378	1,272	206	766
18	TOTAL		1,941,164	1,756,806	181,378	1,272	206	766
19								
20	SALES EXPENSES							
21	Operation	911						
22	Storage-Demand		-					
23	Transmission-Demand		-					
24	Distribution-Demand		-					
25	Distribution-Customer	BILL	0	0	0	0	0	0
26								
27	Supervision (Major only)	912						
28	Storage-Demand		-					
29	Transmission-Demand		-					
30	Distribution-Demand		-					
31	Distribution-Customer	BILL	3,498,833	3,166,538	326,923	2,293	372	1,380
32								
33	Demonstrating and selling expenses (Major only)	913						
34	Storage-Demand		-					
35	Transmission-Demand		-					
36	Distribution-Demand		-					
37	Distribution-Customer	BILL	79,557	72,001	7,434	52	8	31
38								
39	Cost and expenses of merchandising, jobbing and contract work	916						
40	Storage-Demand		-					
41	Transmission-Demand		-					
42	Distribution-Demand		-					
43	Distribution-Customer	BILL	1,725,905	1,561,991	161,265	1,131	183	681
44								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Customer assistance expenses (Major only)	909						
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand							
5	Distribution-Customer	BILL	12	164	1	8	2	11
6								
7	Informational and instructional advertising expenses (Major only)	910						
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand							
11	Distribution-Customer	BILL	32	446	2	22	6	30
12								
13	TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
14	Storage-Demand		-	-	-	-	-	-
15	Transmission-Demand		-	-	-	-	-	-
16	Distribution-Demand		-	-	-	-	-	-
17	Distribution-Customer		44	611	3	31	8	41
18	TOTAL		44	611	3	31	8	41
19								
20	SALES EXPENSES							
21	Operation	911						
22	Storage-Demand							
23	Transmission-Demand							
24	Distribution-Demand							
25	Distribution-Customer	BILL	0	0	0	0	0	0
26								
27	Supervision (Major only)	912						
28	Storage-Demand							
29	Transmission-Demand							
30	Distribution-Demand							
31	Distribution-Customer	BILL	79	1,101	5	55	14	74
32								
33	Demonstrating and selling expenses (Major only)	913						
34	Storage-Demand							
35	Transmission-Demand							
36	Distribution-Demand							
37	Distribution-Customer	BILL	2	25	0	1	0	2
38								
39	Cost and expenses of merchandising, jobbing and contract work	916						
40	Storage-Demand							
41	Transmission-Demand							
42	Distribution-Demand							
43	Distribution-Customer	BILL	39	543	2	27	7	36
44								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	TOTAL SALES EXPENSES							
2	Storage-Demand		-	-	-	-	-	-
3	Transmission-Demand		-	-	-	-	-	-
4	Distribution-Demand		-	-	-	-	-	-
5	Distribution-Customer		5,304,295	4,800,530	495,622	3,476	563	2,092
6	TOTAL		5,304,295	4,800,530	495,622	3,476	563	2,092
7								
8	ADMINISTRATIVE AND GENERAL EXPENSES							
9	ADMINISTRATIVE AND GENERAL OPERATION							
10	Administrative and general salaries	920						
11	Storage-Demand	OPERLAB	813,322	579,566	129,940	8,965	3,261	26,513
12	Transmission-Demand	OPERLAB	2,420,609	1,724,905	386,728	26,681	9,706	78,908
13	Distribution-Demand	OPERLAB	2,817,496	2,007,723	450,136	31,055	11,297	91,846
14	Distribution-Customer	OPERLAB	14,061,795	10,020,312	2,246,578	154,994	56,382	458,392
15								
16	Office supplies and expenses	921						
17	Storage-Demand	OPERLAB	859,187	612,249	137,268	9,470	3,445	28,008
18	Transmission-Demand	OPERLAB	2,557,112	1,822,176	408,536	28,185	10,253	83,358
19	Distribution-Demand	OPERLAB	2,976,381	2,120,943	475,521	32,807	11,934	97,025
20	Distribution-Customer	OPERLAB	14,854,770	10,585,380	2,373,268	163,734	59,562	484,242
21								
22	Administrative expenses transferred -- Credit	922						
23	Storage-Demand	OPERLAB	-	-	-	-	-	-
24	Transmission-Demand	OPERLAB	-	-	-	-	-	-
25	Distribution-Demand	OPERLAB	-	-	-	-	-	-
26	Distribution-Customer	OPERLAB	-	-	-	-	-	-
27								
28	Outside services employed	923						
29	Storage-Demand	OPERLAB	484,296	345,105	77,373	5,338	1,942	15,787
30	Transmission-Demand	OPERLAB	1,441,362	1,027,102	230,279	15,887	5,779	46,986
31	Distribution-Demand	OPERLAB	1,677,690	1,195,507	268,036	18,492	6,727	54,690
32	Distribution-Customer	OPERLAB	8,373,154	5,966,636	1,337,734	92,292	33,573	272,951
33								
34	Property insurance	924						
35	Storage-Demand	OPERLAB	30,662	21,850	4,899	338	123	1,000
36	Transmission-Demand	OPERLAB	91,257	65,029	14,580	1,006	366	2,975
37	Distribution-Demand	OPERLAB	106,220	75,692	16,970	1,171	426	3,463
38	Distribution-Customer	OPERLAB	530,133	377,768	84,696	5,843	2,126	17,281
39								
40	Injuries and damages	925						
41	Storage-Demand	OPERLAB	87,290	62,202	13,946	962	350	2,846
42	Transmission-Demand	OPERLAB	259,794	185,127	41,506	2,864	1,042	8,469
43	Distribution-Demand	OPERLAB	302,390	215,481	48,311	3,333	1,212	9,857
44	Distribution-Customer	OPERLAB	1,509,194	1,075,438	241,116	16,635	6,051	49,197
45								
46	Employee pensions and benefits	926						
47	Storage-Demand	OPERLAB	458,403	326,654	73,237	5,053	1,838	14,943
48	Transmission-Demand	OPERLAB	1,364,300	972,188	217,967	15,038	5,470	44,474
49	Distribution-Demand	OPERLAB	1,587,993	1,131,590	253,705	17,503	6,367	51,766
50	Distribution-Customer	OPERLAB	7,925,488	5,647,634	1,266,213	87,357	31,778	258,358

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	TOTAL SALES EXPENSES							
2	Storage-Demand		-	-	-	-	-	-
3	Transmission-Demand		-	-	-	-	-	-
4	Distribution-Demand		-	-	-	-	-	-
5	Distribution-Customer		120	1,669	7	84	21	112
6	TOTAL		120	1,669	7	84	21	112
7								
8	ADMINISTRATIVE AND GENERAL EXPENSES							
9	ADMINISTRATIVE AND GENERAL OPERATION							
10	Administrative and general salaries	920						
11	Storage-Demand	OPERLAB	247	8,775	1,825	4,115	10,583	39,532
12	Transmission-Demand	OPERLAB	734	26,115	5,432	12,248	31,497	117,656
13	Distribution-Demand	OPERLAB	855	30,397	6,323	14,256	36,661	136,947
14	Distribution-Customer	OPERLAB	4,265	151,706	31,558	71,149	182,972	683,486
15								
16	Office supplies and expenses	921						
17	Storage-Demand	OPERLAB	261	9,269	1,928	4,347	11,180	41,762
18	Transmission-Demand	OPERLAB	776	27,587	5,739	12,938	33,273	124,291
19	Distribution-Demand	OPERLAB	903	32,111	6,680	15,060	38,729	144,670
20	Distribution-Customer	OPERLAB	4,505	160,261	33,337	75,161	193,290	722,029
21								
22	Administrative expenses transferred -- Credit	922						
23	Storage-Demand	OPERLAB	-	-	-	-	-	-
24	Transmission-Demand	OPERLAB	-	-	-	-	-	-
25	Distribution-Demand	OPERLAB	-	-	-	-	-	-
26	Distribution-Customer	OPERLAB	-	-	-	-	-	-
27								
28	Outside services employed	923						
29	Storage-Demand	OPERLAB	147	5,225	1,087	2,450	6,302	23,540
30	Transmission-Demand	OPERLAB	437	15,550	3,235	7,293	18,755	70,059
31	Distribution-Demand	OPERLAB	509	18,100	3,765	8,489	21,830	81,546
32	Distribution-Customer	OPERLAB	2,540	90,334	18,791	42,366	108,952	406,985
33								
34	Property insurance	924						
35	Storage-Demand	OPERLAB	9	331	69	155	399	1,490
36	Transmission-Demand	OPERLAB	28	985	205	462	1,187	4,436
37	Distribution-Demand	OPERLAB	32	1,146	238	537	1,382	5,163
38	Distribution-Customer	OPERLAB	161	5,719	1,190	2,682	6,898	25,768
39								
40	Injuries and damages	925						
41	Storage-Demand	OPERLAB	26	942	196	442	1,136	4,243
42	Transmission-Demand	OPERLAB	79	2,803	583	1,314	3,380	12,628
43	Distribution-Demand	OPERLAB	92	3,262	679	1,530	3,935	14,698
44	Distribution-Customer	OPERLAB	458	16,282	3,387	7,636	19,638	73,356
45								
46	Employee pensions and benefits	926						
47	Storage-Demand	OPERLAB	139	4,945	1,029	2,319	5,965	22,281
48	Transmission-Demand	OPERLAB	414	14,719	3,062	6,903	17,752	66,313
49	Distribution-Demand	OPERLAB	482	17,132	3,564	8,035	20,663	77,186
50	Distribution-Customer	OPERLAB	2,404	85,504	17,786	40,101	103,127	385,225

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1								
2	Regulatory commission expenses	928						
3	Storage-Demand	OPERLAB	628,039	447,535	100,338	6,922	2,518	20,473
4	Transmission-Demand	OPERLAB	1,869,170	1,331,954	298,627	20,603	7,495	60,932
5	Distribution-Demand	OPERLAB	2,175,642	1,550,344	347,591	23,981	8,724	70,922
6	Distribution-Customer	OPERLAB	10,858,378	7,737,585	1,734,785	119,685	43,538	353,966
7								
8	Duplicate charges -- Credit	929						
9	Storage-Demand	OPERLAB	(94,764)	(67,528)	(15,140)	(1,045)	(380)	(3,089)
10	Transmission-Demand	OPERLAB	(282,038)	(200,978)	(45,060)	(3,109)	(1,131)	(9,194)
11	Distribution-Demand	OPERLAB	(328,281)	(233,930)	(52,448)	(3,618)	(1,316)	(10,701)
12	Distribution-Customer	OPERLAB	(1,638,414)	(1,167,520)	(261,761)	(18,059)	(6,569)	(53,410)
13								
14	General advertising expenses	930						
15	Storage-Demand	OPERLAB	219,728	156,576	35,105	2,422	881	7,163
16	Transmission-Demand	OPERLAB	653,954	466,002	104,479	7,208	2,622	21,318
17	Distribution-Demand	OPERLAB	761,177	542,408	121,609	8,390	3,052	24,813
18	Distribution-Customer	OPERLAB	3,798,948	2,707,097	606,938	41,873	15,232	123,840
19								
20	Rents	931						
21	Storage-Demand	OPERLAB	379,902	270,715	60,695	4,187	1,523	12,384
22	Transmission-Demand	OPERLAB	1,130,665	805,702	180,640	12,463	4,534	36,858
23	Distribution-Demand	OPERLAB	1,316,051	937,806	210,258	14,506	5,277	42,901
24	Distribution-Customer	OPERLAB	6,568,256	4,680,482	1,049,375	72,397	26,336	214,115
25								
26	TOTAL ADMINISTRATIVE AND GENERAL OPERATIONS							
27	Storage-Demand		3,866,064	2,754,924	617,661	42,613	15,501	126,028
28	Transmission-Demand		11,506,185	8,199,207	1,838,282	126,825	46,135	375,083
29	Distribution-Demand		13,392,759	9,543,564	2,139,690	147,619	53,700	436,583
30	Distribution-Customer		66,841,701	47,630,814	10,678,944	736,751	268,010	2,178,933
31								
32								
33	ADMINISTRATIVE AND GENERAL MAINTENANCE							
34	Maintenance of general plant	932						
35	Storage-Demand	OPERLAB	31,440	22,404	5,023	347	126	1,025
36	Transmission-Demand	OPERLAB	93,573	66,679	14,950	1,031	375	3,050
37	Distribution-Demand	OPERLAB	108,915	77,612	17,401	1,201	437	3,550
38	Distribution-Customer	OPERLAB	543,584	387,353	86,846	5,992	2,180	17,720
39								
40	Other A&G	935						
41	Storage-Demand	OPERLAB	9,830	7,004	1,570	108	39	320
42	Transmission-Demand	OPERLAB	29,255	20,847	4,674	322	117	954
43	Distribution-Demand	OPERLAB	34,051	24,265	5,440	375	137	1,110
44	Distribution-Customer	OPERLAB	169,946	121,102	27,151	1,873	681	5,540
45								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1								
2	Regulatory commission expenses	928						
3	Storage-Demand	OPERLAB	190	6,776	1,409	3,178	8,172	30,526
4	Transmission-Demand	OPERLAB	567	20,166	4,195	9,457	24,322	90,853
5	Distribution-Demand	OPERLAB	660	23,472	4,883	11,008	28,309	105,749
6	Distribution-Customer	OPERLAB	3,293	117,146	24,368	54,940	141,289	527,781
7								
8	Duplicate charges -- Credit	929						
9	Storage-Demand	OPERLAB	(29)	(1,022)	(213)	(479)	(1,233)	(4,606)
10	Transmission-Demand	OPERLAB	(86)	(3,043)	(633)	(1,427)	(3,670)	(13,709)
11	Distribution-Demand	OPERLAB	(100)	(3,542)	(737)	(1,661)	(4,272)	(15,956)
12	Distribution-Customer	OPERLAB	(497)	(17,676)	(3,677)	(8,290)	(21,319)	(79,637)
13								
14	General advertising expenses	930						
15	Storage-Demand	OPERLAB	67	2,371	493	1,112	2,859	10,680
16	Transmission-Demand	OPERLAB	198	7,055	1,468	3,309	8,509	31,786
17	Distribution-Demand	OPERLAB	231	8,212	1,708	3,851	9,904	36,998
18	Distribution-Customer	OPERLAB	1,152	40,985	8,526	19,222	49,432	184,651
19								
20	Rents	931						
21	Storage-Demand	OPERLAB	115	4,099	853	1,922	4,943	18,465
22	Transmission-Demand	OPERLAB	343	12,198	2,537	5,721	14,712	54,957
23	Distribution-Demand	OPERLAB	399	14,198	2,953	6,659	17,124	63,968
24	Distribution-Customer	OPERLAB	1,992	70,862	14,741	33,234	85,466	319,256
25								
26	TOTAL ADMINISTRATIVE AND GENERAL OPERATIONS							
27	Storage-Demand		1,173	41,709	8,676	19,561	50,305	187,914
28	Transmission-Demand		3,490	124,135	25,822	58,218	149,719	559,268
29	Distribution-Demand		4,062	144,488	30,056	67,764	174,267	650,967
30	Distribution-Customer		20,273	721,124	150,006	338,201	869,745	3,248,901
31								
32								
33	ADMINISTRATIVE AND GENERAL MAINTENANCE							
34	Maintenance of general plant	932						
35	Storage-Demand	OPERLAB	10	339	71	159	409	1,528
36	Transmission-Demand	OPERLAB	28	1,010	210	473	1,218	4,548
37	Distribution-Demand	OPERLAB	33	1,175	244	551	1,417	5,294
38	Distribution-Customer	OPERLAB	165	5,864	1,220	2,750	7,073	26,421
39								
40	Other A&G	935						
41	Storage-Demand	OPERLAB	3	106	22	50	128	478
42	Transmission-Demand	OPERLAB	9	316	66	148	381	1,422
43	Distribution-Demand	OPERLAB	10	367	76	172	443	1,655
44	Distribution-Customer	OPERLAB	52	1,833	381	860	2,211	8,260
45								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	TOTAL ADMINISTRATIVE AND GENERAL MAINTENANCE							
2	Storage-Demand		41,270	29,409	6,593	455	165	1,345
3	Transmission-Demand		122,828	87,526	19,624	1,354	492	4,004
4	Distribution-Demand		142,967	101,877	22,841	1,576	573	4,660
5	Distribution-Customer		713,530	508,455	113,997	7,865	2,861	23,260
6								
7								
8	TOTAL ADMINISTRATIVE AND GENERAL EXPENSE							
9	Storage-Demand		3,907,334	2,784,332	624,254	43,068	15,667	127,373
10	Transmission-Demand		11,629,013	8,286,733	1,857,906	128,179	46,628	379,087
11	Distribution-Demand		13,535,726	9,645,440	2,162,531	149,195	54,273	441,243
12	Distribution-Customer		67,555,231	48,139,269	10,792,941	744,616	270,871	2,202,193
13	TOTAL		96,627,304	68,855,775	15,437,632	1,065,057	387,439	3,149,896
14								
15	TOTAL O&M PER BOOKS							
16	Storage-Demand		7,789,853	4,198,385	1,431,800	177,150	78,238	277,087
17	Transmission-Demand		24,378,177	12,718,552	4,089,878	423,762	155,021	1,384,048
18	Distribution-Demand		29,878,880	20,112,791	4,957,160	439,121	173,266	1,678,190
19	Distribution-Customer		148,319,253	114,520,799	21,963,012	1,193,734	410,589	3,451,442
20	TOTAL		210,366,163	151,550,527	32,441,850	2,233,767	817,113	6,790,767
21								
22								
23	DEPRECIATION EXPENSE PER BOOKS							
24	Intangible	Depr-Intangible						
25	Storage-Demand	UTILPLT	366,487	170,667	66,528	7,935	2,994	26,210
26	Transmission-Demand	UTILPLT	8,476,887	3,947,547	1,538,807	183,526	69,259	606,248
27	Distribution-Demand	UTILPLT	1,945,807	906,130	353,222	42,127	15,898	139,160
28	Distribution-Customer	UTILPLT	2,837,761	1,321,498	515,138	61,438	23,185	202,950
29								
30	Production	Depr-Prod						
31	Storage-Demand		-					
32	Transmission-Demand		-					
33	Distribution-Demand		-					
34	Distribution-Customer		-					
35								
36	Storage	Depr-Storage						
37	Storage-Demand	WINTHRU	2,897,880	1,704,359	964,672	157,497	71,352	-
38	Transmission-Demand		-					
39	Distribution-Demand		-					
40	Distribution-Customer		-					
41								
42	Transmission	Depr-Trans						
43	Storage-Demand		-					
44	Transmission-Demand	DESDMD	52,425,351	18,223,911	9,178,009	1,215,458	445,717	4,132,459
45	Distribution-Demand		-					
46	Distribution-Customer		-					
47								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts	
1	TOTAL ADMINISTRATIVE AND GENERAL MAINTENANCE								
2	Storage-Demand		13	445	93	209	537	2,006	
3	Transmission-Demand		37	1,325	276	621	1,598	5,970	
4	Distribution-Demand		43	1,542	321	723	1,860	6,949	
5	Distribution-Customer		216	7,698	1,601	3,610	9,284	34,682	
6									
7									
8	TOTAL ADMINISTRATIVE AND GENERAL EXPENSE								
9	Storage-Demand		1,185	42,154	8,769	19,770	50,842	189,919	
10	Transmission-Demand		3,527	125,460	26,098	58,840	151,317	565,239	
11	Distribution-Demand		4,105	146,031	30,377	68,487	176,127	657,916	
12	Distribution-Customer		20,489	728,822	151,608	341,811	879,029	3,283,583	
13	TOTAL		29,306	1,042,467	216,851	488,907	1,257,316	4,696,657	
14									
15	TOTAL O&M PER BOOKS								
16	Storage-Demand		3,859	155,027	15,377	44,435	86,271	1,322,224	
17	Transmission-Demand		3,527	125,460	118,045	212,118	686,754	4,461,013	
18	Distribution-Demand		16,633	656,189	110,962	264,271	632,671	837,624	
19	Distribution-Customer		38,307	1,303,892	224,541	532,968	1,305,479	3,374,491	
20	TOTAL		62,327	2,240,568	468,924	1,053,793	2,711,176	9,995,351	
21									
22									
23	DEPRECIATION EXPENSE PER BOOKS								
24	Intangible	Depr-Intangible							
25	Storage-Demand	UTILPLT	92	3,574	2,164	4,036	12,525	69,760	
26	Transmission-Demand	UTILPLT	2,136	82,674	50,050	93,365	289,708	1,613,567	
27	Distribution-Demand	UTILPLT	490	18,977	11,489	21,431	66,500	370,382	
28	Distribution-Customer	UTILPLT	715	27,676	16,755	31,255	96,984	540,165	
29									
30	Production	Depr-Prod							
31	Storage-Demand								
32	Transmission-Demand								
33	Distribution-Demand								
34	Distribution-Customer								
35									
36	Storage	Depr-Storage							
37	Storage-Demand	WINTHRU	-	-	-	-	-	-	
38	Transmission-Demand								
39	Distribution-Demand								
40	Distribution-Customer								
41									
42	Transmission	Depr-Trans							
43	Storage-Demand								
44	Transmission-Demand	DESDMD	-	-	378,092	630,292	2,201,750	16,019,663	
45	Distribution-Demand								
46	Distribution-Customer								
47									

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Distribution Demand							
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand	MSMPLT	2,404,316	1,652,742	427,174	35,920	13,481	134,962
5	Distribution-Customer		-					
6								
7	Distribution Customer							
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand		-					
11	Distribution-Customer	METAVG	7,738,839	5,448,743	2,050,525	69,920	12,267	45,845
12								
13	Distribution Mains							
14	Storage-Demand		-					
15	Transmission-Demand		-					
16	Distribution-Demand	MAINPLT	11,093,708	6,989,697	1,851,495	211,342	90,758	963,362
17	Distribution-Customer	MAINPLT	8,496,099	5,353,049	1,417,965	161,856	69,507	737,789
18								
19	Distribution Services							
20	Storage-Demand		-					
21	Transmission-Demand		-					
22	Distribution-Demand		-					
23	Distribution-Customer	SVCUNIT	18,609,429	15,125,740	3,154,490	143,787	22,562	84,699
24								
25	Distribution Other							
26	Storage-Demand		-					
27	Transmission-Demand		-					
28	Distribution-Demand	MSMPLT	82,625	56,797	14,680	1,234	463	4,638
29	Distribution-Customer	MSMPLT	120,500	82,833	21,409	1,800	676	6,764
30								
31	General							
32	Storage-Demand	UTILPLT	415,802	193,632	75,480	9,002	3,397	29,737
33	Transmission-Demand	UTILPLT	9,617,559	4,478,739	1,745,873	208,222	78,579	687,826
34	Distribution-Demand	UTILPLT	2,207,640	1,028,062	400,752	47,796	18,037	157,886
35	Distribution-Customer	UTILPLT	3,219,617	1,499,323	584,456	69,705	26,305	230,260
36								
37	TOTAL DEPRECIATION EXPENSE PER BOOKS							
38	Storage-Demand		3,680,169	2,068,659	1,106,680	174,434	77,743	55,948
39	Transmission-Demand		70,519,796	26,650,197	12,462,689	1,607,206	593,555	5,426,534
40	Distribution-Demand		17,734,097	10,633,428	3,047,324	338,419	138,638	1,400,007
41	Distribution-Customer		41,022,245	28,831,186	7,743,983	508,506	154,503	1,308,307
42	TOTAL		132,956,307	68,183,469	24,360,676	2,628,566	964,439	8,190,795
43								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Distribution Demand							
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand	MSMPLT	1,550	58,856	8,453	21,150	48,065	1,962
5	Distribution-Customer							
6								
7	Distribution Customer							
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand							
11	Distribution-Customer	METAVG	2,191	35,495	151	6,205	10,154	57,343
12								
13	Distribution Mains							
14	Storage-Demand							
15	Transmission-Demand							
16	Distribution-Demand	MAINPLT	9,774	409,458	62,348	153,336	352,036	102
17	Distribution-Customer	MAINPLT	7,486	313,583	47,749	117,432	269,606	78
18								
19	Distribution Services							
20	Storage-Demand							
21	Transmission-Demand							
22	Distribution-Demand							
23	Distribution-Customer	SVCUNIT	4,445	63,939	33	5,040	1,286	3,409
24								
25	Distribution Other							
26	Storage-Demand							
27	Transmission-Demand							
28	Distribution-Demand	MSMPLT	53	2,023	290	727	1,652	67
29	Distribution-Customer	MSMPLT	78	2,950	424	1,060	2,409	98
30								
31	General							
32	Storage-Demand	UTILPLT	105	4,055	2,455	4,580	14,211	79,148
33	Transmission-Demand	UTILPLT	2,424	93,799	56,784	105,928	328,692	1,830,692
34	Distribution-Demand	UTILPLT	556	21,531	13,034	24,315	75,449	420,222
35	Distribution-Customer	UTILPLT	811	31,401	19,009	35,461	110,034	612,851
36								
37	TOTAL DEPRECIATION EXPENSE PER BOOKS							
38	Storage-Demand		197	7,630	4,619	8,616	26,736	148,908
39	Transmission-Demand		4,560	176,473	484,926	829,584	2,820,151	19,463,922
40	Distribution-Demand		12,425	510,845	95,615	220,959	543,702	792,735
41	Distribution-Customer		15,726	475,044	84,121	196,453	490,474	1,213,943
42	TOTAL		32,907	1,169,991	669,280	1,255,613	3,881,062	21,619,508
43								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	TAXES PER BOOKS							
2	Payroll Taxes	PAYROLLTAX						
3	Storage-Demand	OPERLAB	246,982	175,997	39,459	2,722	990	8,051
4	Transmission-Demand	OPERLAB	735,067	523,802	117,438	8,102	2,947	23,962
5	Distribution-Demand	OPERLAB	855,590	609,686	136,693	9,431	3,431	27,891
6	Distribution-Customer	OPERLAB	4,270,148	3,042,870	682,219	47,067	17,122	139,200
7	TOTAL		6,107,786	4,352,355	975,809	67,322	24,490	199,104
8								
9	Other General Taxes							
10	Storage-Demand	UTILPLT	693,466	322,936	125,885	15,014	5,666	49,595
11	Transmission-Demand	UTILPLT	16,039,948	7,469,540	2,911,728	347,268	131,052	1,147,141
12	Distribution-Demand	UTILPLT	3,681,853	1,714,578	668,366	79,713	30,082	263,318
13	Distribution-Customer	UTILPLT	5,369,605	2,500,537	974,743	116,253	43,871	384,022
14	TOTAL		25,784,871	12,007,591	4,680,721	558,248	210,671	1,844,077
15								
16	State Income Taxes							
17	Storage-Demand	TOTRB	(308,638)	(146,008)	(56,149)	(6,665)	(2,523)	(21,523)
18	Transmission-Demand	TOTRB	(7,022,901)	(3,322,341)	(1,277,651)	(151,659)	(57,416)	(489,751)
19	Distribution-Demand	TOTRB	(1,715,677)	(811,639)	(312,127)	(37,050)	(14,027)	(119,645)
20	Distribution-Customer	TOTRB	(2,542,162)	(1,202,627)	(462,486)	(54,898)	(20,784)	(177,281)
21	TOTAL		(11,589,378)	(5,482,615)	(2,108,413)	(250,272)	(94,749)	(808,200)
22								
23	Federal Income Taxes							
24	Storage-Demand	TOTRB	871,028	412,059	158,463	18,810	7,121	60,742
25	Transmission-Demand	TOTRB	19,819,771	9,376,187	3,605,739	428,007	162,037	1,382,158
26	Distribution-Demand	TOTRB	4,841,920	2,290,579	880,873	104,561	39,585	337,658
27	Distribution-Customer	TOTRB	7,174,395	3,394,008	1,305,212	154,931	58,655	500,316
28	TOTAL		32,707,113	15,472,832	5,950,286	706,309	267,398	2,280,873
29								
30	Amortization of Investment Tax Credits							
31	Storage-Demand	TOTRB	(747)	(354)	(136)	(16)	(6)	(52)
32	Transmission-Demand	TOTRB	(17,007)	(8,046)	(3,094)	(367)	(139)	(1,186)
33	Distribution-Demand	TOTRB	(4,155)	(1,966)	(756)	(90)	(34)	(290)
34	Distribution-Customer	TOTRB	(6,156)	(2,912)	(1,120)	(133)	(50)	(429)
35	TOTAL		(28,065)	(13,277)	(5,106)	(606)	(229)	(1,957)
36								
37	TOTAL TAXES PER BOOKS							
38	Storage-Demand		1,502,089	764,630	267,521	29,865	11,248	96,813
39	Transmission-Demand		29,554,877	14,039,143	5,354,160	631,351	238,481	2,062,324
40	Distribution-Demand		7,659,530	3,801,238	1,373,049	156,565	59,037	508,932
41	Distribution-Customer		14,265,829	7,731,876	2,498,567	263,220	98,814	845,828
42	TOTAL		52,982,326	26,336,886	9,493,297	1,081,001	407,580	3,513,896
43								
44	PURCHASED GAS COSTS PER BOOKS							
45	Purchased Gas Costs	PURCHGAS	240,508,003	115,766,157	69,624,719	12,877,961	8,631,960	13,789,935
46	Cost if Gas - Rate 142	COG142						
47	Storage-Demand	TOTRB	8,094	3,829	1,472	175	66	564
48	Transmission-Demand	TOTRB	184,169	87,125	33,505	3,977	1,506	12,843
49	Distribution-Demand	TOTRB	44,992	21,284	8,185	972	368	3,138
50	Distribution-Customer	TOTRB	66,666	31,538	12,128	1,440	545	4,649

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	TAXES PER BOOKS							
2	Payroll Taxes	PAYROLLTAX						
3	Storage-Demand	OPERLAB	75	2,665	554	1,250	3,214	12,005
4	Transmission-Demand	OPERLAB	223	7,930	1,650	3,719	9,565	35,729
5	Distribution-Demand	OPERLAB	259	9,231	1,920	4,329	11,133	41,587
6	Distribution-Customer	OPERLAB	1,295	46,069	9,583	21,606	55,563	207,554
7	TOTAL		1,852	65,894	13,707	30,904	79,475	296,874
8								
9	Other General Taxes	OTHERTAX						
10	Storage-Demand	UTILPLT	175	6,763	4,094	7,638	23,700	132,000
11	Transmission-Demand	UTILPLT	4,042	156,436	94,704	176,664	548,186	3,053,187
12	Distribution-Demand	UTILPLT	928	35,909	21,739	40,552	125,832	700,837
13	Distribution-Customer	UTILPLT	1,353	52,369	31,703	59,141	183,513	1,022,099
14	TOTAL		6,497	251,477	152,240	283,995	881,231	4,908,123
15								
16	State Income Taxes	INCTAX-1						
17	Storage-Demand	TOTRB	(76)	(2,946)	(1,776)	(3,314)	(10,281)	(57,376)
18	Transmission-Demand	TOTRB	(1,737)	(67,029)	(40,409)	(75,419)	(233,937)	(1,305,551)
19	Distribution-Demand	TOTRB	(424)	(16,375)	(9,872)	(18,425)	(57,150)	(318,943)
20	Distribution-Customer	TOTRB	(629)	(24,263)	(14,627)	(27,300)	(84,681)	(472,585)
21	TOTAL		(2,867)	(110,613)	(66,684)	(124,459)	(386,049)	(2,154,455)
22								
23	Federal Income Taxes	INCTAX-2						
24	Storage-Demand	TOTRB	215	8,313	5,012	9,354	29,014	161,923
25	Transmission-Demand	TOTRB	4,903	189,167	114,041	212,846	660,209	3,684,477
26	Distribution-Demand	TOTRB	1,198	46,213	27,860	51,998	161,287	900,108
27	Distribution-Customer	TOTRB	1,775	68,475	41,281	77,046	238,983	1,333,713
28	TOTAL		8,091	312,169	188,194	351,243	1,089,494	6,080,221
29								
30	Amortization of Investment Tax Credits	INCTAX-3						
31	Storage-Demand	TOTRB	(0)	(7)	(4)	(8)	(25)	(139)
32	Transmission-Demand	TOTRB	(4)	(162)	(98)	(183)	(567)	(3,162)
33	Distribution-Demand	TOTRB	(1)	(40)	(24)	(45)	(138)	(772)
34	Distribution-Customer	TOTRB	(2)	(59)	(35)	(66)	(205)	(1,144)
35	TOTAL		(7)	(268)	(161)	(301)	(935)	(5,217)
36								
37	TOTAL TAXES PER BOOKS							
38	Storage-Demand		389	14,788	7,880	14,919	45,622	248,414
39	Transmission-Demand		7,426	286,342	169,888	317,627	983,455	5,464,680
40	Distribution-Demand		1,960	74,938	41,623	78,409	240,964	1,322,817
41	Distribution-Customer		3,793	142,591	67,905	130,426	393,174	2,089,636
42	TOTAL		13,567	518,659	287,295	541,382	1,663,215	9,125,547
43								
44	PURCHASED GAS COSTS PER BOOKS							
45	Purchased Gas Costs	PURCHGAS	1,965,780	8,667,617	964,345	1,006,892	2,225,022	4,987,616
46	Cost if Gas - Rate 142	COG142						
47	Storage-Demand	TOTRB	2	77	47	87	270	1,505
48	Transmission-Demand	TOTRB	46	1,758	1,060	1,978	6,135	34,237
49	Distribution-Demand	TOTRB	11	429	259	483	1,499	8,364
50	Distribution-Customer	TOTRB	16	636	384	716	2,221	12,393

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1								
2	TOTAL COST OF GAS PER BOOKS		240,811,923	115,909,933	69,680,010	12,884,524	8,634,445	13,811,129
3								
4	OPERATING REVENUE							
5	SALES OF GAS AND GAS TRANSPORTATION PER BOOKS							
6	Gas Sales & Transportation Revenue	OPERREV	(921,247,240)	(487,543,116)	(221,341,606)	(36,094,012)	(11,242,326)	(26,924,317)
7								
8	NGV and Gas Light Revenue	NGVREV						
9	Storage-Demand	TOTRB	(30,325)	(14,346)	(5,517)	(655)	(248)	(2,115)
10	Transmission-Demand	TOTRB	(690,037)	(326,437)	(125,536)	(14,901)	(5,641)	(48,121)
11	Distribution-Demand	TOTRB	(168,574)	(79,748)	(30,668)	(3,640)	(1,378)	(11,756)
12	Distribution-Customer	TOTRB	(249,781)	(118,164)	(45,442)	(5,394)	(2,042)	(17,419)
13	TOTAL		(1,138,717)	(538,696)	(207,163)	(24,591)	(9,310)	(79,410)
14								
15	TOTAL OPERATING REVENUE PER BOOKS		(922,385,957)	(488,081,811)	(221,548,769)	(36,118,603)	(11,251,636)	(27,003,727)
16								
17	OTHER GAS REVENUE							
18	Other Operating Revenues	OTHERREV1						
19	Storage-Demand	TOTRB	(85,070)	(40,244)	(15,476)	(1,837)	(695)	(5,932)
20	Transmission-Demand	TOTRB	(1,935,718)	(915,735)	(352,158)	(41,802)	(15,826)	(134,990)
21	Distribution-Demand	TOTRB	(472,891)	(223,712)	(86,031)	(10,212)	(3,866)	(32,978)
22	Distribution-Customer	TOTRB	(700,695)	(331,479)	(127,475)	(15,131)	(5,729)	(48,864)
23	TOTAL		(3,194,374)	(1,511,170)	(581,141)	(68,982)	(26,116)	(222,764)
24								
25	TOTAL REVENUE PER BOOKS		(925,580,331)	(489,592,982)	(222,129,910)	(36,187,585)	(11,277,752)	(27,226,491)
26								
27								
28	MARGIN CURRENT RATES		680,435,317	371,633,183	151,661,596	23,209,488	2,607,882	13,113,188
29								
30								
31	UTILITY INCOME PER BOOKS		288,463,611	127,612,166	86,154,077	17,359,728	454,174	(5,080,097)
32								
33	Less Interest on Customer Deposits	OTHERINT						
34	Storage-Demand	UTILPLT	(23,839)	(11,101)	(4,328)	(516)	(195)	(1,705)
35	Transmission-Demand	UTILPLT	(542,446)	(252,608)	(98,470)	(11,744)	(4,432)	(38,795)
36	Distribution-Demand	UTILPLT	(132,518)	(61,712)	(24,056)	(2,869)	(1,083)	(9,477)
37	Distribution-Customer	UTILPLT	(196,356)	(91,440)	(35,644)	(4,251)	(1,604)	(14,043)
38	TOTAL		(895,159)	(416,861)	(162,498)	(19,380)	(7,314)	(64,020)
39								
40								
41	UTILITY NET OPERATING INCOME PER BOOKS		287,568,452	127,195,305	85,991,579	17,340,347	446,860	(5,144,117)
42								
43								
44	RETURN ON RATE BASE PER BOOKS		6.82%	6.37%	11.20%	19.03%	1.30%	-1.75%
45								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1								
2	TOTAL COST OF GAS PER BOOKS		1,965,855	8,670,518	966,094	1,010,156	2,235,146	5,044,114
3								
4	OPERATING REVENUE							
5	SALES OF GAS AND GAS TRANSPORTATION PER BOOKS							
6	Gas Sales & Transportation Revenue	OPERREV	(2,613,611)	(21,728,235)	(1,996,799)	(9,356,825)	(8,561,409)	(93,844,982)
7								
8	NGV and Gas Light Revenue	NGVREV						
9	Storage-Demand	TOTRB	(8)	(289)	(174)	(326)	(1,010)	(5,637)
10	Transmission-Demand	TOTRB	(171)	(6,586)	(3,970)	(7,410)	(22,986)	(128,277)
11	Distribution-Demand	TOTRB	(42)	(1,609)	(970)	(1,810)	(5,615)	(31,338)
12	Distribution-Customer	TOTRB	(62)	(2,384)	(1,437)	(2,682)	(8,320)	(46,434)
13	TOTAL		(282)	(10,868)	(6,552)	(12,229)	(37,931)	(211,686)
14								
15	TOTAL OPERATING REVENUE PER BOOKS		(2,613,893)	(21,739,103)	(2,003,351)	(9,369,054)	(8,599,341)	(94,056,669)
16								
17	OTHER GAS REVENUE							
18	Other Operating Revenues	OTHERREV1						
19	Storage-Demand	TOTRB	(21)	(812)	(489)	(914)	(2,834)	(15,814)
20	Transmission-Demand	TOTRB	(479)	(18,475)	(11,138)	(20,788)	(64,480)	(359,848)
21	Distribution-Demand	TOTRB	(117)	(4,513)	(2,721)	(5,078)	(15,752)	(87,910)
22	Distribution-Customer	TOTRB	(173)	(6,688)	(4,032)	(7,525)	(23,341)	(130,258)
23	TOTAL		(790)	(30,488)	(18,380)	(34,305)	(106,407)	(593,831)
24								
25	TOTAL REVENUE PER BOOKS		(2,614,683)	(21,769,592)	(2,021,731)	(9,403,358)	(8,705,747)	(94,650,500)
26								
27								
28	MARGIN CURRENT RATES		647,757	13,057,717	1,030,705	8,346,669	6,326,264	88,800,868
29								
30								
31	UTILITY INCOME PER BOOKS		540,028	9,169,856	(369,863)	5,542,414	(1,784,852)	48,865,979
32								
33	Less Interest on Customer Deposits	OTHERINT						
34	Storage-Demand	UTILPLT	(6)	(233)	(141)	(263)	(815)	(4,538)
35	Transmission-Demand	UTILPLT	(137)	(5,290)	(3,203)	(5,975)	(18,539)	(103,254)
36	Distribution-Demand	UTILPLT	(33)	(1,292)	(782)	(1,460)	(4,529)	(25,225)
37	Distribution-Customer	UTILPLT	(49)	(1,915)	(1,159)	(2,163)	(6,711)	(37,376)
38	TOTAL		(226)	(8,730)	(5,285)	(9,859)	(30,593)	(170,393)
39								
40								
41	UTILITY NET OPERATING INCOME PER BOOKS		539,802	9,161,126	(375,148)	5,532,555	(1,815,445)	48,695,587
42								
43								
44	RETURN ON RATE BASE PER BOOKS		51.71%	22.75%	-1.55%	12.21%	-1.29%	6.21%
45								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	UTILITY INCOME WITH PRO FORMA ADJUSTMENTS							
2								
3	OPERATION AND MAINTENANCE EXPENSE PRO FORMA							
4								
5	PRODUCTION, STORAGE AND PROCESSING EXPENSES							
6	Miscellaneous production expenses		735					
7	Storage-Demand	DESDMD	188,568	65,549	33,012	4,372	1,603	14,864
8	Transmission-Demand		-					
9	Distribution-Demand		-					
10	Distribution-Customer		-					
11								
12	Purchased gas expenses		807					
13	Storage-Demand	THRU	1,690,679	154,601	98,911	19,445	11,047	137,555
14	Transmission-Demand		-					
15	Distribution-Demand		-					
16	Distribution-Customer		-					
17								
18	Compressor station expenses		818					
19	Storage-Demand	WINTHRU	-	-	-	-	-	-
20	Transmission-Demand		-					
21	Distribution-Demand		-					
22	Distribution-Customer		-					
23								
24	Maintenance of purification equipment		836					
25	Storage-Demand	WINTHRU	-	-	-	-	-	-
26	Transmission-Demand		-					
27	Distribution-Demand		-					
28	Distribution-Customer		-					
29								
30	Other Storage operation supervision and engineering		840					
31	Storage-Demand	WINTHRU	-	-	-	-	-	-
32	Transmission-Demand		-					
33	Distribution-Demand		-					
34	Distribution-Customer		-					
35								
36	Other Storage maintenance supervision and engineering		843					
37	Storage-Demand	WINTHRU	250,294	147,208	83,320	13,603	6,163	-
38	Transmission-Demand		-					
39	Distribution-Demand		-					
40	Distribution-Customer		-					
41								
42	Processing operation supervision and engineering		844					
43	Storage-Demand	WINTHRU	339,649	199,761	113,065	18,460	8,363	-
44	Transmission-Demand		-					
45	Distribution-Demand		-					
46	Distribution-Customer		-					
47								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	UTILITY INCOME WITH PRO FORMA ADJUSTMENTS							
2								
3	OPERATION AND MAINTENANCE EXPENSE PRO FORMA							
4								
5	PRODUCTION, STORAGE AND PROCESSING EXPENSES							
6	Miscellaneous production expenses	735						
7	Storage-Demand	DESDMD	-	-	1,360	2,267	7,919	57,621
8	Transmission-Demand							
9	Distribution-Demand							
10	Distribution-Customer							
11								
12	Purchased gas expenses	807						
13	Storage-Demand	THRU	2,722	114,909	5,367	22,844	28,151	1,095,128
14	Transmission-Demand							
15	Distribution-Demand							
16	Distribution-Customer							
17								
18	Compressor station expenses	818						
19	Storage-Demand	WINTHRU	-	-	-	-	-	-
20	Transmission-Demand							
21	Distribution-Demand							
22	Distribution-Customer							
23								
24	Maintenance of purification equipment	836						
25	Storage-Demand	WINTHRU	-	-	-	-	-	-
26	Transmission-Demand							
27	Distribution-Demand							
28	Distribution-Customer							
29								
30	Other Storage operation supervision and engineering	840						
31	Storage-Demand	WINTHRU	-	-	-	-	-	-
32	Transmission-Demand							
33	Distribution-Demand							
34	Distribution-Customer							
35								
36	Other Storage maintenance supervision and engineering	843						
37	Storage-Demand	WINTHRU	-	-	-	-	-	-
38	Transmission-Demand							
39	Distribution-Demand							
40	Distribution-Customer							
41								
42	Processing operation supervision and engineering	844						
43	Storage-Demand	WINTHRU	-	-	-	-	-	-
44	Transmission-Demand							
45	Distribution-Demand							
46	Distribution-Customer							
47								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Processing Fuel		845					
2	Storage-Demand	WINTHRU	106,409	62,584	35,423	5,783	2,620	-
3	Transmission-Demand		-					
4	Distribution-Demand		-					
5	Distribution-Customer		-					
6								
7	Processing gas losses		846					
8	Storage-Demand	WINTHRU	1,379,609	811,404	459,256	74,981	33,969	-
9	Transmission-Demand		-					
10	Distribution-Demand		-					
11	Distribution-Customer		-					
12								
13	Processing maintenance supervision and engineering		847					
14	Storage-Demand	WINTHRU	4	2	1	0	0	-
15	Transmission-Demand		-					
16	Distribution-Demand		-					
17	Distribution-Customer		-					
18								
19	TOTAL PRODUCTION, STORAGE AND PROCESSING EXPENSES							
20	Storage-Demand		3,955,212	1,441,108	822,988	136,644	63,764	152,419
21	Transmission-Demand		-	-	-	-	-	-
22	Distribution-Demand		-	-	-	-	-	-
23	Distribution-Customer		-	-	-	-	-	-
24	TOTAL		3,955,212	1,441,108	822,988	136,644	63,764	152,419
25								
26	TRANSMISSION EXPENSES							
27	TRANSMISSION OPERATION							
28	Operation supervision and engineering		850					
29	Storage-Demand		-					
30	Transmission-Demand	DESDMD	(132,172)	(45,945)	(23,139)	(3,064)	(1,124)	(10,419)
31	Distribution-Demand		-					
32	Distribution-Customer		-					
33								
34	System control and load dispatching		851					
35	Storage-Demand		-					
36	Transmission-Demand	DESDMD	820,319	285,156	143,612	19,019	6,974	64,662
37	Distribution-Demand		-					
38	Distribution-Customer		-					
39								
40	Communication system expenses		852					
41	Storage-Demand		-					
42	Transmission-Demand	DESDMD	1,539,884	535,289	269,585	35,702	13,092	121,382
43	Distribution-Demand		-					
44	Distribution-Customer		-					
45								
46	Mains expenses		856					
47	Storage-Demand		-					
48	Transmission-Demand	DESDMD	275,659	95,824	48,259	6,391	2,344	21,729
49	Distribution-Demand		-					
50	Distribution-Customer		-					

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Processing Fuel	845						
2	Storage-Demand	WINTHRU	-	-	-	-	-	-
3	Transmission-Demand							
4	Distribution-Demand							
5	Distribution-Customer							
6								
7	Processing gas losses	846						
8	Storage-Demand	WINTHRU	-	-	-	-	-	-
9	Transmission-Demand							
10	Distribution-Demand							
11	Distribution-Customer							
12								
13	Processing maintenance supervision and engineering	847						
14	Storage-Demand	WINTHRU	-	-	-	-	-	-
15	Transmission-Demand							
16	Distribution-Demand							
17	Distribution-Customer							
18								
19	TOTAL PRODUCTION, STORAGE AND PROCESSING EXPENSES							
20	Storage-Demand		2,722	114,909	6,727	25,111	36,070	1,152,749
21	Transmission-Demand		-	-	-	-	-	-
22	Distribution-Demand		-	-	-	-	-	-
23	Distribution-Customer		-	-	-	-	-	-
24	TOTAL		2,722	114,909	6,727	25,111	36,070	1,152,749
25								
26	TRANSMISSION EXPENSES							
27	TRANSMISSION OPERATION							
28	Operation supervision and engineering	850						
29	Storage-Demand							
30	Transmission-Demand	DESDMD	-	-	(953)	(1,589)	(5,551)	(40,388)
31	Distribution-Demand							
32	Distribution-Customer							
33								
34	System control and load dispatching	851						
35	Storage-Demand							
36	Transmission-Demand	DESDMD	-	-	5,916	9,862	34,452	250,666
37	Distribution-Demand							
38	Distribution-Customer							
39								
40	Communication system expenses	852						
41	Storage-Demand							
42	Transmission-Demand	DESDMD	-	-	11,106	18,513	64,672	470,544
43	Distribution-Demand							
44	Distribution-Customer							
45								
46	Mains expenses	856						
47	Storage-Demand							
48	Transmission-Demand	DESDMD	-	-	1,988	3,314	11,577	84,233
49	Distribution-Demand							
50	Distribution-Customer							

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1								
2	Measuring and regulating station expenses		857					
3	Storage-Demand		-					
4	Transmission-Demand	DESDMD	117,476	40,837	20,566	2,724	999	9,260
5	Distribution-Demand		-					
6	Distribution-Customer		-					
7								
8	Other expenses		859					
9	Storage-Demand		-					
10	Transmission-Demand	DESDMD	683,077	237,449	119,585	15,837	5,807	53,844
11	Distribution-Demand		-					
12	Distribution-Customer		-					
13								
14	TOTAL TRANSMISSION OPERATION							
15	Storage-Demand		-	-	-	-	-	-
16	Transmission-Demand		3,304,244	1,148,609	578,468	76,607	28,093	260,459
17	Distribution-Demand		-	-	-	-	-	-
18	Distribution-Customer		-	-	-	-	-	-
19								
20								
21	TRANSMISSION MAINTENANCE							
22	Maintenance supervision and engineering		861					
23	Storage-Demand		-					
24	Transmission-Demand	DESDMD	708,536	246,299	124,042	16,427	6,024	55,851
25	Distribution-Demand		-					
26	Distribution-Customer		-					
27								
28	Maintenance of structures and improvements		862					
29	Storage-Demand		-					
30	Transmission-Demand	DESDMD	304,140	105,724	53,245	7,051	2,586	23,974
31	Distribution-Demand		-					
32	Distribution-Customer		-					
33								
34	Maintenance of mains		863					
35	Storage-Demand		-					
36	Transmission-Demand	DESDMD	6,243,181	2,170,232	1,092,982	144,745	53,079	492,122
37	Distribution-Demand		-					
38	Distribution-Customer		-					
39								
40	Maintenance of compressor station equipment		864					
41	Storage-Demand		-					
42	Transmission-Demand	DESDMD	943,545	327,992	165,185	21,876	8,022	74,375
43	Distribution-Demand		-					
44	Distribution-Customer		-					
45								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1								
2	Measuring and regulating station expenses		857					
3	Storage-Demand							
4	Transmission-Demand	DESDMD	-	-	847	1,412	4,934	35,897
5	Distribution-Demand							
6	Distribution-Customer							
7								
8	Other expenses		859					
9	Storage-Demand							
10	Transmission-Demand	DESDMD	-	-	4,926	8,212	28,688	208,729
11	Distribution-Demand							
12	Distribution-Customer							
13								
14	TOTAL TRANSMISSION OPERATION							
15	Storage-Demand		-	-	-	-	-	-
16	Transmission-Demand		-	-	23,830	39,726	138,771	1,009,681
17	Distribution-Demand		-	-	-	-	-	-
18	Distribution-Customer		-	-	-	-	-	-
19								
20								
21	TRANSMISSION MAINTENANCE							
22	Maintenance supervision and engineering		861					
23	Storage-Demand							
24	Transmission-Demand	DESDMD	-	-	5,110	8,518	29,757	216,508
25	Distribution-Demand							
26	Distribution-Customer							
27								
28	Maintenance of structures and improvements		862					
29	Storage-Demand							
30	Transmission-Demand	DESDMD	-	-	2,193	3,657	12,773	92,936
31	Distribution-Demand							
32	Distribution-Customer							
33								
34	Maintenance of mains		863					
35	Storage-Demand							
36	Transmission-Demand	DESDMD	-	-	45,026	75,060	262,200	1,907,735
37	Distribution-Demand							
38	Distribution-Customer							
39								
40	Maintenance of compressor station equipment		864					
41	Storage-Demand							
42	Transmission-Demand	DESDMD	-	-	6,805	11,344	39,627	288,320
43	Distribution-Demand							
44	Distribution-Customer							
45								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Maintenance of measuring and regulating station equipment							
2	Storage-Demand		-					
3	Transmission-Demand	DESDMD	1,055,412	366,878	184,769	24,469	8,973	83,193
4	Distribution-Demand		-					
5	Distribution-Customer		-					
6								
7	TOTAL TRANSMISSION MAINTENANCE							
8	Storage-Demand		-	-	-	-	-	-
9	Transmission-Demand		9,254,814	3,217,125	1,620,223	214,569	78,684	729,516
10	Distribution-Demand		-	-	-	-	-	-
11	Distribution-Customer		-	-	-	-	-	-
12								
13								
14	TOTAL TRANSMISSION EXPENSES							
15	Storage-Demand		-	-	-	-	-	-
16	Transmission-Demand		12,559,059	4,365,734	2,198,691	291,176	106,776	989,975
17	Distribution-Demand		-	-	-	-	-	-
18	Distribution-Customer		-	-	-	-	-	-
19	TOTAL		12,559,059	4,365,734	2,198,691	291,176	106,776	989,975
20								
21	DISTRIBUTION EXPENSES							
22	DISTRIBUTION OPERATION							
23	Distribution Operation supervision and engineering	870						
24	Storage-Demand		-	-	-	-	-	-
25	Transmission-Demand		-	-	-	-	-	-
26	Distribution-Demand	UTILPLT Adj	1,087,466	512,088	205,661	25,431	9,840	74,170
27	Distribution-Customer	BILL	1,539,574	1,393,356	143,854	1,009	164	607
28								
29	Distribution load dispatching	871						
30	Storage-Demand		-	-	-	-	-	-
31	Transmission-Demand		-	-	-	-	-	-
32	Distribution-Demand	MSMPLT Adj	33,285	22,800	5,897	503	190	1,913
33	Distribution-Customer	MSMPLT Adj	47,123	32,279	8,348	712	269	2,708
34								
35	Mains and services expenses	874						
36	Storage-Demand		-	-	-	-	-	-
37	Transmission-Demand		-	-	-	-	-	-
38	Distribution-Demand	MAINPLT Adj	5,455,148	3,437,068	910,442	103,924	44,629	473,717
39	Distribution-Customer	874CUST	9,556,968	7,023,880	1,609,360	119,948	39,960	378,527
40								
41	Measuring and regulating station expenses--General	875						
42	Storage-Demand		-	-	-	-	-	-
43	Transmission-Demand		-	-	-	-	-	-
44	Distribution-Demand	MSMPLT Adj	328,453	224,985	58,187	4,965	1,878	18,873
45	Distribution-Customer	MSMPLT Adj	465,005	318,522	82,378	7,029	2,659	26,719
46								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Maintenance of measuring and regulating station equipment	865						
2	Storage-Demand							
3	Transmission-Demand	DESDMD	-	-	7,612	12,689	44,325	322,503
4	Distribution-Demand							
5	Distribution-Customer							
6								
7	TOTAL TRANSMISSION MAINTENANCE							
8	Storage-Demand		-	-	-	-	-	-
9	Transmission-Demand		-	-	66,746	111,267	388,682	2,828,002
10	Distribution-Demand		-	-	-	-	-	-
11	Distribution-Customer		-	-	-	-	-	-
12								
13								
14	TOTAL TRANSMISSION EXPENSES							
15	Storage-Demand		-	-	-	-	-	-
16	Transmission-Demand		-	-	90,576	150,993	527,453	3,837,683
17	Distribution-Demand		-	-	-	-	-	-
18	Distribution-Customer		-	-	-	-	-	-
19	TOTAL		-	-	90,576	150,993	527,453	3,837,683
20								
21	DISTRIBUTION EXPENSES							
22	DISTRIBUTION OPERATION							
23	Distribution Operation supervision and engineering	870						
24	Storage-Demand		-	-	-	-	-	-
25	Transmission-Demand		-	-	-	-	-	-
26	Distribution-Demand	UTILPLT Adj	261	10,161	6,122	11,426	35,430	196,876
27	Distribution-Customer	BILL	35	484	2	24	6	33
28								
29	Distribution load dispatching	871						
30	Storage-Demand							
31	Transmission-Demand							
32	Distribution-Demand	MSMPLT Adj	22	833	120	300	682	26
33	Distribution-Customer	MSMPLT Adj	31	1,179	170	425	966	37
34								
35	Mains and services expenses	874						
36	Storage-Demand							
37	Transmission-Demand							
38	Distribution-Demand	MAINPLT Adj	4,806	201,344	30,659	75,401	173,108	50
39	Distribution-Customer	874CUST	4,897	169,121	22,892	57,761	129,579	1,042
40								
41	Measuring and regulating station expenses--General	875						
42	Storage-Demand							
43	Transmission-Demand							
44	Distribution-Demand	MSMPLT Adj	215	8,216	1,185	2,960	6,732	255
45	Distribution-Customer	MSMPLT Adj	305	11,632	1,677	4,191	9,531	361
46								

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Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Measuring and regulating station expenses--Industrial		876					
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand	MSMPLT Adj	26,068	17,856	4,618	394	149	1,498
5	Distribution-Customer	MSMPLT Adj	36,906	25,280	6,538	558	211	2,121
6								
7	Measuring and regulating station expenses--City gate		877					
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand	MSMPLT Adj	63,347	43,392	11,222	958	362	3,640
11	Distribution-Customer	MSMPLT Adj	89,683	61,432	15,888	1,356	513	5,153
12								
13	Meter and house regulator expenses		878					
14	Storage-Demand		-					
15	Transmission-Demand		-					
16	Distribution-Demand		-					
17	Distribution-Customer	METAVG	8,737,670	6,151,998	2,315,181	78,945	13,851	51,762
18								
19	Customer installations expenses		879					
20	Storage-Demand		-					
21	Transmission-Demand		-					
22	Distribution-Demand		-					
23	Distribution-Customer	BILL	11,761,691	10,644,647	1,098,987	7,707	1,249	4,639
24								
25	Other expenses		880					
26	Storage-Demand		-					
27	Transmission-Demand		-					
28	Distribution-Demand	MSMPLT Adj	2,573,574	1,762,858	455,923	38,904	14,716	147,875
29	Distribution-Customer	MSMPLT Adj	3,643,522	2,495,757	645,471	55,078	20,834	209,353
30								
31	TOTAL DISTRIBUTION OPERATION							
32	Storage-Demand		-	-	-	-	-	-
33	Transmission-Demand		-	-	-	-	-	-
34	Distribution-Demand		9,567,340	6,021,047	1,651,951	175,079	71,764	721,685
35	Distribution-Customer		35,878,143	28,147,149	5,926,005	272,342	79,709	681,588
36								
37								
38	DISTRIBUTION MAINTENANCE							
39	Maintenance supervision and engineering		885					
40	Storage-Demand		-					
41	Transmission-Demand		-					
42	Distribution-Demand	MSMPLT Adj	1,522,870	1,043,143	269,785	23,021	8,708	87,503
43	Distribution-Customer	MSMPLT Adj	2,155,995	1,476,823	381,947	32,592	12,328	123,881
44								
45	Maintenance of mains		887					
46	Storage-Demand		-					
47	Transmission-Demand		-					
48	Distribution-Demand	MAINPLT Adj	4,789,119	3,017,430	799,285	91,236	39,180	415,880
49	Distribution-Customer	MAINPLT Adj	3,667,739	2,310,894	612,131	69,873	30,006	318,501
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Measuring and regulating station expenses--Industrial							
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand	MSMPLT Adj	17	652	94	235	534	20
5	Distribution-Customer	MSMPLT Adj	24	923	133	333	756	29
6								
7	Measuring and regulating station expenses--City gate							
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand	MSMPLT Adj	41	1,585	228	571	1,298	49
11	Distribution-Customer	MSMPLT Adj	59	2,243	323	808	1,838	70
12								
13	Meter and house regulator expenses							
14	Storage-Demand							
15	Transmission-Demand							
16	Distribution-Demand							
17	Distribution-Customer	METAVG	2,474	40,076	170	7,006	11,465	64,744
18								
19	Customer installations expenses							
20	Storage-Demand							
21	Transmission-Demand							
22	Distribution-Demand							
23	Distribution-Customer	BILL	266	3,700	15	186	47	248
24								
25	Other expenses							
26	Storage-Demand							
27	Transmission-Demand							
28	Distribution-Demand	MSMPLT Adj	1,686	64,380	9,282	23,197	52,752	2,000
29	Distribution-Customer	MSMPLT Adj	2,387	91,145	13,141	32,841	74,683	2,832
30								
31	TOTAL DISTRIBUTION OPERATION							
32	Storage-Demand		-	-	-	-	-	-
33	Transmission-Demand		-	-	-	-	-	-
34	Distribution-Demand		7,049	287,171	47,690	114,090	270,538	199,278
35	Distribution-Customer		10,477	320,505	38,524	103,575	228,873	69,395
36								
37								
38	DISTRIBUTION MAINTENANCE							
39	Maintenance supervision and engineering							
40	Storage-Demand							
41	Transmission-Demand							
42	Distribution-Demand	MSMPLT Adj	998	38,096	5,493	13,726	31,215	1,184
43	Distribution-Customer	MSMPLT Adj	1,412	53,934	7,776	19,433	44,193	1,676
44								
45	Maintenance of mains							
46	Storage-Demand							
47	Transmission-Demand							
48	Distribution-Demand	MAINPLT Adj	4,219	176,762	26,916	66,195	151,973	44
49	Distribution-Customer	MAINPLT Adj	3,231	135,373	20,613	50,695	116,388	34
50								

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Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Maintenance of measuring and regulating station equipment--General		889					
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand	MSMPLT Adj	865,980	593,183	153,413	13,091	4,952	49,758
5	Distribution-Customer	MSMPLT Adj	1,226,006	839,795	217,194	18,533	7,010	70,445
6								
7	Maintenance of measuring and regulating station equipment-- Industrial		890					
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand	MSMPLT Adj	482,453	330,473	85,469	7,293	2,759	27,721
11	Distribution-Customer	MSMPLT Adj	683,030	467,865	121,003	10,325	3,906	39,246
12								
13	Maintenance of measuring and regulating station equipment--City gate		891					
14	Storage-Demand		-					
15	Transmission-Demand		-					
16	Distribution-Demand	MSMPLT Adj	27,728	18,993	4,912	419	159	1,593
17	Distribution-Customer	MSMPLT Adj	39,256	26,890	6,954	593	224	2,256
18								
19	Maintenance of services		892					
20	Storage-Demand		-					
21	Transmission-Demand		-					
22	Distribution-Demand		-					
23	Distribution-Customer	SVCSPLT Adj	555,810	451,762	94,216	4,294	674	2,530
24								
25	Maintenance of meters and house regulators		893					
26	Storage-Demand		-					
27	Transmission-Demand		-					
28	Distribution-Demand		-					
29	Distribution-Customer	METAVG	2,537,822	1,786,823	672,435	22,929	4,023	15,034
30								
31	Maintenance of other equipment		894					
32	Storage-Demand		-					
33	Transmission-Demand		-					
34	Distribution-Demand	MSMPLT Adj	76,488	52,393	13,550	1,156	437	4,395
35	Distribution-Customer	MSMPLT Adj	108,287	74,175	19,184	1,637	619	6,222
36								
37	TOTAL DISTRIBUTION MAINTENANCE							
38	Storage-Demand		-	-	-	-	-	-
39	Transmission-Demand		-	-	-	-	-	-
40	Distribution-Demand		7,764,637	5,055,615	1,326,415	136,216	56,194	586,850
41	Distribution-Customer		10,973,945	7,435,028	2,125,063	160,777	58,790	578,115
42								
43								
44	TOTAL DISTRIBUTION EXPENSES							
45	Storage-Demand		-	-	-	-	-	-
46	Transmission-Demand		-	-	-	-	-	-
47	Distribution-Demand		17,331,978	11,076,662	2,978,365	311,295	127,958	1,308,535
48	Distribution-Customer		46,852,088	35,582,177	8,051,068	433,119	138,500	1,259,703
49	TOTAL		64,184,065	46,658,839	11,029,433	744,414	266,458	2,568,238
50								

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Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Maintenance of measuring and regulating station equipment--General	889						
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand	MSMPLT Adj	567	21,663	3,123	7,805	17,750	673
5	Distribution-Customer	MSMPLT Adj	803	30,669	4,422	11,051	25,130	953
6								
7	Maintenance of measuring and regulating station equipment-- Industrial	890						
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand	MSMPLT Adj	316	12,069	1,740	4,349	9,889	375
11	Distribution-Customer	MSMPLT Adj	447	17,086	2,464	6,156	14,000	531
12								
13	Maintenance of measuring and regulating station equipment--City gate	891						
14	Storage-Demand							
15	Transmission-Demand							
16	Distribution-Demand	MSMPLT Adj	18	694	100	250	568	22
17	Distribution-Customer	MSMPLT Adj	26	982	142	354	805	31
18								
19	Maintenance of services	892						
20	Storage-Demand							
21	Transmission-Demand							
22	Distribution-Demand		-	-	-	-	-	-
23	Distribution-Customer	SVCSPILT Adj	133	1,910	1	151	38	102
24								
25	Maintenance of meters and house regulators	893						
26	Storage-Demand							
27	Transmission-Demand							
28	Distribution-Demand		-	-	-	-	-	-
29	Distribution-Customer	METAVG	719	11,640	49	2,035	3,330	18,805
30								
31	Maintenance of other equipment	894						
32	Storage-Demand							
33	Transmission-Demand							
34	Distribution-Demand	MSMPLT Adj	50	1,913	276	689	1,568	59
35	Distribution-Customer	MSMPLT Adj	71	2,709	391	976	2,220	84
36								
37	TOTAL DISTRIBUTION MAINTENANCE							
38	Storage-Demand		-	-	-	-	-	-
39	Transmission-Demand		-	-	-	-	-	-
40	Distribution-Demand		6,169	251,197	37,648	93,015	212,964	2,357
41	Distribution-Customer		6,842	254,303	35,857	90,850	206,104	22,215
42								
43								
44	TOTAL DISTRIBUTION EXPENSES							
45	Storage-Demand		-	-	-	-	-	-
46	Transmission-Demand		-	-	-	-	-	-
47	Distribution-Demand		13,218	538,367	85,337	207,104	483,501	201,634
48	Distribution-Customer		17,320	574,808	74,382	194,425	434,977	91,610
49	TOTAL		30,537	1,113,176	159,719	401,529	918,478	293,244
50								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1								
2	CUSTOMER ACCOUNTS EXPENSES							
3	Operation							
4	Storage-Demand		-					
5	Transmission-Demand		-					
6	Distribution-Demand		-					
7	Distribution-Customer	BILL	125,551	113,627	11,731	82	13	50
8								
9	Supervision (Major only)							
10	Storage-Demand		-					
11	Transmission-Demand		-					
12	Distribution-Demand		-					
13	Distribution-Customer	BILL	980,133	887,047	91,581	642	104	387
14								
15	Meter reading expenses							
16	Storage-Demand		-					
17	Transmission-Demand		-					
18	Distribution-Demand		-					
19	Distribution-Customer	BILL	27,844,457	25,199,982	2,601,725	18,245	2,957	10,981
20								
21	Customer records and collection expenses							
22	Storage-Demand		-					
23	Transmission-Demand		-					
24	Distribution-Demand		-					
25	Distribution-Customer	UNCOLL	(1,428,465)	(1,211,066)	(193,600)	(15,288)	-	(3,176)
26								
27	Uncollectible accounts							
28	Storage-Demand		-					
29	Transmission-Demand		-					
30	Distribution-Demand		-					
31	Distribution-Customer	BILL	11,578	10,479	1,082	8	1	5
32								
33	TOTAL CUSTOMER ACCOUNTS EXPENSES							
34	Storage-Demand		-	-	-	-	-	-
35	Transmission-Demand		-	-	-	-	-	-
36	Distribution-Demand		-	-	-	-	-	-
37	Distribution-Customer		27,533,254	25,000,068	2,512,520	3,688	3,076	8,246
38	TOTAL		27,533,254	25,000,068	2,512,520	3,688	3,076	8,246
39								
40	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
41	Supervision (Major only)							
42	Storage-Demand		-					
43	Transmission-Demand		-					
44	Distribution-Demand		-					
45	Distribution-Customer	BILL	60	54	6	0	0	0
46								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1								
2	CUSTOMER ACCOUNTS EXPENSES							
3	Operation	901						
4	Storage-Demand							
5	Transmission-Demand							
6	Distribution-Demand							
7	Distribution-Customer	BILL	3	40	0	2	1	3
8								
9	Supervision (Major only)	902						
10	Storage-Demand							
11	Transmission-Demand							
12	Distribution-Demand							
13	Distribution-Customer	BILL	22	308	1	15	4	21
14								
15	Meter reading expenses	903						
16	Storage-Demand							
17	Transmission-Demand							
18	Distribution-Demand							
19	Distribution-Customer	BILL	630	8,760	36	439	112	588
20								
21	Customer records and collection expenses	904						
22	Storage-Demand							
23	Transmission-Demand							
24	Distribution-Demand							
25	Distribution-Customer	UNCOLL	-	(5,335)	-	-	-	-
26								
27	Uncollectible accounts	905						
28	Storage-Demand							
29	Transmission-Demand							
30	Distribution-Demand							
31	Distribution-Customer	BILL	0	4	0	0	0	0
32								
33	TOTAL CUSTOMER ACCOUNTS EXPENSES							
34	Storage-Demand		-	-	-	-	-	-
35	Transmission-Demand		-	-	-	-	-	-
36	Distribution-Demand		-	-	-	-	-	-
37	Distribution-Customer		656	3,776	38	457	117	611
38	TOTAL		656	3,776	38	457	117	611
39								
40	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
41	Supervision (Major only)	908						
42	Storage-Demand							
43	Transmission-Demand							
44	Distribution-Demand							
45	Distribution-Customer	BILL	0	0	0	0	0	0
46								

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Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Customer assistance expenses (Major only)							
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand		-					
5	Distribution-Customer	BILL	528,687	478,476	49,399	346	56	209
6								
7	Informational and instructional advertising expenses (Major only)							
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand		-					
11	Distribution-Customer	BILL	1,437,338	1,300,830	134,302	942	153	567
12								
13	TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
14	Storage-Demand		-	-	-	-	-	-
15	Transmission-Demand		-	-	-	-	-	-
16	Distribution-Demand		-	-	-	-	-	-
17	Distribution-Customer		1,966,085	1,779,360	183,707	1,288	209	775
18	TOTAL		1,966,085	1,779,360	183,707	1,288	209	775
19								
20	SALES EXPENSES							
21	Operation							
22	Storage-Demand		-					
23	Transmission-Demand		-					
24	Distribution-Demand		-					
25	Distribution-Customer	BILL	0	0	0	0	0	0
26								
27	Supervision (Major only)							
28	Storage-Demand		-					
29	Transmission-Demand		-					
30	Distribution-Demand		-					
31	Distribution-Customer	BILL	1,689,578	1,529,114	157,870	1,107	179	666
32								
33	Demonstrating and selling expenses (Major only)							
34	Storage-Demand		-					
35	Transmission-Demand		-					
36	Distribution-Demand		-					
37	Distribution-Customer	BILL	80,540	72,891	7,525	53	9	32
38								
39	Cost and expenses of merchandising, jobbing and contract work							
40	Storage-Demand		-					
41	Transmission-Demand		-					
42	Distribution-Demand		-					
43	Distribution-Customer	BILL	1,762,869	1,595,444	164,719	1,155	187	695
44								
45	TOTAL SALES EXPENSES							
46	Storage-Demand		-	-	-	-	-	-
47	Transmission-Demand		-	-	-	-	-	-
48	Distribution-Demand		-	-	-	-	-	-
49	Distribution-Customer		3,532,988	3,197,449	330,115	2,315	375	1,393
50	TOTAL		3,532,988	3,197,449	330,115	2,315	375	1,393

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Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Customer assistance expenses (Major only)	909						
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand							
5	Distribution-Customer	BILL	12	166	1	8	2	11
6								
7	Informational and instructional advertising expenses (Major only)	910						
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand							
11	Distribution-Customer	BILL	33	452	2	23	6	30
12								
13	TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
14	Storage-Demand		-	-	-	-	-	-
15	Transmission-Demand		-	-	-	-	-	-
16	Distribution-Demand		-	-	-	-	-	-
17	Distribution-Customer		45	619	3	31	8	42
18	TOTAL		45	619	3	31	8	42
19								
20	SALES EXPENSES							
21	Operation	911						
22	Storage-Demand							
23	Transmission-Demand							
24	Distribution-Demand							
25	Distribution-Customer	BILL	0	0	0	0	0	0
26								
27	Supervision (Major only)	912						
28	Storage-Demand							
29	Transmission-Demand							
30	Distribution-Demand							
31	Distribution-Customer	BILL	38	532	2	27	7	36
32								
33	Demonstrating and selling expenses (Major only)	913						
34	Storage-Demand							
35	Transmission-Demand							
36	Distribution-Demand							
37	Distribution-Customer	BILL	2	25	0	1	0	2
38								
39	Cost and expenses of merchandising, jobbing and contract work	916						
40	Storage-Demand							
41	Transmission-Demand							
42	Distribution-Demand							
43	Distribution-Customer	BILL	40	555	2	28	7	37
44								
45	TOTAL SALES EXPENSES							
46	Storage-Demand		-	-	-	-	-	-
47	Transmission-Demand		-	-	-	-	-	-
48	Distribution-Demand		-	-	-	-	-	-
49	Distribution-Customer		80	1,112	5	56	14	75
50	TOTAL		80	1,112	5	56	14	75

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Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1								
2	ADMINISTRATIVE AND GENERAL EXPENSES							
3	ADMINISTRATIVE AND GENERAL OPERATION							
4	Administrative and general salaries	920						
5	Storage-Demand	OPERLAB Adj	829,642	590,890	132,483	9,167	3,341	27,213
6	Transmission-Demand	OPERLAB Adj	2,469,183	1,758,606	394,295	27,283	9,942	80,991
7	Distribution-Demand	OPERLAB Adj	2,874,034	2,046,950	458,944	31,756	11,572	94,270
8	Distribution-Customer	OPERLAB Adj	14,343,971	10,216,090	2,290,535	158,491	57,757	470,491
9								
10	Office supplies and expenses	921						
11	Storage-Demand	OPERLAB Adj	869,760	619,462	138,889	9,610	3,502	28,529
12	Transmission-Demand	OPERLAB Adj	2,588,580	1,843,643	413,361	28,602	10,423	84,907
13	Distribution-Demand	OPERLAB Adj	3,013,008	2,145,930	481,136	33,292	12,132	98,828
14	Distribution-Customer	OPERLAB Adj	15,037,570	10,710,087	2,401,294	166,155	60,550	493,241
15								
16	Administrative expenses transferred -- Credit	922						
17	Storage-Demand	OPERLAB Adj	-	-	-	-	-	-
18	Transmission-Demand	OPERLAB Adj	-	-	-	-	-	-
19	Distribution-Demand	OPERLAB Adj	-	-	-	-	-	-
20	Distribution-Customer	OPERLAB Adj	-	-	-	-	-	-
21								
22	Outside services employed	923						
23	Storage-Demand	OPERLAB Adj	490,257	349,172	78,287	5,417	1,974	16,081
24	Transmission-Demand	OPERLAB Adj	1,459,103	1,039,205	232,999	16,122	5,875	47,859
25	Distribution-Demand	OPERLAB Adj	1,698,340	1,209,595	271,202	18,765	6,838	55,707
26	Distribution-Customer	OPERLAB Adj	8,476,217	6,036,948	1,353,536	93,656	34,130	278,025
27								
28	Property insurance	924						
29	Storage-Demand	OPERLAB Adj	40,844	29,090	6,522	451	164	1,340
30	Transmission-Demand	OPERLAB Adj	121,559	86,577	19,411	1,343	489	3,987
31	Distribution-Demand	OPERLAB Adj	141,490	100,773	22,594	1,563	570	4,641
32	Distribution-Customer	OPERLAB Adj	706,162	502,944	112,764	7,803	2,843	23,163
33								
34	Injuries and damages	925						
35	Storage-Demand	OPERLAB Adj	88,371	62,940	14,112	976	356	2,899
36	Transmission-Demand	OPERLAB Adj	263,010	187,322	41,999	2,906	1,059	8,627
37	Distribution-Demand	OPERLAB Adj	306,134	218,035	48,885	3,383	1,233	10,041
38	Distribution-Customer	OPERLAB Adj	1,527,880	1,088,189	243,981	16,882	6,152	50,115
39								
40	Employee pensions and benefits	926						
41	Storage-Demand	OPERLAB Adj	605,400	431,179	96,674	6,689	2,438	19,857
42	Transmission-Demand	OPERLAB Adj	1,801,793	1,283,276	287,722	19,909	7,255	59,100
43	Distribution-Demand	OPERLAB Adj	2,097,218	1,493,685	334,897	23,173	8,445	68,790
44	Distribution-Customer	OPERLAB Adj	10,466,971	7,454,806	1,671,432	115,653	42,146	343,323
45								

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Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1								
2	ADMINISTRATIVE AND GENERAL EXPENSES							
3	ADMINISTRATIVE AND GENERAL OPERATION							
4	Administrative and general salaries	920						
5	Storage-Demand	OPERLAB Adj	253	9,018	1,873	4,225	10,859	40,321
6	Transmission-Demand	OPERLAB Adj	753	26,841	5,576	12,575	32,320	120,002
7	Distribution-Demand	OPERLAB Adj	876	31,242	6,490	14,637	37,619	139,678
8	Distribution-Customer	OPERLAB Adj	4,373	155,924	32,390	73,051	187,752	697,117
9								
10	Office supplies and expenses	921						
11	Storage-Demand	OPERLAB Adj	265	9,455	1,964	4,430	11,385	42,270
12	Transmission-Demand	OPERLAB Adj	789	28,139	5,845	13,183	33,883	125,805
13	Distribution-Demand	OPERLAB Adj	919	32,752	6,804	15,345	39,438	146,432
14	Distribution-Customer	OPERLAB Adj	4,584	163,463	33,956	76,583	196,831	730,826
15								
16	Administrative expenses transferred -- Credit	922						
17	Storage-Demand	OPERLAB Adj	-	-	-	-	-	-
18	Transmission-Demand	OPERLAB Adj	-	-	-	-	-	-
19	Distribution-Demand	OPERLAB Adj	-	-	-	-	-	-
20	Distribution-Customer	OPERLAB Adj	-	-	-	-	-	-
21								
22	Outside services employed	923						
23	Storage-Demand	OPERLAB Adj	149	5,329	1,107	2,497	6,417	23,826
24	Transmission-Demand	OPERLAB Adj	445	15,861	3,295	7,431	19,099	70,912
25	Distribution-Demand	OPERLAB Adj	518	18,462	3,835	8,649	22,230	82,539
26	Distribution-Customer	OPERLAB Adj	2,584	92,139	19,140	43,168	110,948	411,944
27								
28	Property insurance	924						
29	Storage-Demand	OPERLAB Adj	12	444	92	208	535	1,985
30	Transmission-Demand	OPERLAB Adj	37	1,321	274	619	1,591	5,908
31	Distribution-Demand	OPERLAB Adj	43	1,538	319	721	1,852	6,876
32	Distribution-Customer	OPERLAB Adj	215	7,676	1,595	3,596	9,243	34,319
33								
34	Injuries and damages	925						
35	Storage-Demand	OPERLAB Adj	27	961	200	450	1,157	4,295
36	Transmission-Demand	OPERLAB Adj	80	2,859	594	1,339	3,443	12,782
37	Distribution-Demand	OPERLAB Adj	93	3,328	691	1,559	4,007	14,878
38	Distribution-Customer	OPERLAB Adj	466	16,609	3,450	7,781	19,999	74,255
39								
40	Employee pensions and benefits	926						
41	Storage-Demand	OPERLAB Adj	185	6,581	1,367	3,083	7,924	29,422
42	Transmission-Demand	OPERLAB Adj	549	19,586	4,069	9,176	23,584	87,567
43	Distribution-Demand	OPERLAB Adj	639	22,797	4,736	10,681	27,451	101,925
44	Distribution-Customer	OPERLAB Adj	3,191	113,780	23,635	53,306	137,005	508,695
45								

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 Schedule 1 - Class Cost of Service Study by Rate Schedule
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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Regulatory commission expenses	928						
2	Storage-Demand	OPERLAB Adj	642,222	457,405	102,554	7,096	2,586	21,065
3	Transmission-Demand	OPERLAB Adj	1,911,382	1,361,328	305,222	21,119	7,696	62,694
4	Distribution-Demand	OPERLAB Adj	2,224,776	1,584,534	355,266	24,582	8,958	72,974
5	Distribution-Customer	OPERLAB Adj	11,103,596	7,908,224	1,773,092	122,687	44,709	364,205
6								
7	Duplicate charges -- Credit	929						
8	Storage-Demand	OPERLAB Adj	(95,930)	(68,324)	(15,319)	(1,060)	(386)	(3,147)
9	Transmission-Demand	OPERLAB Adj	(285,508)	(203,345)	(45,592)	(3,155)	(1,150)	(9,365)
10	Distribution-Demand	OPERLAB Adj	(332,321)	(236,686)	(53,067)	(3,672)	(1,338)	(10,900)
11	Distribution-Customer	OPERLAB Adj	(1,658,575)	(1,181,273)	(264,852)	(18,326)	(6,678)	(54,402)
12								
13	General advertising expenses	930						
14	Storage-Demand	OPERLAB Adj	223,808	159,401	35,739	2,473	901	7,341
15	Transmission-Demand	OPERLAB Adj	666,098	474,410	106,367	7,360	2,682	21,848
16	Distribution-Demand	OPERLAB Adj	775,313	552,195	123,807	8,567	3,122	25,431
17	Distribution-Customer	OPERLAB Adj	3,869,496	2,755,940	617,905	42,755	15,581	126,922
18								
19	Rents	931						
20	Storage-Demand	OPERLAB Adj	373,442	265,974	59,634	4,126	1,504	12,249
21	Transmission-Demand	OPERLAB Adj	1,111,439	791,591	177,482	12,281	4,475	36,456
22	Distribution-Demand	OPERLAB Adj	1,293,672	921,382	206,582	14,294	5,209	42,433
23	Distribution-Customer	OPERLAB Adj	6,456,567	4,598,509	1,031,025	71,341	25,998	211,779
24								
25	TOTAL ADMINISTRATIVE AND GENERAL OPERATIONS							
26	Storage-Demand		4,067,816	2,897,188	649,574	44,947	16,379	133,427
27	Transmission-Demand		12,106,639	8,622,614	1,933,264	133,770	48,748	397,105
28	Distribution-Demand		14,091,664	10,036,392	2,250,245	155,703	56,741	462,215
29	Distribution-Customer		70,329,855	50,090,464	11,230,713	777,096	283,187	2,306,861
30								
31								
32	ADMINISTRATIVE AND GENERAL MAINTENANCE							
33	Maintenance of general plant	932						
34	Storage-Demand	OPERLAB Adj	32,051	22,827	5,118	354	129	1,051
35	Transmission-Demand	OPERLAB Adj	95,390	67,939	15,233	1,054	384	3,129
36	Distribution-Demand	OPERLAB Adj	111,031	79,078	17,730	1,227	447	3,642
37	Distribution-Customer	OPERLAB Adj	554,141	394,671	88,489	6,123	2,231	18,176
38								
39	Other A&G	935						
40	Storage-Demand	OPERLAB Adj	9,951	7,087	1,589	110	40	326
41	Transmission-Demand	OPERLAB Adj	29,615	21,092	4,729	327	119	971
42	Distribution-Demand	OPERLAB Adj	34,471	24,551	5,504	381	139	1,131
43	Distribution-Customer	OPERLAB Adj	172,039	122,530	27,472	1,901	693	5,643
44								
45	TOTAL ADMINISTRATIVE AND GENERAL MAINTENANCE							
46	Storage-Demand		42,002	29,914	6,707	464	169	1,378
47	Transmission-Demand		125,005	89,031	19,962	1,381	503	4,100
48	Distribution-Demand		145,501	103,629	23,235	1,608	586	4,773
49	Distribution-Customer		726,179	517,201	115,961	8,024	2,924	23,819
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Regulatory commission expenses	928						
2	Storage-Demand	OPERLAB Adj	196	6,981	1,450	3,271	8,406	31,212
3	Transmission-Demand	OPERLAB Adj	583	20,777	4,316	9,734	25,019	92,893
4	Distribution-Demand	OPERLAB Adj	678	24,184	5,024	11,330	29,121	108,124
5	Distribution-Customer	OPERLAB Adj	3,385	120,700	25,073	56,548	145,338	539,635
6								
7	Duplicate charges -- Credit	929						
8	Storage-Demand	OPERLAB Adj	(29)	(1,043)	(217)	(489)	(1,256)	(4,662)
9	Transmission-Demand	OPERLAB Adj	(87)	(3,104)	(645)	(1,454)	(3,737)	(13,876)
10	Distribution-Demand	OPERLAB Adj	(101)	(3,612)	(750)	(1,692)	(4,350)	(16,151)
11	Distribution-Customer	OPERLAB Adj	(506)	(18,029)	(3,745)	(8,447)	(21,710)	(80,607)
12								
13	General advertising expenses	930						
14	Storage-Demand	OPERLAB Adj	68	2,433	505	1,140	2,929	10,877
15	Transmission-Demand	OPERLAB Adj	203	7,241	1,504	3,392	8,719	32,372
16	Distribution-Demand	OPERLAB Adj	236	8,428	1,751	3,949	10,148	37,680
17	Distribution-Customer	OPERLAB Adj	1,180	42,063	8,738	19,707	50,649	188,058
18								
19	Rents	931						
20	Storage-Demand	OPERLAB Adj	114	4,059	843	1,902	4,888	18,149
21	Transmission-Demand	OPERLAB Adj	339	12,082	2,510	5,660	14,548	54,016
22	Distribution-Demand	OPERLAB Adj	394	14,063	2,921	6,588	16,933	62,872
23	Distribution-Customer	OPERLAB Adj	1,968	70,185	14,579	32,882	84,512	313,789
24								
25	TOTAL ADMINISTRATIVE AND GENERAL OPERATIONS							
26	Storage-Demand		1,240	44,219	9,185	20,717	53,245	197,696
27	Transmission-Demand		3,691	131,603	27,338	61,657	158,467	588,383
28	Distribution-Demand		4,296	153,181	31,820	71,766	184,450	684,855
29	Distribution-Customer		21,440	764,509	158,810	358,175	920,567	3,418,032
30								
31								
32	ADMINISTRATIVE AND GENERAL MAINTENANCE							
33	Maintenance of general plant	932						
34	Storage-Demand	OPERLAB Adj	10	348	72	163	420	1,558
35	Transmission-Demand	OPERLAB Adj	29	1,037	215	486	1,249	4,636
36	Distribution-Demand	OPERLAB Adj	34	1,207	251	565	1,453	5,396
37	Distribution-Customer	OPERLAB Adj	169	6,024	1,251	2,822	7,253	26,931
38								
39	Other A&G	935						
40	Storage-Demand	OPERLAB Adj	3	108	22	51	130	484
41	Transmission-Demand	OPERLAB Adj	9	322	67	151	388	1,439
42	Distribution-Demand	OPERLAB Adj	11	375	78	176	451	1,675
43	Distribution-Customer	OPERLAB Adj	52	1,870	388	876	2,252	8,361
44								
45	TOTAL ADMINISTRATIVE AND GENERAL MAINTENANCE							
46	Storage-Demand		13	457	95	214	550	2,041
47	Transmission-Demand		38	1,359	282	637	1,636	6,075
48	Distribution-Demand		44	1,582	329	741	1,905	7,071
49	Distribution-Customer		221	7,894	1,640	3,698	9,505	35,292
50								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1								
2	TOTAL ADMINISTRATIVE AND GENERAL EXPENSE							
3	Storage-Demand		4,109,818	2,927,102	656,281	45,411	16,548	134,804
4	Transmission-Demand		12,231,644	8,711,645	1,953,226	135,151	49,251	401,205
5	Distribution-Demand		14,237,166	10,140,021	2,273,480	157,311	57,327	466,988
6	Distribution-Customer		71,056,034	50,607,665	11,346,674	785,120	286,111	2,330,681
7	TOTAL		101,634,661	72,386,434	16,229,661	1,122,992	409,237	3,333,678
8								
9	TOTAL O&M PRO FORMA							
10	Storage-Demand		8,065,030	4,368,211	1,479,270	182,054	80,313	287,223
11	Transmission-Demand		24,790,703	13,077,380	4,151,917	426,327	156,028	1,391,181
12	Distribution-Demand		31,569,143	21,216,683	5,251,845	468,606	185,285	1,775,523
13	Distribution-Customer		150,940,448	116,166,719	22,424,082	1,225,530	428,271	3,600,799
14	TOTAL		215,365,324	154,828,993	33,307,114	2,302,517	849,896	7,054,725
15								
16								
17	DEPRECIATION EXPENSE PRO FORMA							
18	Intangible							
19	Storage-Demand		-					
20	Transmission-Demand		-					
21	Distribution-Demand		-					
22	Distribution-Customer	UTILPLT Adj	16,064,236	7,564,656	3,038,058	375,669	145,355	1,095,656
23								
24	Production							
25	Storage-Demand		-					
26	Transmission-Demand		-					
27	Distribution-Demand		-					
28	Distribution-Customer		-					
29								
30	Storage							
31	Storage-Demand	WINTHRU	9,467,934	5,568,472	3,151,769	514,574	233,119	-
32	Transmission-Demand		-					
33	Distribution-Demand		-					
34	Distribution-Customer		-					
35								
36	Transmission							
37	Storage-Demand		-					
38	Transmission-Demand	DESDMD	66,763,803	23,208,191	11,688,215	1,547,888	567,622	5,262,696
39	Distribution-Demand		-					
40	Distribution-Customer		-					
41								
42	Distribution Demand							
43	Storage-Demand		-					
44	Transmission-Demand		-					
45	Distribution-Demand	MSMPLT Adj	2,982,085	2,042,682	528,293	45,080	17,052	171,347
46	Distribution-Customer		-					
47								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1								
2	TOTAL ADMINISTRATIVE AND GENERAL EXPENSE							
3	Storage-Demand		1,253	44,675	9,280	20,930	53,795	199,737
4	Transmission-Demand		3,729	132,962	27,620	62,293	160,103	594,458
5	Distribution-Demand		4,340	154,763	32,148	72,507	186,354	691,927
6	Distribution-Customer		21,661	772,403	160,449	361,874	930,072	3,453,325
7	TOTAL		30,983	1,104,803	229,498	517,604	1,330,324	4,939,447
8								
9	TOTAL O&M PRO FORMA							
10	Storage-Demand		3,975	159,584	16,007	46,041	89,865	1,352,486
11	Transmission-Demand		3,729	132,962	118,196	213,286	687,556	4,432,141
12	Distribution-Demand		17,558	693,130	117,486	279,611	669,856	893,561
13	Distribution-Customer		39,761	1,352,718	234,876	556,843	1,365,188	3,545,662
14	TOTAL		65,023	2,338,394	486,565	1,095,781	2,812,464	10,223,850
15								
16								
17	DEPRECIATION EXPENSE PRO FORMA							
18	Intangible	Depr-Intangible						
19	Storage-Demand							
20	Transmission-Demand							
21	Distribution-Demand							
22	Distribution-Customer	UTILPLT Adj	3,862	150,096	90,430	168,782	523,380	2,908,293
23								
24	Production	Depr-Prod						
25	Storage-Demand							
26	Transmission-Demand							
27	Distribution-Demand							
28	Distribution-Customer							
29								
30	Storage	Depr-Storage						
31	Storage-Demand	WINTHRU	-	-	-	-	-	-
32	Transmission-Demand							
33	Distribution-Demand							
34	Distribution-Customer							
35								
36	Transmission	Depr-Trans						
37	Storage-Demand							
38	Transmission-Demand	DESDMD	-	-	481,501	802,678	2,803,934	20,401,077
39	Distribution-Demand							
40	Distribution-Customer							
41								
42	Distribution Demand	Depr-Dist Demand Plant						
43	Storage-Demand							
44	Transmission-Demand							
45	Distribution-Demand	MSMPLT Adj	1,953	74,599	10,756	26,879	61,126	2,318
46	Distribution-Customer							
47								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Distribution Customer							
2	Storage-Demand		-					
3	Transmission-Demand		-					
4	Distribution-Demand		-					
5	Distribution-Customer	METAVG	9,521,447	6,703,837	2,522,854	86,026	15,093	56,405
6								
7	Distribution Mains							
8	Storage-Demand		-					
9	Transmission-Demand		-					
10	Distribution-Demand	MAINPLT Adj	14,128,889	8,902,041	2,358,054	269,164	115,589	1,226,932
11	Distribution-Customer	MAINPLT Adj	10,820,588	6,817,615	1,805,912	206,139	88,524	939,644
12								
13	Distribution Services							
14	Storage-Demand		-					
15	Transmission-Demand		-					
16	Distribution-Demand		-					
17	Distribution-Customer	SVCUNIT	22,649,780	18,409,737	3,839,371	175,005	27,461	103,088
18								
19	Distribution Other							
20	Storage-Demand		-					
21	Transmission-Demand		-					
22	Distribution-Demand	MSMPLT Adj	103,435	70,852	18,324	1,564	591	5,943
23	Distribution-Customer	MSMPLT Adj	146,438	100,308	25,942	2,214	837	8,414
24								
25	General							
26	Storage-Demand		-					
27	Transmission-Demand		-					
28	Distribution-Demand	UTILPLT Adj	1,470,177	692,307	278,039	34,381	13,303	100,273
29	Distribution-Customer	UTILPLT Adj	11,304,499	5,323,293	2,137,899	264,361	102,287	771,020
30								
31	TOTAL DEPRECIATION EXPENSE PRO FORMA							
32	Storage-Demand		10,938,111	6,260,779	3,429,808	548,955	246,422	100,273
33	Transmission-Demand		78,068,301	28,531,485	13,826,114	1,812,249	669,909	6,033,716
34	Distribution-Demand		19,807,977	12,236,888	3,395,166	376,459	156,700	1,581,117
35	Distribution-Customer		62,874,318	41,325,218	11,926,552	930,920	310,494	2,453,643
36	TOTAL		171,688,708	88,354,370	32,577,639	3,668,582	1,383,525	10,168,748
37								
38	TAXES PRO FORMA							
39	Payroll Taxes	PAYROLLTAX						
40	Storage-Demand	OPERLAB Adj	255,698	182,114	40,831	2,825	1,030	8,387
41	Transmission-Demand	OPERLAB Adj	761,008	542,007	121,523	8,409	3,064	24,962
42	Distribution-Demand	OPERLAB Adj	885,785	630,875	141,448	9,787	3,567	29,054
43	Distribution-Customer	OPERLAB Adj	4,420,848	3,148,625	705,949	48,847	17,801	145,006
44	TOTAL		6,323,338	4,503,620	1,009,750	69,868	25,461	207,409
45								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Distribution Customer							
2	Storage-Demand							
3	Transmission-Demand							
4	Distribution-Demand							
5	Distribution-Customer	METAVG	2,696	43,671	185	7,634	12,493	70,552
6								
7	Distribution Mains							
8	Storage-Demand							
9	Transmission-Demand							
10	Distribution-Demand	MAINPLT Adj	12,448	521,484	79,407	195,288	448,351	129
11	Distribution-Customer	MAINPLT Adj	9,534	399,378	60,813	149,561	343,369	99
12								
13	Distribution Services							
14	Storage-Demand							
15	Transmission-Demand							
16	Distribution-Demand		-	-	-	-	-	-
17	Distribution-Customer	SVCUNIT	5,410	77,821	40	6,134	1,565	4,149
18								
19	Distribution Other							
20	Storage-Demand							
21	Transmission-Demand							
22	Distribution-Demand	MSMPLT Adj	68	2,588	373	932	2,120	80
23	Distribution-Customer	MSMPLT Adj	96	3,663	528	1,320	3,002	114
24								
25	General							
26	Storage-Demand	UTILPLT Adj	353	13,737	8,276	15,447	47,899	266,163
27	Transmission-Demand	UTILPLT Adj	2,717	105,624	63,636	118,773	368,306	2,046,583
28	Distribution-Demand	UTILPLT Adj	623	24,233	14,600	27,250	84,500	469,543
29	Distribution-Customer	UTILPLT Adj	883	34,308	20,670	38,579	119,630	664,753
30								
31	TOTAL DEPRECIATION EXPENSE PRO FORMA							
32	Storage-Demand		353	13,737	8,276	15,447	47,899	266,163
33	Transmission-Demand		2,717	105,624	545,137	921,451	3,172,239	22,447,660
34	Distribution-Demand		15,093	622,903	105,135	250,349	596,097	472,071
35	Distribution-Customer		22,480	708,937	172,667	372,010	1,003,439	3,647,959
36	TOTAL		40,644	1,451,201	831,214	1,559,257	4,819,674	26,833,854
37								
38	TAXES PRO FORMA							
39	Payroll Taxes	PAYROLLTAX						
40	Storage-Demand	OPERLAB Adj	78	2,780	577	1,302	3,347	12,427
41	Transmission-Demand	OPERLAB Adj	232	8,272	1,718	3,876	9,961	36,985
42	Distribution-Demand	OPERLAB Adj	270	9,629	2,000	4,511	11,594	43,049
43	Distribution-Customer	OPERLAB Adj	1,348	48,056	9,983	22,514	57,866	214,853
44	TOTAL		1,928	68,737	14,279	32,203	82,768	307,314
45								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	Other General Taxes	OTHERTAX						
2	Storage-Demand	UTILPLT Adj	2,680,587	1,262,289	506,951	62,687	24,255	182,829
3	Transmission-Demand	UTILPLT Adj	20,611,592	9,706,008	3,898,051	482,011	186,501	1,405,807
4	Distribution-Demand	UTILPLT Adj	4,775,541	2,248,805	903,147	111,678	43,211	325,714
5	Distribution-Customer	UTILPLT Adj	6,760,945	3,183,732	1,278,626	158,108	61,175	461,128
6	TOTAL		34,828,665	16,400,834	6,586,775	814,484	315,142	2,375,477
7								
8	State Income Taxes	INCTAX-1						
9	Storage-Demand	TOTRB Adj	450,356	215,414	85,080	10,443	4,046	30,014
10	Transmission-Demand	TOTRB Adj	3,190,980	1,526,308	602,835	73,994	28,669	212,665
11	Distribution-Demand	TOTRB Adj	744,945	356,322	140,734	17,274	6,693	49,647
12	Distribution-Customer	TOTRB Adj	1,145,359	547,848	216,379	26,559	10,290	76,333
13	TOTAL		5,531,640	2,645,892	1,045,028	128,270	49,699	368,660
14								
15	Federal Income Taxes	INCTAX-2						
16	Storage-Demand	TOTRB Adj	3,357,615	1,606,013	634,315	77,858	30,167	223,771
17	Transmission-Demand	TOTRB Adj	23,790,273	11,379,353	4,494,418	551,658	213,744	1,585,519
18	Distribution-Demand	TOTRB Adj	5,553,917	2,656,547	1,049,236	128,786	49,899	370,145
19	Distribution-Customer	TOTRB Adj	8,539,196	4,084,465	1,613,210	198,010	76,721	569,100
20	TOTAL		41,241,001	19,726,377	7,791,179	956,313	370,531	2,748,534
21								
22	Amortization of Investment Tax Credits	INCTAX-3						
23	Storage-Demand	TOTRB Adj	(2,285)	(1,093)	(432)	(53)	(21)	(152)
24	Transmission-Demand	TOTRB Adj	(16,190)	(7,744)	(3,059)	(375)	(145)	(1,079)
25	Distribution-Demand	TOTRB Adj	(3,780)	(1,808)	(714)	(88)	(34)	(252)
26	Distribution-Customer	TOTRB Adj	(5,811)	(2,780)	(1,098)	(135)	(52)	(387)
27	TOTAL		(28,065)	(13,424)	(5,302)	(651)	(252)	(1,870)
28								
29	TOTAL TAXES PRO FORMA							
30	Storage-Demand		6,741,971	3,264,737	1,266,746	153,760	59,477	444,848
31	Transmission-Demand		48,337,663	23,145,932	9,113,767	1,115,697	431,833	3,227,873
32	Distribution-Demand		11,956,408	5,890,740	2,233,851	267,438	103,336	774,308
33	Distribution-Customer		20,860,537	10,961,889	3,813,066	431,390	165,935	1,251,181
34	TOTAL		87,896,579	43,263,299	16,427,430	1,968,284	760,581	5,698,210
35								
36	PURCHASED GAS COSTS PRO FORMA							
37	Purchased Gas Costs	PURCHGAS	303,523,511	146,098,051	87,867,094	16,252,115	10,893,620	17,403,036
38								
39	Cost if Gas - Rate 142	COG142						
40	Storage-Demand	TOTRB Adj	24,744	11,835	4,675	574	222	1,649
41	Transmission-Demand	TOTRB Adj	175,319	83,859	33,121	4,065	1,575	11,684
42	Distribution-Demand	TOTRB Adj	40,929	19,577	7,732	949	368	2,728
43	Distribution-Customer	TOTRB Adj	62,928	30,100	11,888	1,459	565	4,194
44								
45	TOTAL COST OF GAS		303,827,431	146,243,422	87,924,510	16,259,163	10,896,351	17,423,291
46								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Other General Taxes							
2	Storage-Demand	UTILPLT Adj	644	25,046	15,090	28,164	87,335	485,297
3	Transmission-Demand	UTILPLT Adj	4,955	192,585	116,028	216,559	671,535	3,731,553
4	Distribution-Demand	UTILPLT Adj	1,148	44,620	26,883	50,175	155,589	864,571
5	Distribution-Customer	UTILPLT Adj	1,625	63,171	38,059	71,035	220,275	1,224,011
6	TOTAL		8,372	325,422	196,060	365,934	1,134,733	6,305,432
7								
8	State Income Taxes	INCTAX-1						
9	Storage-Demand	TOTRB Adj	107	4,141	2,475	4,623	14,325	79,686
10	Transmission-Demand	TOTRB Adj	757	29,338	17,536	32,759	101,503	564,616
11	Distribution-Demand	TOTRB Adj	177	6,849	4,094	7,648	23,696	131,811
12	Distribution-Customer	TOTRB Adj	272	10,531	6,294	11,759	36,433	202,661
13	TOTAL		1,313	50,859	30,398	56,789	175,957	978,775
14								
15	Federal Income Taxes	INCTAX-2						
16	Storage-Demand	TOTRB Adj	797	30,870	18,451	34,470	106,803	594,100
17	Transmission-Demand	TOTRB Adj	5,647	218,732	130,736	244,236	756,751	4,209,480
18	Distribution-Demand	TOTRB Adj	1,318	51,064	30,521	57,018	176,666	982,717
19	Distribution-Customer	TOTRB Adj	2,027	78,511	46,926	87,665	271,626	1,510,936
20	TOTAL		9,789	379,176	226,634	423,389	1,311,846	7,297,232
21								
22	Amortization of Investment Tax Credits	INCTAX-3						
23	Storage-Demand	TOTRB Adj	(1)	(21)	(13)	(23)	(73)	(404)
24	Transmission-Demand	TOTRB Adj	(4)	(149)	(89)	(166)	(515)	(2,865)
25	Distribution-Demand	TOTRB Adj	(1)	(35)	(21)	(39)	(120)	(669)
26	Distribution-Customer	TOTRB Adj	(1)	(53)	(32)	(60)	(185)	(1,028)
27	TOTAL		(7)	(258)	(154)	(288)	(893)	(4,966)
28								
29	TOTAL TAXES PRO FORMA							
30	Storage-Demand		1,626	62,816	36,581	68,536	211,738	1,171,107
31	Transmission-Demand		11,587	448,778	265,929	497,264	1,539,235	8,539,769
32	Distribution-Demand		2,912	112,127	63,477	119,313	367,425	2,021,480
33	Distribution-Customer		5,270	200,215	101,230	192,914	586,014	3,151,433
34	TOTAL		21,395	823,936	467,217	878,027	2,704,412	14,883,788
35								
36	PURCHASED GAS COSTS PRO FORMA							
37	Purchased Gas Costs	PURCHGAS	2,480,834	10,938,619	1,217,013	1,270,708	2,808,000	6,294,421
38								
39	Cost if Gas - Rate 142	COG142						
40	Storage-Demand	TOTRB Adj	6	227	136	254	787	4,378
41	Transmission-Demand	TOTRB Adj	42	1,612	963	1,800	5,577	31,021
42	Distribution-Demand	TOTRB Adj	10	376	225	420	1,302	7,242
43	Distribution-Customer	TOTRB Adj	15	579	346	646	2,002	11,135
44								
45	TOTAL COST OF GAS		2,480,906	10,941,414	1,218,683	1,273,828	2,817,667	6,348,197
46								

Piedmont Natural Gas, Inc.
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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	OPERATING REVENUE							
2	SALES OF GAS AND GAS TRANSPORTATION PRO FORMA							
3	Gas Sales & Transportation Revenue	OPERREV	(1,044,746,874)	(552,901,679)	(251,013,997)	(40,932,667)	(12,749,439)	(30,533,710)
4	NGV and Gas Light Revenue	NGVREV						
5	Storage-Demand	TOTRB Adj	(92,708)	(44,344)	(17,514)	(2,150)	(833)	(6,179)
6	Transmission-Demand	TOTRB Adj	(656,880)	(314,199)	(124,097)	(15,232)	(5,902)	(43,778)
7	Distribution-Demand	TOTRB Adj	(153,351)	(73,351)	(28,971)	(3,556)	(1,378)	(10,220)
8	Distribution-Customer	TOTRB Adj	(235,778)	(112,777)	(44,543)	(5,467)	(2,118)	(15,714)
9	TOTAL		(1,138,717)	(544,671)	(215,125)	(26,405)	(10,231)	(75,891)
10								
11	TOTAL OPERATING REVENUE PRO FORMA		(1,045,885,591)	(553,446,350)	(251,229,121)	(40,959,072)	(12,759,670)	(30,609,601)
12								
13	OTHER GAS REVENUE	49500						
14	Other Operating Revenues	OTHERREV1						
15	Storage-Demand	TOTRB Adj	(92,499)	(44,244)	(17,475)	(2,145)	(831)	(6,165)
16	Transmission-Demand	TOTRB Adj	(655,396)	(313,489)	(123,816)	(15,198)	(5,888)	(43,679)
17	Distribution-Demand	TOTRB Adj	(153,004)	(73,185)	(28,905)	(3,548)	(1,375)	(10,197)
18	Distribution-Customer	TOTRB Adj	(235,245)	(112,522)	(44,442)	(5,455)	(2,114)	(15,678)
19	TOTAL		(1,136,144)	(543,440)	(214,638)	(26,345)	(10,208)	(75,719)
20								
21	TOTAL REVENUE		(1,047,021,735)	(553,989,790)	(251,443,759)	(40,985,417)	(12,769,877)	(30,685,320)
22								
23								
24	MARGIN PRO FORMA REVENUE		741,223,363	406,803,629	163,146,903	24,680,551	1,855,819	13,130,675
25								
26								
27	UTILITY INCOME WITH PRO FORMA		268,243,692	121,299,707	81,207,066	16,786,871	(1,120,476)	(9,659,655)
28								
29	Less Interest on Customer Deposits	OTHERINT						
30	Storage-Demand	UTILPLT Adj	(72,879)	(34,319)	(13,783)	(1,704)	(659)	(4,971)
31	Transmission-Demand	UTILPLT Adj	(516,381)	(243,164)	(97,658)	(12,076)	(4,672)	(35,220)
32	Distribution-Demand	UTILPLT Adj	(120,551)	(56,767)	(22,799)	(2,819)	(1,091)	(8,222)
33	Distribution-Customer	UTILPLT Adj	(185,348)	(87,280)	(35,053)	(4,334)	(1,677)	(12,642)
34	TOTAL		(895,159)	(421,531)	(169,292)	(20,934)	(8,100)	(61,054)
35								
36								
37	UTILITY NET OPERATING INCOME PRO FORMA		267,348,533	120,878,176	81,037,774	16,765,937	(1,128,576)	(9,720,709)
38								
39								
40	RETURN ON RATE BASE PRO FORMA		5.54%	5.24%	8.89%	14.99%	-2.60%	-3.02%
41								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	OPERATING REVENUE							
2	SALES OF GAS AND GAS TRANSPORTATION PRO FORMA							
3	Gas Sales & Transportation Revenue	OPERREV	(2,963,984)	(24,641,057)	(2,264,483)	(10,611,173)	(9,709,126)	(106,425,558)
4	NGV and Gas Light Revenue	NGVREV						
5	Storage-Demand	TOTRB Adj	(22)	(852)	(509)	(952)	(2,949)	(16,404)
6	Transmission-Demand	TOTRB Adj	(156)	(6,039)	(3,610)	(6,744)	(20,895)	(116,229)
7	Distribution-Demand	TOTRB Adj	(36)	(1,410)	(843)	(1,574)	(4,878)	(27,134)
8	Distribution-Customer	TOTRB Adj	(56)	(2,168)	(1,296)	(2,421)	(7,500)	(41,719)
9	TOTAL		(270)	(10,470)	(6,258)	(11,690)	(36,222)	(201,486)
10								
11	TOTAL OPERATING REVENUE PRO FORMA		(2,964,255)	(24,651,526)	(2,270,741)	(10,622,863)	(9,745,348)	(106,627,044)
12								
13	OTHER GAS REVENUE	49500						
14	Other Operating Revenues	OTHERREV1						
15	Storage-Demand	TOTRB Adj	(22)	(850)	(508)	(950)	(2,942)	(16,367)
16	Transmission-Demand	TOTRB Adj	(156)	(6,026)	(3,602)	(6,728)	(20,848)	(115,966)
17	Distribution-Demand	TOTRB Adj	(36)	(1,407)	(841)	(1,571)	(4,867)	(27,073)
18	Distribution-Customer	TOTRB Adj	(56)	(2,163)	(1,293)	(2,415)	(7,483)	(41,625)
19	TOTAL		(270)	(10,446)	(6,244)	(11,664)	(36,140)	(201,031)
20								
21	TOTAL REVENUE		(2,964,524)	(24,661,972)	(2,276,985)	(10,634,527)	(9,781,488)	(106,828,075)
22								
23								
24	MARGIN PRO FORMA REVENUE		483,151	13,702,438	1,047,470	9,340,465	6,901,126	100,131,137
25								
26								
27	UTILITY INCOME WITH PRO FORMA		356,557	9,107,028	(726,695)	5,827,634	(3,372,730)	48,538,386
28								
29	Less Interest on Customer Deposits	OTHERINT						
30	Storage-Demand	UTILPLT Adj	(18)	(681)	(410)	(766)	(2,374)	(13,194)
31	Transmission-Demand	UTILPLT Adj	(124)	(4,825)	(2,907)	(5,425)	(16,824)	(93,486)
32	Distribution-Demand	UTILPLT Adj	(29)	(1,126)	(679)	(1,267)	(3,928)	(21,825)
33	Distribution-Customer	UTILPLT Adj	(45)	(1,732)	(1,043)	(1,947)	(6,039)	(33,556)
34	TOTAL		(215)	(8,364)	(5,039)	(9,405)	(29,165)	(162,061)
35								
36								
37	UTILITY NET OPERATING INCOME PRO FORMA		356,342	9,098,664	(731,734)	5,818,229	(3,401,894)	48,376,325
38								
39								
40	RETURN ON RATE BASE PRO FORMA		31.13%	20.52%	-2.76%	11.75%	-2.22%	5.67%
41								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	UTILITY INCOME AT PROPOSED RATES							
2								
3	O&M							
4	TOTAL O&M PRO FORMA							
5	Storage-Demand		8,065,030	4,368,211	1,479,270	182,054	80,313	287,223
6	Transmission-Demand		24,790,703	13,077,380	4,151,917	426,327	156,028	1,391,181
7	Distribution-Demand		31,569,143	21,216,683	5,251,845	468,606	185,285	1,775,523
8	Distribution-Customer		150,940,448	116,166,719	22,424,082	1,225,530	428,271	3,600,799
9	TOTAL		215,365,324	154,828,993	33,307,114	2,302,517	849,896	7,054,725
10								
11	Customer records and collection expenses	904						
12	Storage-Demand		-	-	-	-	-	-
13	Transmission-Demand		-	-	-	-	-	-
14	Distribution-Demand		-	-	-	-	-	-
15	Distribution-Customer	UNCOLL	585,596	496,474	79,366	6,267	-	1,302
16			585,596	496,474	79,366	6,267	-	1,302
17								
18	Regulatory commission expenses	928						
19	Storage-Demand	OPERLAB Adj	5,700	4,060	910	63	23	187
20	Transmission-Demand	OPERLAB Adj	16,966	12,083	2,709	187	68	556
21	Distribution-Demand	OPERLAB Adj	19,747	14,065	3,153	218	80	648
22	Distribution-Customer	OPERLAB Adj	98,557	70,194	15,738	1,089	397	3,233
23	TOTAL		140,970	100,402	22,511	1,558	568	4,624
24								
25	TOTAL O&M AT PROPOSED RATES							
26	Storage-Demand		8,070,730	4,372,271	1,480,180	182,117	80,336	287,410
27	Transmission-Demand		24,807,668	13,089,463	4,154,626	426,515	156,096	1,391,737
28	Distribution-Demand		31,588,891	21,230,748	5,254,999	468,824	185,365	1,776,171
29	Distribution-Customer		151,624,601	116,733,387	22,519,186	1,232,887	428,668	3,605,333
30	TOTAL		216,091,890	155,425,869	33,408,991	2,310,342	850,464	7,060,651
31								
32	DEPRECIATION EXPENSE							
33	Storage-Demand		10,938,111	6,260,779	3,429,808	548,955	246,422	100,273
34	Transmission-Demand		78,068,301	28,531,485	13,826,114	1,812,249	669,909	6,033,716
35	Distribution-Demand		19,807,977	12,236,888	3,395,166	376,459	156,700	1,581,117
36	Distribution-Customer		62,874,318	41,325,218	11,926,552	930,920	310,494	2,453,643
37	TOTAL		171,688,708	88,354,370	32,577,639	3,668,582	1,383,525	10,168,748
38								
39	TAXES PROPOSED RATES							
40	Total Taxes Pro Forma							
41	Storage-Demand		6,741,971	3,264,737	1,266,746	153,760	59,477	444,848
42	Transmission-Demand		48,337,663	23,145,932	9,113,767	1,115,697	431,833	3,227,873
43	Distribution-Demand		11,956,408	5,890,740	2,233,851	267,438	103,336	774,308
44	Distribution-Customer		20,860,537	10,961,889	3,813,066	431,390	165,935	1,251,181
45	TOTAL		87,896,579	43,263,299	16,427,430	1,968,284	760,581	5,698,210
46								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	UTILITY INCOME AT PROPOSED RATES							
2								
3	O&M							
4	TOTAL O&M PRO FORMA							
5	Storage-Demand		3,975	159,584	16,007	46,041	89,865	1,352,486
6	Transmission-Demand		3,729	132,962	118,196	213,286	687,556	4,432,141
7	Distribution-Demand		17,558	693,130	117,486	279,611	669,856	893,561
8	Distribution-Customer		39,761	1,352,718	234,876	556,843	1,365,188	3,545,662
9	TOTAL		65,023	2,338,394	486,565	1,095,781	2,812,464	10,223,850
10								
11	Customer records and collection expenses	904						
12	Storage-Demand		-	-	-	-	-	-
13	Transmission-Demand		-	-	-	-	-	-
14	Distribution-Demand		-	-	-	-	-	-
15	Distribution-Customer	UNCOLL	-	2,187	-	-	-	-
16			-	2,187	-	-	-	-
17								
18	Regulatory commission expenses	928						
19	Storage-Demand	OPERLAB Adj	2	62	13	29	75	277
20	Transmission-Demand	OPERLAB Adj	5	184	38	86	222	825
21	Distribution-Demand	OPERLAB Adj	6	215	45	101	258	960
22	Distribution-Customer	OPERLAB Adj	30	1,071	223	502	1,290	4,790
23	TOTAL		43	1,532	318	718	1,845	6,851
24								
25	TOTAL O&M AT PROPOSED RATES							
26	Storage-Demand		3,977	159,646	16,020	46,070	89,939	1,352,763
27	Transmission-Demand		3,734	133,147	118,234	213,373	687,778	4,432,966
28	Distribution-Demand		17,564	693,345	117,531	279,711	670,114	894,521
29	Distribution-Customer		39,791	1,355,976	235,099	557,344	1,366,478	3,550,452
30	TOTAL		65,066	2,342,114	486,884	1,096,499	2,814,309	10,230,702
31								
32	DEPRECIATION EXPENSE							
33	Storage-Demand		353	13,737	8,276	15,447	47,899	266,163
34	Transmission-Demand		2,717	105,624	545,137	921,451	3,172,239	22,447,660
35	Distribution-Demand		15,093	622,903	105,135	250,349	596,097	472,071
36	Distribution-Customer		22,480	708,937	172,667	372,010	1,003,439	3,647,959
37	TOTAL		40,644	1,451,201	831,214	1,559,257	4,819,674	26,833,854
38								
39	TAXES PROPOSED RATES							
40	Total Taxes Pro Forma							
41	Storage-Demand		1,626	62,816	36,581	68,536	211,738	1,171,107
42	Transmission-Demand		11,587	448,778	265,929	497,264	1,539,235	8,539,769
43	Distribution-Demand		2,912	112,127	63,477	119,313	367,425	2,021,480
44	Distribution-Customer		5,270	200,215	101,230	192,914	586,014	3,151,433
45	TOTAL		21,395	823,936	467,217	878,027	2,704,412	14,883,788
46								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	State Income Tax Change	INCTX-1						
2	Storage-Demand	TOTRB Adj	220,428	105,435	41,643	5,111	1,980	14,691
3	Transmission-Demand	TOTRB Adj	1,561,836	747,057	295,059	36,216	14,032	104,090
4	Distribution-Demand	TOTRB Adj	364,616	174,403	68,883	8,455	3,276	24,300
5	Distribution-Customer	TOTRB Adj	560,600	268,146	105,908	12,999	5,037	37,362
6	TOTAL		2,707,479	1,295,040	511,492	62,782	24,325	180,442
7								
8	Federal Income Tax Change	INCTX-2						
9	Storage-Demand	TOTRB Adj	1,805,306	863,513	341,055	41,862	16,220	120,316
10	Transmission-Demand	TOTRB Adj	12,791,434	6,118,393	2,416,536	296,613	114,925	852,494
11	Distribution-Demand	TOTRB Adj	2,986,202	1,428,359	564,148	69,245	26,830	199,017
12	Distribution-Customer	TOTRB Adj	4,591,312	2,196,114	867,383	106,465	41,251	305,991
13	TOTAL		22,174,253	10,606,379	4,189,122	514,185	199,225	1,477,818
14								
15	TOTAL TAXES AT PROPOSED RATES							
16	Storage-Demand		8,767,704	4,233,685	1,649,444	200,733	77,677	579,854
17	Transmission-Demand		62,690,933	30,011,381	11,825,362	1,448,526	560,790	4,184,456
18	Distribution-Demand		15,307,225	7,493,502	2,866,882	345,138	133,441	997,626
19	Distribution-Customer		26,012,449	13,426,150	4,786,356	550,854	212,222	1,594,534
20	TOTAL		112,778,311	55,164,718	21,128,045	2,545,252	984,131	7,356,470
21								
22	PURCHASED GAS COSTS							
23	Purchased Gas Costs Pro Forma		303,523,511	146,098,051	87,867,094	16,252,115	10,893,620	17,403,036
24								
25	Cost of Gas - Rate 142	COG142						
26	Storage-Demand		24,744	11,835	4,675	574	222	1,649
27	Transmission-Demand		175,319	83,859	33,121	4,065	1,575	11,684
28	Distribution-Demand		40,929	19,577	7,732	949	368	2,728
29	Distribution-Customer		62,928	30,100	11,888	1,459	565	4,194
30								
31	Purchased Gas Costs Demand Adjustment	PURCHGAS PROP COG	-	-	-	-	-	-
32	TOTAL PURCHASED GAS COSTS AT PROPOSED RATES		303,827,431	146,243,422	87,924,510	16,259,163	10,896,351	17,423,291
33								
34								
35	REVENUE AT PROPOSED RATES							
36	Gas Sales & Transportation Revenue Pro Forma		(1,044,746,874)	(552,901,679)	(251,013,997)	(40,932,667)	(12,749,439)	(30,533,710)
37	NGV and Gas Light Revenue	NGVREV						
38	Storage-Demand	TOTRB Adj	(92,708)	(44,344)	(17,514)	(2,150)	(833)	(6,179)
39	Transmission-Demand	TOTRB Adj	(656,880)	(314,199)	(124,097)	(15,232)	(5,902)	(43,778)
40	Distribution-Demand	TOTRB Adj	(153,351)	(73,351)	(28,971)	(3,556)	(1,378)	(10,220)
41	Distribution-Customer	TOTRB Adj	(235,778)	(112,777)	(44,543)	(5,467)	(2,118)	(15,714)
42	TOTAL		(1,138,717)	(544,671)	(215,125)	(26,405)	(10,231)	(75,891)
43								
44	Revenue Increase at Proposed Rates	OPERREV PROPREV	(109,025,725)	(65,901,626)	(29,996,485)	(4,444,956)	(684,437)	(6,174,981)
45								
46	TOTAL GAS & TRANSPORTATION REVENUE AT PROPOSED RATES		(1,154,911,316)	(619,347,976)	(281,225,606)	(45,404,027)	(13,444,107)	(36,784,582)
47								

Piedmont Natural Gas, Inc.
North Carolina
Test Period 12 M.E. 12/31/2020
Docket No. G-9, Sub 781

Exhibit (CAM-2)
Schedule 1 - Class Cost of Service Study by Rate Schedule
Page 112 of 114

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	State Income Tax Change	INCTX-1						
2	Storage-Demand	TOTRB Adj	52	2,027	1,211	2,263	7,012	39,003
3	Transmission-Demand	TOTRB Adj	371	14,360	8,583	16,034	49,681	276,353
4	Distribution-Demand	TOTRB Adj	87	3,352	2,004	3,743	11,598	64,516
5	Distribution-Customer	TOTRB Adj	133	5,154	3,081	5,755	17,832	99,193
6	TOTAL		643	24,893	14,879	27,796	86,123	479,065
7								
8	Federal Income Tax Change	INCTX-2						
9	Storage-Demand	TOTRB Adj	429	16,598	9,921	18,534	57,425	319,433
10	Transmission-Demand	TOTRB Adj	3,036	117,606	70,294	131,320	406,886	2,263,332
11	Distribution-Demand	TOTRB Adj	709	27,456	16,410	30,657	94,989	528,382
12	Distribution-Customer	TOTRB Adj	1,090	42,213	25,231	47,135	146,046	812,392
13	TOTAL		5,263	203,874	121,856	227,646	705,347	3,923,539
14								
15	TOTAL TAXES AT PROPOSED RATES							
16	Storage-Demand		2,106	81,441	47,713	89,333	276,175	1,529,543
17	Transmission-Demand		14,994	580,744	344,806	644,618	1,995,802	11,079,453
18	Distribution-Demand		3,708	142,935	81,891	153,713	474,013	2,614,377
19	Distribution-Customer		6,493	247,582	129,542	245,804	749,893	4,063,019
20	TOTAL		27,301	1,052,702	603,951	1,133,468	3,495,881	19,286,392
21								
22	PURCHASED GAS COSTS							
23	Purchased Gas Costs Pro Forma		2,480,834	10,938,619	1,217,013	1,270,708	2,808,000	6,294,421
24								
25	Cost of Gas - Rate 142	COG142						
26	Storage-Demand		6	227	136	254	787	4,378
27	Transmission-Demand		42	1,612	963	1,800	5,577	31,021
28	Distribution-Demand		10	376	225	420	1,302	7,242
29	Distribution-Customer		15	579	346	646	2,002	11,135
30								
31	Purchased Gas Costs Demand Adjustment	PURCHGAS	PROPCOG	-	-	-	-	-
32	TOTAL PURCHASED GAS COSTS AT PROPOSED RATES		2,480,906	10,941,414	1,218,683	1,273,828	2,817,667	6,348,197
33								
34								
35	REVENUE AT PROPOSED RATES							
36	Gas Sales & Transportation Revenue Pro Forma		(2,963,984)	(24,641,057)	(2,264,483)	(10,611,173)	(9,709,126)	(106,425,558)
37	NGV and Gas Light Revenue	NGVREV						
38	Storage-Demand	TOTRB Adj	(22)	(852)	(509)	(952)	(2,949)	(16,404)
39	Transmission-Demand	TOTRB Adj	(156)	(6,039)	(3,610)	(6,744)	(20,895)	(116,229)
40	Distribution-Demand	TOTRB Adj	(36)	(1,410)	(843)	(1,574)	(4,878)	(27,134)
41	Distribution-Customer	TOTRB Adj	(56)	(2,168)	(1,296)	(2,421)	(7,500)	(41,719)
42	TOTAL		(270)	(10,470)	(6,258)	(11,690)	(36,222)	(201,486)
43								
44	Revenue Increase at Proposed Rates	OPERREV	PROPREV	(41,520)	(1,385,610)	(396,110)	-	-
45								
46	TOTAL GAS & TRANSPORTATION REVENUE AT PROPOSED RATES		(3,005,775)	(26,037,136)	(2,666,851)	(10,622,863)	(9,745,348)	(106,627,044)
47								

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113
1	OTHER REVENUE							
2	Other Revenue Pro Forma							
3	Storage-Demand		(92,499)	(44,244)	(17,475)	(2,145)	(831)	(6,165)
4	Transmission-Demand		(655,396)	(313,489)	(123,816)	(15,198)	(5,888)	(43,679)
5	Distribution-Demand		(153,004)	(73,185)	(28,905)	(3,548)	(1,375)	(10,197)
6	Distribution-Customer		(235,245)	(112,522)	(44,442)	(5,455)	(2,114)	(15,678)
7	TOTAL		(1,136,144)	(543,440)	(214,638)	(26,345)	(10,208)	(75,719)
8								
9	TOTAL REVENUE AT PROPOSED RATES		(1,156,047,460)	(619,891,416)	(281,440,244)	(45,430,373)	(13,454,314)	(36,860,301)
10								
11								
12	MARGIN PROPOSED REVENUE		850,249,088	472,705,255	193,143,388	29,125,507	2,540,256	19,305,656
13								
14								
15	UTILITY INCOME AT PROPOSED RATES	INCOME	351,661,119	174,703,038	106,401,060	20,647,034	(660,157)	(5,148,859)
16			-					
17	Less Interest on Customer Deposits	OTHERINT						
18	Storage-Demand	UTILPLT Adj	(72,879)	(34,319)	(13,783)	(1,704)	(659)	(4,971)
19	Transmission-Demand	UTILPLT Adj	(516,381)	(243,164)	(97,658)	(12,076)	(4,672)	(35,220)
20	Distribution-Demand	UTILPLT Adj	(120,551)	(56,767)	(22,799)	(2,819)	(1,091)	(8,222)
21	Distribution-Customer	UTILPLT Adj	(185,348)	(87,280)	(35,053)	(4,334)	(1,677)	(12,642)
22	TOTAL		(895,159)	(421,531)	(169,292)	(20,934)	(8,100)	(61,054)
23								
24								
25	UTILITY NET OPERATING INCOME PROPOSED		350,765,960	174,281,508	106,231,768	20,626,100	(668,256)	(5,209,913)
26								
27								
28	RETURN ON RATE BASE PROPOSED		7.27%	7.56%	11.66%	18.44%	-1.54%	-1.62%

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Interruptible Sales Rate 104	Interruptible Transportation Rate 114	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	OTHER REVENUE							
2	Other Revenue Pro Forma							
3	Storage-Demand		(22)	(850)	(508)	(950)	(2,942)	(16,367)
4	Transmission-Demand		(156)	(6,026)	(3,602)	(6,728)	(20,848)	(115,966)
5	Distribution-Demand		(36)	(1,407)	(841)	(1,571)	(4,867)	(27,073)
6	Distribution-Customer		(56)	(2,163)	(1,293)	(2,415)	(7,483)	(41,625)
7	TOTAL		(270)	(10,446)	(6,244)	(11,664)	(36,140)	(201,031)
8								
9	TOTAL REVENUE AT PROPOSED RATES		(3,006,044)	(26,047,582)	(2,673,095)	(10,634,527)	(9,781,488)	(106,828,075)
10								
11								
12	MARGIN PROPOSED REVENUE		524,671	15,088,047	1,443,580	9,340,465	6,901,126	100,131,137
13								
14								
15	UTILITY INCOME AT PROPOSED RATES	INCOME	392,128	10,260,151	(467,638)	5,571,475	(4,166,044)	44,128,931
16								
17	Less Interest on Customer Deposits	OTHERINT						
18	Storage-Demand	UTILPLT Adj	(18)	(681)	(410)	(766)	(2,374)	(13,194)
19	Transmission-Demand	UTILPLT Adj	(124)	(4,825)	(2,907)	(5,425)	(16,824)	(93,486)
20	Distribution-Demand	UTILPLT Adj	(29)	(1,126)	(679)	(1,267)	(3,928)	(21,825)
21	Distribution-Customer	UTILPLT Adj	(45)	(1,732)	(1,043)	(1,947)	(6,039)	(33,556)
22	TOTAL		(215)	(8,364)	(5,039)	(9,405)	(29,165)	(162,061)
23								
24								
25	UTILITY NET OPERATING INCOME PROPOSED		391,913	10,251,787	(472,677)	5,562,070	(4,195,209)	43,966,870
26								
27								
28	RETURN ON RATE BASE PROPOSED		34.24%	23.12%	-1.78%	11.23%	-2.73%	5.15%

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(CAM-2)
SCHEDULE 2

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	SUMMARY						
2							
3	PER BOOKS RATE BASE						
4							
5	UTILITY NET PLANT						
6	INTANGIBLE PLANT	Page 5 Line 12	73,792,393	1,984,594	45,903,900	10,536,904	15,366,995
7	OTHER STORAGE PLANT	Page 5 Line 24	123,779,243	123,779,243	-	-	-
8	TRANSMISSION PLANT	Page 5 Line 35	2,863,029,037	-	2,863,029,037	-	-
9	DISTRIBUTION PLANT	Page 6 Line 18	1,615,627,754	-	-	657,187,352	958,440,402
10	GENERAL PLANT	Page 6 Line 48	216,706,525	5,828,168	134,806,235	30,943,784	45,128,338
11	TOTAL UTILITY NET PLANT IN SERVICE PER BOOKS	Page 6 Line 50	4,892,934,953	131,592,004	3,043,739,173	698,668,040	1,018,935,735
12							
13	OTHER RATE BASE ADDITIONS	Page 9 Line 8	255,644,460	5,797,035	89,945,450	58,639,696	101,262,279
14	OTHER RATE BASE DEDUCTIONS	Page 7 Line 15	(929,017,124)	(25,017,288)	(576,725,281)	(132,649,059)	(194,625,496)
15							
16	TOTAL NET RATE BASE PER BOOKS	Page 7 Line 17	4,219,562,288	112,371,752	2,556,959,342	624,658,678	925,572,517
17							
18							
19							
20	PRO FORMA RATE BASE						
21							
22	UTILITY NET PLANT						
23	INTANGIBLE PLANT	Page 8 Line 10	64,572,836	4,985,984	38,338,275	8,795,872	12,452,706
24	OTHER STORAGE PLANT	Page 8 Line 22	400,660,299	400,660,299	-	-	-
25	TRANSMISSION PLANT	Page 8 Line 33	3,080,760,726	-	3,080,760,726	-	-
26	DISTRIBUTION PLANT	Page 8 Line 52	1,725,259,644	-	-	714,173,126	1,011,086,518
27	GENERAL PLANT	Page 9 Line 30	222,171,783	17,154,969	131,908,141	30,263,415	42,845,257
28	TOTAL PRO FORMA UTILITY NET PLANT IN SERVICE	Page 9 Line 32	5,493,425,288	422,801,252	3,251,007,142	753,232,413	1,066,384,481
29							
30	OTHER RATE BASE ADDITIONS	Page 11 Line 42	278,448,209	42,803,331	91,625,250	26,392,806	117,626,823
31	OTHER RATE BASE DEDUCTIONS	Page 9 Line 49	(949,214,689)	(72,970,253)	(560,634,727)	(130,158,801)	(185,450,909)
32							
33	TOTAL NET PRO FORMA RATE BASE	Page 9 Line 51	4,822,658,809	392,634,331	2,781,997,665	649,466,418	998,560,395
34							
35							
36							

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	PER BOOKS UTILITY INCOME						
2							
3	OPERATION AND MAINTENANCE EXPENSE						
4	PRODUCTION, STORAGE AND PROCESSING EXPENSES	Page 10 Line 16	3,882,519	3,882,519	-	-	-
5	TRANSMISSION EXPENSES	Page 10 Line 36	12,749,164	-	12,749,164	-	-
6	DISTRIBUTION EXPENSES	Page 11 Line 12	61,837,465	-	-	16,343,154	45,494,311
7	CUSTOMER ACCOUNTS EXPENSES	Page 11 Line 20	28,024,252	-	-	-	28,024,252
8	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	Page 11 Line 26	1,941,164	-	-	-	1,941,164
9	SALES EXPENSES	Page 11 Line 33	5,304,295	-	-	-	5,304,295
10	ADMINISTRATIVE AND GENERAL EXPENSES	Page 12 Line 6	96,627,304	3,907,334	11,629,013	13,535,726	67,555,231
11	TOTAL O&M PER BOOKS	Page 12 Line 8	210,366,163	7,789,853	24,378,177	29,878,880	148,319,253
12							
13	DEPRECIATION EXPENSE	Page 12 Line 21	132,956,307	3,680,169	70,519,796	17,734,097	41,022,245
14							
15	TAXES						
16	General Taxes		31,892,657	940,447	16,775,015	4,537,442	9,639,753
17	State Income Taxes	Page 12 Line 26	(11,589,378)	(308,638)	(7,022,901)	(1,715,677)	(2,542,162)
18	Federal Income Taxes	Page 12 Line 27	32,707,113	871,028	19,819,771	4,841,920	7,174,395
19	Amortization of Investment Tax Credits	Page 12 Line 28	(28,065)	(747)	(17,007)	(4,155)	(6,156)
20	TOTAL TAXES	Page 12 Line 29	52,982,326	1,502,089	29,554,877	7,659,530	14,265,829
21							
22	PURCHASED GAS COSTS	Page 12 Line 34	240,811,923	-	-	-	-
23							
24	OPERATING REVENUE						
25	Gas Sales & Transportation Revenue	Page 12 Line 38	(921,247,240)	-	-	-	-
26	NGV and Gas Light Revenue	Page 12 Line 39	(1,138,717)	(30,325)	(690,037)	(168,574)	(249,781)
27	TOTAL OPERATING REVENUE	Page 12 Line 40	(922,385,957)	-	-	-	-
28							
29	OTHER GAS REVENUE	Page 12 Line 43	(3,194,374)	(85,070)	(1,935,718)	(472,891)	(700,695)
30							
31	TOTAL REVENUE	Page 12 Line 45	(925,580,331)	-	-	-	-
32							
33	UTILITY INCOME PER BOOKS	Page 12 Line 47	288,463,611	7,682,115	174,802,426	42,703,789	63,275,281
34							
35	Less Interest on Customer Deposits	Page 12 Line 48	(895,159)	(23,839)	(542,446)	(132,518)	(196,356)
36							
37	UTILITY NET OPERATING INCOME PER BOOKS	Page 12 Line 50	287,568,452	7,658,276	174,259,980	42,571,271	63,078,926
38							
39	RETURN ON RATE BASE PER BOOKS	Page 12 Line 52	6.82%	6.82%	6.82%	6.82%	6.82%
40							
41							
42							

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	PRO FORMA UTILITY INCOME						
2							
3	OPERATION AND MAINTENANCE EXPENSE						
4	PRODUCTION, STORAGE AND PROCESSING EXPENSES	Page 13 Line 19	3,955,212	3,955,212	-	-	-
5	TRANSMISSION EXPENSES	Page 13 Line 39	12,559,059	-	12,559,059	-	-
6	DISTRIBUTION EXPENSES	Page 14 Line 25	64,184,065	-	-	17,331,978	46,852,088
7	CUSTOMER ACCOUNTS EXPENSES	Page 14 Line 34	27,533,254	-	-	-	27,533,254
8	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	Page 14 Line 40	1,966,085	-	-	-	1,966,085
9	SALES EXPENSES	Page 14 Line 47	3,532,988	-	-	-	3,532,988
10	ADMINISTRATIVE AND GENERAL EXPENSES	Page 15 Line 21	101,634,661	4,109,818	12,231,644	14,237,166	71,056,034
11	TOTAL O&M PRO FORMA	Page 15 Line 23	215,365,324	8,065,030	24,790,703	31,569,143	150,940,448
12							
13	DEPRECIATION EXPENSE	Page 15 Line 37	171,688,708	10,938,111	78,068,301	19,807,977	62,874,318
14							
15	TAXES						
16	General Taxes		41,152,004	2,936,285	21,372,600	5,661,326	11,181,793
17	State Income Taxes	Page 15 Line 42	5,531,640	450,356	3,190,980	744,945	1,145,359
18	Federal Income Taxes	Page 15 Line 43	41,241,001	3,357,615	23,790,273	5,553,917	8,539,196
19	Amortization of Investment Tax Credits	Page 15 Line 44	(28,065)	(2,285)	(16,190)	(3,780)	(5,811)
20	TOTAL TAXES	Page 15 Line 45	87,896,579	6,741,971	48,337,663	11,956,408	20,860,537
21							
22	PURCHASED GAS COSTS	Page 15 Line 50	303,827,431	-	-	-	-
23							
24	OPERATING REVENUE						
25	Gas Sales & Transportation Revenue	Page 16 Line 3	(1,044,746,874)	-	-	-	-
26	NGV and Gas Light Revenue	Page 16 Line 4	(1,138,717)	(92,708)	(656,880)	(153,351)	(235,778)
27	TOTAL OPERATING REVENUE	Page 16 Line 5	(1,045,885,591)	-	-	-	-
28							
29	OTHER GAS REVENUE	Page 16 Line 9	(1,136,144)	(92,499)	(655,396)	(153,004)	(235,245)
30							
31	TOTAL REVENUE	Page 16 Line 11	(1,047,021,735)	-	-	-	-
32							
33	UTILITY INCOME PRO FORMA	Page 16 Line 13	268,243,692	21,838,925	154,738,984	36,124,320	55,541,463
34							
35	Less Interest on Customer Deposits	Page 16 Line 14	(895,159)	(72,879)	(516,381)	(120,551)	(185,348)
36							
37	UTILITY NET OPERATING INCOME PRO FORMA	Page 16 Line 16	267,348,533	21,766,046	154,222,603	36,003,769	55,356,115
38							
39	RETURN ON RATE BASE PRO FORMA	Page 16 Line 18	5.54%	5.54%	5.54%	5.54%	5.54%
40							
41							
42							

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	UTILITY INCOME AT PROPOSED RATES						
2							
3	OPERATION AND MAINTENANCE EXPENSE						
4	PRODUCTION, STORAGE AND PROCESSING EXPENSES		3,955,212	3,955,212	-	-	-
5	TRANSMISSION EXPENSES		12,559,059	-	12,559,059	-	-
6	DISTRIBUTION EXPENSES		64,184,065	-	-	17,331,978	46,852,088
7	CUSTOMER ACCOUNTS EXPENSES	Page 17 Line 5	28,118,849	-	-	-	28,118,849
8	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		1,966,085	-	-	-	1,966,085
9	SALES EXPENSES		3,532,988	-	-	-	3,532,988
10	ADMINISTRATIVE AND GENERAL EXPENSES	Page 17 Line 6	101,775,632	4,115,518	12,248,610	14,256,913	71,154,591
11	TOTAL O&M AT PROPOSED RATES	Page 17 Line 7	216,091,890	8,070,730	24,807,668	31,588,891	151,624,601
12							
13	DEPRECIATION EXPENSE	Page 17 Line 9	171,688,708	10,938,111	78,068,301	19,807,977	62,874,318
14							
15	TAXES						
16	General Taxes		41,152,004	2,936,285	21,372,600	5,661,326	11,181,793
17	State Income Taxes	Page 17 Line 13	8,239,119	670,784	4,752,816	1,109,560	1,705,959
18	Federal Income Taxes	Page 17 Line 14	63,415,254	5,162,921	36,581,706	8,540,119	13,130,508
19	Amortization of Investment Tax Credits		(28,065)	(2,285)	(16,190)	(3,780)	(5,811)
20	TOTAL TAXES	Page 17 Line 15	112,778,311	8,767,704	62,690,933	15,307,225	26,012,449
21							
22	PURCHASED GAS COSTS	Page 17 Line 21	303,827,431	-	-	-	-
23							
24	OPERATING REVENUE						
25	Gas Sales & Transportation Revenue	Page 17 Line 25	(1,044,746,874)	-	-	-	-
26	Proposed Revenue Increase	Page 17 Line 27	(109,025,725)	-	-	-	-
27	NGV and Gas Light Revenue	Page 17 Line 26	(1,138,717)	(92,708)	(656,880)	(153,351)	(235,778)
28	TOTAL OPERATING REVENUE	Page 17 Line 28	(1,154,911,316)	-	-	-	-
29							
30	OTHER GAS REVENUE	Page 17 Line 33	(1,136,144)	-	-	-	-
31							
32	TOTAL REVENUE	Page 17 Line 35	(1,156,047,460)	-	-	-	-
33							
34	UTILITY INCOME AT PROPOSED RATES	Page 17 Line 37	351,661,119	28,630,312	202,859,139	47,358,127	72,813,541
35							
36	Less Interest on Customer Deposits	Page 17 Line 38	(895,159)	(72,879)	(516,381)	(120,551)	(185,348)
37							
38	UTILITY NET OPERATING INCOME AT PROPOSED RATES	Page 17 Line 40	350,765,960	28,557,433	202,342,758	47,237,576	72,628,193
39							
40	RETURN ON PRO FORMA RATE BASE AT PROPOSED RATES	Page 17 Line 42	7.27%	7.27%	7.27%	7.27%	7.27%
41							

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	DETAILED FUNCTIONALIZATION						
2							
3	PER BOOKS RATE BASE						
4	NET PLANT						
5							
6	INTANGIBLE PLANT						
7	Organization	20100	Util PLT	-	-	-	-
8	Franchises and Consents	20200	Util PLT	0	0	0	0
9	Miscellaneous Intangible Plant	20300	Util PLT	16,367,572	440,194	10,181,746	2,337,145
10	Customer Contracts	20301	Util PLT	(42,900)	(1,154)	(26,687)	(6,126)
11	10 Year Software	20310	Util PLT	57,467,721	1,545,553	35,748,841	8,205,885
12	TOTAL INTANGIBLE PLANT			73,792,393	1,984,594	45,903,900	10,536,904
13							
14	OTHER STORAGE PLANT						
15	Non-depr Land & Land Rights	26000	Storage Demand PLT	3,187,462	3,187,462	-	-
16	S&I	26100	Storage Demand PLT	24,950,727	24,950,727	-	-
17	Gas Holders	26200	Storage Demand PLT	575,776	575,776	-	-
18	Purification Equipment	26300	Storage Demand PLT	9,895,257	9,895,257	-	-
19	Liquefaction Equipment	26310	Storage Demand PLT	51,613,293	51,613,293	-	-
20	Vaporizing Equipment	26320	Storage Demand PLT	25,245,989	25,245,989	-	-
21	Compressor Equipment	26330	Storage Demand PLT	2,295,168	2,295,168	-	-
22	M&R Equipment	26340	Storage Demand PLT	185,565	185,565	-	-
23	Other Equipment	26350	Storage Demand PLT	5,830,007	5,830,007	-	-
24	TOTAL OTHER STORAGE PLANT			123,779,243	123,779,243	-	-
25							
26	TRANSMISSION PLANT						
27	Non-depr Land & Land Rights	26510	Trans Demand PLT	32,662,199	-	32,662,199	-
28	Land Rights	26520	Trans Demand PLT	115,888,115	-	115,888,115	-
29	S&I - Comp Station Struct	26610	Trans Demand PLT	46,087,794	-	46,087,794	-
30	S&I - M&R Station Str	26620	Trans Demand PLT	33,097,287	-	33,097,287	-
31	Mains	26700	Trans Demand PLT	2,310,132,751	-	2,310,132,751	-
32	Mains, Cathodic Protection	26701	Trans Demand PLT	(474,715)	-	(474,715)	-
33	Compressor Station Equip	26800	Trans Demand PLT	100,835,330	-	100,835,330	-
34	System Meas & Reg Station	26900	Trans Demand PLT	224,800,276	-	224,800,276	-
35	TOTAL TRANSMISSION PLANT			2,863,029,037	-	2,863,029,037	-
36							

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION				
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer	
1	DISTRIBUTION PLANT							
2	Non-depr Land & Land Rights	27400	Dist Other PLT	4,801,683	-	-	1,953,176	2,848,507
3	Land Rights	27401	Dist Other PLT	11,095,222	-	-	4,513,193	6,582,029
4	S&I	27500	Dist Other PLT	851,365	-	-	346,309	505,056
5	Mains	27600	Dist Mains PLT	917,830,191	-	-	519,767,237	398,062,954
6	M&R Station Equipment	27800	Dist Demand PLT	66,603,972	-	-	66,603,972	-
7	M&R City Gate Equipment	27900	Dist Demand PLT	63,993,120	-	-	63,993,120	-
8	Services	28000	Dist Cust PLT	399,728,213	-	-	-	399,728,213
9	Meters	28100	Dist Cust PLT	62,014,899	-	-	-	62,014,899
10	Meters - Meter Accessories	28104	Dist Cust PLT	714,259	-	-	-	714,259
11	Meters - Meter Acc, ERTs	28105	Dist Cust PLT	9,504,932	-	-	-	9,504,932
12	Meter Installations	28200	Dist Cust PLT	43,483,481	-	-	-	43,483,481
13	House Regulators	28300	Dist Cust PLT	6,853,285	-	-	-	6,853,285
14	House Regulator Installatio	28400	Dist Cust PLT	323,115	-	-	-	323,115
15	Industrial M&R Station Equip	28500	Dist Cust PLT	27,745,689	-	-	-	27,745,689
16	Other Property on Customer Premises	28600	Dist Cust PLT	58,898	-	-	-	58,898
17	Other Equipment	28700	Dist Other PLT	25,430	-	-	10,344	15,086
18	TOTAL DISTRIBUTION PLANT			1,615,627,754	-	-	657,187,352	958,440,402
19								
20	GENERAL PLANT							
21	Non-depr Land & Land Rights	28900	Util PLT	3,483,383	93,683	2,166,902	497,396	725,402
22	S&I	29000	Util PLT	106,368,298	2,860,700	66,168,334	15,188,457	22,150,807
23	Leasehold Improvements	29001	Util PLT	1,580,313	42,501	983,062	225,655	329,094
24	Compressed Natural Gas	29002	Util PLT	16,324,128	439,026	10,154,721	2,330,942	3,399,440
25	Office Furniture and Equipm	29100	Util PLT	15,632,744	420,432	9,724,633	2,232,218	3,255,462
26	Electronic Data Processing	29101	Util PLT	20,180	543	12,553	2,881	4,202
27	PC Equipment (Computer Processing Hardware)	29102	Util PLT	10,567,789	284,213	6,573,885	1,508,987	2,200,703
28	Customer Information System	29103	Util PLT	(7,043,361)	(189,426)	(4,381,451)	(1,005,730)	(1,466,754)
29	Client Service Applications	29104	Util PLT	(104,382)	(2,807)	(64,933)	(14,905)	(21,737)
30	SaaS - 3 yr Contract	29105	Util PLT	102	3	63	15	21
31	Trans Equip - Leased Buyout	29204	Util PLT	2	0	1	0	0
32	Passenger Cars & Station Wagons	29210	Util PLT	369,186	9,929	229,659	52,717	76,882
33	Trucks 1/2 & 3/4 Ton	29211	Util PLT	(294,646)	(7,924)	(183,290)	(42,073)	(61,359)
34	Trucks 2 tons & over	29213	Util PLT	(3,623)	(97)	(2,254)	(517)	(754)
35	Gas NC Trailer	29218	Util PLT	(6,765)	(182)	(4,208)	(966)	(1,409)
36	Transportation- 3 Year Meter	29240	Util PLT	680,936	18,313	423,589	97,232	141,802
37	Transportation - 5 Year Rural Use	29241	Util PLT	5,153,407	138,597	3,205,771	735,861	1,073,178
38	Transportation - 7 Year Urban Use	29242	Util PLT	20,451,178	550,020	12,722,027	2,920,248	4,258,883
39	Transportation - 10 Year Heavy Duty	29243	Util PLT	5,488,005	147,596	3,413,913	783,639	1,142,857
40	Transportation - 15 Year Trailers & Other	29244	Util PLT	1,335,883	35,928	831,010	190,752	278,193
41	Stores Equipment	29300	Util PLT	11,863	319	7,379	1,694	2,470
42	Tools, Shop & Garage Equip	29400	Util PLT	10,345,247	278,228	6,435,449	1,477,210	2,154,360
43	CNG Station Equipment	29410	Util PLT	-	-	-	-	-
44	Laboratory Equipment	29500	Util PLT	487,841	13,120	303,470	69,659	101,591
45	Power Operated Equipment	29600	Util PLT	7,726,469	207,798	4,806,390	1,103,272	1,609,009
46	Communication Equipment	29700	Util PLT	14,285,541	384,199	8,886,580	2,039,849	2,974,911
47	Miscellaneous Equipment	29800	Util PLT	3,846,807	103,457	2,392,976	549,290	801,084
48	TOTAL GENERAL PLANT			216,706,525	5,828,168	134,806,235	30,943,784	45,128,338
49								
50	TOTAL NET PLANT IN SERVICE PER BOOKS			4,892,934,953	131,592,004	3,043,739,173	698,668,040	1,018,935,735
51								
52								

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	OTHER RATE BASE ADDITIONS PER BOOKS						
2	Stored Natural Gas	Dist Demand PLT	35,707,698	-	-	35,707,698	-
3	Pension/OPEB	OPER LABOR	99,610,517	4,027,967	11,988,040	13,953,620	69,640,890
4	Cash Working Capital	O&M	42,845,319	1,586,561	4,965,108	6,085,437	30,208,212
5	Materials and Supplies	Total PLT UNADJ	6,786,081	182,507	4,221,405	968,993	1,413,176
6	Deferred Pipeline Integrity Costs	REGASSET-1	68,770,897	-	68,770,897	-	-
7	Other	OTHER_ADD	1,923,949	-	-	1,923,949	-
8	TOTAL OTHER RATE BASE ADDITIONS PER BOOKS		255,644,460	5,797,035	89,945,450	58,639,696	101,262,279
9							
10	OTHER RATE BASE DEDUCTIONS PER BOOKS						
11	Accrued Vacation Liability	CURRLIAB	(2,365,301)	(95,646)	(284,662)	(331,336)	(1,653,657)
12	Customer Advances	CUSTADV	(15,477,647)	(416,260)	(9,628,152)	(2,210,072)	(3,223,163)
13	Accumulated Deferred Income Tax	ADIT	(884,117,246)	(23,777,704)	(549,981,212)	(126,244,160)	(184,114,170)
14	Deferred Revenue	REGLIAB	(27,056,931)	(727,677)	(16,831,256)	(3,863,492)	(5,634,507)
15	TOTAL OTHER RATE BASE DEDUCTIONS PER BOOKS		(929,017,124)	(25,017,288)	(576,725,281)	(132,649,059)	(194,625,496)
16							
17	TOTAL NET RATE BASE PER BOOKS		4,219,562,288	112,371,752	2,556,959,342	624,658,678	925,572,517
18							

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	PRO FORMA RATE BASE INCLUDING ADJUSTMENTS						
2	NET PLANT						
3							
4	INTANGIBLE PLANT						
5	Organization	20100	Util PLT Adj	-	-	-	-
6	Franchises and Consents	20200	Util PLT Adj	(1,681)	(130)	(998)	(324)
7	Miscellaneous Intangible Plant	20300	Util PLT Adj	13,478,418	1,040,735	8,002,425	1,835,980
8	Customer Contracts	20301	Util PLT Adj	(42,900)	(3,313)	(25,471)	(5,844)
9	10 Year Software	20310	Util PLT Adj	51,138,999	3,948,692	30,362,318	6,965,965
10	TOTAL INTANGIBLE PLANT			64,572,836	4,985,984	38,338,275	8,795,872
11							
12	OTHER STORAGE PLANT						
13	Non-depr Land & Land Rights	26000	Storage Demand PLT	6,005,823	6,005,823	-	-
14	S&I	26100	Storage Demand PLT	43,460,587	43,460,587	-	-
15	Gas Holders	26200	Storage Demand PLT	85,210,574	85,210,574	-	-
16	Purification Equipment	26300	Storage Demand PLT	18,730,894	18,730,894	-	-
17	Liquefaction Equipment	26310	Storage Demand PLT	127,352,597	127,352,597	-	-
18	Vaporizing Equipment	26320	Storage Demand PLT	29,038,256	29,038,256	-	-
19	Compressor Equipment	26330	Storage Demand PLT	2,290,910	2,290,910	-	-
20	M&R Equipment	26340	Storage Demand PLT	2,413,521	2,413,521	-	-
21	Other Equipment	26350	Storage Demand PLT	86,157,138	86,157,138	-	-
22	TOTAL OTHER STORAGE PLANT			400,660,299	400,660,299	-	-
23							
24	TRANSMISSION PLANT						
25	Non-depr Land & Land Rights	26510	Trans Demand PLT	40,937,829	-	40,937,829	-
26	Land Rights	26520	Trans Demand PLT	115,096,998	-	115,096,998	-
27	S&I - Comp Station Struct	26610	Trans Demand PLT	46,237,485	-	46,237,485	-
28	S&I - M&R Station Str	26620	Trans Demand PLT	33,198,673	-	33,198,673	-
29	Mains	26700	Trans Demand PLT	2,481,471,261	-	2,481,471,261	-
30	Mains, Cathodic Protection	26701	Trans Demand PLT	(475,976)	-	(475,976)	-
31	Compressor Station Equip	26800	Trans Demand PLT	101,661,435	-	101,661,435	-
32	System Meas & Reg Station	26900	Trans Demand PLT	262,633,021	-	262,633,021	-
33	TOTAL TRANSMISSION PLANT			3,080,760,726	-	3,080,760,726	-
34							
35	DISTRIBUTION PLANT						
36	Non-depr Land & Land Rights	27400	Dist Other PLT Adj	5,215,501	-	-	2,158,963
37	Land Rights	27401	Dist Other PLT Adj	11,704,973	-	-	4,845,286
38	S&I	27500	Dist Other PLT Adj	835,651	-	-	345,918
39	Mains	27600	Dist Mains PLT	1,007,715,656	-	-	570,669,376
40	M&R Station Equipment	27800	Dist Demand PLT	70,787,050	-	-	70,787,050
41	M&R City Gate Equipment	27900	Dist Demand PLT	65,356,212	-	-	65,356,212
42	Services	28000	Dist Cust PLT	410,116,136	-	-	-
43	Meters	28100	Dist Cust PLT	63,572,815	-	-	63,572,815
44	Meters - Meter Accessories	28104	Dist Cust PLT	605,780	-	-	605,780
45	Meters - Meter Acc, ERTs	28105	Dist Cust PLT	8,675,763	-	-	8,675,763
46	Meter Installations	28200	Dist Cust PLT	44,927,862	-	-	44,927,862
47	House Regulators	28300	Dist Cust PLT	7,099,548	-	-	7,099,548
48	House Regulator Installatio	28400	Dist Cust PLT	317,993	-	-	317,993
49	Industrial M&R Station Equip	28500	Dist Cust PLT	28,250,483	-	-	28,250,483
50	Other Property on Customer Premises	28600	Dist Cust PLT	53,291	-	-	53,291
51	Other Equipment	28700	Dist Other PLT Adj	24,930	-	-	10,320
52	TOTAL DISTRIBUTION PLANT			1,725,259,644	-	-	714,173,126

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Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION				
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer	
1								
2	GENERAL PLANT							
3	Non-depr Land & Land Rights	28900	Util PLT Adj	3,483,383	268,969	2,068,159	474,493	671,761
4	S&I	29000	Util PLT Adj	114,759,534	8,861,144	68,135,191	15,632,118	22,131,081
5	Leasehold Improvements	29001	Util PLT Adj	1,410,622	108,921	837,516	192,150	272,035
6	Compressed Natural Gas	29002	Util PLT Adj	15,885,829	1,226,622	9,431,757	2,163,909	3,063,541
7	Office Furniture and Equipm	29100	Util PLT Adj	15,023,570	1,160,043	8,919,815	2,046,455	2,897,257
8	Electronic Data Processing	29101	Util PLT Adj	63,727	4,921	37,836	8,681	12,290
9	PC Equipment (Computer Processing Hardware)	29102	Util PLT Adj	8,143,630	628,809	4,835,047	1,109,295	1,570,478
10	Customer Information System	29103	Util PLT Adj	(7,419,379)	(572,887)	(4,405,044)	(1,010,640)	(1,430,808)
11	Client Service Applications	29104	Util PLT Adj	(105,989)	(8,184)	(62,928)	(14,437)	(20,440)
12	SaaS - 3 yr Contract	29105	Util PLT Adj	(1,967)	(152)	(1,168)	(268)	(379)
13	Trans Equip - Leased Buyout	29204	Util PLT Adj	2	0	1	0	0
14	Passenger Cars & Station Wagons	29210	Util PLT Adj	224,095	17,303	133,050	30,525	43,216
15	Trucks 1/2 & 3/4 Ton	29211	Util PLT Adj	(295,426)	(22,811)	(175,401)	(40,242)	(56,972)
16	Trucks 2 tons & over	29213	Util PLT Adj	(3,623)	(280)	(2,151)	(494)	(699)
17	Gas NC Trailer	29218	Util PLT Adj	(6,765)	(522)	(4,017)	(922)	(1,305)
18	Transportation- 3 Year Meter	29240	Util PLT Adj	570,488	44,050	338,711	77,710	110,017
19	Transportation - 5 Year Rural Use	29241	Util PLT Adj	4,188,209	323,392	2,486,629	570,502	807,685
20	Transportation - 7 Year Urban Use	29242	Util PLT Adj	18,931,524	1,461,795	11,240,051	2,578,782	3,650,896
21	Transportation - 10 Year Heavy Duty	29243	Util PLT Adj	5,127,365	395,909	3,044,226	698,431	988,799
22	Transportation - 15 Year Trailers & Other	29244	Util PLT Adj	1,288,970	99,528	765,289	175,579	248,575
23	Stores Equipment	29300	Util PLT Adj	11,491	887	6,822	1,565	2,216
24	Tools, Shop & Garage Equip	29400	Util PLT Adj	11,764,748	908,414	6,984,983	1,602,550	2,268,801
25	CNG Station Equipment	29410	Util PLT Adj	-	-	-	-	-
26	Laboratory Equipment	29500	Util PLT Adj	467,366	36,088	277,485	63,663	90,130
27	Power Operated Equipment	29600	Util PLT Adj	7,514,602	580,239	4,461,580	1,023,611	1,449,172
28	Communication Equipment	29700	Util PLT Adj	17,444,997	1,347,013	10,357,468	2,376,293	3,364,223
29	Miscellaneous Equipment	29800	Util PLT Adj	3,700,780	285,755,3104	2,197,232,2704	504,106,5104	713,685,9087
30	TOTAL GENERAL PLANT			222,171,783	17,154,969	131,908,141	30,263,415	42,845,257
31								
32	TOTAL PLANT IN SERVICE PRO FORMA			5,493,425,288	422,801,252	3,251,007,142	753,232,413	1,066,384,481
33								
34								
35	OTHER RATE BASE ADDITIONS PRO FORMA							
36	Stored Natural Gas	STOREDGAS	Storage Demand PLT	35,770,534	35,770,534	-	-	-
37	Pension/OPEB	OPEB	OPER LABOR Adj	99,169,804	4,010,146	11,935,001	13,891,884	69,332,774
38	Cash Working Capital	CWC	O&M Prop	66,950,717	2,500,516	7,686,041	9,787,035	46,977,125
39	Materials and Supplies	MATL	Total PLT ADJ	6,784,067	522,135	4,014,808	930,199	1,316,924
40	Deferred Pipeline Integrity Costs	REGASSET-1	Trans Demand PLT	67,989,399	-	67,989,399	-	-
41	Other	OTHER_ADD	Dist Demand PLT	1,783,688	-	-	1,783,688	-
42	TOTAL OTHER RATE BASE ADDITIONS PRO FORMA			278,448,209	42,803,331	91,625,250	26,392,806	117,626,823
43								
44	OTHER RATE BASE DEDUCTIONS PRO FORMA							
45	Accrued Vacation Liability	CURRLIAB	OPER LABOR Adj	(2,354,839)	(95,223)	(283,403)	(329,870)	(1,646,343)
46	Customer Advances	CUSTADV	Total PLT ADJ	(15,478,072)	(1,191,269)	(9,159,918)	(2,122,280)	(3,004,605)
47	Accumulated Deferred Income Tax	ADIT	Total PLT ADJ	(904,324,847)	(69,601,325)	(535,179,124)	(123,996,733)	(175,547,665)
48	Deferred Revenue	REGLIAB	Total PLT ADJ	(27,056,931)	(2,082,436)	(16,012,282)	(3,709,918)	(5,252,295)
49	TOTAL OTHER RATE BASE DEDUCTIONS PRO FORMA			(949,214,689)	(72,970,253)	(560,634,727)	(130,158,801)	(185,450,909)
50								
51	TOTAL NET RATE BASE PRO FORMA			4,822,658,809	392,634,331	2,781,997,665	649,466,418	998,560,395
52								

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	UTILITY INCOME PER BOOKS						
2							
3	OPERATION AND MAINTENANCE EXPENSE						
4							
5	PRODUCTION, STORAGE AND PROCESSING EXPENSES						
6	Miscellaneous production expenses	735	Storage Demand PLT	185,187	185,187	-	-
7	Purchased gas expenses	807	Storage Demand PLT	1,660,711	1,660,711	-	-
8	Compressor station expenses	818	Storage Demand PLT	-	-	-	-
9	Maintenance of purification equipment	836	Storage Demand PLT	-	-	-	-
10	Other Storage operation supervision and engineering	840	Storage Demand PLT	-	-	-	-
11	Other Storage maintenance supervision and engineering	843	Storage Demand PLT	247,211	247,211	-	-
12	Processing operation supervision and engineering	844	Storage Demand PLT	332,755	332,755	-	-
13	Processing Fuel	845	Storage Demand PLT	105,116	105,116	-	-
14	Processing gas losses	846	Storage Demand PLT	1,351,535	1,351,535	-	-
15	Processing maintenance supervision and engineering	847	Storage Demand PLT	3	3	-	-
16	TOTAL PRODUCTION, STORAGE AND PROCESSING EXPENSES			3,882,519	3,882,519	-	-
17							
18	TRANSMISSION EXPENSES						
19	TRANSMISSION OPERATION						
20	Operation supervision and engineering	850	Trans Demand PLT	271,940	-	271,940	-
21	System control and load dispatching	851	Trans Demand PLT	803,931	-	803,931	-
22	Communication system expenses	852	Trans Demand PLT	1,515,070	-	1,515,070	-
23	Mains expenses	856	Trans Demand PLT	272,284	-	272,284	-
24	Measuring and regulating station expenses	857	Trans Demand PLT	115,571	-	115,571	-
25	Other expenses	859	Trans Demand PLT	671,288	-	671,288	-
26	TOTAL TRANSMISSION OPERATION			3,650,085	-	3,650,085	-
27							
28	TRANSMISSION MAINTENANCE						
29	Maintenance supervision and engineering	861	Trans Demand PLT	694,345	-	694,345	-
30	Maintenance of structures and improvements	862	Trans Demand PLT	298,135	-	298,135	-
31	Maintenance of mains	863	Trans Demand PLT	6,145,172	-	6,145,172	-
32	Maintenance of compressor station equipment	864	Trans Demand PLT	926,714	-	926,714	-
33	Maintenance of measuring and regulating station equipment	865	Trans Demand PLT	1,034,714	-	1,034,714	-
34	TOTAL TRANSMISSION MAINTENANCE			9,099,080	-	9,099,080	-
35							
36	TOTAL TRANSMISSION EXPENSES			12,749,164	-	12,749,164	-
37							
38	DISTRIBUTION EXPENSES						
39	DISTRIBUTION OPERATION						
40	Distribution Operation supervision and engineering	870	Dist Other PLT	1,407,080	-	-	572,357
41	Distribution load dispatching	871	Dist Other PLT	79,432	-	-	32,310
42	Mains and services expenses	874	Dist M&S Gross	14,792,109	-	-	5,287,282
43	Measuring and regulating station expenses--General	875	Dist Other PLT	778,313	-	-	316,594
44	Measuring and regulating station expenses--Industrial	876	Dist Other PLT	61,674	-	-	25,087
45	Measuring and regulating station expenses--City gate	877	Dist Other PLT	149,819	-	-	60,942
46	Meter and house regulator expenses	878	Dist Cust PLT	8,560,298	-	-	-
47	Customer installations expenses	879	Dist Cust PLT	11,528,176	-	-	-
48	Other expenses	880	Dist Other PLT	6,108,577	-	-	2,484,780
49	TOTAL DISTRIBUTION OPERATION			43,465,478	-	-	8,779,352
50							34,686,127

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Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	DISTRIBUTION MAINTENANCE						
2	Maintenance supervision and engineering	Dist Other PLT	3,605,797	-	-	1,466,726	2,139,070
3	Maintenance of mains	Dist Mains PLT	8,293,857	-	-	4,696,811	3,597,046
4	Maintenance of measuring and regulating station equipment--General	Dist Other PLT	2,054,214	-	-	835,591	1,218,623
5	Maintenance of measuring and regulating station equipment-- Industrial	Dist Other PLT	1,141,685	-	-	464,402	677,283
6	Maintenance of measuring and regulating station equipment--City gate	Dist Other PLT	65,610	-	-	26,688	38,922
7	Maintenance of services	Dist Cust PLT	544,211	-	-	-	544,211
8	Maintenance of meters and house regulators	Dist Cust PLT	2,485,715	-	-	-	2,485,715
9	Maintenance of other equipment	Dist Other PLT	180,898	-	-	73,584	107,314
10	TOTAL DISTRIBUTION MAINTENANCE		18,371,987	-	-	7,563,802	10,808,185
11							
12	TOTAL DISTRIBUTION EXPENSES		61,837,465	-	-	16,343,154	45,494,311
13							
14	CUSTOMER ACCOUNTS EXPENSES						
15	Operation	Dist Cust PLT	123,047	-	-	-	123,047
16	Supervision (Major only)	Dist Cust PLT	960,143	-	-	-	960,143
17	Meter reading expenses	Dist Cust PLT	26,929,624	-	-	-	26,929,624
18	Customer records and collection expenses	Dist Cust PLT	-	-	-	-	-
19	Uncollectible accounts	Dist Cust PLT	11,438	-	-	-	11,438
20	TOTAL CUSTOMER ACCOUNTS EXPENSES		28,024,252	-	-	-	28,024,252
21							
22	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
23	Supervision (Major only)	Dist Cust PLT	59	-	-	-	59
24	Customer assistance expenses (Major only)	Dist Cust PLT	522,261	-	-	-	522,261
25	Informational and instructional advertising expenses (Major only)	Dist Cust PLT	1,418,844	-	-	-	1,418,844
26	TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		1,941,164	-	-	-	1,941,164
27							
28	SALES EXPENSES						
29	Operation	Dist Cust PLT	0	-	-	-	0
30	Supervision (Major only)	Dist Cust PLT	3,498,833	-	-	-	3,498,833
31	Demonstrating and selling expenses (Major only)	Dist Cust PLT	79,557	-	-	-	79,557
32	Cost and expenses of merchandising, jobbing and contract work	Dist Cust PLT	1,725,905	-	-	-	1,725,905
33	TOTAL SALES EXPENSES		5,304,295	-	-	-	5,304,295
34							
35	ADMINISTRATIVE AND GENERAL EXPENSES						
36	ADMINISTRATIVE AND GENERAL OPERATION						
37	Administrative and general salaries	OPER LABOR	20,113,221	813,322	2,420,609	2,817,496	14,061,795
38	Office supplies and expenses	OPER LABOR	21,247,450	859,187	2,557,112	2,976,381	14,854,770
39	Administrative expenses transferred -- Credit	OPER LABOR	-	-	-	-	-
40	Outside services employed	OPER LABOR	11,976,501	484,296	1,441,362	1,677,690	8,373,154
41	Property insurance	OPER LABOR	758,273	30,662	91,257	106,220	530,133
42	Injuries and damages	OPER LABOR	2,158,668	87,290	259,794	302,390	1,509,194
43	Employee pensions and benefits	OPER LABOR	11,336,185	458,403	1,364,300	1,587,993	7,925,488
44	Regulatory commission expenses	OPER LABOR	15,531,229	628,039	1,869,170	2,175,642	10,858,378
45	Duplicate charges -- Credit	OPER LABOR	(2,343,498)	(94,764)	(282,038)	(328,281)	(1,638,414)
46	General advertising expenses	OPER LABOR	5,433,807	219,728	653,954	761,177	3,798,948
47	Rents	OPER LABOR	9,394,874	379,902	1,130,665	1,316,051	6,568,256
48	TOTAL ADMINISTRATIVE AND GENERAL OPERATIONS		95,606,710	3,866,064	11,506,185	13,392,759	66,841,701
49							

I/A

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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	ADMINISTRATIVE AND GENERAL MAINTENANCE						
2	Maintenance of general plant	932	777,513	31,440	93,573	108,915	543,584
3	Other A&G	935	243,081	9,830	29,255	34,051	169,946
4	TOTAL ADMINISTRATIVE AND GENERAL MAINTENANCE		1,020,594	41,270	122,828	142,967	713,530
5							
6	TOTAL ADMINISTRATIVE AND GENERAL EXPENSE		96,627,304	3,907,334	11,629,013	13,535,726	67,555,231
7							
8	TOTAL O&M PER BOOKS		210,366,163	7,789,853	24,378,177	29,878,880	148,319,253
9							
10	DEPRECIATION EXPENSE						
11	Intangible	Depr-Intangible	13,626,941	366,487	8,476,887	1,945,807	2,837,761
12	Production	Depr-Prod	-	-	-	-	-
13	Storage	Depr-Storage	2,897,880	2,897,880	-	-	-
14	Transmission	Depr-Trans	52,425,351	-	52,425,351	-	-
15	Distribution Demand	Depr-Dist Demand Plant	2,404,316	-	-	2,404,316	-
16	Distribution Customer	Depr-Dist Cust Plant	7,738,839	-	-	-	7,738,839
17	Distribution Mains	Depr-Dist Mains	19,589,807	-	-	11,093,708	8,496,099
18	Distribution Services	Depr-Dist Services	18,609,429	-	-	-	18,609,429
19	Distribution Other	Depr-Dist Other	203,126	-	-	82,625	120,500
20	General	Depr-General	15,460,618	415,802	9,617,559	2,207,640	3,219,617
21	TOTAL DEPRECIATION EXPENSE		132,956,307	3,680,169	70,519,796	17,734,097	41,022,245
22							
23	TAXES						
24	Payroll Taxes	PAYROLLTAX	6,107,786	246,982	735,067	855,590	4,270,148
25	Other General Taxes	OTHERTAX	25,784,871	693,466	16,039,948	3,681,853	5,369,605
26	State Income Taxes	INCTAX-1	(11,589,378)	(308,638)	(7,022,901)	(1,715,677)	(2,542,162)
27	Federal Income Taxes	INCTAX-2	32,707,113	871,028	19,819,771	4,841,920	7,174,395
28	Amortization of Investment Tax Credits	INCTAX-3	(28,065)	(747)	(17,007)	(4,155)	(6,156)
29	TOTAL TAXES		52,982,326	1,502,089	29,554,877	7,659,530	14,265,829
30							
31	PURCHASED GAS COSTS						
32	Purchased Gas Costs	PURCHGAS	240,508,003				
33	Cost if Gas - Rate 142	COG142	303,920	8,094	184,169	44,992	66,666
34	TOTAL COST OF GAS		240,811,923				
35							
36	OPERATING REVENUE						
37	SALES OF GAS AND GAS TRANSPORTATION						
38	Gas Sales & Transportation Revenue	OPERREV	(921,247,240)				
39	NGV and Gas Light Revenue	NGVREV	(1,138,717)	(30,325)	(690,037)	(168,574)	(249,781)
40	TOTAL OPERATING REVENUE		(922,385,957)				
41							
42	OTHER GAS REVENUE	49500					
43	Other Operating Revenues	OTHERREV1	(3,194,374)	(85,070)	(1,935,718)	(472,891)	(700,695)
44							
45	TOTAL REVENUE		(925,580,331)				
46							
47	UTILITY INCOME PER BOOKS	INCOME	288,463,611	7,682,115	174,802,426	42,703,789	63,275,281
48	Less Interest on Customer Deposits	OTHERINT	(895,159)	(23,839)	(542,446)	(132,518)	(196,356)
49							
50	UTILITY NET OPERATING INCOME PER BOOKS	NETINCOME	287,568,452	7,658,276	174,259,980	42,571,271	63,078,926
51							
52	RETURN ON RATE BASE PER BOOKS		6.82%	6.82%	6.82%	6.82%	6.82%
53							

ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	PER BOOKS MARGIN REQUIREMENT	MARPB	680,739,237	20,546,925	296,813,690	97,379,822	265,998,799
2							
3							
4	UTILITY INCOME PRO FORMA						
5							
6	OPERATION AND MAINTENANCE EXPENSE PRO FORMA						
7							
8	PRODUCTION, STORAGE AND PROCESSING EXPENSES						
9	Miscellaneous production expenses	735	188,568	188,568	-	-	-
10	Purchased gas expenses	807	1,690,679	1,690,679	-	-	-
11	Compressor station expenses	818	-	-	-	-	-
12	Maintenance of purification equipment	836	-	-	-	-	-
13	Other Storage operation supervision and engineering	840	-	-	-	-	-
14	Other Storage maintenance supervision and engineering	843	250,294	250,294	-	-	-
15	Processing operation supervision and engineering	844	339,649	339,649	-	-	-
16	Processing Fuel	845	106,409	106,409	-	-	-
17	Processing gas losses	846	1,379,609	1,379,609	-	-	-
18	Processing maintenance supervision and engineering	847	4	4	-	-	-
19	TOTAL PRODUCTION, STORAGE AND PROCESSING EXPENSES		3,955,212	3,955,212	-	-	-
20							
21	TRANSMISSION EXPENSES						
22	TRANSMISSION OPERATION						
23	Operation supervision and engineering	850	(132,172)	-	(132,172)	-	-
24	System control and load dispatching	851	820,319	-	820,319	-	-
25	Communication system expenses	852	1,539,884	-	1,539,884	-	-
26	Mains expenses	856	275,659	-	275,659	-	-
27	Measuring and regulating station expenses	857	117,476	-	117,476	-	-
28	Other expenses	859	683,077	-	683,077	-	-
29	TOTAL TRANSMISSION OPERATION		3,304,244	-	3,304,244	-	-
30							
31	TRANSMISSION MAINTENANCE						
32	Maintenance supervision and engineering	861	708,536	-	708,536	-	-
33	Maintenance of structures and improvements	862	304,140	-	304,140	-	-
34	Maintenance of mains	863	6,243,181	-	6,243,181	-	-
35	Maintenance of compressor station equipment	864	943,545	-	943,545	-	-
36	Maintenance of measuring and regulating station equipment	865	1,055,412	-	1,055,412	-	-
37	TOTAL TRANSMISSION MAINTENANCE		9,254,814	-	9,254,814	-	-
38							
39	TOTAL TRANSMISSION EXPENSES		12,559,059	-	12,559,059	-	-
40							

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Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION				
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer	
1	DISTRIBUTION EXPENSES							
2	DISTRIBUTION OPERATION							
3	Distribution Operation supervision and engineering	870	Dist Other PLT Adj	2,627,039	-	-	1,087,466	1,539,574
4	Distribution load dispatching	871	Dist Other PLT Adj	80,409	-	-	33,285	47,123
5	Mains and services expenses	874	Dist M&S Gross Adj	15,012,116	-	-	5,455,148	9,556,968
6	Measuring and regulating station expenses--General	875	Dist Other PLT Adj	793,458	-	-	328,453	465,005
7	Measuring and regulating station expenses--Industrial	876	Dist Other PLT Adj	62,974	-	-	26,068	36,906
8	Measuring and regulating station expenses--City gate	877	Dist Other PLT Adj	153,030	-	-	63,347	89,683
9	Meter and house regulator expenses	878	Dist Cust PLT	8,737,670	-	-	-	8,737,670
10	Customer installations expenses	879	Dist Cust PLT	11,761,691	-	-	-	11,761,691
11	Other expenses	880	Dist Other PLT Adj	6,217,096	-	-	2,573,574	3,643,522
12	TOTAL DISTRIBUTION OPERATION			45,445,484	-	-	9,567,340	35,878,143
13								
14	DISTRIBUTION MAINTENANCE							
15	Maintenance supervision and engineering	885	Dist Other PLT Adj	3,678,865	-	-	1,522,870	2,155,995
16	Maintenance of mains	887	Dist Mains PLT	8,456,858	-	-	4,789,119	3,667,739
17	Maintenance of measuring and regulating station equipment--General	889	Dist Other PLT Adj	2,091,985	-	-	865,980	1,226,006
18	Maintenance of measuring and regulating station equipment-- Industrial	890	Dist Other PLT Adj	1,165,483	-	-	482,453	683,030
19	Maintenance of measuring and regulating station equipment--City gate	891	Dist Other PLT Adj	66,984	-	-	27,728	39,256
20	Maintenance of services	892	Dist Cust PLT	555,810	-	-	-	555,810
21	Maintenance of meters and house regulators	893	Dist Cust PLT	2,537,822	-	-	-	2,537,822
22	Maintenance of other equipment	894	Dist Other PLT Adj	184,774	-	-	76,488	108,287
23	TOTAL DISTRIBUTION MAINTENANCE			18,738,582	-	-	7,764,637	10,973,945
24								
25	TOTAL DISTRIBUTION EXPENSES			64,184,065	-	-	17,331,978	46,852,088
26								
27								
28	CUSTOMER ACCOUNTS EXPENSES							
29	Operation	901	Dist Cust PLT	125,551	-	-	-	125,551
30	Supervision (Major only)	902	Dist Cust PLT	980,133	-	-	-	980,133
31	Meter reading expenses	903	Dist Cust PLT	27,844,457	-	-	-	27,844,457
32	Customer records and collection expenses	904	Dist Cust PLT	(1,428,465)	-	-	-	(1,428,465)
33	Uncollectible accounts	905	Dist Cust PLT	11,578	-	-	-	11,578
34	TOTAL CUSTOMER ACCOUNTS EXPENSES			27,533,254	-	-	-	27,533,254
35								
36	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
37	Supervision (Major only)	908	Dist Cust PLT	60	-	-	-	60
38	Customer assistance expenses (Major only)	909	Dist Cust PLT	528,687	-	-	-	528,687
39	Informational and instructional advertising expenses (Major only)	910	Dist Cust PLT	1,437,338	-	-	-	1,437,338
40	TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			1,966,085	-	-	-	1,966,085
41								
42	SALES EXPENSES							
43	Operation	911	Dist Cust PLT	0	-	-	-	0
44	Supervision (Major only)	912	Dist Cust PLT	1,689,578	-	-	-	1,689,578
45	Demonstrating and selling expenses (Major only)	913	Dist Cust PLT	80,540	-	-	-	80,540
46	Cost and expenses of merchandising, jobbing and contract work	916	Dist Cust PLT	1,762,869	-	-	-	1,762,869
47	TOTAL SALES EXPENSES			3,532,988	-	-	-	3,532,988
48								

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Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	ADMINISTRATIVE AND GENERAL EXPENSES						
2	ADMINISTRATIVE AND GENERAL OPERATION						
3	Administrative and general salaries	920	20,516,830	829,642	2,469,183	2,874,034	14,343,971
4	Office supplies and expenses	921	21,508,918	869,760	2,588,580	3,013,008	15,037,570
5	Administrative expenses transferred -- Credit	922	-	-	-	-	-
6	Outside services employed	923	12,123,917	490,257	1,459,103	1,698,340	8,476,217
7	Property insurance	924	1,010,055	40,844	121,559	141,490	706,162
8	Injuries and damages	925	2,185,396	88,371	263,010	306,134	1,527,880
9	Employee pensions and benefits	926	14,971,382	605,400	1,801,793	2,097,218	10,466,971
10	Regulatory commission expenses	928	15,881,976	642,222	1,911,382	2,224,776	11,103,596
11	Duplicate charges -- Credit	929	(2,372,335)	(95,930)	(285,508)	(332,321)	(1,658,575)
12	General advertising expenses	930	5,534,716	223,808	666,098	775,313	3,869,496
13	Rents	931	9,235,120	373,442	1,111,439	1,293,672	6,456,567
14	TOTAL ADMINISTRATIVE AND GENERAL OPERATIONS		100,595,974	4,067,816	12,106,639	14,091,664	70,329,855
15							
16	ADMINISTRATIVE AND GENERAL MAINTENANCE						
17	Maintenance of general plant	932	792,613	32,051	95,390	111,031	554,141
18	Other A&G	935	246,075	9,951	29,615	34,471	172,039
19	TOTAL ADMINISTRATIVE AND GENERAL MAINTENANCE		1,038,687	42,002	125,005	145,501	726,179
20							
21	TOTAL ADMINISTRATIVE AND GENERAL EXPENSE		101,634,661	4,109,818	12,231,644	14,237,166	71,056,034
22							
23	TOTAL O&M PRO FORMA		215,365,324	8,065,030	24,790,703	31,569,143	150,940,448
24							
25							
26	DEPRECIATION EXPENSE						
27	Intangible	Depr-Intangible	16,064,236	-	-	-	16,064,236
28	Production	Depr-Prod	-	-	-	-	-
29	Storage	Depr-Storage	9,467,934	9,467,934	-	-	-
30	Transmission	Depr-Trans	66,763,803	-	66,763,803	-	-
31	Distribution Demand	Depr-Dist Demand Plant	2,982,085	-	-	2,982,085	-
32	Distribution Customer	Depr-Dist Cust Plant	9,521,447	-	-	-	9,521,447
33	Distribution Mains	Depr-Dist Mains	24,949,478	-	-	14,128,889	10,820,588
34	Distribution Services	Depr-Dist Services	22,649,780	-	-	-	22,649,780
35	Distribution Other	Depr-Dist Other	249,873	-	-	103,435	146,438
36	General	Depr-General	19,040,073	1,470,177	11,304,499	2,593,568	3,671,829
37	TOTAL DEPRECIATION EXPENSE		171,688,708	10,938,111	78,068,301	19,807,977	62,874,318
38							
39	TAXES						
40	Payroll Taxes	PAYROLLTAX	6,323,338	255,698	761,008	885,785	4,420,848
41	Other General Taxes	OTHERTAX	34,828,665	2,680,587	20,611,592	4,775,541	6,760,945
42	State Income Taxes	INCTAX-1	5,531,640	450,356	3,190,980	744,945	1,145,359
43	Federal Income Taxes	INCTAX-2	41,241,001	3,357,615	23,790,273	5,553,917	8,539,196
44	Amortization of Investment Tax Credits	INCTAX-3	(28,065)	(2,285)	(16,190)	(3,780)	(5,811)
45	TOTAL TAXES		87,896,579	6,741,971	48,337,663	11,956,408	20,860,537
46							
47	PURCHASED GAS COSTS						
48	Purchased Gas Costs	PURCHGAS	303,523,511				
49	Cost of Gas - Rate 142	COG142	303,920	24,744	175,319	40,929	62,928
50	TOTAL COST OF GAS		303,827,431				
51							

ALLOCATED COST OF SERVICE STUDY				FUNCTION			
Line No.	ACCOUNT	ALLOCATOR	Total Company	Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	OPERATING REVENUE						
2	SALES OF GAS AND GAS TRANSPORTATION						
3	Gas Sales & Transportation Revenue	OPERREV	(1,044,746,874)				
4	NGV and Gas Light Revenue	NGVREV	(1,138,717)	(92,708)	(656,880)	(153,351)	(235,778)
5	TOTAL OPERATING REVENUE		(1,045,885,591)				
6							
7	OTHER GAS REVENUE	49500					
8	Other Operating Revenues	OTHERREV1	(1,136,144)	(92,499)	(655,396)	(153,004)	(235,245)
9	TOTAL OTHER REVENUE		(1,136,144)	(92,499)	(655,396)	(153,004)	(235,245)
10							
11	TOTAL REVENUE		(1,047,021,735)				
12							
13	UTILITY INCOME PRO FORMA	INCOME	268,243,692	21,838,925	154,738,984	36,124,320	55,541,463
14	Less Interest on Customer Deposits	OTHERINT	(895,159)	(72,879)	(516,381)	(120,551)	(185,348)
15							
16	UTILITY NET OPERATING INCOME PRO FORMA	NETINCOME	267,348,533	21,766,046	154,222,603	36,003,769	55,356,115
17							
18	RETURN ON RATE BASE PRO FORMA		5.54%	5.54%	5.54%	5.54%	5.54%
19							
20	PRO FORMA MARGIN REQUIREMENT	MARADJ	741,223,363	47,423,573	304,798,695	99,192,422	289,808,672
21							

I/A

Piedmont Natural Gas, Inc.
 North Carolina
 Test Period 12 M.E. 12/31/2020
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Exhibit__(CAM-2)
 Schedule 2 - Class Cost of Service by Function
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ALLOCATED COST OF SERVICE STUDY

Line No.	ACCOUNT	ALLOCATOR	Total Company	FUNCTION			
				Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	UTILITY INCOME AT PROPOSED RATES						
2							
3	O&M						
4	TOTAL O&M PRO FORMA		215,365,324	8,065,030	24,790,703	31,569,143	150,940,448
5	Uncollectibles Expense	904	585,596	-	-	-	585,596
6	NCUC Regulatory Fee	928	140,970	5,700	16,966	19,747	98,557
7	TOTAL O&M AT PROPOSED RATES		216,091,890	8,070,730	24,807,668	31,588,891	151,624,601
8							
9	DEPRECIATION EXPENSE		171,688,708	10,938,111	78,068,301	19,807,977	62,874,318
10							
11	TAXES						
12	Total Taxes PRO FORMA		87,896,579	6,741,971	48,337,663	11,956,408	20,860,537
13	State Income Tax Change	INCTAX-1	2,707,479	220,428	1,561,836	364,616	560,600
14	Federal Income Tax Change	INCTAX-2	22,174,253	1,805,306	12,791,434	2,986,202	4,591,312
15	TOTAL TAXES AT PROPOSED RATES		112,778,311	8,767,704	62,690,933	15,307,225	26,012,449
16							
17	PURCHASED GAS COSTS						
18	Purchased Gas Costs Pro Forma		303,523,511				
19	Cost of Gas - Rate 142	COG142	303,920	24,744	175,319	40,929	62,928
20	Purchased Gas Costs Demand Adjustment	PURCHGAS	-				
21	TOTAL PURCHASED GAS COSTS AT PROPOSED RATES		303,827,431				
22							
23							
24	REVENUE AT PROPOSED RATES						
25	Gas Sales & Transportation Revenue Pro Forma		(1,044,746,874)				
26	NGV and Gas Light Revenue	NGVREV	(1,138,717)	(92,708)	(656,880)	(153,351)	(235,778)
27	Revenue Increase at Proposed Rates	OPERREV	(109,025,725)				
28	TOTAL GAS & TRANSPORTATION REVENUE AT PROPOSED RATES		(1,154,911,316)				
29							
30	OTHER REVENUE						
31	Other Revenue Pro Forma		(1,136,144)	(92,499)	(655,396)	(153,004)	(235,245)
32	Additional Other Revenues	OTHERREV1	-	-	-	-	-
33	TOTAL OTHER REVENUE		(1,136,144)				
34							
35	TOTAL REVENUE AT PROPOSED RATES		(1,156,047,460)				
36							
37	UTILITY INCOME AT PROPOSED RATES	INCOME	351,661,119	28,630,312	202,859,139	47,358,127	72,813,541
38	Less Interest on Customer Deposits	OTHERINT	(895,159)	(72,879)	(516,381)	(120,551)	(185,348)
39							
40	UTILITY NET OPERATING INCOME PROPOSED		350,765,960	28,557,433	202,342,758	47,237,576	72,628,193
41							
42	RETURN ON RATE BASE PROPOSED		7.27%	7.27%	7.27%	7.27%	7.27%
43							
44	MARGIN REQUIREMENT AT PROPOSED RATES	MARPROP	850,249,088	56,246,395	367,289,085	113,796,794	312,916,814
45							

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(CAM-2)
SCHEDULE 3

ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Allocator	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113	Interruptible Sales Rate 104	Interruptible Transportation Rate 114
1	ProForma Throughput (DT)		423,513,838	38,727,358	24,777,044	4,870,907	2,767,184	34,457,430	681,983	28,784,669
2		THRU	100%	9.14%	5.85%	1.15%	0.65%	8.14%	0.16%	6.80%
3										
4	ProForma Winter Throughput (DT)		51,287,497	30,164,236	17,073,030	2,787,430	1,262,801	-	-	-
5		WINTHRU	100%	58.81%	33.29%	5.43%	2.46%	0.00%	0.00%	0.00%
6										
7	Total Bills		9,189,033	8,316,322	858,603	6,021	976	3,624	208	2,891
8		BILL	100%	90.50%	9.34%	0.07%	0.01%	0.04%	0.00%	0.03%
9										
10										
11	Design Day Demand (DT)		1,695,292	589,311	296,792	39,305	14,413	133,632	-	-
12		DESDMD	100%	34.76%	17.51%	2.32%	0.85%	7.88%	0.00%	0.00%
13										
14										
15										
16										
17										
18	Peak and Average Day									
19		PKAVGDAY	100%	21.95%	11.68%	1.73%	0.75%	8.01%	0.08%	3.40%
20										
21										
22										
23	Peak and Average Day Distribution									
24	Exclude PowerGen									
25	POWGEN		48%							
26		PKAVGDAYDIST	100%	41.95%	22.32%	3.31%	1.44%	15.30%	0.15%	6.49%
27										
28	ProForma Revenue		\$ 1,043,507,201	\$ 552,245,619	\$ 250,716,149	\$ 40,884,097	\$ 12,734,311	\$ 30,497,480	\$ 2,960,467	\$ 24,611,818
29		PROFORMAREV	100%	52.92%	24.03%	3.92%	1.22%	2.92%	0.28%	2.36%
30										
31	ProForma Gas Cost		\$ 303,523,511	\$ 146,098,051	\$ 87,867,094	\$ 16,252,115	\$ 10,893,620	\$ 17,403,036	\$ 2,480,834	\$ 10,938,619
32		PROFORMACOG	100%	48.13%	28.95%	5.35%	3.59%	5.73%	0.82%	3.60%
33										
34	ProForma Margin		\$ 739,983,690	\$ 406,147,568	\$ 162,849,055	\$ 24,631,982	\$ 1,840,690	\$ 13,094,444	\$ 479,634	\$ 13,673,199
35		PROFORMAMAR	100%	54.89%	22.01%	3.33%	0.25%	1.77%	0.06%	1.85%
36										
37	Per Books Revenue		\$ 921,247,240	\$ 487,543,116	\$ 221,341,606	\$ 36,094,012	\$ 11,242,326	\$ 26,924,317	\$ 2,613,611	\$ 21,728,235
38		PBREV	100%	52.92%	24.03%	3.92%	1.22%	2.92%	0.28%	2.36%
39										
40	Per Books Gas Cost									
41	PURCHGAS		\$ 240,811,923							
42	COG142		\$ 303,920							
43			\$ 240,508,003	\$ 115,766,157	\$ 69,624,719	\$ 12,877,961	\$ 8,631,960	\$ 13,789,935	\$ 1,965,780	\$ 8,667,617
44		PBCOG	100%	48.13%	28.95%	5.35%	3.59%	5.73%	0.82%	3.60%
45										

ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	ProForma Throughput (DT)	1,344,493	5,722,337	7,051,733	274,328,702
2		0.32%	1.35%	1.67%	64.77%
3					
4	ProForma Winter Throughput (DT)	-	-	-	-
5		0.00%	0.00%	0.00%	0.00%
6					
7	Total Bills	12	145	37	194
8		0.00%	0.00%	0.00%	0.00%
9					
10					
11	Design Day Demand (DT)	12,226	20,382	71,199	518,032
12		0.72%	1.20%	4.20%	30.56%
13					
14					
15					
16					
17					
18	Peak and Average Day				
19		0.52%	1.28%	2.93%	47.67%
20					
21					
22					
23	Peak and Average Day Distribution				
24	Exclude PowerGen				
25	POWGEN				
26		0.99%	2.44%	5.60%	0.00%
27					
28	ProForma Revenue	\$ 2,261,796	\$ 10,598,582	\$ 9,697,606	\$ 106,299,276
29		0.22%	1.02%	0.93%	10.19%
30					
31	ProForma Gas Cost	\$ 1,217,013	\$ 1,270,708	\$ 2,808,000	\$ 6,294,421
32		0.40%	0.42%	0.93%	2.07%
33					
34	ProForma Margin	\$ 1,044,783	\$ 9,327,874	\$ 6,889,606	\$ 100,004,855
35		0.14%	1.26%	0.93%	13.51%
36					
37	Per Books Revenue	\$ 1,996,799	\$ 9,356,825	\$ 8,561,409	\$ 93,844,982
38		0.22%	1.02%	0.93%	10.19%
39					
40	Per Books Gas Cost				
41	PURCHGAS				
42	COG142				
43		\$ 964,345	\$ 1,006,892	\$ 2,225,022	\$ 4,987,616
44		0.40%	0.42%	0.93%	2.07%
45					

Design Day Demand Allocate Combined 103,113 & 143 to 103 & 113			
Schedule	Design Day Dts		
103/113	145,206		
103/143	2,840		
Schedule	Peak Demand	Allocate	Design Day Dts
103	2,667,469	11,574	14,413
113	30,798,984	133,632	133,632

Peak and Average Allocation	
Peak Weight	50%
Average Weight	50%

Piedmont Natural Gas, Inc.
 North Carolina
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Exhibit__(CAM-2)
 Schedule 3 - Class Allocation Factors by Rate Schedule
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ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Allocator	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113	Interruptible Sales Rate 104	Interruptible Transportation Rate 114
1	Per Books Margin		\$ 680,739,237	\$ 371,776,959	\$ 151,716,887	\$ 23,216,051	\$ 2,610,366	\$ 13,134,383	\$ 647,832	\$ 13,060,618
2		PBMAR	100%	54.61%	22.29%	3.41%	0.38%	1.93%	0.10%	1.92%
3										
4	Revenue Increase									
5	Revenue Increase		\$ 108,890,815	\$ 65,820,078	\$ 29,959,367	\$ 4,439,455	\$ 683,590	\$ 6,167,340	\$ 41,469	\$ 1,383,895
6		PROPREV	100%	60.45%	27.51%	4.08%	0.63%	5.66%	0.04%	1.27%
7	Proposed Gas Costs									
8	Proposed Total Gas Cost Revenues		\$ 303,523,511	\$ 146,098,051	\$ 87,867,094	\$ 16,252,115	\$ 10,893,620	\$ 17,403,036	\$ 2,480,834	\$ 10,938,619
9		PROPCOG	100%	48.13%	28.95%	5.35%	3.59%	5.73%	0.82%	3.60%
10										
11	Proposed Margin		\$ 848,874,505	\$ 471,967,647	\$ 192,808,422	\$ 29,071,437	\$ 2,524,281	\$ 19,261,784	\$ 521,102	\$ 15,057,094
12		PROPMAR	100%	55.60%	22.71%	3.42%	0.30%	2.27%	0.06%	1.77%
13										
14										
15										
16										
17	Direct Plant Per Books		\$ 4,602,436,034	\$ 2,143,278,876	\$ 835,479,100	\$ 99,643,695	\$ 37,603,407	\$ 329,156,001	\$ 1,159,759	\$ 44,887,025
18		UTILPLT	100%	46.57%	18.15%	2.17%	0.82%	7.15%	0.03%	0.98%
19										
20	Direct Plant Pro Forma		\$ 5,206,680,669	\$ 2,451,828,198	\$ 984,684,081	\$ 121,760,543	\$ 47,111,871	\$ 355,119,916	\$ 1,251,621	\$ 48,648,682
21		UTILPLT Adj	100%	47.09%	18.91%	2.34%	0.90%	6.82%	0.02%	0.93%
22										
23	O&M Expense Per Books		\$ 210,366,163	\$ 151,550,527	\$ 32,441,850	\$ 2,233,767	\$ 817,113	\$ 6,790,767	\$ 62,327	\$ 2,240,568
24		OMPFB	100%	72.04%	15.42%	1.06%	0.39%	3.23%	0.03%	1.07%
25										
26	O&M Expense Pro Forma		\$ 215,365,324	\$ 154,828,993	\$ 33,307,114	\$ 2,302,517	\$ 849,896	\$ 7,054,725	\$ 65,023	\$ 2,338,394
27		OMPFB	100%	71.89%	15.47%	1.07%	0.39%	3.28%	0.03%	1.09%
28										
29	Distribution Mains Plant									
30		27600	\$ 917,830,191							
31	PKAVGDAYDIST	Distribution - Demand	\$ 519,767,237	\$ 218,029,992	\$ 115,988,023	\$ 17,224,384	\$ 7,466,550	\$ 79,546,061	\$ 799,648	\$ 33,751,001
32	BILL	Distribution - Customer	\$ 398,062,954	\$ 360,257,679	\$ 37,194,125	\$ 260,826	\$ 42,280	\$ 156,989	\$ 9,010	\$ 125,236
33			\$ 917,830,191	\$ 578,287,671	\$ 153,182,149	\$ 17,485,210	\$ 7,508,830	\$ 79,703,051	\$ 808,658	\$ 33,876,237
34		MAINPLT	100%	63.01%	16.69%	1.91%	0.82%	8.68%	0.09%	3.69%
35										
36	Distribution Services Plant									
37		28000	\$ 399,728,213							
38		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	SVCUNIT	Distribution - Customer	\$ 399,728,213	\$ 324,899,012	\$ 67,758,045	\$ 3,088,520	\$ 484,632	\$ 1,819,317	\$ 95,481	\$ 1,373,405
40			\$ 399,728,213	\$ 324,899,012	\$ 67,758,045	\$ 3,088,520	\$ 484,632	\$ 1,819,317	\$ 95,481	\$ 1,373,405
41		SVCSPILT	100%	81.28%	16.95%	0.77%	0.12%	0.46%	0.02%	0.34%
42										
43	Distribution Meters Plant (Ensure All Plant Accounts Match)									
44		28100	\$ 62,014,899							
45		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	META VG	Distribution - Customer	\$ 62,014,899	\$ 43,663,300	\$ 16,431,804	\$ 560,303	\$ 98,304	\$ 367,375	\$ 17,558	\$ 284,436
47			\$ 62,014,899	\$ 43,663,300	\$ 16,431,804	\$ 560,303	\$ 98,304	\$ 367,375	\$ 17,558	\$ 284,436
48										
49		28104	\$ 714,259							
50		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	META VG	Distribution - Customer	\$ 714,259	\$ 502,894	\$ 189,254	\$ 6,453	\$ 1,132	\$ 4,231	\$ 202	\$ 3,276
52			\$ 714,259	\$ 502,894	\$ 189,254	\$ 6,453	\$ 1,132	\$ 4,231	\$ 202	\$ 3,276

Piedmont Natural Gas, Inc.
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ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Per Books Margin	\$ 1,032,453	\$ 8,349,933	\$ 6,336,387	\$ 88,857,367
2		0.15%	1.23%	0.93%	13.05%
3					
4	Revenue Increase				
5	Revenue Increase	\$ 395,620	\$ -	\$ -	\$ -
6		0.36%	0.00%	0.00%	0.00%
7	Proposed Gas Costs				
8	Proposed Total Gas Cost Revenues	\$ 1,217,013	\$ 1,270,708	\$ 2,808,000	\$ 6,294,421
9		0.40%	0.42%	0.93%	2.07%
10					
11	Proposed Margin	\$ 1,440,403	\$ 9,327,874	\$ 6,889,606	\$ 100,004,855
12		0.17%	1.10%	0.81%	11.78%
13					
14					
15					
16					
17	Direct Plant Per Books	\$ 27,173,873	\$ 50,691,310	\$ 157,294,078	\$ 876,068,911
18		0.59%	1.10%	3.42%	19.03%
19					
20	Direct Plant Pro Forma	\$ 29,309,769	\$ 54,704,931	\$ 169,635,978	\$ 942,625,080
21		0.56%	1.05%	3.26%	18.10%
22					
23	O&M Expense Per Books	\$ 468,924	\$ 1,053,793	\$ 2,711,176	\$ 9,995,351
24		0.22%	0.50%	1.29%	4.75%
25					
26	O&M Expense Pro Forma	\$ 486,565	\$ 1,095,781	\$ 2,812,464	\$ 10,223,850
27		0.23%	0.51%	1.31%	4.75%
28					
29	Distribution Mains Plant				
30		27600			
31	PKAVGDAYDIST	\$ 5,157,830	\$ 12,679,895	\$ 29,123,852	\$ -
32	BILL	\$ 520	\$ 6,281	\$ 1,603	\$ 8,404
33		\$ 5,158,350	\$ 12,686,176	\$ 29,125,455	\$ 8,404
34		0.56%	1.38%	3.17%	0.00%
35					
36	Distribution Services Plant				
37		28000			
38		\$ -	\$ -	\$ -	\$ -
39	SVCUNIT	\$ 708	\$ 108,254	\$ 27,624	\$ 73,214
40		\$ 708	\$ 108,254	\$ 27,624	\$ 73,214
41		0.00%	0.03%	0.01%	0.02%
42					
43	Distribution Meters Plant (Ensure All Plant Accounts Match)				
44		28100			
45		\$ -	\$ -	\$ -	\$ -
46	METAVG	\$ 1,207	\$ 49,725	\$ 81,370	\$ 459,515
47		\$ 1,207	\$ 49,725	\$ 81,370	\$ 459,515
48					
49		28104			
50		\$ -	\$ -	\$ -	\$ -
51	METAVG	\$ 14	\$ 573	\$ 937	\$ 5,292
52		\$ 14	\$ 573	\$ 937	\$ 5,292

ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Allocator	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113	Interruptible Sales Rate 104	Interruptible Transportation Rate 114
1		28105	\$ 9,504,932							
2		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	METAVG	Distribution - Customer	\$ 9,504,932	\$ 6,692,210	\$ 2,518,478	\$ 85,877	\$ 15,067	\$ 56,307	\$ 2,691	\$ 43,595
4										
5										
6		28200	\$ 43,483,481							
7		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	METAVG	Distribution - Customer	\$ 43,483,481	\$ 30,615,744	\$ 11,521,619	\$ 392,872	\$ 68,929	\$ 257,595	\$ 12,311	\$ 199,440
9			\$ 43,483,481	\$ 30,615,744	\$ 11,521,619	\$ 392,872	\$ 68,929	\$ 257,595	\$ 12,311	\$ 199,440
10										
11		28300	\$ 6,853,285							
12		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	METAVG	Distribution - Customer	\$ 6,853,285	\$ 4,825,244	\$ 1,815,884	\$ 61,919	\$ 10,864	\$ 40,599	\$ 1,940	\$ 31,433
14			\$ 6,853,285	\$ 4,825,244	\$ 1,815,884	\$ 61,919	\$ 10,864	\$ 40,599	\$ 1,940	\$ 31,433
15										
16		28400	\$ 323,115							
17		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	METAVG	Distribution - Customer	\$ 323,115	\$ 227,498	\$ 85,614	\$ 2,919	\$ 512	\$ 1,914	\$ 91	\$ 1,482
19			\$ 323,115	\$ 227,498	\$ 85,614	\$ 2,919	\$ 512	\$ 1,914	\$ 91	\$ 1,482
20										
21		28500	\$ 27,745,689							
22		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	METAVG	Distribution - Customer	\$ 27,745,689	\$ 19,535,118	\$ 7,351,648	\$ 250,682	\$ 43,982	\$ 164,365	\$ 7,855	\$ 127,258
24			\$ 27,745,689	\$ 19,535,118	\$ 7,351,648	\$ 250,682	\$ 43,982	\$ 164,365	\$ 7,855	\$ 127,258
25										
26	TOTAL METERS									
27		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28		Distribution - Customer	\$ 150,639,659	\$ 106,062,008	\$ 39,914,302	\$ 1,361,026	\$ 238,790	\$ 892,386	\$ 42,650	\$ 690,921
29		Total	\$ 150,639,659	\$ 106,062,008	\$ 39,914,302	\$ 1,361,026	\$ 238,790	\$ 892,386	\$ 42,650	\$ 690,921
30		METERPLT	100%	70.41%	26.50%	0.90%	0.16%	0.59%	0.03%	0.46%
31										
32	Meters Service Mains Plant - Customer									
33										
34	Mains		\$ 398,062,954	\$ 360,257,679	\$ 37,194,125	\$ 260,826	\$ 42,280	\$ 156,989	\$ 9,010	\$ 125,236
35	Services		\$ 399,728,213	\$ 324,899,012	\$ 67,758,045	\$ 3,088,520	\$ 484,632	\$ 1,819,317	\$ 95,481	\$ 1,373,405
36	Meters		\$ 150,639,659	\$ 106,062,008	\$ 39,914,302	\$ 1,361,026	\$ 238,790	\$ 892,386	\$ 42,650	\$ 690,921
37			\$ 948,430,826	\$ 791,218,698	\$ 144,866,472	\$ 4,710,372	\$ 765,702	\$ 2,868,693	\$ 147,142	\$ 2,189,563
38		MSMPLTCUST	100%	83.42%	15.27%	0.50%	0.08%	0.30%	0.02%	0.23%
39										
40	Main Services Meters Plant		\$ 1,468,198,064	\$ 1,009,248,691	\$ 260,854,495	\$ 21,934,756	\$ 8,232,252	\$ 82,414,754	\$ 946,789	\$ 35,940,564
41		MSMPLT	100%	68.74%	17.77%	1.49%	0.56%	5.61%	0.06%	2.45%
42										
43	Distribution Mains Plant Pro Forma									
44		27600	\$ 1,007,715,656							
45	PKAVGDAYDIST	Distribution - Demand	\$ 570,669,376	\$ 239,382,229	\$ 127,347,028	\$ 18,911,212	\$ 8,197,768	\$ 87,336,211	\$ 877,959	\$ 37,056,323
46	BILL	Distribution - Customer	\$ 437,046,280	\$ 395,538,638	\$ 40,836,642	\$ 286,369	\$ 46,420	\$ 172,364	\$ 9,893	\$ 137,501
47			\$ 1,007,715,656	\$ 634,920,866	\$ 168,183,669	\$ 19,197,581	\$ 8,244,189	\$ 87,508,575	\$ 887,852	\$ 37,193,824
48		MAINPLT Adj	100%	63.01%	16.69%	1.91%	0.82%	8.68%	0.09%	3.69%
49										

ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1		28105			
2		\$ -	\$ -	\$ -	\$ -
3	METAVG	\$ 185	\$ 7,621	\$ 12,472	\$ 70,429
4					
5					
6		28200			
7		\$ -	\$ -	\$ -	\$ -
8	METAVG	\$ 846	\$ 34,866	\$ 57,055	\$ 322,202
9		\$ 846	\$ 34,866	\$ 57,055	\$ 322,202
10					
11		28300			
12		\$ -	\$ -	\$ -	\$ -
13	METAVG	\$ 133	\$ 5,495	\$ 8,992	\$ 50,781
14		\$ 133	\$ 5,495	\$ 8,992	\$ 50,781
15					
16		28400			
17		\$ -	\$ -	\$ -	\$ -
18	METAVG	\$ 6	\$ 259	\$ 424	\$ 2,394
19		\$ 6	\$ 259	\$ 424	\$ 2,394
20					
21		28500			
22		\$ -	\$ -	\$ -	\$ -
23	METAVG	\$ 540	\$ 22,247	\$ 36,405	\$ 205,589
24		\$ 540	\$ 22,247	\$ 36,405	\$ 205,589
25					
26	TOTAL METERS				
27		\$ -	\$ -	\$ -	\$ -
28		\$ 2,932	\$ 120,785	\$ 197,656	\$ 1,116,203
29		\$ 2,932	\$ 120,785	\$ 197,656	\$ 1,116,203
30		0.00%	0.08%	0.13%	0.74%
31					
32	Meters Service Mains Plant - Customer				
33					
34	Mains	\$ 520	\$ 6,281	\$ 1,603	\$ 8,404
35	Services	\$ 708	\$ 108,254	\$ 27,624	\$ 73,214
36	Meters	\$ 2,932	\$ 120,785	\$ 197,656	\$ 1,116,203
37		\$ 4,160	\$ 235,321	\$ 226,882	\$ 1,197,822
38		0.00%	0.02%	0.02%	0.13%
39					
40	Main Services Meters Plant	\$ 5,161,991	\$ 12,915,216	\$ 29,350,735	\$ 1,197,822
41		0.35%	0.88%	2.00%	0.08%
42					
43	Distribution Mains Plant Pro Forma				
44		27600			
45	PKAVGDAYDIST	\$ 5,662,950	\$ 13,921,670	\$ 31,976,026	\$ -
46	BILL	\$ 571	\$ 6,896	\$ 1,760	\$ 9,227
47		\$ 5,663,521	\$ 13,928,566	\$ 31,977,786	\$ 9,227
48		0.56%	1.38%	3.17%	0.00%
49					

ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Allocator	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113	Interruptible Sales Rate 104	Interruptible Transportation Rate 114
1	Distribution Services Plant Pro Forma									
2		28000	\$ 410,116,136							
3		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	SVCUNIT	Distribution - Customer	\$ 410,116,136	\$ 333,342,313	\$ 69,518,904	\$ 3,168,783	\$ 497,227	\$ 1,866,597	\$ 97,963	\$ 1,409,097
5			\$ 410,116,136	\$ 333,342,313	\$ 69,518,904	\$ 3,168,783	\$ 497,227	\$ 1,866,597	\$ 97,963	\$ 1,409,097
6		SVCSPLT Adj	100%	81.28%	16.95%	0.77%	0.12%	0.46%	0.02%	0.34%
7										
8	Distribution Meters Plant Pro Forma(Ensure All Plant Accounts Match)									
9		28100	\$ 63,572,815							
10		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	METAVG	Distribution - Customer	\$ 63,572,815	\$ 44,760,194	\$ 16,844,598	\$ 574,379	\$ 100,774	\$ 376,604	\$ 17,999	\$ 291,582
12			\$ 63,572,815	\$ 44,760,194	\$ 16,844,598	\$ 574,379	\$ 100,774	\$ 376,604	\$ 17,999	\$ 291,582
13										
14		28104	\$ 605,780							
15		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	METAVG	Distribution - Customer	\$ 605,780	\$ 426,516	\$ 160,511	\$ 5,473	\$ 960	\$ 3,589	\$ 172	\$ 2,778
17			\$ 605,780	\$ 426,516	\$ 160,511	\$ 5,473	\$ 960	\$ 3,589	\$ 172	\$ 2,778
18										
19		28105	\$ 8,675,763							
20		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	METAVG	Distribution - Customer	\$ 8,675,763	\$ 6,108,410	\$ 2,298,777	\$ 78,385	\$ 13,753	\$ 51,395	\$ 2,456	\$ 39,792
22										
23										
24		28200	\$ 44,927,862							
25		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	METAVG	Distribution - Customer	\$ 44,927,862	\$ 31,632,700	\$ 11,904,330	\$ 405,922	\$ 71,218	\$ 266,152	\$ 12,720	\$ 206,065
27			\$ 44,927,862	\$ 31,632,700	\$ 11,904,330	\$ 405,922	\$ 71,218	\$ 266,152	\$ 12,720	\$ 206,065
28										
29		28300	\$ 7,099,548							
30		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	METAVG	Distribution - Customer	\$ 7,099,548	\$ 4,998,633	\$ 1,881,135	\$ 64,144	\$ 11,254	\$ 42,058	\$ 2,010	\$ 32,563
32			\$ 7,099,548	\$ 4,998,633	\$ 1,881,135	\$ 64,144	\$ 11,254	\$ 42,058	\$ 2,010	\$ 32,563
33										
34		28400	\$ 317,993							
35		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	METAVG	Distribution - Customer	\$ 317,993	\$ 223,892	\$ 84,257	\$ 2,873	\$ 504	\$ 1,884	\$ 90	\$ 1,459
37										
38										
39		28500	\$ 28,250,483							
40		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	METAVG	Distribution - Customer	\$ 28,250,483	\$ 19,890,532	\$ 7,485,401	\$ 255,242	\$ 44,782	\$ 167,355	\$ 7,998	\$ 129,573
42			\$ 28,250,483	\$ 19,890,532	\$ 7,485,401	\$ 255,242	\$ 44,782	\$ 167,355	\$ 7,998	\$ 129,573
43										
44	TOTAL METERS Adjusted									
45		Distribution - Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46		Distribution - Customer	\$ 153,450,243	\$ 108,040,877	\$ 40,659,010	\$ 1,386,419	\$ 243,245	\$ 909,036	\$ 43,446	\$ 703,812
47		Total	\$ 153,450,243	\$ 108,040,877	\$ 40,659,010	\$ 1,386,419	\$ 243,245	\$ 909,036	\$ 43,446	\$ 703,812
48		METERPLT Adj	100%	70.41%	26.50%	0.90%	0.16%	0.59%	0.03%	0.46%
49										

ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Distribution Services Plant Pro Forma				
2		28000			
3		\$ -	\$ -	\$ -	\$ -
4	SVCUNIT	\$ 726	\$ 111,068	\$ 28,341	\$ 75,117
5		\$ 726	\$ 111,068	\$ 28,341	\$ 75,117
6		0.00%	0.03%	0.01%	0.02%
7					
8	Distribution Meters Plant Pro Forma(Ensure All Plant Acco				
9		28100			
10		\$ -	\$ -	\$ -	\$ -
11	META VG	\$ 1,238	\$ 50,974	\$ 83,415	\$ 471,059
12		\$ 1,238	\$ 50,974	\$ 83,415	\$ 471,059
13					
14		28104			
15		\$ -	\$ -	\$ -	\$ -
16	META VG	\$ 12	\$ 486	\$ 795	\$ 4,489
17		12	486	795	4,489
18					
19		28105			
20		\$ -	\$ -	\$ -	\$ -
21	META VG	\$ 169	\$ 6,956	\$ 11,384	\$ 64,285
22					
23					
24		28200			
25		\$ -	\$ -	\$ -	\$ -
26	META VG	\$ 875	\$ 36,024	\$ 58,950	\$ 332,905
27		\$ 875	\$ 36,024	\$ 58,950	\$ 332,905
28					
29		28300			
30		\$ -	\$ -	\$ -	\$ -
31	META VG	\$ 138	\$ 5,693	\$ 9,315	\$ 52,606
32		\$ 138	\$ 5,693	\$ 9,315	\$ 52,606
33					
34		28400			
35		\$ -	\$ -	\$ -	\$ -
36	META VG	\$ 6	\$ 255	\$ 417	\$ 2,356
37					
38					
39		28500			
40		\$ -	\$ -	\$ -	\$ -
41	META VG	\$ 550	\$ 22,652	\$ 37,068	\$ 209,329
42		\$ 550	\$ 22,652	\$ 37,068	\$ 209,329
43					
44	TOTAL METERS Adjusted				
45		\$ -	\$ -	\$ -	\$ -
46		\$ 2,987	\$ 123,039	\$ 201,344	\$ 1,137,029
47		\$ 2,987	\$ 123,039	\$ 201,344	\$ 1,137,029
48		0.00%	0.08%	0.13%	0.74%
49					

Piedmont Natural Gas, Inc.
 North Carolina
 Test Period 12 M.E. 12/31/2020
 Docket No. G-9, Sub 781

ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Allocator	Total Company	Residential Rate 101	Small GS Rate 102	Medium GS Rate 152	Large GS Sales Rate 103	Large GS Transport Rate 113	Interruptible Sales Rate 104	Interruptible Transportation Rate 114
1	Meters Services Mains Plant Pro Forma - Customer									
2										
3	Mains		\$ 437,046,280	\$ 395,538,638	\$ 40,836,642	\$ 286,369	\$ 46,420	\$ 172,364	\$ 9,893	\$ 137,501
4	Services		\$ 410,116,136	\$ 333,342,313	\$ 69,518,904	\$ 3,168,783	\$ 497,227	\$ 1,866,597	\$ 97,963	\$ 1,409,097
5	Meters		\$ 153,450,243	\$ 108,040,877	\$ 40,659,010	\$ 1,386,419	\$ 243,245	\$ 909,036	\$ 43,446	\$ 703,812
6			\$ 1,000,612,659	\$ 836,921,828	\$ 151,014,556	\$ 4,841,572	\$ 786,892	\$ 2,947,996	\$ 151,301	\$ 2,250,410
7		MSMPLTCUST Adj	100%	83.64%	15.09%	0.48%	0.08%	0.29%	0.02%	0.22%
8										
9	Main Services Meters Plant Pro Forma		\$ 1,571,282,036	\$ 1,076,304,057	\$ 278,361,583	\$ 23,752,784	\$ 8,984,661	\$ 90,284,207	\$ 1,029,260	\$ 39,306,733
10		MSMPLT Adj	100%	68.50%	17.72%	1.51%	0.57%	5.75%	0.07%	2.50%
11										
12	Rate Base Per Books		\$ 4,219,562,288	\$ 1,996,158,475	\$ 767,649,620	\$ 91,121,350	\$ 34,497,213	\$ 294,256,703	\$ 1,043,839	\$ 40,273,117
13		TOTRB	100%	47.31%	18.19%	2.16%	0.82%	6.97%	0.02%	0.95%
14										
15	Rate Base Pro Forma		\$ 4,822,658,809	\$ 2,306,772,024	\$ 911,088,449	\$ 111,829,739	\$ 43,329,263	\$ 321,409,337	\$ 1,144,724	\$ 44,340,289
16		TOTRB Adj	100%	47.83%	18.89%	2.32%	0.90%	6.66%	0.02%	0.92%
17										
18	Operating Labor Per Books		\$ 58,936,815	\$ 41,997,861	\$ 9,416,022	\$ 649,621	\$ 236,314	\$ 1,921,246	\$ 17,875	\$ 635,842
19		OPERLAB	100%	71.26%	15.98%	1.10%	0.40%	3.26%	0.03%	1.08%
20										
21	Operating Labor Pro Forma		\$ 60,278,266	\$ 42,931,502	\$ 9,625,612	\$ 666,033	\$ 242,714	\$ 1,977,163	\$ 18,376	\$ 655,245
22		OPERLAB Adj	100%	71.22%	15.97%	1.10%	0.40%	3.28%	0.03%	1.09%
23										
24	Uncollectible Expense Per Books									
25										
26										
27	12 Month Total by Rate		\$ 3,195,788	\$ 2,709,419	\$ 433,124	\$ 34,204	\$ -	\$ 7,104	\$ -	\$ 11,937
28		UNCOLL	100%	84.78%	13.55%	1.07%	0.00%	0.22%	0.00%	0.37%
29										
30	Average Meter Cost			168	611	2,973	3,218	3,239	2,697	3,143
31	Meter Value (Customers x Avg Meter)		\$ 165,111,066	\$ 116,251,000	\$ 43,748,724	\$ 1,491,775	\$ 261,730	\$ 978,114	\$ 46,747	\$ 757,295
32		METAVG	100%	70.41%	26.50%	0.90%	0.16%	0.59%	0.03%	0.46%
33										
34	Service Cost Unit Factor			100	202	1313	1271	1285	1175	1216
35	Service Value (Customers x Service Unit)		\$ 85,264,149	\$ 69,302,683	\$ 14,453,151	\$ 658,798	\$ 103,375	\$ 388,070	\$ 20,367	\$ 292,955
36		SVCUNIT	100%	81.28%	16.95%	0.77%	0.12%	0.46%	0.02%	0.34%
37										
38	874 Mains Customer Allocator									
39										
40		MAINPLT	42.6%	26.84%	7.11%	0.81%	0.35%	3.70%	0.04%	1.57%
41		SVCUNIT	57.4%	46.65%	9.73%	0.44%	0.07%	0.26%	0.01%	0.20%
42		874CUST	100%	73.49%	16.84%	1.26%	0.42%	3.96%	0.05%	1.77%
43										
44										
45										
46	Storage Plant		\$ 123,779,243	\$ 72,799,543	\$ 41,204,715	\$ 6,727,293	\$ 3,047,692	\$ -	\$ -	\$ -
47		STORPLT	100%	59%	33%	5%	2%	0%	0%	0%
48										
49	Transmission Plant		\$ 2,863,029,037	\$ 995,235,787	\$ 501,225,175	\$ 66,378,017	\$ 24,341,317	\$ 225,679,963	\$ -	\$ -
50		TRANSPLT	100%	35%	18%	2%	1%	8%	0%	0%
51										

Piedmont Natural Gas, Inc.
 North Carolina
 Test Period 12 M.E. 12/31/2020
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ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Military Transportation Rate T-10	Special Contracts	Municipal Contracts	Power Generation Contracts
1	Meters Services Mains Plant Pro Forma - Customer				
2					
3	Mains	\$ 571	\$ 6,896	\$ 1,760	\$ 9,227
4	Services	\$ 726	\$ 111,068	\$ 28,341	\$ 75,117
5	Meters	\$ 2,987	\$ 123,039	\$ 201,344	\$ 1,137,029
6		\$ 4,284	\$ 241,003	\$ 231,445	\$ 1,221,373
7		0.00%	0.02%	0.02%	0.12%
8					
9	Main Services Meters Plant Pro Forma	\$ 5,667,234	\$ 14,162,673	\$ 32,207,471	\$ 1,221,373
10		0.36%	0.90%	2.05%	0.08%
11					
12	Rate Base Per Books	\$ 24,279,021	\$ 45,314,112	\$ 140,556,192	\$ 784,412,646
13		0.58%	1.07%	3.33%	18.59%
14					
15	Rate Base Pro Forma	\$ 26,502,251	\$ 49,510,447	\$ 153,405,227	\$ 853,327,059
16		0.55%	1.03%	3.18%	17.69%
17					
18	Operating Labor Per Books	\$ 132,266	\$ 298,204	\$ 766,887	\$ 2,864,677
19		0.22%	0.51%	1.30%	4.86%
20					
21	Operating Labor Pro Forma	\$ 136,112	\$ 306,985	\$ 788,999	\$ 2,929,525
22		0.23%	0.51%	1.31%	4.86%
23					
24	Uncollectible Expense Per Books				
25					
26					
27	12 Month Total by Rate	\$ -	\$ -	\$ -	\$ -
28		0.00%	0.00%	0.00%	0.00%
29					
30	Average Meter Cost	3,214	10,956	70,263	75,676
31	Meter Value (Customers x Avg Meter)	\$ 3,214	\$ 132,389	\$ 216,644	\$ 1,223,433
32		0.00%	0.08%	0.13%	0.74%
33					
34	Service Cost Unit Factor	151	1911	1911	966
35	Service Value (Customers x Service Unit)	\$ 151	\$ 23,091	\$ 5,892	\$ 15,617
36		0.00%	0.03%	0.01%	0.02%
37					
38	874 Mains Customer Allocator				
39					
40		MAINPLT 0.24%	0.59%	1.35%	0.00%
41		SVCUNIT 0.00%	0.02%	0.00%	0.01%
42		0.24%	0.60%	1.36%	0.01%
43					
44					
45					
46	Storage Plant	\$ -	\$ -	\$ -	\$ -
47		0%	0%	0%	0%
48					
49	Transmission Plant	\$ 20,648,171	\$ 34,421,201	\$ 120,240,958	\$ 874,858,448
50		1%	1%	4%	31%
51					

Acct	Plant	Ratio	Allocator	%
27600	\$ 1,356,503,483	63.12%	Min Sys Demand	56.63%
28000	\$ 792,638,388	36.88%	Min Sys Cust	43.37%
	\$ 2,149,141,871			

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(CAM-2)
SCHEDULE 4

ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Allocator	Total Company	Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
1	1 Storage Demand PLT		100%	100%			
2	2 Trans Demand PLT		100%		100%		
3	4 Dist Demand PLT		100%			100%	
4	5 Dist Cust PLT		100%				100%
5	6 Dist Mains PLT	Minimum System	100%			57%	43%
6							
7	7 Distribution Other Plant Per Books						
8		Dist Demand PLT	130,597,093	-	-	130,597,093	-
9		Dist Cust PLT	550,426,770	-	-	-	550,426,770
10		Dist Mains PLT	917,830,191	-	-	519,767,237	398,062,954
11			1,598,854,054	-	-	650,364,330	948,489,724
12	Dist Other PLT		100%	0.00%	0.00%	40.68%	59.32%
13							
14	8 Distribution Other Plant Pro Forma						
15		Dist Demand PLT	136,143,263	-	-	136,143,263	-
16		Dist Cust PLT	563,619,670	-	-	-	563,619,670
17		Dist Mains PLT	1,007,715,656	-	-	570,669,376	437,046,280
18			1,707,478,589	-	-	706,812,639	1,000,665,951
19	Dist Other PLT Adj		100%	0.00%	0.00%	41.40%	58.60%
20							
21	11 Utility Plant Per Books						
22		Storage Demand PLT	123,779,243	123,779,243	-	-	-
23		Trans Demand PLT	2,863,029,037	-	2,863,029,037	-	-
24		Trans Cust PLT	-	-	-	-	-
25		Dist Demand PLT	130,597,093	-	-	130,597,093	-
26		Dist Cust PLT	550,426,770	-	-	-	550,426,770
27		Dist Mains PLT	917,830,191	-	-	519,767,237	398,062,954
28		Dist Other PLT	16,773,700	-	-	6,823,022	9,950,678
29			4,602,436,034	123,779,243	2,863,029,037	657,187,352	958,440,402
30	Util PLT		100%	2.69%	62.21%	14.28%	20.82%
31							
32	12 Utility Plant Pro Forma						
33		Storage Demand PLT	400,660,299	400,660,299	-	-	-
34		Trans Demand PLT	3,080,760,726	-	3,080,760,726	-	-
35		Trans Cust PLT	-	-	-	-	-
36		Dist Demand PLT	136,143,263	-	-	136,143,263	-
37		Dist Cust PLT	563,619,670	-	-	-	563,619,670
38		Dist Mains PLT	1,007,715,656	-	-	570,669,376	437,046,280
39		Dist Other PLT	-	-	-	-	-
40			5,188,899,614	400,660,299	3,080,760,726	706,812,639	1,000,665,951
41	Util PLT Adj		100%	7.72%	59.37%	13.62%	19.28%
42							
43	13 Total Plant Per Books		4,892,934,953	131,592,004	3,043,739,173	698,668,040	1,018,935,735

ALLOCATED COST OF SERVICE STUDY

Line No.	Allocation Type	Allocator	Total Company	Storage-Demand	Transmission-Demand	Distribution-Demand	Distribution-Customer
44	Total PLT UNADJ		100%	2.69%	62.21%	14.28%	20.82%
45							
46	14 Total Plant Pro Forma		5,493,425,288	422,801,252	3,251,007,142	753,232,413	1,066,384,481
47	Total PLT ADJ		100%	7.70%	59.18%	13.71%	19.41%
48							
49	15 Total Rate Base Per Books		4,219,562,288	112,371,752	2,556,959,342	624,658,678	925,572,517
50	Total RB		100%	2.66%	60.60%	14.80%	21.94%
51							
1	16 Total Rate Base Pro Forma		4,822,658,809	392,634,331	2,781,997,665	649,466,418	998,560,395
2	Total RB Adj		100%	8.14%	57.69%	13.47%	20.71%
3							
4	17 Dist Mains and Services Gross Plant Per Books						
5		27600	1,356,503,483	63.12%		35.74%	27.37%
6		28000	792,638,388	36.88%			36.88%
7			2,149,141,871				
8	Dist M&S Gross		100%			35.74%	64.26%
9							
10	18 Dist Mains and Services Gross Plant Pro Forma						
11		27600	1,459,033,783	64.17%		36.34%	27.83%
12		28000	814,740,287	35.83%			35.83%
13			2,273,774,070				
14	Dist M&S Gross Adj		100%			36.34%	63.66%
15							
16	19 Operating Labor Per Books		58,936,815	2,383,238	7,092,995	8,255,975	41,204,608
17	OPER LABOR		100%	4.04%	12.03%	14.01%	69.91%
18							
19	20 Operating Labor Pro Forma		60,278,266	2,437,482	7,254,437	8,443,887	42,142,458
20	OPER LABOR Adj		100%	4.04%	12.03%	14.01%	69.91%
21							
22	21 O&M Per Books		210,366,163	7,789,853	24,378,177	29,878,880	148,319,253
23	O&M		100%	3.70%	11.59%	14.20%	70.51%
24							
25	22 O&M Pro Forma		215,365,324	8,065,030	24,790,703	31,569,143	150,940,448
26	O&M Adj		100%	3.74%	11.51%	14.66%	70.09%
27							
28	23 O&M At Proposed Rates		216,091,890	8,070,730	24,807,668	31,588,891	151,624,601
29	O&M Prop		100%	3.73%	11.48%	14.62%	70.17%
30							

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EXHIBIT_(CAM-2)
SCHEDULE 5

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Functionalization Allocators

Functionalization Allocators are used to allocate utility investment, expenses and revenues into four primary utility functions. The four functions are Storage-Demand, Transmission-Demand, Distribution-Demand and Distribution-Customer. This allows for the segmentation of costs into the primary functions of the utility and into Demand and Customer components for ratemaking purposes.

ALLOCATOR	DESCRIPTION
Dist Cust PLT	100% assignment to Distribution-Customer
Dist Demand PLT	100% assignment to Distribution-Demand
Dist M&S Gross	Allocation of 874 Mains and Services Expenses using Mains and Services Per Books Gross Plant and minimum system. The Mains component is first calculated as the % of Mains Per Books Gross Plant from the Mains and Services Per Books Gross Plant total and then allocated between customer and demand using minimum system. The Services component is the Services Per Books Gross Plant components from the Mains and Services Per Books Gross Plant total and assigned 100% to Distribution-Customer
Dist M&S Gross Adj	Allocation of 874 Mains and Services Expenses using Mains and Services Pro Forma Gross Plant and minimum system. The Mains component is first calculated as the % of Mains Pro Forma Gross Plant from the Mains and Services Pro Forma Gross Plant total and then allocated between customer and demand using minimum system. The Services component is the Services Pro Forma Gross Plant components from the Mains and Services Pro Forma Gross Plant total and assigned 100% to Distribution-Customer
Dist Mains PLT	Allocation of Distribution using minimum system
Dist Other PLT	Allocation of Distribution based on subtotals of net Per Books Distribution-Demand and Distribution-Customer Plant for Accounts 276 through 286
Dist Other PLT Adj	Allocation of Distribution based on subtotals of Pro Forma net Per Books Distribution-Demand and Distribution-Customer Plant for Accounts 276 through 286
O&M	Allocation based on total Per Books O&M Expense for each of the four functions

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ALLOCATOR	DESCRIPTION
O&M Prop	Allocation based on total Proposed Revenue Adjusted O&M Expense for each of the four functions
OPER LABOR	Allocation based on total Per Books Labor Expense for Accounts 735-916 for each of the four functions
OPER LABOR Adj	Allocation based on total Pro Forma Labor Expense for Accounts 735-916 for each of the four functions
Storage Demand PLT	100% assignment to Storage-Demand
Total PLT ADJ	Allocation based on total Per Books net plant for each of the four functions
Total PLT UNADJ	Allocation based on total Pro Forma net plant for each of the four functions
Total RB	Allocation based on total Per Books Rate Base for each of the four functions
Total RB Adj	Allocation based on total Pro Forma Rate Base for each of the four functions
Trans Demand PLT	100% assignment to Transmission-Demand
Util PLT	Allocation based on total utility net Per Books plant not including Intangible and General Plant for each of the four functions
Util PLT Adj	Allocation based on total utility Pro Forma net plant not including Intangible and General Plant for each of the four functions

Classification Allocators

Classification Allocators are used to allocate utility investment, expenses and revenues into each of the rate schedules that are part of the cost of service study.

ALLOCATOR	DESCRIPTION
874CUST	Allocation of 874 expenses is based on Mains and Services Gross Plant and minimum system. The 874 mains portion is allocated to Customer and Demand by the minimum system allocator, the 874 Services portion is 100% Customer. The 874 Mains Customer portion is allocated to rate

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ALLOCATOR	DESCRIPTION
	schedule by Mains net plant allocator. The 874 Services Customer portion is allocated to rate schedule by the Service Cost Unit Factor
BILL	Allocation based on rate schedule number of bills percentage of total number of bills
DESDMD	Allocation based on rate schedule design day demand percentage of total design day demand. Large Service Design Day is calculated based on a combined amount for schedules 103 and 113. These are allocated within the allocation using their calculated peak demand as a percent of Large Service peak demand. Schedule 143 is assigned 100% to Schedule 103
MAINPLT	Allocation based on Mains Per Books Plant. Calculated by taking percentage of Mains Plant allocated to Demand and allocating to rate schedule by the Peak and Average Day allocator and by allocating the Customer portion of Mains plant using the Bill allocator.
MAINPLT Adj	Allocation based on Mains Pro Forma Plant. Calculated by taking percentage of Mains Plant allocated to Demand and allocating to rate schedule by the Peak and Average Day allocator and by allocating the Customer portion of Mains plant using the Bill allocator.
META VG	Average meter cost allocator determined by calculating the weighted average meter cost by rate schedule.
MSMPLT	Allocation based on net Per Books Plant combination of Mains, Services, and Meters. FERC accounts 276, and 280 through 285
MSMPLT Adj	Allocation based on net Pro Forma Plant combination of Mains, Services, and Meters. FERC accounts 276, and 280 through 285
MSMPLTCUST	Allocation based on net Per Books Plant combination of the customer portion of Mains, Services, and Meters. FERC accounts 276, and 280 through 285
MSMPLTCUST Adj	Allocation based on net Pro Forma Plant combination of the customer portion of Mains, Services, and Meters. FERC accounts 276, and 280 through 285

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ALLOCATOR	DESCRIPTION
OMPBB	Allocation of total Per Books O&M by rate schedule
OMPF	Allocation of total Pro Forma O&M by rate schedule
OPERLAB	Allocation of total Per Books Labor by rate schedule
OPERLAB Adj	Allocation of total Pro Forma Labor by rate schedule
PBCOG	Allocation of Per Books Cost of Gas based on the allocation of Pro Forma Cost of Gas. Cost of Gas for rate schedule 142 is excluded and identified separately in the cost of service.
PBREV	Allocation of Per Books Revenue based on the calculated Pro Forma Revenue allocator. Schedules 142 and 105 and the Compression Charges in Schedules 103 and 113 are non-allocated cost of service schedules and shown as NGV and Gas Light Revenue.
PKAVGDAY	Peak and Average Day Demand is calculated by a weighted average of Peak (based on Design Day Demand) and Average (based on Throughput) for each schedule. The weighting is 50% for each.
PKAVGDAYDIST	Peak and Average Day Distribution Demand is calculated by a weighted average of Peak (based on Design Day Demand) and Average (based on Throughput) for each schedule. The weighting is 50% for each. Rate schedule PowerGen Peak and Average amounts are not included in the totals.
PROFORMACOG	Direct assignment of Pro Forma Cost of Gas Expense by rate schedule
PROFORMAREV	Direct assignment of Pro Forma Revenue by rate schedule. Schedules 142 and 105 and the Compression Charges in Schedules 103 and 113 are non-allocated cost of service schedules and shown as NGV and Gas Light Revenue.
PROPCOG	Direct assignment of Proposed Cost of Gas Expense by rate schedule
PROPREV	Direct assignment of revenue increases per rate schedule

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ALLOCATOR	DESCRIPTION
SVCSPLT	Allocation based on Services net Per Books Plant. The Customer portion of Services Plant is allocated to rate schedule based on Services Cost Unit Factor
SVCSPLT Adj	Allocation based on Services net Pro Forma Plant. The Customer portion of Services Plant is allocated to rate schedule based on Services Cost Unit Factor
SVCUNIT	Allocation based on weighted average Service Unit costs per the Unit Service Cost Study provided in Docket No. G-9, Sub 743.
THRU	Allocation based on rate schedule throughput percentage of total throughput
TOTRB	Allocation based on total Per Books rate base for each of the rate schedules
TOTRB Adj	Allocation based on total Pro Forma rate base for each of the rate schedules.
UNCOLL	Allocation based on 12-month total charge off by rate schedule. Schedule 115 charge off is not included as it is an unusual occurrence
UTILPLT	Allocation based on all utility net Per Books plant not including Intangible and General Plant for each of the rate schedules
UTILPLT Adj	Allocation based on all utility net Pro Forma plant not including Intangible and General Plant for each of the rate schedules
WINTHRU	Allocation based on rate schedule winter throughput percentage of total winter throughput

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Summary of Existing and Proposed Rates and Revenues

Schedule	Description	Units	Proforma Billing		Current Rate	Proforma Revenue	Proforma Billing		Proposed Rate	Proposed Revenue	Difference - Amount	Difference - Percentage
			Units				Units					
101	Residential Service											
	Customer Charge	Bills	8,316,322	\$	10.0000	83,163,220	8,316,322	\$	10.0000	83,163,220	-	
	Margin Base Rate											
	Winter	Dts	30,164,236	\$	7.5076	226,461,020	30,164,236	\$	10.0395	302,833,850	76,372,830	
	Summer	Dts	8,563,121	\$	7.5076	64,288,490	8,563,121	\$	10.0395	85,969,457	21,680,967	
	Gas Cost - Commodity	Dts	38,727,358	\$	2.5475	98,657,944	38,727,358	\$	2.5475	98,657,944	-	
	Gas Cost - Demand											
	Winter	Dts	30,164,236	\$	1.3377	40,350,699	30,164,236	\$	1.3377	40,350,699	-	
	Summer	Dts	8,563,121	\$	0.8279	7,089,408	8,563,121	\$	0.8279	7,089,408	-	
	Subtotal					520,010,782				618,064,578	98,053,797	
	Margin Decoupling Revenues					9,826,102				-	(9,826,102)	
	Integrity Management Rider Revenues					22,408,735				-	(22,408,735)	
	Total Schedule 101					552,245,619				618,064,578	65,818,959	11.9%
102	Small General Service											
	Customer Charge	Bills	858,603	\$	22.0000	18,889,266	858,603	\$	22.0000	18,889,266	-	
	Margin Base Rate											
	Winter	Dts	17,073,030	\$	4.9685	84,827,349	17,073,030	\$	7.0194	119,842,425	35,015,077	
	Summer	Dts	7,704,014	\$	4.9685	38,277,394	7,704,014	\$	7.0194	54,077,556	15,800,162	
	Gas Cost - Commodity	Dts	24,777,044	\$	2.5475	63,119,519	24,777,044	\$	2.5475	63,119,519	-	
	Gas Cost - Demand											
	Winter	Dts	17,073,030	\$	1.1225	19,164,476	17,073,030	\$	1.1225	19,164,476	-	
	Summer	Dts	7,704,014	\$	0.7247	5,583,099	7,704,014	\$	0.7247	5,583,099	-	
	Subtotal					229,861,102				280,676,341	50,815,239	
	Margin Decoupling Revenues					11,726,203				-	(11,726,203)	
	Integrity Management Rider Revenues					9,128,844				-	(9,128,844)	
	Total Schedule 102					250,716,149				280,676,341	29,960,192	11.9%

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Summary of Existing and Proposed Rates and Revenues

Schedule	Description	Units	Proforma Billing Units	Current Rate	Proforma Revenue	Proforma Billing Units	Proposed Rate	Proposed Revenue	Difference - Amount	Difference - Percentage
152	Medium General Service									
	Customer Charge	Bills	6,021	\$ 75.0000	451,575	6,021	\$ 75.0000	451,575	-	
	Margin Base Rate									
	Winter 1st 500 Dts	Dts	1,219,093	\$ 4.2474	5,177,977	1,219,093	\$ 5.8621	7,146,446	1,968,470	
	Winter over 500 Dts	Dts	1,568,337	\$ 4.2474	6,661,354	1,568,337	\$ 5.8621	9,193,748	2,532,394	
	Summer 1st 500 Dts	Dts	1,225,402	\$ 4.2474	5,204,772	1,225,402	\$ 5.8621	7,183,428	1,978,656	
	Summer over 500 Dts	Dts	858,075	\$ 4.2474	3,644,586	858,075	\$ 5.8621	5,030,120	1,385,533	
	Gas Cost - Commodity	Dts	4,870,907	\$ 2.5475	12,408,635	4,870,907	\$ 2.5475	12,408,635	-	
	Gas Cost - Demand									
	Winter 1st 500 Dts	Dts	1,219,093	\$ 0.9741	1,187,519	1,219,093	\$ 0.9741	1,187,519	-	
	Winter over 500 Dts	Dts	1,568,337	\$ 0.6431	1,008,597	1,568,337	\$ 0.6431	1,008,597	-	
	Summer 1st 500 Dts	Dts	1,225,402	\$ 0.9165	1,123,081	1,225,402	\$ 0.9165	1,123,081	-	
	Summer over 500 Dts	Dts	858,075	\$ 0.6110	524,284	858,075	\$ 0.6110	524,284	-	
	Subtotal				37,392,380			45,257,433	7,865,053	
	Margin Decoupling Revenues				2,156,211			-	(2,156,211)	
	Integrity Management Rider Revenues				1,269,529			-	(1,269,529)	
	Minimum Margin Agreement Revenues				65,978			65,978	-	
	Total Schedule 152				40,884,097			45,323,411	4,439,314	10.9%
144	Experimental Medium Gen Motor Fuel - Transpor									
	Customer Charge	Bills	-	\$ 75.0000	-	-	\$ 75.0000	-	-	
	Margin Base Rate									
	Winter 1st 500 Dts	Dts	-	\$ 4.2474	-	-	\$ 5.8621	-	-	
	Winter over 500 Dts	Dts	-	\$ 4.2474	-	-	\$ 5.8621	-	-	
	Summer 1st 500 Dts	Dts	-	\$ 4.2474	-	-	\$ 5.8621	-	-	
	Summer over 500 Dts	Dts	-	\$ 4.2474	-	-	\$ 5.8621	-	-	
	Gas Cost - Commodity	Dts	-	\$ 0.0475	-	-	\$ 0.0475	-	-	
	Gas Cost - Demand									
	Winter 1st 500 Dts	Dts	-	\$ 0.9741	-	-	\$ 0.9741	-	-	
	Winter over 500 Dts	Dts	-	\$ 0.6431	-	-	\$ 0.6431	-	-	
	Summer 1st 500 Dts	Dts	-	\$ 0.9165	-	-	\$ 0.9165	-	-	
	Summer over 500 Dts	Dts	-	\$ 0.6110	-	-	\$ 0.6110	-	-	
	Total Schedule 144				-			-	-	0.0%
142	Natural Gas Vehicle Service									
	Delivery Charge	Dts	78,080	\$ 4.8515	378,807	78,080	\$ 6.9576	543,252	164,445	
	Fuel Charge (Service at Company Premises)	Dts	78,080	\$ 4.0000	312,322	78,080	\$ 4.0000	312,322	-	
	Gas Cost - Commodity	Dts	78,080	\$ 2.5475	198,910	78,080	\$ 2.5475	198,910	-	
	Gas Cost - Demand	Dts	78,080	\$ 1.3449	105,010	78,080	\$ 1.3449	105,010	-	
	Subtotal				995,049			1,159,494	164,445	
	Integrity Management Rider Revenues				41,510			-	(41,510)	
	Total Schedule 142				1,036,559			1,159,494	122,935	11.9%

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Schedule	Description	Units	Proforma Billing Units	Current Rate	Proforma Revenue	Proforma Billing Units	Proposed Rate	Proposed Revenue	Difference - Amount	Difference - Percentage
T-10	Military Transportation Service									
	Customer Charge	Bills	12	\$ -	-	12	\$ -	-	-	
	Margin Base Rate									
	Winter	Dts	745,667	\$ 1.1484	856,324	745,667	\$ 1.6895	1,259,804	403,480	
	Summer	Dts	514,826	\$ 0.2384	122,734	514,826	\$ 0.3507	180,549	57,815	
	Gas Cost - Commodity	Dts	1,260,493	\$ 0.0475	59,873	1,260,493	\$ 0.0475	59,873	-	
	Gas Cost - Demand (Demand Charge)	Dts	84,000	\$ 10.0000	840,000	84,000	\$ 10.0000	840,000	-	
	Gas Cost - Demand (Delivery Charge)	Dts	1,260,493	\$ 0.2516	317,140	1,260,493	\$ 0.2516	317,140	-	
	Subtotal				2,196,072			2,657,367	461,295	
	Integrity Management Rider Revenues				65,725			-	(65,725)	
	Total Schedule T-10				2,261,796			2,657,367	395,570	17.5%
105	Outdoor Gas Light Service									
	Fixture Charge	Fixtures	5,397	\$ 18.9300	102,158	5,397	\$ 21.1800	114,301	12,142	
	Total Schedule 105				102,158			114,301	12,142	11.9%

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Schedule	Description	Units	Proforma Billing		Current Rate	Proforma Revenue	Proforma Billing		Proposed Rate	Proposed Revenue	Difference - Amount	Difference - Percentage
			Units				Units					
103	Large General Sales											
	Customer Charge	Bills	976	\$	350.0000	341,600	976	\$	350.0000	341,600	-	
	Demand Charge	Dts	183,873	\$	2.2000	404,521	183,873	\$	2.4200	444,973	40,452	
	Margin Base Rate											
	Winter First 1,500 Dts	Dts	562,963	\$	0.8454	475,929	562,963	\$	1.3505	760,281	284,352	
	Winter Next 3,000 Dts	Dts	502,295	\$	0.2177	109,350	502,295	\$	0.5700	286,308	176,959	
	Winter Next 9,000 Dts	Dts	190,502	\$	0.2215	42,196	190,502	\$	0.5000	95,251	53,055	
	Winter Next 16,500 Dts	Dts	7,041	\$	0.1762	1,241	7,041	\$	0.4160	2,929	1,688	
	Winter Next 30,000 Dts	Dts	-	\$	0.1427	-	-	\$	0.3650	-	-	
	Winter Over 60,000 Dts	Dts	-	\$	0.0977	-	-	\$	0.2780	-	-	
	Summer First 1,500 Dts	Dts	688,865	\$	0.2860	197,015	688,865	\$	0.4918	338,784	141,768	
	Summer Next 3,000 Dts	Dts	466,916	\$	0.2098	97,959	466,916	\$	0.3577	167,016	69,057	
	Summer Next 9,000 Dts	Dts	161,671	\$	0.1908	30,847	161,671	\$	0.3129	50,587	19,740	
	Summer Next 16,500 Dts	Dts	3,058	\$	0.1718	525	3,058	\$	0.2682	820	295	
	Summer Next 30,000 Dts	Dts	-	\$	0.1337	-	-	\$	0.2244	-	-	
	Summer Over 60,000 Dts	Dts	-	\$	0.0956	-	-	\$	0.1786	-	-	
	Gas Cost - Commodity	Dts	2,583,311	\$	2.5475	6,580,984	2,583,311	\$	2.5475	6,580,984	-	
	Gas Cost - Demand (Demand Charge)	Dts	183,873	\$	12.7500	2,344,381	183,873	\$	12.7500	2,344,381	-	
	Gas Cost - Demand (Delivery Charge)											
	Winter First 1,500 Dts	Dts	562,963	\$	0.8968	504,865	562,963	\$	0.8968	504,865	-	
	Winter Next 3,000 Dts	Dts	502,295	\$	0.8918	447,947	502,295	\$	0.8918	447,947	-	
	Winter Next 9,000 Dts	Dts	190,502	\$	0.5468	104,166	190,502	\$	0.5468	104,166	-	
	Winter Next 16,500 Dts	Dts	7,041	\$	0.4438	3,125	7,041	\$	0.4438	3,125	-	
	Winter Next 30,000 Dts	Dts	-	\$	0.4368	-	-	\$	0.4368	-	-	
	Winter Over 60,000 Dts	Dts	-	\$	0.0968	-	-	\$	0.0968	-	-	
	Summer First 1,500 Dts	Dts	688,865	\$	0.8356	575,616	688,865	\$	0.8356	575,616	-	
	Summer Next 3,000 Dts	Dts	466,916	\$	0.5856	273,426	466,916	\$	0.5856	273,426	-	
	Summer Next 9,000 Dts	Dts	161,671	\$	0.3606	58,298	161,671	\$	0.3606	58,298	-	
	Summer Next 16,500 Dts	Dts	3,058	\$	0.2656	812	3,058	\$	0.2656	812	-	
	Summer Next 30,000 Dts	Dts	-	\$	0.1356	-	-	\$	0.1356	-	-	
	Summer Over 60,000 Dts	Dts	-	\$	0.0006	-	-	\$	0.0006	-	-	
	Subtotal					12,594,802				13,382,169	787,366	
	Integrity Management Rider Revenues					103,776				-	(103,776)	
	Minimum Margin Agreement Revenues					35,732				35,732	-	
	NGV Compression Revenues					143,569				143,569	-	
	Total Schedule 103					12,877,879				13,561,470	683,590	5.3%

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Schedule	Description	Units	Proforma Billing		Current Rate	Proforma Revenue	Proforma Billing		Proposed Rate	Proposed Revenue	Difference - Amount	Difference - Percentage
			Units				Units					
113	Large General Transport											
	Customer Charge	Bills	3,624	\$	350.0000	1,268,400	3,624	\$	350.0000	1,268,400	-	
	Demand Charge	Dts	1,731,845	\$	2.2000	3,810,060	1,731,845	\$	2.4200	4,191,066	381,006	
	Margin Base Rate											
	Winter First 1,500 Dts	Dts	2,074,155	\$	0.8454	1,753,490	2,074,155	\$	1.3505	2,801,146	1,047,656	
	Winter Next 3,000 Dts	Dts	2,816,846	\$	0.2177	613,227	2,816,846	\$	0.5700	1,605,602	992,375	
	Winter Next 9,000 Dts	Dts	3,087,392	\$	0.2215	683,857	3,087,392	\$	0.5000	1,543,696	859,839	
	Winter Next 16,500 Dts	Dts	2,072,877	\$	0.1762	365,241	2,072,877	\$	0.4160	862,317	497,076	
	Winter Next 30,000 Dts	Dts	1,771,953	\$	0.1427	252,858	1,771,953	\$	0.3650	646,763	393,905	
	Winter Over 60,000 Dts	Dts	3,001,054	\$	0.0977	293,203	3,001,054	\$	0.2780	834,293	541,090	
	Summer First 1,500 Dts	Dts	2,739,064	\$	0.2860	783,372	2,739,064	\$	0.4918	1,347,072	563,699	
	Summer Next 3,000 Dts	Dts	3,349,103	\$	0.2098	702,642	3,349,103	\$	0.3577	1,197,974	495,332	
	Summer Next 9,000 Dts	Dts	3,547,521	\$	0.1908	676,867	3,547,521	\$	0.3129	1,110,019	433,152	
	Summer Next 16,500 Dts	Dts	2,531,370	\$	0.1718	434,889	2,531,370	\$	0.2682	678,914	244,024	
	Summer Next 30,000 Dts	Dts	2,221,455	\$	0.1337	297,008	2,221,455	\$	0.2244	498,494	201,486	
	Summer Over 60,000 Dts	Dts	3,512,795	\$	0.0956	335,823	3,512,795	\$	0.1786	627,385	291,562	
	Gas Cost - Commodity	Dts	32,725,585	\$	0.0475	1,554,465	32,725,585	\$	0.0475	1,554,465	-	
	Gas Cost - Demand (Demand Charge)	Dts	1,731,845	\$	0.7500	1,298,884	1,731,845	\$	0.7500	1,298,884	-	
	Gas Cost - Demand (Delivery Charge)											
	Winter First 1,500 Dts	Dts	2,074,155	\$	0.8968	1,860,102	2,074,155	\$	0.8968	1,860,102	-	
	Winter Next 3,000 Dts	Dts	2,816,846	\$	0.8918	2,512,063	2,816,846	\$	0.8918	2,512,063	-	
	Winter Next 9,000 Dts	Dts	3,087,392	\$	0.5468	1,688,186	3,087,392	\$	0.5468	1,688,186	-	
	Winter Next 16,500 Dts	Dts	2,072,877	\$	0.4438	919,943	2,072,877	\$	0.4438	919,943	-	
	Winter Next 30,000 Dts	Dts	1,771,953	\$	0.4368	773,989	1,771,953	\$	0.4368	773,989	-	
	Winter Over 60,000 Dts	Dts	3,001,054	\$	0.0968	290,502	3,001,054	\$	0.0968	290,502	-	
	Summer First 1,500 Dts	Dts	2,739,064	\$	0.8356	2,288,762	2,739,064	\$	0.8356	2,288,762	-	
	Summer Next 3,000 Dts	Dts	3,349,103	\$	0.5856	1,961,235	3,349,103	\$	0.5856	1,961,235	-	
	Summer Next 9,000 Dts	Dts	3,547,521	\$	0.3606	1,279,236	3,547,521	\$	0.3606	1,279,236	-	
	Summer Next 16,500 Dts	Dts	2,531,370	\$	0.2656	672,332	2,531,370	\$	0.2656	672,332	-	
	Summer Next 30,000 Dts	Dts	2,221,455	\$	0.1356	301,229	2,221,455	\$	0.1356	301,229	-	
	Summer Over 60,000 Dts	Dts	3,512,795	\$	0.0006	2,108	3,512,795	\$	0.0006	2,108	-	
	Subtotal					29,673,975				36,616,177	6,942,202	
	Integrity Management Rider Revenues					774,862				-	(774,862)	
	Minimum Margin Agreement Revenues					48,643				48,643	-	
	NGV Compression Revenues					1,096,104				1,096,104	-	
	Total Schedule 113					31,593,584				37,760,924	6,167,340	19.5%

Piedmont Natural Gas Inc.
 North Carolina
 Test Period 12 M.E. 12/31/2020
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Summary of Existing and Proposed Rates and Revenues

Schedule	Description	Units	Proforma Billing Units	Current Rate	Proforma Revenue	Proforma Billing Units	Proposed Rate	Proposed Revenue	Difference - Amount	Difference - Percentage
104	Interruptible Sales Service									
	Customer Charge	Bills	208	\$ 350.0000	72,800	208	\$ 350.0000	72,800	-	
	Margin Base Rate									
	Winter First 1,500 Dts	Dts	126,290	\$ 0.9170	115,808	126,290	\$ 1.2103	152,848	37,041	
	Winter Next 3,000 Dts	Dts	167,195	\$ 0.3806	63,634	167,195	\$ 0.5071	84,784	21,150	
	Winter Next 9,000 Dts	Dts	86,368	\$ 0.3806	32,872	86,368	\$ 0.4450	38,434	5,562	
	Winter Next 16,500 Dts	Dts	-	\$ 0.3464	-	-	\$ 0.3730	-	-	
	Winter Next 30,000 Dts	Dts	-	\$ 0.2808	-	-	\$ 0.3270	-	-	
	Winter Over 60,000 Dts	Dts	-	\$ 0.1654	-	-	\$ 0.2483	-	-	
	Summer First 1,500 Dts	Dts	146,785	\$ 0.7194	105,597	146,785	\$ 0.6716	98,581	(7,016)	
	Summer Next 3,000 Dts	Dts	117,722	\$ 0.3755	44,204	117,722	\$ 0.4900	57,684	13,479	
	Summer Next 9,000 Dts	Dts	34,380	\$ 0.3637	12,504	34,380	\$ 0.4300	14,784	2,279	
	Summer Next 16,500 Dts	Dts	3,243	\$ 0.3335	1,082	3,243	\$ 0.3663	1,188	106	
	Summer Next 30,000 Dts	Dts	-	\$ 0.2396	-	-	\$ 0.3060	-	-	
	Summer Over 60,000 Dts	Dts	-	\$ 0.1456	-	-	\$ 0.2441	-	-	
	Gas Cost - Commodity	Dts	681,983	\$ 2.5475	1,737,350	681,983	\$ 2.5475	1,737,350	-	
	Gas Cost - Demand									
	Winter First 1,500 Dts	Dts	126,290	\$ 1.1018	139,146	126,290	\$ 1.1018	139,146	-	
	Winter Next 3,000 Dts	Dts	167,195	\$ 1.4218	237,717	167,195	\$ 1.4218	237,717	-	
	Winter Next 9,000 Dts	Dts	86,368	\$ 1.0768	93,001	86,368	\$ 1.0768	93,001	-	
	Winter Next 16,500 Dts	Dts	-	\$ 0.8338	-	-	\$ 0.8338	-	-	
	Winter Next 30,000 Dts	Dts	-	\$ 0.6418	-	-	\$ 0.6418	-	-	
	Winter Over 60,000 Dts	Dts	-	\$ 0.5384	-	-	\$ 0.5384	-	-	
	Summer First 1,500 Dts	Dts	146,785	\$ 0.9749	143,101	146,785	\$ 0.9749	143,101	-	
	Summer Next 3,000 Dts	Dts	117,722	\$ 0.8549	100,640	117,722	\$ 0.8549	100,640	-	
	Summer Next 9,000 Dts	Dts	34,380	\$ 0.8049	27,673	34,380	\$ 0.8049	27,673	-	
	Summer Next 16,500 Dts	Dts	3,243	\$ 0.6799	2,205	3,243	\$ 0.6799	2,205	-	
	Summer Next 30,000 Dts	Dts	-	\$ 0.6549	-	-	\$ 0.6549	-	-	
	Summer Over 60,000 Dts	Dts	-	\$ 0.5749	-	-	\$ 0.5749	-	-	
	Subtotal				2,929,335			3,001,936	72,602	
	Integrity Management Rider Revenues				31,133			-	(31,133)	
	Total Schedule 104				2,960,467			3,001,936	41,469	1.4%

Piedmont Natural Gas Inc.
 North Carolina
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Summary of Existing and Proposed Rates and Revenues

Schedule	Description	Units	Proforma Billing Units	Current Rate	Proforma Revenue	Proforma Billing Units	Proposed Rate	Proposed Revenue	Difference - Amount	Difference - Percentage
114	Interruptible Transportation Service									
	Customer Charge	Bills	2,891	\$ 350.0000	1,011,850	2,891	\$ 350.0000	1,011,850	-	
	Margin Base Rate									
	Winter First 1,500 Dts	Dts	1,583,831	\$ 0.9170	1,452,373	1,583,831	\$ 1.2103	1,916,911	464,538	
	Winter Next 3,000 Dts	Dts	2,392,971	\$ 0.3806	910,765	2,392,971	\$ 0.5071	1,213,475	302,711	
	Winter Next 9,000 Dts	Dts	3,198,909	\$ 0.3806	1,217,505	3,198,909	\$ 0.4450	1,423,515	206,010	
	Winter Next 16,500 Dts	Dts	2,248,444	\$ 0.3464	778,861	2,248,444	\$ 0.3730	838,670	59,809	
	Winter Next 30,000 Dts	Dts	2,132,135	\$ 0.2808	598,703	2,132,135	\$ 0.3270	697,208	98,505	
	Winter Over 60,000 Dts	Dts	1,362,136	\$ 0.1654	225,297	1,362,136	\$ 0.2483	338,218	112,921	
	Summer First 1,500 Dts	Dts	2,242,062	\$ 0.7194	1,612,940	2,242,062	\$ 0.6716	1,505,769	(107,171)	
	Summer Next 3,000 Dts	Dts	3,162,517	\$ 0.3755	1,187,525	3,162,517	\$ 0.4900	1,549,633	362,108	
	Summer Next 9,000 Dts	Dts	3,786,414	\$ 0.3637	1,377,119	3,786,414	\$ 0.4300	1,628,158	251,039	
	Summer Next 16,500 Dts	Dts	2,689,562	\$ 0.3335	896,969	2,689,562	\$ 0.3663	985,187	88,218	
	Summer Next 30,000 Dts	Dts	2,474,718	\$ 0.2396	592,942	2,474,718	\$ 0.3060	757,264	164,321	
	Summer Over 60,000 Dts	Dts	1,510,970	\$ 0.1456	219,997	1,510,970	\$ 0.2441	368,828	148,831	
	Gas Cost - Commodity	Dts	28,784,669	\$ 0.0475	1,367,272	28,784,669	\$ 0.0475	1,367,272	-	
	Gas Cost - Demand									
	Winter First 1,500 Dts	Dts	1,583,831	\$ 0.9292	1,471,696	1,583,831	\$ 0.9292	1,471,696	-	
	Winter Next 3,000 Dts	Dts	2,392,971	\$ 0.8784	2,101,986	2,392,971	\$ 0.8784	2,101,986	-	
	Winter Next 9,000 Dts	Dts	3,198,909	\$ 0.5737	1,835,214	3,198,909	\$ 0.5737	1,835,214	-	
	Winter Next 16,500 Dts	Dts	2,248,444	\$ 0.2690	604,831	2,248,444	\$ 0.2690	604,831	-	
	Winter Next 30,000 Dts	Dts	2,132,135	\$ 0.1675	357,133	2,132,135	\$ 0.1675	357,133	-	
	Winter Over 60,000 Dts	Dts	1,362,136	\$ 0.0659	89,765	1,362,136	\$ 0.0659	89,765	-	
	Summer First 1,500 Dts	Dts	2,242,062	\$ 0.4367	979,109	2,242,062	\$ 0.4367	979,109	-	
	Summer Next 3,000 Dts	Dts	3,162,517	\$ 0.3047	963,619	3,162,517	\$ 0.3047	963,619	-	
	Summer Next 9,000 Dts	Dts	3,786,414	\$ 0.2031	769,021	3,786,414	\$ 0.2031	769,021	-	
	Summer Next 16,500 Dts	Dts	2,689,562	\$ 0.1016	273,260	2,689,562	\$ 0.1016	273,260	-	
	Summer Next 30,000 Dts	Dts	2,474,718	\$ 0.0508	125,716	2,474,718	\$ 0.0508	125,716	-	
	Summer Over 60,000 Dts	Dts	1,510,970	\$ -	-	1,510,970	\$ -	-	-	
	Subtotal				23,021,466			25,173,305	2,151,839	
	Integrity Management Rider Revenues				767,944			-	(767,944)	
	Minimum Margin Agreement Revenues				822,409			822,409	-	
	Total Schedule 114				24,611,818			25,995,714	1,383,895	5.6%

Total System Revenues	919,290,128	1,028,315,535	109,025,407	11.9%
Special Contract Revenues				
Power Generation Contracts	106,299,276	106,299,276		
Municipal Contracts	9,697,606	9,697,606		
Other Special Contract Revenues	10,598,582	10,598,582		
Grand Total	1,045,885,592	1,154,910,998	109,025,407	10.4%
<i>Proposed Sale & Transportation of Gas Revenues per Exhibit_(QPB-7), Column [5], Line 1.</i>		<i>1,154,911,316</i>		
<i>Variance ¹</i>		<i>(318)</i>		

1 / Due to rate rounding, the Grand Total of the revenues by class yields an immaterial variation from the revenue requirement in total.

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EXHIBIT_(KWN-1)

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Piedmont Natural Gas Company, Inc.
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Exhibit_(KWN-1)

Capital Structure for Piedmont

		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Actuals	Ratio	Projected	Ratio	Projected	Ratio	Projected	Ratio	Pro Forma
		@ 12/31/2020	@ 12/31/2020	@ 3/31/2021	@ 3/31/2021	@ 12/31/2021	@ 12/31/2021	@ 12/31/2022	@ 12/31/2022	Capital Structure
1	Long-Term Debt ⁽¹⁾	\$ 2,615,188,862	48.74%	\$ 2,966,918,493	47.79%	\$ 2,968,074,200	46.87%	\$ 3,224,295,832	46.61%	47.45%
2	Short-Term Debt ⁽²⁾	35,707,698	0.67%	35,770,534	0.58%	35,770,534	0.56%	35,770,534	0.52%	0.55%
3	Common Equity ⁽³⁾	2,714,417,672	50.59%	3,204,996,618	51.63%	3,328,060,284	52.56%	3,656,897,794	52.87%	52.00%
4	Total Capitalization	<u>\$ 5,365,314,232</u>	<u>100.00%</u>	<u>\$ 6,207,685,644</u>	<u>100.00%</u>	<u>\$ 6,331,905,018</u>	<u>100.00%</u>	<u>\$ 6,916,964,160</u>	<u>100.00%</u>	<u>100.00%</u>

Notes:

(1) Reflects the carrying value of Piedmont's Non-Current Long Term Debt. Support for actuals at 12/31/2020 is provided in G-1 Items 35a & 35b. Support for projections is provided in G-1 Items 35c thru 35e.

(2) Piedmont's 13-month average natural gas inventory is shown as the proxy for per books Short Term Debt. Support for the 13-month average natural gas inventory at the end of the Test Period and the pro forma gas inventory amount is provided in G-1 Item 23.

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EXHIBIT_(KWN-2)

Embedded Cost of Long-Term Debt projected for December 31, 2021

Long-Term Debt (a)	Principal Amount	Less Unamortized Debt Discount and Expense	Pro Forma LTD Total	Annual Cost		
				Coupon Interest	Debt Expense Amortization	Total
Senior Notes:						
3.47% - due 2027	\$ 100,000,000	\$ 302,035	\$ 99,697,965	\$ 3,470,000	\$ 54,503	\$ 3,524,503
3.57% - due 2027	200,000,000	618,396	199,381,604	7,140,000	111,590	7,251,590
4.65% - due 2043	300,000,000	2,242,823	297,757,177	13,950,000	108,937	14,058,937
4.10% - due 2034	250,000,000	1,482,147	248,517,853	10,250,000	140,038	10,390,038
3.60% - due 2025	150,000,000	476,531	149,523,469	5,400,000	142,417	5,542,417
3.64% - due 2046	300,000,000	2,623,346	297,376,654	10,920,000	118,221	11,038,221
3.5% - due 2029	600,000,000	2,308,214	597,691,787	21,000,000	482,473	21,482,473
3.35% - due 2050	400,000,000	3,273,114	396,726,886	13,400,000	213,504	13,613,504
2.70% - due TBD(b)	350,000,000	3,491,158	346,508,842	9,450,000	181,752	9,631,752
Medium-Term Notes:						
6.87% - due 2023	45,000,000	25,454	44,974,546	3,091,500	14,430	3,105,930
8.45% - due 2024	40,000,000	35,026	39,964,974	3,380,000	12,893	3,392,893
7.40% - due 2025	55,000,000	64,888	54,935,112	4,070,000	17,278	4,087,278
7.50% - due 2026	40,000,000	54,889	39,945,111	3,000,000	11,502	3,011,502
7.95% - due 2029	60,000,000	151,570	59,848,430	4,770,000	19,677	4,789,677
6.00% - due 2033	100,000,000	475,201	99,524,799	6,000,000	39,710	6,039,710
Unamortized Loss on Reacquired Debt - 6.25% IQ Notes		3,196,922	(3,196,922)	0	238,280	238,280
Credit Facilities Fee		1,104,087	(1,104,087)	0	327,000	327,000
	\$ 2,990,000,000	\$ 21,925,800	\$ 2,968,074,200	\$ 119,291,500	\$ 2,234,206	\$ 121,525,706

Embedded Cost of LTD**4.09%**Notes:

(a) This schedule reflects the non-current portion of long term debt.

(b) A new long term debt issuance of approximately \$350 million was forecasted for March 2021, tenor TBD. The anticipated interest rate of 2.70% for this long term debt issuance assumed a blended average rate of indicative pricing for Piedmont's senior unsecured notes with 10-year and 30-year tenors as of February 24, 2020. On March 11, 2021, Piedmont issued \$350 million 10-year senior unsecured notes at a fixed rate coupon of 2.50%. The computation of the projected embedded cost of long term debt, as shown in the table above and as used in the revenue requirement computation in the Company's filed application herein, could not be updated in time to reflect the actual, finalized coupon rate of 2.50%.

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EXHIBIT_(KWN-3)

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Exhibit_(KWN-3)

Projected InterCompany Money Pool Borrowings by Piedmont

@ Month End	[A] O/S Balance	[B] Accrued Interest	[C] Average Interest Rate [= Col B / Col A]
Jan 2021	\$ 590,496,000	\$ 115,940	
Feb 2021	465,892,420	206,027	
Mar 2021	449,657,717	190,740	
Apr 2021	440,494,253	185,448	
May 2021	-	91,770	
Jun 2021	65,785,418	13,705	
Jul 2021	121,858,333	39,092	
Aug 2021	165,652,974	59,898	
Sep 2021	204,576,736	77,131	
Oct 2021	257,754,993	96,319	
Nov 2021	307,012,970	117,660	
Dec 2021	297,929,052	126,030	
Average Bal. / Total Int.	\$ 280,592,572	\$ 1,319,760	0.47%

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Rebuttal Exhibit KWN-1

13-Month Average Equity Ratios from January 2018 to June 2021

	Number of Periods	Percentage
13-Month Periods at or above 52.0%	7	23%
13-Month Periods at or above 50.5%	19	63%
Total 13-Month Average Periods	30	100%

13-month Period	13-month Average Total Capitalization	13-month Average Total Common Equity	13-month Average Equity Ratio
Jan. 2018 - Jan. 2019	3,766,957,911	1,953,376,795	51.9%
Feb. 2018 - Feb. 2019	3,801,048,546	1,987,751,596	52.3%
Mar. 2018 - Mar. 2019	3,835,418,751	2,022,725,437	52.7%
Apr. 2018 - Apr. 2019	3,870,254,938	2,057,098,352	53.2%
May 2018 - May 2019	3,950,614,585	2,090,575,560	52.9%
Jun. 2018 - June. 2019	4,042,486,281	2,135,118,859	52.8%
Jul. 2018 - Jul. 2019	4,111,977,296	2,157,063,484	52.5%
Aug. 2018 - Aug. 2019	4,181,085,939	2,178,764,774	52.1%
Sep. 2018 - Sep. 2019	4,250,458,848	2,200,604,978	51.8%
Oct. 2018 - Oct. 2019	4,320,846,314	2,223,429,326	51.5%
Nov. 2018 - Nov. 2019	4,393,889,121	2,249,097,349	51.2%
Dec. 2018 - Dec. 2019	4,468,593,633	2,278,032,837	51.0%
Jan. 2019 - Jan. 2020	4,547,296,258	2,311,581,380	50.8%
Feb. 2019 - Feb. 2020	4,624,401,678	2,343,207,329	50.7%
Mar. 2019 - Mar. 2020	4,703,209,481	2,376,146,797	50.5%
Apr. 2019 - Apr. 2020	4,781,224,755	2,407,657,751	50.4%
May 2019 - May 2020	4,888,867,690	2,438,628,230	49.9%
Jun. 2019 - June. 2020	4,938,236,061	2,469,741,284	50.0%
Jul. 2019 - Jul. 2020	4,976,172,684	2,489,805,409	50.0%
Aug. 2019 - Aug. 2020	5,013,659,304	2,509,652,066	50.1%
Sep. 2019 - Sep. 2020	5,051,284,775	2,529,541,201	50.1%
Oct. 2019 - Oct. 2020	5,089,976,039	2,550,738,053	50.1%
Nov. 2019 - Nov. 2020	5,131,098,570	2,574,438,251	50.2%
Dec. 2019 - Dec. 2020	5,174,066,059	2,600,299,927	50.3%
Jan. 2020 - Jan. 2021	5,220,187,466	2,629,667,561	50.4%
Feb. 2020 - Feb. 2021	5,262,909,918	2,655,373,901	50.5%
Mar. 2020 - Mar. 2021	5,358,180,316	2,706,518,635	50.5%
Apr. 2020 - Apr. 2021	5,451,625,494	2,755,498,900	50.5%
May 2020 - May 2021	5,544,963,695	2,803,794,382	50.6%
Jun. 2020 - June. 2021	5,607,279,272	2,851,061,388	50.8%

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EXHIBIT_(PKP-1)

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SEP 13 2021

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

Applicability

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

Limitations on Intra-month Imbalances

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

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

~~The Company reserves the right to initiate Standby Sales Service if elected by the Customer pursuant to Rate Schedule 113 when, in the judgment of the Company, such action is necessary to reduce or eliminate operational problems resulting from the gas imbalances of the Customer. The Company will use reasonable efforts to notify the Customer or the Customers' Agent before initiating Standby Sales Service hereunder.~~

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

RATE SCHEDULE 107

BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION

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

Balancing On Upstream Pipeline(s)

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

Monthly Imbalance Resolution

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

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

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

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

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

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

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

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

Agency Authorization Form

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

Piedmont Natural Gas Company, Inc. **Rate Schedule 107**Page 4 of **56****RATE SCHEDULE 107**
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

Piedmont Natural Gas Company, Inc. Rate Schedule 107

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

AGENCY AUTHORIZATION FORM

EFFECTIVE DATE _____

CUSTOMER _____

NAME OF FACILITY _____

ACCOUNT NUMBER-(S) _____

AGENT _____

AGENT CONTACT _____

AGENT PHONE # _____

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

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

CUSTOMER AUTHORIZED SIGNATURE

AGENT AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE _____ **AUTHORIZED SIGNATURE** _____
FOR THE CUSTOMER **FOR THE AGENT**

Please Print:
AGENT'S NAME _____ TITLE _____

Issued by Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 743781

Issued Date: _____ 10/31/2019
Effective Date: _____ 11/01/2019

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SEP 13 2021

Piedmont Natural Gas Company, Inc. **Rate Schedule 107**

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

EMAIL PHONE # _____ PHONE # FAX # _____

Please submit **completed form** to: GasCommercialOperations@duke-energy.com

~~—Pipeline Services—~~ ~~—Pipeline Services Transportation—~~
Citygate Operations
Piedmont Natural Gas Company ~~OR~~ ~~Fax Number:-~~
~~(704) 364 8320~~
P. O. Box 33068
Charlotte, N.C. 28233

OFFICIAL COPY

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Piedmont Natural Gas Company, Inc.**Rate Schedule 113**

Page 1 of 2

RATE SCHEDULE 113 LARGE GENERAL TRANSPORTATION SERVICE

Availability

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

Upon commencement of Service under this Rate Schedule, any reclassification or change in quantity or character of Service to Customer shall be subject to the provisions of this Rate Schedule 113 and the procedures set forth in the Company's Service Regulations.

Character of Service

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

Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all Services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule 103, "[Large General Sales Service,](#)" by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer firm sales Service under Rate Schedule 103, (b) the Company is able to acquire firm gas supplies and capacity necessary to provide Service under Rate Schedule 103 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company's Service Regulations support such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide Service under Rate Schedule 103 effective the first June 1 following the notice.

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

The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

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RATE SCHEDULE 113 LARGE GENERAL TRANSPORTATION SERVICE

Rates and Charges

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

Billing Demand

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

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

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

Volumetric Charges

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

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Piedmont Natural Gas Company, Inc. **Rate Schedule 114**

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RATE SCHEDULE 114
LARGE GENERAL INTERRUPTIBLE TRANSPORTATION
SERVICE

Availability

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

Upon commencement of Service under this Rate Schedule, any reclassification or change in quantity or character of Service to Customer shall be subject to the provisions of this Rate Schedule 114 and the procedures set forth in the Company's Service Regulations.

Character of Service

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

Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all Services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule 104, "Large General Interruptible Sales Service," by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer interruptible sales Service under Rate Schedule 104, (b) the Company is able to acquire gas supplies and capacity necessary to provide Service under Rate Schedule 104 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company's Service Regulations supports such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide service under Rate Schedule 104 effective the first June 1 following the notice.

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

The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.

Customer at Risk in Case of Interruption or Curtailment of Service

Customers receiving Service under this Rate Schedule shall not be required to maintain alternate fuel capability; provided, however, that all business, operational, mechanical or other risks associated with the interruption or Curtailment of Service under this Rate Schedule shall be borne

Piedmont Natural Gas Company, Inc. **Rate Schedule 114**

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RATE SCHEDULE 114
LARGE GENERAL INTERRUPTIBLE TRANSPORTATION
SERVICE

by Customer. Such interruption or Curtailment may be ordered by Company at any time and for any reason deemed necessary or appropriate by Company and is an inherent risk of Service under this Rate Schedule. Such interruption or curtailment shall be immediately effective upon verbal or written notification by the Company, and Customer shall refrain from using gas until permitted to do so by the Company. It is understood and agreed that the Company will have the right to suspend gas Service without further notice to the Customer in the event Customer fails to cease Customer's use of gas in accordance with the Company's notice of interruption or Curtailment.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

Rates and Charges

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

Volumetric Charges

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

RATE SCHEDULE 143 EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE

Availability

Gas Service under this Rate Schedule is available, on an experimental basis, in the area served by the Company in the State of North Carolina to all existing and qualified potential customers under Rate Schedules 101, 102, 103, 104, 113, 114, 152 ~~and, T-10, and T-12~~ seeking to purchase or transport Natural Gas for use as a motor vehicle fuel. All requests for Service under this Rate Schedule shall be subject to application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

This Rate Schedule is experimental in nature and designed to (a) determine the relative need for sales/transportation service to meet the Natural Gas motor vehicle fuel needs of Customers qualified for and/or receiving service under the applicable rate schedules identified above, and (b) to determine whether Company's existing facilities and structures can accommodate the provision of such Service. Company reserves the right, upon reasonable notice to the Commission, to suspend Service to new Customers under this Rate Schedule in the event further Service under this Rate Schedule would threaten, interfere with, or impede Piedmont's ability to meet its other contractual obligations or efficiently operate its system and/or facilities. ~~Absent such suspension by Piedmont, this Rate Schedule shall remain in effect for a period of two (2) years after which Service hereunder may continue to be provided subject to any proposal by Piedmont or any other interested party to terminate, extend, modify or adjust the provision of such Service.~~

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule shall be commensurate with the nature of Service for which Customer is qualified under the applicable Rate Schedule identified above. Gas received under the provisions of this Rate Schedule shall be used for motor vehicle fuel purposes only.

All Gas delivered pursuant to this Rate Schedule shall be metered and billed ~~by~~ the Company separately from any Gas delivered to Customer under any other Rate Schedule and utilized for non-motor vehicle fuel purposes.

Service Interruption and Curtailment

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

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

Rates and Charges

The rates to be charged for Gas Service pursuant to this Rate Schedule shall be those rates and charges (and components thereof) applicable to the corresponding individual Rate Schedule under which Customer qualifies for Service. These rates and charges are set forth on the Company's

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~~Thomas E. Skains, Chairman, President and CEO~~
 Issued to comply with authority granted by the
 North Carolina Utilities Commission in
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Piedmont Natural Gas Company, Inc. **Rate Schedule 143**

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RATE SCHEDULE 143
EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE

“Rates and Charges” tariff sheet and may be viewed at the Company’s Web Site at www.piedmontng.com. A copy of the “Rates and Charges” tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates applicable to Service hereunder may, to the extent such Service includes compression of Gas for utilization as a motor vehicle fuel, include a per therm compression charge designed to recover the costs associated with such compression and related equipment. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Payment of Bills

Bills for Service rendered pursuant to this Rate Schedule shall be due and payable as provided under the individual Rate Schedules identified above under which Customer is qualified for Service.

Applicable Documents Defining Obligations of the Company and Its Customers

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

Resale

Gas delivered to Customer under the provisions and authority of this Rate Schedule, except for Customers receiving Gas for motor vehicle fuel purposes under Rate Schedule 101, may be resold solely for use as a motor fuel.

Taxes

Customer shall be solely and exclusively responsible for the payment of any local, state, or federal road tax, motor fuel tax, or similar tax, fee, or charge attributable to or arising out of the utilization of Gas delivered hereunder as a motor vehicle fuel.

Treatment of Gas Quantities Received Pursuant to this Rate Schedule

All quantities of Gas delivered to Customer for use as a motor fuel pursuant to this Rate Schedule 143 during any Annual Review Period shall be aggregated with quantities of Gas received by Customer under any of the Rate Schedules identified above solely for the purpose of establishing Customer’s eligibility for continued Service from Company as provided in Paragraphs 34 and 35 of Piedmont’s Service Regulations.

Issued by [Piedmont Natural Gas Company, Inc.](http://www.piedmontng.com)
 Thomas E. Skains, Chairman, President and CEO
 Issued to comply with authority granted by the
 North Carolina Utilities Commission in
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~~Piedmont Natural Gas Company, Inc. Rate Schedule 12~~

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~~RATE SCHEDULE 12
SERVICE TO MILITARY INSTALLATIONS LOCATED IN ONSLOW COUNTY~~~~Availability~~

~~Gas Service under this Rate Schedule is available for the purchase from Company of natural gas by any military installation (Customer) located in Onslow County adjacent to Company's mains or to whom Company will extend its mains and who enters into a Service Agreement with the Company, pursuant to the Company's Service Regulations and subject to the terms and conditions of this Rate Schedule.~~

~~Character of Service~~

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

~~The Service Agreement shall stipulate the maximum hourly and daily demand in therms and gas shall not be consumed hereunder in excess of the maximum hourly or daily demand so specified without specific permission of Company's dispatcher. Consumption in violation of this provision shall be subject to the Unauthorized Over Run Penalty provision of Rate Schedule 106.~~

~~Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all Services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule T-12 by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer Transportation Service under Rate Schedule T-12, (b) the Company is able to provide Service under Rate Schedule T-12 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company's Service Regulations support such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide service under Rate Schedule T-12 effective the first June 1 following the notice.~~

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

~~Gas Service hereunder shall be through a single point of delivery or through such number of delivery points as Company and Customer may agree upon.~~

~~Rates and Charges~~

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

~~Piedmont Natural Gas Company, Inc. Rate Schedule 12~~

Page 2 of 2

~~RATE SCHEDULE 12
SERVICE TO MILITARY INSTALLATIONS LOCATED IN ONSLOW COUNTY~~

~~Minimum Bill~~

~~The minimum bill shall be as provided in the Service Agreement.~~

~~Volumetric Charges~~

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

~~Service Interruption and Curtailment~~

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

~~In all cases where continuous operation of Customer's gas using facilities is necessary, it shall be Customer's responsibility to provide, in useable condition, alternate fuel facilities and the fuel required for their operation to the extent necessary in Customer's opinion to supply 100% of the establishment's gas requirements during periods of gas interruption or curtailment.~~

~~Payment of Bills~~

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

~~Late Payment Charge~~

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

~~Contract Period~~

~~The initial Service Agreement contract period for service to the military installations in Onslow County under this Rate Schedule shall be not less than ten years.~~

~~Applicable Documents Defining Obligations of the Company and Its Customer~~

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

~~Piedmont Natural Gas Company, Inc. Rate Schedule T-12~~

~~Page 1 of 2~~

~~**Availability**~~

~~Gas Service under this Rate Schedule is available for transportation by Company of natural gas for any military installation (Customer) located in Onslow County adjacent to Company's mains or to whom Company will extend its mains and who enters into a Service Agreement with the Company, upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations, and subject to the terms and conditions of this Rate Schedule.~~

~~**Character of Service**~~

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

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

~~The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.~~

~~**Balancing, Cash Out, and Agency Authorization**~~

~~Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash Out, and Agency Authorization."~~

~~**Rates and Charges**~~

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

~~**Minimum Bill**~~

~~The minimum bill for service under this rate schedule shall be satisfied by the minimum bill payable under Customer's Service Agreement with Company.~~

~~**Volumetric Charges**~~

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

~~**Delivery Obligation**~~

~~The Service Agreement shall set forth a maximum quantity in dekatherms per hour and per day that Company is required to deliver to Customer, which quantities shall not exceed the maximum delivery obligation per hour and per day specified in Customer's Service Agreement with the Company. Consumption in violation of this provision shall be subject to the Unauthorized gas penalty provision of Rate Schedule 106.~~

~~**Service Interruption and Curtailment**~~

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

~~Piedmont Natural Gas Company, Inc. Rate Schedule T-12~~

~~Page 2 of 2~~

~~**Payment of Bills**~~

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

~~**Late Payment Charge**~~

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

~~**Applicable Documents Defining Obligations of the Company and Its Customers**~~

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

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX B

CUSTOMER AGENT AGREEMENT

This Customer Agent Agreement (“Agreement”) is made this _____ day of _____, 201_, by and between Piedmont Natural Gas Company, Inc. (“Piedmont”) and _____ (“Agent”).

WHEREAS, Piedmont’s natural gas transportation tariffs provide for the ability of ~~eustomers~~Customers receiving Piedmont’s transportation services to designate and utilize a third-party ~~agent~~Agent for purposes of making nominations for and delivering natural gas to Piedmont on behalf of such ~~eustomers~~Customers and managing imbalances on the Piedmont system resulting from such activities; and

WHEREAS, in undertaking such activities on behalf of Piedmont’s ~~eustomers~~Customers, such Agents have the capacity to create material economic and operational risks for Piedmont and its ~~eustomers~~Customers; and

WHEREAS, Agent desires to act as a Customer Agent on Piedmont’s system; and

WHEREAS, Piedmont is willing to permit Agent to operate on its system under the terms and conditions set forth herein and under the parameters of Piedmont’s approved tariffs and service regulations.

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Piedmont and Agent agree as follows:

1. Establishment and Maintenance of Creditworthiness. Except as otherwise expressly provided in this Paragraph 1, each Agent must establish credit with Piedmont in the form of a Letter of Credit, escrow deposit, parental guaranty, or otherwise, in form and substance acceptable to Piedmont, in an amount equal to or greater than the dollar value obtained by the following formula at all times:

The higher of Agent’s average daily load for the previous month or Agent’s First-of-Month confirmed daily nomination quantity for the new month x 3 days x (NYMEX prompt month close) x 1.25

Each month, at Piedmont’s discretion and prior to accepting nominating transactions for the first of the month business, an evaluation ~~will~~may be made to ensure that the established credit does not fall below the value obtained from the formula shown above. In the event Agent’s

Issued by ~~Thomas E. Skains, Chairman, President and CEO Piedmont Natural Gas Company, Inc.~~
Issued to comply with authority granted by the
North Carolina Utilities Commission
Docket No. G-9, Sub ~~688~~781

Issued Date: _____ May 24, 2016
Effective Date: _____ June 1, 2016

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**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

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established credit falls below the value obtained through application of the formula shown above, either during this monthly evaluation or at any other time, Piedmont may require that the value of said Letter of Credit, escrow deposit, parental guaranty, or other form of assurance be changed at any time in order to reestablish adequate creditworthiness hereunder. In the event Agent fails to establish creditworthiness as set forth above, or fails to comply within 5 days with directions from Piedmont to increase the amount of its credit instruments as provided herein, then Agent's right to conduct business on the Piedmont system shall be suspended until such time as Agent shall be in compliance with the creditworthiness provisions set forth herein (including any requirements to increase said creditworthiness). The foregoing creditworthiness requirements shall not apply to any Agent to the extent that and for so long as such Agent's creditworthiness obligations under this Paragraph 1 would be less than or equal to \$100,000.

2. Customer Agent Imbalance Restrictions. Agent shall use all reasonable efforts to minimize intra-month imbalances. Agent agrees to adhere to the imbalance provisions set forth in Piedmont's Service Regulations, Rate Schedules and Operational Orders, as in effect from time to time.

3. Allocation of Imbalance Quantities/Penalties. Concurrent with the submission of monthly nominations, Agent shall provide Piedmont with a schedule of allocated nominations for ~~customers~~-Customers to be served by Agent for the following month. This allocation shall serve as the basis for resolving imbalances with Agent's ~~customers~~-Customers to the extent those imbalances are not resolved by Agent. In the event Agent fails to submit such schedule, and further fails to resolve any monthly imbalance during the term hereof, those imbalances and any attendant penalties shall be allocated to Agent's customers, *pro rata*, based upon the actual usage of each such ~~customer~~-Customer during the month to which the unresolved imbalance and/or penalties is attributable.

4. Failure to Comply with Operational Notices, and Agent Creditworthiness and Imbalance Requirements. If Agent fails to adhere to the imbalance and credit requirements set forth above, or to obey specific instructions issued by Piedmont and designed to preserve the operational integrity of Piedmont's system, Agent (a) shall be subject to the Unauthorized Gas penalty provisions of Piedmont's Rate Schedule 106, and (b) shall have its right to transact business on Piedmont's system suspended. Upon any such suspension, Agent's authorization to conduct business on the Piedmont system shall not be restored until such time as Agent is in full compliance with the provisions hereof and all applicable provisions of Piedmont's tariffs and service regulations.

5. Term. This Agreement shall become effective as of the date first written above and shall continue in full force or effect until terminated by either party hereto upon sixty (60) days written notice.

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CEO Piedmont Natural Gas Company, Inc.~~
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Issued Date: May 24, 2016
Effective Date: June 1, 2016

**PIEDMONT NATURAL GAS COMPANY, INC.
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6. Supplemental Nature of Agreement. This Agreement is supplemental to the provisions of Piedmont’s approved tariffs and service regulations, the provisions of which shall also apply to services rendered hereunder. As such, the restrictions and requirements set forth herein are cumulative in nature and in addition to any other imbalance or penalty provisions set forth in Piedmont’s approved tariffs and service regulations.

7. Billing and Payment. Billings to Agent for any amounts due hereunder, and payments by Agent on such billings, shall be made in a manner consistent with the billing and payment provisions of the underlying transportation tariffs pursuant to which service is rendered.

8. Miscellaneous.

A. Modification. This Agreement may not be modified or amended except by the execution of a written agreement by the parties hereto.

B. Waiver. No failure by any party to enforce this agreement with respect to any default in the performance of any of the provisions of this Agreement shall operate or be construed to operate as a waiver thereof or of any similar future default.

C. Assignment. This Agreement may not be assigned by any party hereto without the express written consent of the other party hereto.

D. Jurisdiction. This Agreement and the respective obligations of the parties hereto are subject to all valid laws, orders, rules and regulations of the North Carolina Utilities Commission and any other governmental bodies having jurisdiction.

E. Conflict of Laws. The construction, interpretation, and performance of this Agreement shall be in accordance with the substantive laws of the State of North Carolina without regard to any conflicts of laws provisions thereof.

IN WITNESS WHEREOF, the undersigned parties have executed this agreement as of the year and date first written above.

AGENT

PIEDMONT NATURAL GAS
COMPANY, INC.

Issued by ~~Thomas E. Skains, Chairman, President and
CEO Piedmont Natural Gas Company, Inc.~~
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North Carolina Utilities Commission
Docket No. G-9, Sub ~~688~~781

Issued Date: May 24, 2016
Effective Date: June 1, 2016

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

Signature: _____

ByPrint Name: _____ By:- _____

Print Title: _____ Title:- _____

MAILING ADDRESS

Please submit to: Transportation & Pipeline Services
GasCommercialOperations@duke-energy.com

Citygate Operations
Piedmont Natural Gas Company
P.O. Box 33068
Charlotte, N.C. 28233

_____ **OR**

_____ Transportation & Pipeline Services
_____ Fax Number: (704) 364-8320

Issued by ~~Thomas E. Skains, Chairman, President and~~
~~CEO~~ Piedmont Natural Gas Company, Inc.
Issued to comply with authority granted by the
North Carolina Utilities Commission
Docket No. G-9, Sub ~~688~~781

Issued Date: _____ May 24, 2016
Effective Date: _____ June 1, 2016

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

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APPENDIX E

Integrity Management Rider

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

1. Provision for Adjustment

The base rates per therm (100,000 Btu) for gas service set forth in Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114, ~~and T-10, 12, and T-12~~ of the Company shall be adjusted by an amount hereinafter described which amount is referred to as the “Integrity Management Adjustment.” The Integrity Management Adjustment shall be calculated as an increment and applied to Applicable Rate Schedules to recover the Integrity Management Revenue Requirement (IMRR). The Integrity Management Adjustment shall be implemented on a biannual basis subject to an audit and adjustment process as described herein. The Integrity Management Deferred Account shall be established to track the Company’s recovery of the IMRR.

2. Definitions

For the purposes of this revised Rider:

“Applicable Rate Schedules” means Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114, ~~and T-10, 12, and T-12~~.

“Commission” means the North Carolina Utilities Commission.

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

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

Issued by Piedmont Natural Gas Company, Inc.
Issued to comply with authority granted by the
North Carolina Utilities Commission in
Docket Nos. G-9, Sub ~~781743 and G-9, Sub 769~~

Issue Date: 05/28/2020
Effective Date: 06/01/2020

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

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Integrity Management Rider

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

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

3. Computation of Integrity Management Revenue Requirement (IMRR)

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

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

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

December 1, 2020	\$1,500,721
December 1, 2021	-\$2,855,243
December 1, 2022	-\$4,258,694 <u>1,538,420</u>
December 1, 2023	-\$5,631,510 <u>3,043,559</u>
December 1, 2024	-\$6,988,394 <u>4,531,466</u>
December 1, 2025	-\$8,343,543 <u>6,017,639</u>
<u>December 1, 2026</u>	<u>\$7,502,038</u>

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

Issued by Piedmont Natural Gas Company, Inc.
Issued to comply with authority granted by the
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Docket Nos. G-9, Sub ~~781743~~ and ~~G-9, Sub 769~~

Issue Date: 05/28/2020
Effective Date: 06/01/2020

**PIEDMONT NATURAL GAS COMPANY, INC.
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Integrity Management Rider

Each month the Company shall charge its Integrity Management Deferred Account for the portion of the Net IMRR (the IMRR as reduced by the Special Contract Credit), that corresponds to that month. The monthly IMRR is the product of the annual Net IMRR and the Integrity Management Month Factor. The Integrity Management Month Factor represents the percentage of annualized and normalized therms as set forth in the Relevant Rate Order by month for the Applicable Rate Schedules. The Integrity Management Month Factors for each month are as follows:

January	14.04 13.83%
February	13.21 13.66%
March	11.12 10.78%
April	8.43 8.20%
May	5.98 5.96%
June	5.09 5.09%
July	4.93 4.83%
August	5.13 5.08%
September	4.54 5.09%
October	6.22 6.12%
November	9.31 9.08%
December	12.00 12.28%

4. Computation of Biannual Integrity Management Adjustment

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

Residential	Rate Schedule 101	64.78 64.24%
Small/Med General & NGV	Rate Schedules 102, 142, 144, 152	30.18 30.31%
Large General - Firm	Rate Schedules 103, 113, T-10, T-12, 12	2.73 3.33%
Large General - Interruptible	Rate Schedules 104, 114	2.31 2.12%

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

Residential	Rate Schedule 101	393,058,205 387,273,577
Small/Med General & NGV	Rate Schedules 102, 142, 144, 152	320,559,515 297,260,309

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Docket Nos. G-9, Sub ~~781743~~ and ~~G-9, Sub 769~~

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**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

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Integrity Management Rider

Large General - Firm	Rate Schedules 103, 113, T-10, T-12, 12	351,217,528 <u>365,693,878</u>
Large General - Interruptible	Rate Schedules 104, 114	299,237,581 <u>294,666,516</u>

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

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

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

6. Interest

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

7. Integrity Management Deferred Account

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

8. Monthly Filing with Commission

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

Issued by Piedmont Natural Gas Company, Inc.
Issued to comply with authority granted by the
North Carolina Utilities Commission in
Docket Nos. G-9, Sub ~~781743 and G-9, Sub 769~~

Issue Date: 05/28/2020
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**PIEDMONT NATURAL GAS COMPANY, INC.
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Integrity Management Rider

9. Annual Integrity Management Plant Investment Forecast

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

10. Review and Approval of Annual IMR Report and Rates

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

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

11. Commission Review

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

PIEDMONT NATURAL GAS COMPANY, INC.
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APPENDIX H

Energy Efficiency Program Cost Recovery Rider

1. Provision for Adjustment

The base rates per therm for Gas Service set forth in Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114 and T-10 of the Company shall be adjusted by an amount hereinafter described which amount is referred to as the “EE Program Adjustment.” The EE Program Adjustment shall be calculated as an increment or decrement and be applied to Applicable Rate Schedules to recover or refund the balance in the “EE Program Deferred Account”. The EE Program Adjustment shall be implemented on an annual basis subject to an audit and adjustment process as described herein. The EE Program Deferred Account shall be established to track the Company’s deferred expenses for operation of the Energy Efficiency Programs and the recovery of the EE Program Adjustment.

2. Definitions

For the purposes of this Rider:

“Applicable Rate Schedules” means Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114 and T-10.

“Commission” means the North Carolina Utilities Commission.

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

“EE Program Costs” means the expenses the Company incurs and defers for operating the EE Programs approved by the Commission pursuant to Commission Rule R6-95.

3. EE Program Deferred Account

The Company shall maintain an EE Program Deferred Account for the purpose of recording each month: (a) the EE Program Costs; (b) the amount of EE Program Adjustment collected from customers; and (c) interest on the EE Program Deferred Account.

The amount of the EE Program Adjustment collected from customers shall be applied as a credit to the EE Program Deferred Account, and shall be computed by multiplying the EE Program Adjustment in effect for each Applicable Rate Schedule by the actual therms of usage billed customers for the month.

Interest will be applied to the EE Program Deferred Account each month at a rate equal to one-twelfth of the Company’s net-of-tax overall rate of return established in the Relevant Rate

PIEDMONT NATURAL GAS COMPANY, INC.
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APPENDIX H

Energy Efficiency Program Cost Recovery Rider

Order. The interest shall be computed on the basis of the average balance (the beginning of month balance plus the end of month balance, divided by two) of the EE Program Deferred Account each month.

4. Computation of the EE Program Adjustment

The March 31 balance, including accrued interest, of the EE Program Deferred Account shall be multiplied by the gross up factor for the uncollectibles rate and Commission regulatory fee rate established in the Relevant Rate Order. Such grossed-up balance shall be apportioned to each customer class based on the base margin revenue apportionment established in the Relevant Rate Order. The customer class apportionment percentages are as follows:

<u>Residential</u>	<u>Rate Schedule 101</u>	<u>64.24%</u>
<u>Small/Med General & NGV</u>	<u>Rate Schedules 102, 142, 144, 152</u>	<u>30.31%</u>
<u>Large General - Firm</u>	<u>Rate Schedules 103, 113, T-10</u>	<u>3.33%</u>
<u>Large General - Interruptible</u>	<u>Rate Schedules 104, 114</u>	<u>2.12%</u>

The amount of grossed-up balance apportioned to each customer class shall then be divided by the annual therms as set forth in the Relevant Rate Order for each customer class to determine the EE Program Adjustment to the nearest one-thousandth cent per therm. The annual therms of throughput used in the computation of the EE Program Adjustment for each customer class are as follows:

<u>Residential</u>	<u>Rate Schedule 101</u>	<u>387,273,577</u>
<u>Small/Med General & NGV</u>	<u>Rate Schedules 102, 142, 144, 152</u>	<u>297,260,309</u>
<u>Large General - Firm</u>	<u>Rate Schedules 103, 113, T-10</u>	<u>365,693,878</u>
<u>Large General - Interruptible</u>	<u>Rate Schedules 104, 114</u>	<u>294,666,516</u>

5. Monthly Filing with Commission

The Company shall file monthly reports listing (a) the current month's EE Program Costs by program; and (b) activity recorded for the month in the EE Program Deferred Account. Such reports will be filed within 60 days after the end of the month for which the report is being filed.

6. Annual Filing with Commission

The Company shall file by May 15th of each year for Commission approval the EE Program Adjustment for each Applicable Rate Schedule which it proposes to charge customers during the 12-month period beginning the following June 1st. The Company shall include in the filing a copy of the computation of the EE Program Adjustment for each Applicable Rate Schedule and the change from current rates.

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PIEDMONT NATURAL GAS COMPANY, INC.
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APPENDIX H

Energy Efficiency Program Cost Recovery Rider

10. Annual Audit and Adjustment Process

The Public Staff and any other intervenors of record shall have until January 31th to review the information in support of the EE Program Adjustment effective the prior June 1st, and to prepare and file with the Commission a report of such review to include supporting testimony if disallowances or adjustments are proposed in such report. The Company shall have until February 15th to respond to any report or testimony filed with the Commission and, to the extent necessary to resolve disputes regarding the Company's annual filing and/or the EE Program Adjustment effective the prior June 1st, such disputes shall be promptly scheduled for hearing by the Commission with the goal of resolving such disputes by Commission order issued by May 15th with corresponding rate adjustments made on a prospective basis on June 1st.

I/A

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(PKP-2)

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

Applicability

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

Limitations on Intra-month Imbalances

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

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

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

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

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

Balancing On Upstream Pipeline(s)

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

Monthly Imbalance Resolution

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

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

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

Piedmont Natural Gas Company, Inc.**Rate Schedule 107**

Page 3 of 6

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

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

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

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

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

Agency Authorization Form

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

Piedmont Natural Gas Company, Inc. **Rate Schedule 107**

Page 4 of 6

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

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

Piedmont Natural Gas Company, Inc. Rate Schedule 107

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

AGENCY AUTHORIZATION FORM

EFFECTIVE DATE _____

CUSTOMER _____

NAME OF FACILITY _____

ACCOUNT NUMBER(S) _____

AGENT _____

AGENT CONTACT _____

AGENT PHONE # _____

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

_____ nominations, _____ imbalance resolution, _____ billing,

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

CUSTOMER AUTHORIZED SIGNATURE

AGENT AUTHORIZED SIGNATURE

Please Print:

AGENT'S NAME _____ TITLE _____

EMAIL _____ PHONE # _____

Piedmont Natural Gas Company, Inc. **Rate Schedule 107**

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

Please submit completed form to: GasCommercialOperations@duke-energy.com

Citygate Operations
Piedmont Natural Gas Company
P. O. Box 33068
Charlotte, NC 28233

Piedmont Natural Gas Company, Inc. **Rate Schedule 113**

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RATE SCHEDULE 113
LARGE GENERAL TRANSPORTATION SERVICE**Availability**

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

Upon commencement of Service under this Rate Schedule, any reclassification or change in quantity or character of Service to Customer shall be subject to the provisions of this Rate Schedule 113 and the procedures set forth in the Company's Service Regulations.

Character of Service

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

Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all Services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule 103, "Large General Sales Service," by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer firm sales Service under Rate Schedule 103, (b) the Company is able to acquire firm gas supplies and capacity necessary to provide Service under Rate Schedule 103 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company's Service Regulations support such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide Service under Rate Schedule 103 effective the first June 1 following the notice.

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

The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

Issued by Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781

Issued Date: _____
Effective Date: _____

OFFICIAL COPY

Sep 13 2021

Piedmont Natural Gas Company, Inc. **Rate Schedule 113**

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RATE SCHEDULE 113
LARGE GENERAL TRANSPORTATION SERVICE**Rates and Charges**

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

Billing Demand

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

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

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

Volumetric Charges

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

Issued by Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781

Issued Date: _____
Effective Date: _____

Piedmont Natural Gas Company, Inc. **Rate Schedule 114**

Page 1 of 2

RATE SCHEDULE 114
LARGE GENERAL INTERRUPTIBLE TRANSPORTATION
SERVICE

Availability

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

Upon commencement of Service under this Rate Schedule, any reclassification or change in quantity or character of Service to Customer shall be subject to the provisions of this Rate Schedule 114 and the procedures set forth in the Company's Service Regulations.

Character of Service

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

Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all Services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule 104, "Large General Interruptible Sales Service," by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer interruptible sales Service under Rate Schedule 104, (b) the Company is able to acquire gas supplies and capacity necessary to provide Service under Rate Schedule 104 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company's Service Regulations supports such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide service under Rate Schedule 104 effective the first June 1 following the notice.

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

The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.

Customer at Risk in Case of Interruption or Curtailment of Service

Customers receiving Service under this Rate Schedule shall not be required to maintain alternate fuel capability; provided, however, that all business, operational, mechanical or other risks associated with the interruption or Curtailment of Service under this Rate Schedule shall be borne

Piedmont Natural Gas Company, Inc. **Rate Schedule 114**

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RATE SCHEDULE 114
LARGE GENERAL INTERRUPTIBLE TRANSPORTATION
SERVICE

by Customer. Such interruption or Curtailment may be ordered by Company at any time and for any reason deemed necessary or appropriate by Company and is an inherent risk of Service under this Rate Schedule. Such interruption or curtailment shall be immediately effective upon verbal or written notification by the Company, and Customer shall refrain from using gas until permitted to do so by the Company. It is understood and agreed that the Company will have the right to suspend gas Service without further notice to the Customer in the event Customer fails to cease Customer's use of gas in accordance with the Company's notice of interruption or Curtailment.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

Rates and Charges

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

Volumetric Charges

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

RATE SCHEDULE 143 EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE

Availability

Gas Service under this Rate Schedule is available, on an experimental basis, in the area served by the Company in the State of North Carolina to all existing and qualified potential customers under Rate Schedules 101, 102, 103, 104, 113, 114, 152 and T-10 seeking to purchase or transport Natural Gas for use as a motor vehicle fuel. All requests for Service under this Rate Schedule shall be subject to application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

This Rate Schedule is experimental in nature and designed to (a) determine the relative need for sales/transportation service to meet the Natural Gas motor vehicle fuel needs of Customers qualified for and/or receiving service under the applicable rate schedules identified above, and (b) to determine whether Company's existing facilities and structures can accommodate the provision of such Service. Company reserves the right, upon reasonable notice to the Commission, to suspend Service to new Customers under this Rate Schedule in the event further Service under this Rate Schedule would threaten, interfere with, or impede Piedmont's ability to meet its other contractual obligations or efficiently operate its system and/or facilities.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule shall be commensurate with the nature of Service for which Customer is qualified under the applicable Rate Schedule identified above. Gas received under the provisions of this Rate Schedule shall be used for motor vehicle fuel purposes only.

All Gas delivered pursuant to this Rate Schedule shall be metered and billed by the Company separately from any Gas delivered to Customer under any other Rate Schedule and utilized for non-motor vehicle fuel purposes.

Service Interruption and Curtailment

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

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

Rates and Charges

The rates to be charged for Gas Service pursuant to this Rate Schedule shall be those rates and charges (and components thereof) applicable to the corresponding individual Rate Schedule under which Customer qualifies for Service. These rates and charges are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates applicable to Service hereunder may, to the extent such Service includes compression of Gas for utilization as a motor vehicle fuel, include a per therm compression charge designed to recover the costs

Piedmont Natural Gas Company, Inc. **Rate Schedule 143**

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**RATE SCHEDULE 143
EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE**

associated with such compression and related equipment. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Payment of Bills

Bills for Service rendered pursuant to this Rate Schedule shall be due and payable as provided under the individual Rate Schedules identified above under which Customer is qualified for Service.

Applicable Documents Defining Obligations of the Company and Its Customers

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

Resale

Gas delivered to Customer under the provisions and authority of this Rate Schedule, except for Customers receiving Gas for motor vehicle fuel purposes under Rate Schedule 101, may be resold solely for use as a motor fuel.

Taxes

Customer shall be solely and exclusively responsible for the payment of any local, state, or federal road tax, motor fuel tax, or similar tax, fee, or charge attributable to or arising out of the utilization of Gas delivered hereunder as a motor vehicle fuel.

Treatment of Gas Quantities Received Pursuant to this Rate Schedule

All quantities of Gas delivered to Customer for use as a motor fuel pursuant to this Rate Schedule 143 during any Annual Review Period shall be aggregated with quantities of Gas received by Customer under any of the Rate Schedules identified above solely for the purpose of establishing Customer's eligibility for continued Service from Company as provided in Paragraphs 34 and 35 of Piedmont's Service Regulations.

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX B

CUSTOMER AGENT AGREEMENT

This Customer Agent Agreement (“Agreement”) is made this _____ day of _____, 201_, by and between Piedmont Natural Gas Company, Inc. (“Piedmont”) and _____ (“Agent”).

WHEREAS, Piedmont’s natural gas transportation tariffs provide for the ability of Customers receiving Piedmont’s transportation services to designate and utilize a third-party Agent for purposes of making nominations for and delivering natural gas to Piedmont on behalf of such Customers and managing imbalances on the Piedmont system resulting from such activities; and

WHEREAS, in undertaking such activities on behalf of Piedmont’s Customers, such Agents have the capacity to create material economic and operational risks for Piedmont and its Customers; and

WHEREAS, Agent desires to act as a Customer Agent on Piedmont’s system; and

WHEREAS, Piedmont is willing to permit Agent to operate on its system under the terms and conditions set forth herein and under the parameters of Piedmont’s approved tariffs and service regulations.

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Piedmont and Agent agree as follows:

1. Establishment and Maintenance of Creditworthiness. Except as otherwise expressly provided in this Paragraph 1, each Agent must establish credit with Piedmont in the form of a Letter of Credit, escrow deposit, parental guaranty, or otherwise, in form and substance acceptable to Piedmont, in an amount equal to or greater than the dollar value obtained by the following formula at all times:

The higher of Agent’s average daily load for the previous month or Agent’s First-of-Month confirmed daily nomination quantity for the new month x 3 days x (NYMEX prompt month close) x 1.25

Each month, at Piedmont’s discretion and prior to accepting nominating transactions for the first of the month business, an evaluation may be made to ensure that the established credit does not fall below the value obtained from the formula shown above. In the event Agent’s established credit falls below the value obtained through application of the formula shown above, either

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

during this monthly evaluation or at any other time, Piedmont may require that the value of said Letter of Credit, escrow deposit, parental guaranty, or other form of assurance be changed at any time in order to reestablish adequate creditworthiness hereunder. In the event Agent fails to establish creditworthiness as set forth above, or fails to comply within 5 days with directions from Piedmont to increase the amount of its credit instruments as provided herein, then Agent's right to conduct business on the Piedmont system shall be suspended until such time as Agent shall be in compliance with the creditworthiness provisions set forth herein (including any requirements to increase said creditworthiness). The foregoing creditworthiness requirements shall not apply to any Agent to the extent that and for so long as such Agent's creditworthiness obligations under this Paragraph 1 would be less than or equal to \$100,000.

2. Customer Agent Imbalance Restrictions. Agent shall use all reasonable efforts to minimize intra-month imbalances. Agent agrees to adhere to the imbalance provisions set forth in Piedmont's Service Regulations, Rate Schedules and Operational Orders, as in effect from time to time.

3. Allocation of Imbalance Quantities/Penalties. Concurrent with the submission of monthly nominations, Agent shall provide Piedmont with a schedule of allocated nominations for Customers to be served by Agent for the following month. This allocation shall serve as the basis for resolving imbalances with Agent's Customers to the extent those imbalances are not resolved by Agent. In the event Agent fails to submit such schedule, and further fails to resolve any monthly imbalance during the term hereof, those imbalances and any attendant penalties shall be allocated to Agent's customers, *pro rata*, based upon the actual usage of each such Customer during the month to which the unresolved imbalance and/or penalties is attributable.

4. Failure to Comply with Operational Notices, and Agent Creditworthiness and Imbalance Requirements. If Agent fails to adhere to the imbalance and credit requirements set forth above, or to obey specific instructions issued by Piedmont and designed to preserve the operational integrity of Piedmont's system, Agent (a) shall be subject to the Unauthorized Gas penalty provisions of Piedmont's Rate Schedule 106, and (b) shall have its right to transact business on Piedmont's system suspended. Upon any such suspension, Agent's authorization to conduct business on the Piedmont system shall not be restored until such time as Agent is in full compliance with the provisions hereof and all applicable provisions of Piedmont's tariffs and service regulations.

5. Term. This Agreement shall become effective as of the date first written above and shall continue in full force or effect until terminated by either party hereto upon sixty (60) days written notice.

6. Supplemental Nature of Agreement. This Agreement is supplemental to the provisions of Piedmont's approved tariffs and service regulations, the provisions of which shall also apply to services rendered hereunder. As such, the restrictions and requirements set forth

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

herein are cumulative in nature and in addition to any other imbalance or penalty provisions set forth in Piedmont’s approved tariffs and service regulations.

7. Billing and Payment. Billings to Agent for any amounts due hereunder, and payments by Agent on such billings, shall be made in a manner consistent with the billing and payment provisions of the underlying transportation tariffs pursuant to which service is rendered.

8. Miscellaneous.

A. Modification. This Agreement may not be modified or amended except by the execution of a written agreement by the parties hereto.

B. Waiver. No failure by any party to enforce this agreement with respect to any default in the performance of any of the provisions of this Agreement shall operate or be construed to operate as a waiver thereof or of any similar future default.

C. Assignment. This Agreement may not be assigned by any party hereto without the express written consent of the other party hereto.

D. Jurisdiction. This Agreement and the respective obligations of the parties hereto are subject to all valid laws, orders, rules and regulations of the North Carolina Utilities Commission and any other governmental bodies having jurisdiction.

E. Conflict of Laws. The construction, interpretation, and performance of this Agreement shall be in accordance with the substantive laws of the State of North Carolina without regard to any conflicts of laws provisions thereof.

IN WITNESS WHEREOF, the undersigned parties have executed this agreement as of the year and date first written above.

AGENT

PIEDMONT NATURAL GAS
COMPANY, INC.

Signature: _____

Print Name: _____

Issued by Piedmont Natural Gas Company, Inc.
Issued to comply with authority granted by the
North Carolina Utilities Commission
Docket No. G-9, Sub 781

Issue Date: _____
Effective Date: _____

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

Print Title: _____

Please submit to:

GasCommercialOperations@duke-energy.com

Citygate Operations
Piedmont Natural Gas Company
P.O. Box 33068
Charlotte, N.C. 28233

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

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

1. Provision for Adjustment

The base rates per therm (100,000 Btu) for gas service set forth in Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114 and T-10 of the Company shall be adjusted by an amount hereinafter described which amount is referred to as the “Integrity Management Adjustment.” The Integrity Management Adjustment shall be calculated as an increment and applied to Applicable Rate Schedules to recover the Integrity Management Revenue Requirement (IMRR). The Integrity Management Adjustment shall be implemented on a biannual basis subject to an audit and adjustment process as described herein. The Integrity Management Deferred Account shall be established to track the Company’s recovery of the IMRR.

2. Definitions

For the purposes of this revised Rider:

“Applicable Rate Schedules” means Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114 and T-10.

“Commission” means the North Carolina Utilities Commission.

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

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

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

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

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

3. Computation of Integrity Management Revenue Requirement (IMRR)

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

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

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

December 1, 2021	\$0
December 1, 2022	\$1,538,420
December 1, 2023	\$3,043,559
December 1, 2024	\$4,531,466
December 1, 2025	\$6,017,639
December 1, 2026	\$7,502,038

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

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

Each month the Company shall charge its Integrity Management Deferred Account for the portion of the Net IMRR (the IMRR as reduced by the Special Contract Credit), that corresponds to that month. The monthly IMRR is the product of the annual Net IMRR and the Integrity Management Month Factor. The Integrity Management Month Factor represents the percentage of annualized and normalized therms as set forth in the Relevant Rate Order by month for the Applicable Rate Schedules. The Integrity Management Month Factors for each month are as follows:

January	13.83%
February	13.66%
March	10.78%
April	8.20%
May	5.96%
June	5.09%
July	4.83%
August	5.08%
September	5.09%
October	6.12%
November	9.08%
December	12.28%

4. Computation of Biannual Integrity Management Adjustment

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

Residential	Rate Schedule 101	64.24%
Small/Med General & NGV	Rate Schedules 102, 142, 144, 152	30.31%
Large General - Firm	Rate Schedules 103, 113, T-10	3.33%
Large General - Interruptible	Rate Schedules 104, 114	2.12%

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

Residential	Rate Schedule 101	387,273,577
Small/Med General & NGV	Rate Schedules 102, 142, 144, 152	297,260,309

Issued by Piedmont Natural Gas Company, Inc.
Issued to comply with authority granted by the
North Carolina Utilities Commission in
Docket Nos. G-9, Sub 781

Issue Date: _____
Effective Date: _____

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

Large General - Firm	Rate Schedules 103, 113, T-10	365,693,878
Large General - Interruptible	Rate Schedules 104, 114	294,666,516

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

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

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

6. Interest

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

7. Integrity Management Deferred Account

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

8. Monthly Filing with Commission

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

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

9. Annual Integrity Management Plant Investment Forecast

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

10. Review and Approval of Annual IMR Report and Rates

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

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

11. Commission Review

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

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX H

Energy Efficiency Program Cost Recovery Rider

1. Provision for Adjustment

The base rates per therm for Gas Service set forth in Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114 and T-10 of the Company shall be adjusted by an amount hereinafter described which amount is referred to as the “EE Program Adjustment.” The EE Program Adjustment shall be calculated as an increment or decrement and be applied to Applicable Rate Schedules to recover or refund the balance in the “EE Program Deferred Account”. The EE Program Adjustment shall be implemented on an annual basis subject to an audit and adjustment process as described herein. The EE Program Deferred Account shall be established to track the Company’s deferred expenses for operation of the Energy Efficiency Programs and the recovery of the EE Program Adjustment.

2. Definitions

For the purposes of this Rider:

“Applicable Rate Schedules” means Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114 and T-10.

“Commission” means the North Carolina Utilities Commission.

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

“EE Program Costs” means the expenses the Company incurs and defers for operating the EE Programs approved by the Commission pursuant to Commission Rule R6-95.

3. EE Program Deferred Account

The Company shall maintain an EE Program Deferred Account for the purpose of recording each month: (a) the EE Program Costs; (b) the amount of EE Program Adjustment collected from customers; and (c) interest on the EE Program Deferred Account.

The amount of the EE Program Adjustment collected from customers shall be applied as a credit to the EE Program Deferred Account, and shall be computed by multiplying the EE Program Adjustment in effect for each Applicable Rate Schedule by the actual therms of usage billed customers for the month.

Interest will be applied to the EE Program Deferred Account each month at a rate equal to one-twelfth of the Company’s net-of-tax overall rate of return established in the Relevant Rate

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX H

Energy Efficiency Program Cost Recovery Rider

Order. The interest shall be computed on the basis of the average balance (the beginning of month balance plus the end of month balance, divided by two) of the EE Program Deferred Account each month.

4. Computation of the EE Program Adjustment

The March 31 balance, including accrued interest, of the EE Program Deferred Account shall be multiplied by the gross up factor for the uncollectibles rate and Commission regulatory fee rate established in the Relevant Rate Order. Such grossed-up balance shall be apportioned to each customer class based on the base margin revenue apportionment established in the Relevant Rate Order. The customer class apportionment percentages are as follows:

Residential	Rate Schedule 101	64.24%
Small/Med General & NGV	Rate Schedules 102, 142, 144, 152	30.31%
Large General - Firm	Rate Schedules 103, 113, T-10	3.33%
Large General - Interruptible	Rate Schedules 104, 114	2.12%

The amount of grossed-up balance apportioned to each customer class shall then be divided by the annual therms as set forth in the Relevant Rate Order for each customer class to determine the EE Program Adjustment to the nearest one-thousandth cent per therm. The annual therms of throughput used in the computation of the EE Program Adjustment for each customer class are as follows:

Residential	Rate Schedule 101	387,273,577
Small/Med General & NGV	Rate Schedules 102, 142, 144, 152	297,260,309
Large General - Firm	Rate Schedules 103, 113, T-10	365,693,878
Large General - Interruptible	Rate Schedules 104, 114	294,666,516

5. Monthly Filing with Commission

The Company shall file monthly reports listing (a) the current month's EE Program Costs by program; and (b) activity recorded for the month in the EE Program Deferred Account. Such reports will be filed within 60 days after the end of the month for which the report is being filed.

6. Annual Filing with Commission

The Company shall file by May 15th of each year for Commission approval the EE Program Adjustment for each Applicable Rate Schedule which it proposes to charge customers during the 12-month period beginning the following June 1st. The Company shall include in the filing a copy of the computation of the EE Program Adjustment for each Applicable Rate Schedule and the change from current rates.

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX H

Energy Efficiency Program Cost Recovery Rider

10. Annual Audit and Adjustment Process

The Public Staff and any other intervenors of record shall have until January 31th to review the information in support of the EE Program Adjustment effective the prior June 1st, and to prepare and file with the Commission a report of such review to include supporting testimony if disallowances or adjustments are proposed in such report. The Company shall have until February 15th to respond to any report or testimony filed with the Commission and, to the extent necessary to resolve disputes regarding the Company's annual filing and/or the EE Program Adjustment effective the prior June 1st, such disputes shall be promptly scheduled for hearing by the Commission with the goal of resolving such disputes by Commission order issued by May 15th with corresponding rate adjustments made on a prospective basis on June 1st.

Settlement Exhibit __ (PKP-1)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
SUMMARY OF SETTLEMENT ADJUSTMENTS
Excluding Robeson LNG & Pender-Onslow
For The Test Year Ended December 31, 2020

Line No.	Item	Settlement
1	Increase in Revenue Requirement as Requested by the Company in its 3/22/2021 Filed Application	\$109,025,725
2	Adjustment to the Company's Request per its 7/28/2021 Update Filing	(12,153,620)
3	Increase in Revenue Requirement as Requested per the Company's Update Filing (Line 1 - Line 2)	\$96,872,105
	<u>Settlement Adjustments to Margin Revenue:</u>	
4	Change in Equity ratio from 52% to 51.60%	(1,935,965)
5	Change in cost of long-term debt from 4.08% to 4.08%	0
6	Change in cost of short-term debt from 0.35% to 0.20%	(46,446)
7	Change in return on equity from 10.25% to 9.60%	(20,743,428)
8	Plant in Service Updates and Related Items	(27,888,796) [1]
9	ADIT - updated balance to June 30, 2021	0
10	Design Day Allocation Change - removed Public Staff adjustment	0
11	Cash working capital - Lead Lag based on pro forma revenues and expenses	(1,046,450)
12	Other working capital - June 30, 2021 updates	0
13	EOP Revenues & Commodity COG - moved to line 47	0
14	Adjustment to other operating revenues	(1,905,124)
15	Adjustment to the Demand Cost of Gas - moved to line 48	0
16	Robeson LNG Adjustment - Lines 456 and 457, land, and operating expenses	(5,189,068) [1]
17	Special Contract (Original Lincoln CT) - remove plant previously recovered through lump sum payment	(111,287)
18	Payroll and Related Expenses	(15,965)
19	Other Benefits	(1,313,594)
20	Pension OPEB LTD Expense	(436,672)
21	Customer Payment Fees	0
22	Board Expenses	(362,829)
23	Executive Compensation	(270,949)
24	Incentive Plans	(367,973)
25	Rate Case Expenses - 4 year amortization, no unamortized balance from G-9 Sub 743	(175,794)
26	Sponsorships & Donations	(63,771)
27	Uncollectibles	(1,015,778)
28	Inflation Adjustment	(160,589)
29	Nonutility Adjustment - operating expenses and rate base	(547,483)
30	Deferral: PIM-T Costs - update actual expenses @ June 30, 2021, 4 year amort, adjusted reg asset EOP bal	(272,957)
31	Deferral: Environmental Costs - update actual expenses @ June 30, 2021, 4 year amort, adjusted reg asset EOP bal	26,407
32	Deferral: PIM-D Costs - update actual expenses @ June 30, 2021, 4 year amort, adjusted reg asset EOP bal	389,477
33	Deferral: Eastern NCNG, 4 year amortization	(138,435)
34	Deferral: Undercollection of Regulatory Fee, 4 year amortization	(54,416)
35	COVID Expense Adjustment	(438,384)
36	Regulatory Fee Expense	3,797
37	Advertising - remove promotional, image, competitive, & non-recurring	(384,905)
38	Aviation Expense	(192,202)
39	Interest on customer deposits	(490)
40	Lobbying Expenses	(76,564)
41	Amortization of Federal protected EDIT, net of tax	1,652,340
42	Change in retention factor - Uncollectibles and Regulatory Fee changes	(88,311)
43	Adjust cash working capital for recommended revenue increase	433,855
44	Rounding	305
45	Total Settlement Adjustments to Margin Revenue (Sum of Lines 4 thru 44)	<u>(62,738,445)</u>
46	Settlement Increase in Margin Revenue (Line 3 + Line 45)	\$34,133,660
47	Decrease in Commodity Cost of Gas - update CU & LAUF factor	(2,035,207)
48	Increase in Demand Cost of Gas - update of fixed gas costs	8,966,494
49	Settlement Increase in COG of Gas Revenues (Line 47 + Line 48)	6,931,287
50	Total Settlement Revenue Requirement Increase (Line 46 + Line 49)	\$41,064,947
	<u>EDIT Rider impacts on Revenue Requirement:</u>	
51	Annual Amount of Federal Unprotected EDIT Rider, 3 year remaining flow back	(\$25,562,970)
52	Annual Amount of State EDIT Rider, 1 year remaining flow back	(22,201,275)
53	Annual EDIT Rider Impact (Line 51 + Line 52)	<u>(\$47,764,245)</u>
54	Change in Revenue Requirement for Year 1, including EDIT Rider Impact (Line 50 + Line 53)	(\$6,699,298) [2]
55	Change in Revenue Requirement for Years 2 & 3, including EDIT Rider Impact (Line 50 + Line 51)	\$15,501,977 [2]
56	Change in Revenue Requirement for Years 4 & thereafter, including EDIT Rider Impact (Line 50)	\$41,064,947 [2]

[1] Excludes the Robeson LNG and Pender-Onslow projects

[2] Year 1 = Nov 1, 2021 thru Oct 31, 2022
Year 2 = Nov 1, 2022 thru Oct 31, 2023
Year 3 = Nov 1, 2023 thru Oct 31, 2024
Year 4 = Nov 1, 2024 thru Oct 31, 2025

Settlement Exhibit __ (PKP-2)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
SUMMARY OF SETTLEMENT ADJUSTMENTS
Including Robeson LNG & Pender-Onslow
For The Test Year Ended December 31, 2020

Line No.	Item	Settlement
1	Increase in Revenue Requirement as Requested by the Company in its 3/22/2021 Filed Application	\$109,025,725
2	Adjustment to the Company's Request per its 7/28/2021 Update Filing	(12,153,620)
3	Increase in Revenue Requirement as Requested per the Company's Update Filing (Line 1 - Line 2)	\$96,872,105
	<u>Settlement Adjustments to Margin Revenue:</u>	
4	Change in Equity ratio from 52% to 51.60%	(1,935,965)
5	Change in cost of long-term debt from 4.08% to 4.08%	0
6	Change in cost of short-term debt from 0.35% to 0.20%	(46,446)
7	Change in return on equity from 10.25% to 9.60%	(20,743,428)
8	Plant in Service Updates and Related Items	(254,099) [1]
9	ADIT - updated balance to June 30, 2021	0
10	Design Day Allocation Change - removed Public Staff adjustment	0
11	Cash working capital - Lead Lag based on pro forma revenues and expenses	(1,215,364)
12	Other working capital - June 30, 2021 updates	0
13	EOP Revenues & Commodity COG - moved to line 47	0
14	Adjustment to other operating revenues	(1,905,124)
15	Adjustment to the Demand Cost of Gas - moved to line 48	0
16	Robeson LNG Adjustment - Lines 456 and 457, land, and operating expenses	0 [1]
17	Special Contract (Original Lincoln CT) - remove plant previously recovered through lump sum payment	(111,287)
18	Payroll and Related Expenses	(15,965)
19	Other Benefits	(1,313,594)
20	Pension OPEB LTD Expense	(436,672)
21	Customer Payment Fees	0
22	Board Expenses	(362,829)
23	Executive Compensation	(270,949)
24	Incentive Plans	(367,973)
25	Rate Case Expenses - 4 year amortization, no unamortized balance from G-9 Sub 743	(175,794)
26	Sponsorships & Donations	(63,771)
27	Uncollectibles	(1,015,778)
28	Inflation Adjustment	(160,589)
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30	Deferral: PIM-T Costs - update actual expenses @ June 30, 2021, 4 year amort, adjusted reg asset EOP bal	(272,957)
31	Deferral: Environmental Costs - update actual expenses @ June 30, 2021, 4 year amort, adjusted reg asset EOP bal	26,407
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33	Deferral: Eastern NCNG, 4 year amortization	(138,435)
34	Deferral: Undercollection of Regulatory Fee, 4 year amortization	(54,416)
35	COVID Expense Adjustment	(438,384)
36	Regulatory Fee Expense	3,797
37	Advertising - remove promotional, image, competitive, & non-recurring	(384,905)
38	Aviation Expense	(192,202)
39	Interest on customer deposits	(490)
40	Lobbying Expenses	(76,564)
41	Amortization of Federal protected EDIT, net of tax	1,652,340
42	Change in retention factor - Uncollectibles and Regulatory Fee changes	(88,311)
43	Adjust cash working capital for recommended revenue increase	782,540
44	Rounding	308
45	Total Settlement Adjustments to Margin Revenue (Sum of Lines 4 thru 44)	(29,734,906)
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47	Decrease in Commodity Cost of Gas - update CU & LAUF factor	(2,035,207)
48	Increase in Demand Cost of Gas - update of fixed gas costs	8,966,494
49	Settlement Increase in COG of Gas Revenues (Line 47 + Line 48)	6,931,287
50	Total Settlement Revenue Requirement Increase (Line 46 + Line 49)	\$74,068,486
	<u>EDIT Rider impacts on Revenue Requirement:</u>	
51	Annual Amount of Federal Unprotected EDIT Rider, 3 year remaining flow back	(\$25,562,970)
52	Annual Amount of State EDIT Rider, 1 year remaining flow back	(22,201,275)
53	Annual EDIT Rider Impact (Line 51 + Line 52)	(\$47,764,245)
54	Change in Revenue Requirement for Year 1, including EDIT Rider Impact (Line 50 + Line 53)	\$26,304,241 [2]
55	Change in Revenue Requirement for Years 2 & 3, including EDIT Rider Impact (Line 50 + Line 51)	\$48,505,516 [2]
56	Change in Revenue Requirement for Years 4 & thereafter, including EDIT Rider Impact (Line 50)	\$74,068,486 [2]

[1] Includes the Robeson LNG and Pender-Onslow projects

[2] Year 1 = Nov 1, 2021 thru Oct 31, 2022
Year 2 = Nov 1, 2022 thru Oct 31, 2023
Year 3 = Nov 1, 2023 thru Oct 31, 2024
Year 4 = Nov 1, 2024 thru Oct 31, 2025

Exhibit KAS-1



200 State Street
9th Floor
Boston, MA 02109
Tel: +1 724 422 3564

Professional Affiliations

Energy Bar Association
 FERC Practice Committee
 FERC Liquids Committee
 FERC Natural Gas Pipeline Committee

Education

B.S., Accounting, Indiana University of Pennsylvania

Mr. Sosnick has over 18 years of experience with electric utility, natural gas pipeline and crude/product pipeline industry matters before the Federal Energy Regulatory Commission (“FERC”), state regulators, as well as civil litigation proceedings and management consulting engagements.

Prior to joining FTI, Mr. Sosnick spent over 8 years as a consultant extensively engaged in the natural gas, crude/product and electricity markets. His work has included analysis of onshore and offshore natural gas pipeline and crude/product pipeline cost of service rates, levelized rates, market-based rates, discounted and negotiated rates, incremental vs. rolled-in project costs, Certificate Proceedings, allocation of corporate overhead costs, master-limited partnership income taxes, throughput/system rate design quantities, fuel recovery mechanisms, NGA Section 5 rate complaints, Return on Equity calculations under the DCF/Risk Premium/CAPM/Expected Earnings methods, depreciation rate and negative salvage rate calculations, Asset Retirement Obligations, FERC Form 1 and 2 filing requirements as well as being proficient in the application of FERC’s Uniform System of Accounts.

Mr. Sosnick has prepared expert testimony and provided expert advisory services for clients in proceedings at FERC, state commissions as well as expert reports assessing and quantifying damages in civil litigation, conducted strategic analysis for a large energy company considering alternatives for its existing pipeline and storage portfolio, written a whitepaper on the impacts of the Tax Cuts and Jobs Act on FERC regulated assets as well as a whitepaper on the impacts of FERC Orders in SFPP, LP Docket No. IS08-390 related to Master Limited Partnerships and other pass-through entities income tax allowance. In addition, he conducted confidential buy-side valuations and assessments of regulated electric and natural gas utilities in the U.S.

Mr. Sosnick spent 10 years at FERC in which he spent two years as an auditor in the Office of Enforcement, and eight years as an expert witness and one of the lead technical staff negotiators on major electric utility proceedings, interstate natural gas pipeline and crude/product pipeline in the Office of Administrative Litigation. Mr. Sosnick’s insights were incorporated into the revision of the FERC Form 2 in Docket No. RM07-9-000, which led to the FERC-initiated Section 5 natural gas pipeline proceedings.

Mr. Sosnick currently teaches multiple courses in coordination with EUCL, and previously taught at the New Mexico State University Center for Public Utilities Practical and Regulatory Training for the Natural Gas Interstate Pipeline Industry specifically addressing FERC requirements for determining “Just and Reasonable” rates.

PROFESSIONAL EXPERIENCE

- *FTI Consulting*, Managing Director, Boston, MA, 2019 – Present
- *Concentric Energy Advisors*, Senior Project Manager, Marlborough MA, 2015 – 2019
- *MRW & Associates, LLC, Energy Consultants*, Senior Project Manager, Oakland, CA, 2013 – 2015
- *Federal Energy Regulatory Commission*, Energy Industry Analyst, Office of Administrative Litigation, Washington, D.C., 2005 – 2013
- *Federal Energy Regulatory Commission*, Auditor, Office of Enforcement, Washington, D.C., 2003 – 2005

SELECTED PROJECTS

Cost of Service.

Mr. Sosnick assists clients, state regulatory agencies, and other experts developing and refining cost of service models regarding rate base calculations, appropriate levels of operations and maintenance expenses, appropriate levels of directly assigned or allocated affiliated or parent company overhead costs, the application of cost allocation procedures in the allocation of costs between jurisdictional activities, between non-jurisdictional and jurisdictional activities or amongst separate jurisdictional systems.

Natural Gas Experience

- Paiute Pipeline Company, Docket Nos. RP05-163-000 and RP09-406-000
- El Paso Natural Gas Company, Docket No. RP06-369-000
- Transcontinental Pipeline Company, Docket Nos. RP06-569-000 and RP12-993-000
- Black Marlin Pipeline Company, Docket No. RP07-39-000
- Sea Robin Pipeline Company (Section 4 Rate Case & Hurricane Surcharge), Docket Nos. RP07-513-000 and RP09-995-000
- Portland Natural Gas Transmission System, Inc., Docket No. RP08-306-000: Filed testimony on behalf of FERC Trial Staff on Cost-of-Service Issues
- UTOS, Docket No. RP10-1393
- Florida Gas Transmission Company, LLC, Docket No. RP10-21-000: Filed testimony on behalf of FERC Trial Staff on Cost-of-Service Issues
- Northern Natural Gas Company, Docket No. RP10-148-000: Filed testimony on behalf of FERC Trial Staff on Cost-of-Service Issues under Section 5 of the NGA
- Kinder Morgan Interstate Gas Transmission, Docket No. RP11-1494-000
- Tuscarora Gas Transmission Company, Docket No. RP11-1823-000: Filed testimony on behalf of FERC Trial Staff
- Tennessee Gas Pipeline Company, Docket No. RP11-1566-000
- Trailblazer Pipeline Company, Docket No. RP11-2168-000
- Stingray Pipeline Company, Docket No. RP11-1957-000
- Northern Natural, Docket No. RP11-1781-000
- National Fuel Supply Corporation, Docket No. RP12-88-000
- MIGC, Docket No. RP12-122-000
- Wyoming Interstate Company, Docket No. RP13-184-000
- Southern Star Central Pipeline Company, Docket No. RP13-941-000
- Saltville Gas Storage, Docket No. RP14-251-000
- Sea Robin Pipeline Company, Docket No. RP14-247-000
- Williston Basin Pipeline Company, Docket No. RP14-118-000
- HIOS Pipeline Company, Docket No. RP14-218-000
- Mojave Pipeline Company, Docket No. RP14-1275-000
- Saltville Gas Storage, Docket No. RP14-251-000
- Florida Gas Transmission, Docket No. RP15-101-000
- Alliance Pipeline Company, Docket No. RP15-1022-000
- Gulf South Pipeline Company, Docket No. RP15-65-000: Filed testimony on the behalf of Atmos Energy Corporation on Cost-of-Service Issues

Natural Gas Experience-Continued

- Columbia Gas Pipeline, Docket No. RP16-314-000
- KO Transmission Company, Docket No. RP16-1097-000: Filed testimony on behalf of KO Transmission and served as the Rate Case Filing/Settlement Coordinator
- ANR Pipeline Company, Docket No. RP16-440-000
- Columbia Gas Transmission, Docket No. RP16-302-000
- ECA/Greylock Pipeline, Docket No. CP16-35-000: Initial rates for intrastate pipeline becoming a FERC regulated interstate pipeline
- Natural Gas Pipeline Company of America, Docket No. RP17-303-000
- Great Lakes Gas Transmission, Docket No. RP17-598-000
- Eastern Shore Pipeline Company, Docket No. RP17-363-000
- Mississippi River Transmission, Docket No. RP18-923-000; Filed testimony on the behalf of Spire Missouri, Inc. on Cost of Service, Cost Allocation, Affiliate Issues
- Empire Pipeline Company, Docket No. RP18-940-000
- Transcontinental Gas Pipeline, Docket No. RP18-1126-000
- Texas Eastern Transmission Company, Docket No. RP19-343-000
- Saltville Gas Storage, Docket No. RP18-1115-000
- East Tennessee Natural Gas Company, Docket Nos. RP19-63-000 and RP19-64-000; RP20-980-000
- Northern Natural Gas Company, Docket Nos. RP19-59-000 and RP19-1353-000; Filed testimony on the behalf of CenterPoint Energy, Inc. on Cost of Service, Cost Allocation, Affiliate Issues
- Panhandle Eastern Pipeline Company, Docket No. RP19-78-000
- National Fuel Gas Supply, Docket No. RP19-1426-000
- Kinetica Deepwater Express, Docket Nos. RP19-53-000 and RP19-1634-000
- Dominion Energy Cove Point, Docket No. RP20-467-000; Filed testimony on the behalf of the FPS Customer Group on Cost of Service, Cost Allocation and Rate Design
- Transcontinental Gas Pipeline, Docket Nos. RP20-614-000 and RP20-618-000; Filed testimony on behalf of Transco's Zone 4/5 Shipper Group relating to Transco's Cash-out Mechanism
- Bridge-Line-LIGG Section 311 Filing, Docket No. PR20-48-000
- Columbia Gas Transmission, Docket No. RP20-1060-000
- Florida Gas transmission, Docket No. RP21-441-000
- Energy North, Docket No. DG 20-105; Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities
- Midwestern Gas Transmission Company, Docket No. RP21-525-000
- Southern Star Central Gas Pipeline, Inc., Docket. No. RP21-778-000
- Developed Section 7 Initial Rates for facilities to support LNG exporting for a confidential client.
- Confidential Client, FERC Form 501-G Filing Assistance

Electric Experience

- AEP, Docket No. ER05-751-000: Reviewed costs for AEP's Voltage Control from Generation Source Service on behalf of FERC Trial Staff
- Michigan Electric Transmission Company, Docket Nos. ER06-56-000 and ER06-56-002: Filed testimony on behalf of FERC Trial Staff and participated in the development of initial Formula Rates

Electric Experience-Continued

- Duke Energy Vermillion, LLC, Docket No. ER05-123-000: Reviewed the cost-of-service study for Duke Vermillion's Reactive Power Voltage Control from Generation Source Service on behalf of FERC Trial Staff
- GenOn Power Midwest, LP (Now NRG), Docket No. ER12-1901-000: Led FERC team that reviewed the cost-of-service study underlying the Reliability Must Run (RMR) contract as well as ensuring FERC precedent was followed in the determining the RMR rate for the GenOn generating facilities.
- SDG&E, Docket No. ER05-853-000: Reviewed the cost of service and balancing authority to ensure compliance with FERC precedent as well as ensuring that SDG&E and CASIO agreed with the commitments in the filing.
- Southern California Edison Company, Docket No. ER05-763-000: Reviewed the cost of service and balancing authority to ensure compliance with FERC precedent as well as ensuring that SCE and CASIO agreed with the commitments in the filing.
- Berkshire Power Company, LLC, Docket No. ER05-1179-000: Reviewed the cost-of-service study underlying the RMR contract as well as ensuring FERC precedent was followed in the determining the RMR rate for the Berkshire generating facility.
- Milford Power Company, LLC, Docket No. ER05-163-000: Reviewed the cost-of-service study underlying the RMR contract as well as ensuring FERC precedent was followed in the determining the RMR rate for the Milford generating facility.
- City of Anaheim, Docket No. ER11-3594-000: Led FERC Trial Staff review of the inputs of the Anaheim cost of service filing for accuracy as well as being in accordance with FERC precedent.
- City of Banning, Docket No. ER11-3962-000: Led FERC Trial Staff review of the inputs of the Anaheim cost of service filing for accuracy as well as being in accordance with FERC precedent.
- Delmarva Power and Light Company, Docket No. ER18-903-000: Reviewed the FERC Formula Rate proposal for pass-through of tax savings of the TCJA as well as historical FAS 109 related costs.
- Potomac Electric Power Company, Docket No. ER18-905-000: Reviewed the FERC Formula Rate proposal for pass-through of tax savings of the TCJA as well as historical FAS 109 related costs.
- Baltimore Gas & Electric Company, Docket No. ER17-528-000; Reviewed the FERC Formula Rate proposal for pass-through of tax savings of the TCJA as well as historical FAS 109 related costs.
- Nebraska Public Power District, Docket No. EL18-194-000; Filed an Affidavit supporting NPPD's complaint against Tri-State Generation and Transmission Association, Inc. and SPP's 2018 ATRR filing for Tri-State.
- Confidential Client; Review of multiple entities RTO/ISO Formula Rates to ensure compliance with current FERC precedent.
- Delmarva Power and Light Company, Potomac Electric Power Company, Baltimore Gas & Electric Company, Docket No. ER19-5-000; Reviewed the FERC Formula Rate proposal for pass-through of tax savings of the TCJA as well as historical FAS 109 related costs.
- Tri-State Generation and Transmission Association, Inc. Docket Nos. ER20-686-000, ER20-688-001, ER20-726-000 and EL20-25-000, Tri-State Initial FERC Rates, Terms and Tariff

Liquids Experience

- SFPP L.P., Docket No. OR03-5-000: Filed testimony on behalf of FERC Trial Staff addressing directly assigned or allocated affiliated or parent company overhead costs, the application of cost allocation procedures in the allocation of costs between jurisdictional activities, between non-jurisdictional and jurisdictional activities or amongst separate jurisdictional systems.
- SFPP L.P., Docket No. OR03-5-001: Filed testimony on behalf of FERC Trial Staff addressing the appropriate income tax allowance after the Exxon Circuit Court review as well as the levels of

Liquids Experience-Continued

directly assigned or allocated affiliated or parent company overhead costs, the application of cost allocation procedures in the allocation of costs between jurisdictional

- activities, between non-jurisdictional and jurisdictional activities or amongst separate jurisdictional systems.
- SFPP L.P., Docket No. IS08-390-002: Filed testimony on behalf of FERC Trial Staff addressing the appropriate levels of directly assigned or allocated affiliated or parent company overhead costs, the application of cost allocation procedures in the allocation of costs between jurisdictional activities, between non-jurisdictional and jurisdictional activities or amongst separate jurisdictional systems.
- SFPP L.P., Docket No. IS09-437-000: Filed testimony on behalf of FERC Trial Staff addressing the appropriate levels of directly assigned or allocated affiliated or parent company overhead costs, the application of cost allocation procedures in the allocation of costs between jurisdictional activities, between non-jurisdictional and jurisdictional activities or amongst separate jurisdictional systems.

Cost Allocation and Rate Design.

Mr. Sosnick assists clients, regulatory agencies, and other experts developing and refining cost allocation and rate design models.

Natural Gas Experience

- ANR Pipeline Company, Docket No. RP07-439-000: Filed testimony on behalf of FERC Trial Staff reviewing the appropriateness of ANR's 2.6 Bcf of storage gas sale
- El Paso Natural Gas Company, Docket No. RP08-426-000: Filed testimony on behalf of FERC Trial Staff on El Paso's Cost Allocation and Rate Design
- Sea Robin Pipeline Company, LLC, Docket Nos. RP10-422-000 & RP09-995-000: Filed testimony on behalf of FERC Trial Staff
- Wyoming Interstate Company, Docket No. RP13-184-000
- Southern Star Central Pipeline Company, Docket No. RP13-941-000
- Sea Robin Pipeline Company, Docket No. RP14-247-000
- HIOS Pipeline Company, Docket No. RP14-218-000
- Saltville Gas Storage, Docket No. RP14-251-000
- Mojave Pipeline Company, Docket No. RP14-1275-000
- Florida Gas Transmission, Docket No. RP15-101-000
- Gulf South Pipeline Company, Docket No. RP15-65-000: Filed testimony on the behalf of Atmos Energy Corporation on Cost Allocation and Rate Design Issues
- Columbia Gas Pipeline, Docket No. RP16-314-000
- KO Transmission Company, Docket No. RP16-1097-000: Filed testimony on behalf of KO Transmission and served as the Rate Case Filing/Settlement Coordinator
- ANR Pipeline Company, Docket No. RP16-440-000
- Columbia Gas Transmission, Docket No. RP16-302-000
- ECA/Greylock Pipeline; Docket No. CP16-35-000: Initial rates for intrastate pipeline becoming FERC regulated interstate pipeline
- Natural Gas Pipeline Company of America, Docket No. RP17-303-000
- Great Lakes Gas Transmission, Docket No. RP17-598-000
- Eastern Shore Pipeline Company, Docket No. RP17-363-000

Natural Gas Experience-Continued

- Mississippi River Transmission, Docket No. RP18-923-000; Filed testimony on the behalf of Spire Missouri on Cost Allocation and Rate Design Issues
- Empire Pipeline Company, Docket No. RP18-940-000
- Transcontinental Gas Pipeline, Docket No. RP18-1126-000
- Saltville Gas Storage, Docket No. RP18-1115-000
- East Tennessee Natural Gas Company, Docket Nos. RP19-63-000 and RP19-64-000
- Northern Natural Gas Company, Docket Nos. RP19-59-000 and RP19-1353-000; Filed testimony on the behalf of CenterPoint Energy Resources Corp. on Cost Allocation and Rate Design Issues
- National Fuel Gas Supply, Docket No. RP19-1426-000
- Kinetica Deepwater Express, Docket Nos. RP19-53-000 and RP19-1634-000
- Dominion Energy Cove Point, Docket No. RP20-467-000; Filed testimony on the behalf of the FPS Customer Group on Cost of Service, Cost Allocation and Rate Design
- Transcontinental Gas Pipeline, Docket Nos. RP20-614-000 and RP20-618-000; Filed testimony on behalf of Transco's Zone 4/5 Shipper Group relating to Transco's Cash-out Mechanism
- Bridge-Line-LIGG Section 311 Filing, Docket No. PR20-48-000
- Columbia Gas Transmission, Docket No. RP20-1060-000
- Florida Gas transmission, Docket No. RP21-441-000
- Midwestern Gas Transmission Company, Docket No. RP21-525-000
- Southern Star Central Gas Pipeline, Inc., Docket. No. RP21-778-000
- Confidential Client, FERC Form 501-G Filing Assistance
- Developed Section 7 Initial Rates for facilities to support LNG exporting for a confidential client
- Pacific Gas & Electric, Docket No. A.13-12-012: Participated in PG&E's 2015 Gas Accord, reviewing cost allocation and tariff issues related to Core Transport Aggregators

Electric Experience

- Pacific Gas & Electric, Docket No. ER05-116: Reviewed the rate design for wholesale distribution service to ensure compliance with FERC precedent as well as ensuring that PG&E and Western agreed with the commitments in the filing
- Michigan Electric Transmission Company, Docket Nos. ER06-56-000 and ER06-56-002: Filed testimony on behalf of FERC Trial Staff and participated in the development of initial Formula Rates
- City of Anaheim, Docket No. ER11-3594: Led FERC Trial Staff review of the inputs of the Anaheim gross load calculation filing for accuracy as well as being in accordance with FERC precedent
- City of Banning, Docket No. ER11-3962-000: Led FERC Trial Staff review of the inputs of the Anaheim gross load calculation filing for accuracy as well as being in accordance with FERC precedent
- Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., and Entergy New Orleans, Inc. (collectively, the "Entergy Operating Companies"), Docket Nos. ER95-112-012, ER95-112-013, ER96-586-007, and ER96-586-008: Reviewed the inputs of the Entergy filing for accuracy as well as being in accordance with FERC formula rate precedent
- Oklahoma Gas and Electric Company, Docket No. ER08-281-000: Led FERC Trial Staff review of the filing for accuracy as well as being in accordance with FERC formula rate precedent

Electric Experience-Continued

- Midwest Independent Transmission System Operator, Inc., Docket No. ER12-715-003: Filed testimony on behalf of FERC Trial Staff addressing the appropriate Exit Fees to be paid by DEO/DEK and ATSI leaving MISO and joining PJM
- Nebraska Public Power District, Docket No. E118-194-000; Filed an Affidavit supporting NPPD's complaint against Tri-State Generation and Transmission Association, Inc. and SPP's 2018 ATRR filing for Tri-State.
- Confidential Client: Review of multiple entities RTO/ISO Formula Rates to ensure compliance with current FERC precedent
- Delmarva Power and Light Company, Potomac Electric Power Company, Baltimore Gas & Electric Company, Docket No. ER19-5-000; Reviewed the FERC Formula Rate proposal for pass-through of tax savings of the TCJA as well as historical FAS 109 related costs.
- Tri-State Generation and Transmission Association, Inc. Docket Nos. ER20-686-000, ER20-688-001, ER20-726-000 and EL20-25-000, Tri-State Initial FERC Rates, Terms and Tariff

Regulatory Policy and Strategic Analysis.

Utilizing his background in accounting, regulatory affairs, and the nuances of the energy sector Mr. Sosnick has helped clients ensure they are charging or paying appropriate rates, under terms and conditions that are just, reasonable and not unduly discriminatory or preferential. In addition, Mr. Sosnick helps clients develop safe, reliable and efficient energy infrastructure that serves the public interest.

Natural Gas Experience

- Strategic analysis for a large energy company considering alternatives for its existing pipeline and storage portfolio
- PG&E, Docket No. A.13-06-011: Participated in their Interstate Pipeline Capacity proceeding, for Core Transport Aggregators
- Confidential buy-side valuation and assessment of a regulated combination electric and natural gas utility in the U.S.
- Prepared expert report assessing and quantifying damages in litigation regarding the revenue sharing provisions of an Asset Management Agreement
- Strategic analysis of FERC's Form 501-G Final Order for a FERC regulated asset

Electric Experience

- Assisted in the formation of the Small Utility Distribution Company tariff language and operating agreement formed by the California Independent System Operator
- Developed GAAP to FERC accounting mapping for a new electric transmission provider
- Wisconsin Public Service Corporation, Led FERC Trial Staff review of the Wind-Up plan, costs, amortization and customers affected by the underlying the sale of the Kewaunee Nuclear Power Plant owned by Wisconsin Public Service Corp. Additionally, he ensured FERC precedent was followed in the determining the accounting for the costs included in the final settlement Written a whitepaper on the impacts of the Tax Cuts and Jobs Act on FERC regulated assets
- Assessed impacts of FERC Formula Rate challenge for a Transmission Owner in SPP
- Delmarva Power and Light Company, Docket No. ER18-903-000: Reviewed the FERC Formula Rate proposal for pass-through of tax savings of the TCJA as well as historical FAS 109 related costs
- Potomac Electric Power Company, Docket No. ER18-905-000: Reviewed the FERC Formula Rate proposal for pass-through of tax savings of the TCJA as well as historical FAS 109 related costs
- Baltimore Gas & Electric Company, Docket No. ER17-528-000; Reviewed the FERC Formula Rate proposal for pass-through of tax savings of the TCJA as well as historical FAS 109 related costs

Electric Experience-Continued

- Nebraska Public Power District, Docket No. EI18-194-000; Filed an Affidavit supporting NPPD's complaint against Tri-State Generation and Transmission Association, Inc. and SPP's 2018 ATRR filing for Tri-State.
- Confidential Client; Review of multiple entities RTO/ISO Formula Rates to ensure compliance with current FERC precedent
- Delmarva Power and Light Company, Potomac Electric Power Company, Baltimore Gas & Electric Company, Docket No. ER19-5-000; Reviewed the FERC Formula Rate proposal for pass-through of tax savings of the TCJA as well as historical FAS 109 related costs.
- Tri-State Generation and Transmission Association, Inc. Docket Nos. ER20-686-000, ER20-688-001, ER20-726-000 and EL20-25-000, Tri-State Initial FERC Rates, Terms and Tariff

Liquids Experience

- Liquids Shippers Group, Airlines for America and the National Propane Gas Association, Docket No. RM15-19-000: Filed an affidavit in the Petition for a Rulemaking
- Colonial Pipeline Company, Docket No. OR16-17-000: Filed an Affidavit regarding Colonial Pipeline's Pro-Rationing Policy
- SFPP, L.P., Opinion No. 511 & 511A: Examined Corporate Overhead Allocation methodologies of. for its compliance with Federal Energy Regulatory Commission policy
- Constructed a whitepaper on the impacts of FERC Orders in SFPP, LP Docket No. IS08-390 related to Master Limited Partnership and other pass-through entities income tax allowance

Tariffs

- Analyzed Open Access Transmission Tariff formula rates to verify conformity to FERC's Uniform System of Accounts and the structure of their formula had FERC's approval
- Participated in the review and refunding of Southern Company's RTO Development Costs that were collected erroneously through their Open Access Transmission Tariff, Unit Power Sales Agreements, and Transmission Service Agreements
- Confidential Client; Review of a SPP Member's ATRR to provide an opinion on the appropriateness of the inclusion of certain costs
- Confidential Client; Review of multiple entities RTO/ISO Formula Rates to ensure compliance with current FERC precedent
- Served the role of advisor to clients to internal FERC Trial Staff on settlements on FERC wholesale electric, liquid pipeline and natural gas pipelines Tariff matters

Negotiations

- Coordinated Pre-filing Settlement negotiations on behalf of a firm storage customer in a state rate proceeding in the western US
- Facilitated the settlement of the refund amounts associated with the sale and related costs of the portion of the Kewaunee Nuclear Power Plant owned by Wisconsin Public Service Corp.
- California Independent System Operator Corporation, ER05-150: Reviewed the Utility Distribution Company Operating Agreement to ensure compliance with FERC precedent and coordinated with all parties to confirm understanding of commitments being filed
- PG&E, ER05-130: Reviewed the CASIO requirements and Western Interconnection Agreement as well as the FERC precedent to assist TPUD and PG&E to reach a settlement resolving the interconnection issue
- KO Transmission Company, Docket No. RP16-1097-000: Filed testimony on behalf of KO Transmission and served as the Rate Case Filing/Settlement Coordinator

Negotiations-Continued

- Served the role of lead FERC Trial Staff Technical Witness on settlements on FERC wholesale electric, liquid pipeline and natural gas pipelines related to cost of service and cost allocation and rate design

Presentations

- Panelist—EBA Energizer—FERC Pass-Through Taxation and Income Tax Allowance Recovery Policy Discussion
- Panelist EBA-Section 5 Perspectives, January 2018
- FC Intelligence-Natural Gas Impact, Transportation Options and Regulatory Oversight, May 2016
- Western States Association of Tax Administrators, four presentations between 2015 to 2017
- Panelist, “Will Fracking Change the Gas Pipeline Flows in Ways that Affect Rate Design and Cost Allocation?” EBA Mid-Year Meeting, November 2014

Courses Taught

- FERC Natural Gas 101, FERC Natural Gas Pipeline Cost of Service, Cost Allocation and rate Design, FERC Natural Gas Pipeline Rate Case Process—Presenter--EUCI, Inc., 2013 to present
- New Mexico State University Center for Public Utilities Practical and Regulatory Training for the Natural Gas Interstate Pipeline Industry at the Sheraton Uptown in Albuquerque, NM specifically addressing FERC requirements for determining “Just and Reasonable” rates (Cost of Service Ratemaking), five presentations between 2007 to 2011
- Centra Gas/Manitoba Hydro-On-site in Winnipeg, Canada--Two-day course on FERC Electric and Natural Gas Rates and Regulatory Oversight

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

**DOCKET NO. G-9, SUB 722
DOCKET NO. G-9, SUB 781
DOCKET NO. G-9, SUB 786**

In the Matter of

Docket No. G-9, Sub 722)
)
 Consolidated Natural Gas Construction and)
 Redelivery Services Agreement Between)
 Piedmont Natural Gas Company, Inc., and Duke)
 Energy Carolinas, LLC)
)
 Docket No. G-9, Sub 781)
)
 Application of Piedmont Natural Gas Company,)
 Inc. for an Adjustment of Rates, Charges, and)
 Tariffs Applicable to Service in North Carolina)
)
 Docket No. G-9, Sub 786)
)
 Application of Piedmont Natural Gas Company,)
 Inc. for Modifications to Existing Energy)
 Efficiency Programs and Approval of New Energy)
 Efficiency Programs)

**STIPULATION OF
PARTIAL SETTLEMENT**

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

I. Background.

A. On April 23, 2018, Piedmont filed an application requesting approval of a Consolidated Natural Gas and Redelivery Services Agreement between Piedmont and Duke Energy Carolinas, LLC (“DEC”) which provided for the construction and subsequent operation of certain incremental natural gas transmission facilities by Piedmont in order to provide natural gas redelivery service to new incremental DEC electric generation equipment located at DEC’s Lincoln Plant.

B. On November 16, 2018, Piedmont filed a revised Consolidated Natural Gas Construction and Redelivery Services Agreement (“Second Revised Agreement”) between Piedmont and DEC. Piedmont stated that the Second Revised Agreement added a usage-based system support surcharge that was renegotiated with DEC in order to address the Public Staff’s concerns related to system contributions by the New Facilities. Piedmont requested that the Second Revised Agreement be substituted in its entirety for the previously filed Revised Agreement and that the Commission approve the Second Revised Agreement at its earliest convenience.

C. On February 19, 2021, Piedmont gave notice of its intent to file a general rate case.

D. On March 2, 2021, Fayetteville Public Works Commission filed a petition to intervene, which was granted by the Commission on March 4, 2021.

E. On March 16, 2021, the Commission issued an order consolidating Docket Nos. G-9, Sub 781 and G-9, Sub 722 (“March 16, 2021 Consolidation Order”).

F. On March 22, 2021, Piedmont filed a petition in Docket No. G-9, Sub 781 seeking: (1) a general increase in and revisions to the rates and charges for customers served by the Company; (2) continuation of Piedmont’s Integrity Management Rider (“IMR”) mechanism contained in Appendix E to its approved service regulations; (3) continued regulatory asset treatment for certain incremental Transmission Integrity Management Program (“TIMP”) and Distribution Integrity Management Program (“DIMP”) Operations and Maintenance (“O&M”) expenses and certain incremental environmental cleanup and remediation O&M expenses; (4) continued utilization of the depreciation rates for the Company’s North Carolina and joint property assets approved in the Company’s most recent general rate case in 2019; (5) revised and updated amortizations and recovery of certain regulatory assets accrued since Piedmont’s last general rate case proceeding; (6) utilization of the lead-lag study filed by Piedmont in its most recent general rate case filing in 2019; (7) adoption of a rider mechanism to allow Piedmont to recover the costs of its approved energy efficiency programs from customers or, in the alternative, authorization to defer costs associated with Piedmont’s approved energy efficiency (“EE”) programs pending amortization at the Commission’s discretion at some later date; and (8) other updates and revisions to Piedmont’s rate schedules and service

regulations (“Petition”). The Petition included the information and data required by NCUC Form G-1, and the testimony and exhibits of Company witnesses Sasha Weintraub, Brian R. Weisker, Karl W. Newlin, Pia K. Powers, Kally A. Couzens, Quynh P. Bowman, Cynthia A. Menhorn, and Dylan W. D’Ascendis. In its Petition, Piedmont projected various items reflected in its cost of service calculation through June 30, 2021, and reserved its right to offer additional evidence as to the Company’s costs, revenues, volumes, rate base, return, or any other matter relevant to the Commission’s determination as may be permitted by N.C.G.S. § 62-133(c).

G. On April 5, 2021, CUCA filed a petition to intervene, which was granted by the Commission on April 6, 2021.

H. On April 8, 2021, CIGFUR filed a petition to intervene, which was granted by the Commission on April 9, 2021.

I. On April 9, 2021, Nucor Steel-Hertford (“Nucor”) filed a petition to intervene, which was granted by the Commission on April 13, 2021.

J. On April 13, 2021, the Commission issued its Order Establishing General Rate Case and Suspending Rates. Also on April 13, 2021, the Public Staff filed a motion to consolidate Docket No. G-9, Sub 786 with the previously consolidated dockets, which was granted by the Commission on April 19, 2021.

K. On April 19, 2021, Piedmont filed its direct testimony of Bruce P. Barkley and of Matthew DeCoursey in accordance with the March 16, 2021 Consolidation Order.

L. On May 17, 2021, the Commission issued its Order Scheduling Investigation and Hearings, Establishing Intervention and Testimony Due Dates and Discovery Guidelines and Requiring Public Notice.

M. On July 28, 2021, Piedmont filed updated versions of its schedules reflecting updates to its rates, revenues, plant, depreciation expense, accumulated depreciation, and expenses as of June 30, 2021. Piedmont also filed supporting supplemental testimony and exhibits of its witnesses Bowman and Couzens.

N. On August 2, 2021, the North Carolina Attorney General's Office filed a notice of intervention in this proceeding.

O. On August 11, 2021, the Public Staff filed the testimony and exhibits of its witnesses Mary A. Coleman, Lynn Feasel, John R. Hinton, James M. Singer, David M. Williamson, Jack L. Floyd, Neha Patel, Dustin R. Metz, and Julie G. Perry. Also on August 11, 2021, CUCA filed the testimony and exhibits of its witness Kevin W. O'Donnell, CIGFUR filed the testimony and exhibits of its witness, Nicholas Phillips, Jr., and DEC, filed the testimony of its witness, H. Lee Mitchell, IV.

P. On August 16, 2021, the Public Staff filed corrections to the testimony of its witness Hinton and CIGFUR filed errata to the testimony of its witness Phillips.

Q. On August 23, 2021, Piedmont filed to substitute the direct testimony of Kenneth A. Sosnick for the pre-filed testimony of Matthew DeCoursey.

R. On August 24, 2021, the Public Staff filed the supplemental testimony of its witness Metz.

S. On August 25, 2021, Piedmont filed the rebuttal testimony of its witnesses Newlin, D'Ascendis, Couzens, Bowman, Menhorn, Barkley, and Long.

T. Subsequent to the filing of the Company's Petition in this docket, the Public Staff engaged in substantial discovery of Piedmont regarding the matters addressed by the Company's Petition and further examined the relevant books and records of Piedmont with respect to the Company's Petition. The Public Staff's discovery efforts spanned a period of more than 17 weeks, entailed 137 sets of data requests directed to the Company containing approximately 840 discrete questions (not including parts and subparts), and numerous informal follow-up questions, and involved a site visit to the Company's Robeson LNG plant.

U. Piedmont also responded to discovery served by CUCA and CIGFUR regarding the matters addressed by the Company's Petition. CUCA's discovery efforts spanned a period of 10 weeks and entailed 4 sets

of data requests directed to the Company containing 28 discrete questions (not including parts and subparts); CIGFUR's discovery efforts spanned a period of 10 days and entailed 1 set of data requests directed to the Company containing 36 discrete questions (not including parts and subparts).

V. Following completion of the Public Staff's investigation of the Company's Petition and accompanying documents, review of the results of its examination of the Company's books and records, and review of the Company's responses to the Public Staff's data requests, as well as those served by other parties, the Public Staff and Piedmont participated in conference calls and video conferences over the course of several weeks to discuss possible settlement.

W. Similar conferences and discussions were held between Piedmont and CUCA and Piedmont and CIGFUR in an effort to determine if the matters in dispute between these parties and Piedmont could be resolved through settlement.

X. After significant and complex negotiations, in which substantial concessions from their litigation positions were made by the Stipulating Parties, the Stipulating Parties were ultimately able to arrive at a settlement, the terms of which are reflected in Section III. of this Stipulation and the schedules and exhibits attached hereto.

II. Unresolved Issues

A. Docket No. G-9, Sub 722. No issues raised by the pleadings and testimony in this docket have been resolved by this Stipulation and all such issues remain pending before the Commission for resolution.

B. Docket No. G-9, Sub 786. The allocation proposed for costs to be recovered through the EE rider, which is discussed in more detail below.

III. Resolved Issues

A. Test Period. The test period for this rate case is the twelve months ending December 31, 2020, adjusted for certain changes in plant, throughput, and costs that were not known at the time the case was filed but are based upon circumstances occurring or becoming known through June 30, 2021.

B. Throughput.

1. The appropriate level of adjusted gas sales and transportation quantities for use herein, as reflected on Exhibits C1 and C2 attached hereto, is comprised of 72,624,021 dekatherms (“dts”) of sales quantities and 62,770,746 dts of transportation quantities, for a total gas sales and transportation of 135,394,767 dts. The total gas throughput, which reflects the total gas sales and transportation quantities plus electric generation and other special contract quantities, is 422,497,539 dts.

2. The appropriate level for company use and lost and unaccounted for gas herein is 1,958,090 dts.

C. Cost of Gas.

1. The appropriate benchmark commodity cost of gas for use in the financial exhibits in this proceeding and in subparagraph B of this Paragraph is \$3.25 per dt.

2. The appropriate level for the total cost of gas for use in this proceeding is \$370,632,970, as determined and reflected on Exhibit A1 and A2 attached hereto, encompassing an updated Company Use and Lost and Unaccounted For (“CU&LAUF”) gas factor of 1.4463% with commodity gas costs and fixed gas costs as follows:

Commodity Cost of Gas ¹ :	\$244,251,008
Fixed Cost of Gas:	\$126,381,962
Total Cost of Gas:	\$370,632,970.

D. Rate Base.

1. Robeson LNG Plant. The rate base numbers reflected in subsection 3. below and on Exhibit A1 hereto do not include the estimated plant in service attributable to the Robeson LNG plant and associated facilities (inclusive of Lines 456 and 457 which connect the plant to Piedmont’s transmission system) (“Robeson LNG Plant”). Construction on the Robeson LNG Plant is complete and the Robeson LNG Plant is currently undergoing final commissioning and is expected to be in-service and closed to plant for accounting purposes in the near future. The Company and the Public Staff have agreed to metrics to determine when the Robeson LNG

¹ Of this total amount of commodity cost of gas, \$6,363,793 is the commodity cost of gas for CU&LAUF for gas quantities.

Plant is in-service. In light of the foregoing, Piedmont and the Public Staff agree as follows:

a. It is appropriate to hold the record open in this case for the purpose of allowing the Company and the Public Staff to make the filings described in Section III.D.1.b.-d. below.

b. On or before October 11, 2021, Piedmont shall file an affidavit with the Commission demonstrating attainment of the performance metrics agreed to with the Public Staff for the Robeson LNG Plant.

c. On or before September 20, 2021, Piedmont shall file the actual amounts closed to plant through August 31, 2021, to be included in this proceeding for determining the final impact of the Robeson LNG Plant on the overall revenue increase authorized in this docket.

d. The Public Staff and Piedmont will utilize the actual amounts closed to plant, as of August 31, 2021, as filed by Piedmont and subject to audit by the Public Staff, to jointly prepare and file with the Commission, by the later of October 11, 2021, or five business days after Piedmont's filing of the affidavit described in Section III.D.1.a., supplemental testimony and exhibits on Piedmont's and the Public Staff's final recommendation regarding the total revenue requirement

and rates in this proceeding, including the Robeson LNG Plant.

e. The overall revenue requirement agreed to in this Stipulation shall be adjusted to reflect the impacts, if any, of the process outlined above for Robeson LNG Plant costs.

f. CUCA and CIGFUR consent to and support the process outlined above for incorporation of the Robeson LNG Plant into rate base in this proceeding.

2. Pender Onslow Expansion. The rate base numbers reflected in subsection 3. below and on Exhibit A1 hereto do not include the estimated plant in service costs attributable to the Pender Onslow Expansion project. The Pender Onslow Expansion project was recently placed in service, but the Company has not yet provided the Public Staff with the actual costs. In light the foregoing, Piedmont and the Public Staff agree as follows:

a. It is appropriate to hold the record open in this case for the purpose of allowing the Company and the Public Staff to make the filings described in Section III.D.2.b.-c. below.

b. On or before September 20, 2021, Piedmont shall file the actual amounts closed to plant through August 31, 2021, to be included in this proceeding for determining the final impact of the Pender Onslow Expansion project on the overall revenue increase authorized in this docket.

c. The Public Staff and Piedmont will utilize the actual amounts closed to plant as of August 31, 2021, as reported by Piedmont and subject to audit by the Public Staff, to jointly prepare and file with the Commission, at the same time as their supplemental testimony and exhibits described in Section III.D.1.c., supplemental testimony and exhibits on Piedmont's and the Public Staff's final recommendation regarding the total revenue requirement and rates in this proceeding, including the Pender Onslow Expansion project.

d. The overall revenue requirement agreed to in this Stipulation shall be adjusted to reflect the impacts, if any, of the process outlined above for Pender Onslow Expansion project costs.

e. CUCA and CIGFUR consent to and support the process outlined above for incorporation of the Pender Onslow Expansion project into rate base in this proceeding.

3. Subject to adjustment as provided in Sections III.D.1. and III.D.2. above, the original cost rate base used and useful in providing service to the Company's customers is \$4,444,264,180, consisting of gas plant in service of \$6,790,930,589, other working capital of \$105,078,018, cash working capital of \$64,571,272, and deferred regulatory assets of \$68,738,002, reduced by accumulated depreciation of \$1,674,893,838, and accumulated deferred income taxes of \$910,159,864 as shown on Exhibit A1 attached hereto and incorporated herein by reference. Because the potential impacts on

rate base from the adjustments contemplated under Sections III.D.1. and III.D.2 above are material, Piedmont has also attached hereto, for the Commission's information, Exhibit A2 which reflects revised rate base calculations inclusive of the projected costs of the Robeson LNG Plant and Pender Onslow Expansion project as filed in the supplemental testimony and exhibits of Piedmont witness Bowman on July 28, 2021. Piedmont has also attached, for informational purposes, Exhibits C2, E2, J2, and K2 to reflect the projected flow-through impact of the true-up process provided for under Sections III.D.1. and III.D.2. hereof.

E. Revenue Requirement.

1. The appropriate level of operating revenues under present rates for use in this proceeding, as shown on Exhibits A1 and A2 attached hereto, is \$1,115,726,625. This amount is comprised of \$985,839,371 of gas sales and transportation revenues, \$126,856,955 of electric generation and other special contract revenues, and \$3,030,299 of other operating revenues.

2. The appropriate level of margin revenues under present rates for use in this proceeding is \$745,093,655, as shown on Exhibits A1 and A2. This amount is computed as total operating revenues under present rates less the total cost of gas.

3. The overall level of operating expenses under present rates appropriate for use in this proceeding is \$468,878,080 and

\$474,476,862 as shown on Exhibits A1 and A2 respectively. Further, interest on customers' deposits of \$894,784, as shown on Exhibits A1 and A2, are subtracted from margin revenues to arrive at net operating income for return under present rates.

4. The capital structure appropriate for use in this proceeding consists of 51.60% common equity, 47.75% long-term debt at a cost of 4.08%, and .65% short-term debt at a cost of .20%, as shown on Exhibit B.

5. The rate of return on common equity ("ROE") that the Company should be allowed an opportunity to earn is 9.60%, as shown on Exhibit B. This agreed level of ROE represents a significant compromise by each of the Stipulating Parties from their respective litigation positions. This agreed-upon ROE is deemed by each Stipulating Party to be a reasonable ROE for use in this proceeding that will provide the Company with a reasonable opportunity, by sound management, to produce a fair return for its shareholders, and a just and reasonable result for its customers considering changing economic conditions and other factors, to maintain its facilities and services in accordance with the reasonable requirements of its customers in the territory covered by its franchise, and to compete in the market for capital funds on terms that are fair to its customers and to its existing investors. Each of the Stipulating Parties further agrees that such agreed-upon ROE, together with the

agreed-upon capital structure and adjustments to the Company's rate base and operating expenses, results in a revenue requirement that is just and reasonable to the Company's customers in light of changing economic conditions.

6. The overall rate of return that the Company should be allowed an opportunity to earn on its rate base is 6.90%, as shown on Exhibits A1 and A2. Furthermore, this rate should be used by the Company as its Allowance for Funds Used During Construction ("AFUDC") rate effective November 1, 2021. AFUDC accrued shall be adjusted as appropriate for income tax savings.

7. Through the rates and charges approved in this case, the Company should be authorized to increase its annual level of operating revenues by \$41,064,947 per year, as shown on Exhibit A1, subject to adjustment as provided in Sections III.D.1. and III.D.2. above. Of this amount, the margin revenue increase \$34,133,660 and the cost of gas revenue increase is \$6,931,287 as shown on Exhibit A1.

F. Rate Design. The rate schedules reflecting new volumetric rates, monthly charges, and demand charges, as may be adjusted pursuant to Sections III.D.1. and III.D.2. above, are shown on Exhibits C1 and C2 attached hereto and incorporated herein by reference. The Stipulating Parties agree that the Commission should determine in this case that these rates, as adjusted to reflect any Commission-approved: (a) changes in the

Company's benchmark commodity gas cost on or before the date that the rates approved in this docket become effective; (b) changes in the gas demand and storage charges (components of the fixed cost of gas shown in Exhibit I that occur between the date of this Stipulation and the date that the rates approved in this docket become effective, and (c) any adjustments to rate base made pursuant to procedures outlined in Sections III.D.1. and III.D.2., are just and reasonable. The relative impacts of the stipulated rates on each Piedmont customer class are reflected on Exhibits J1 and J2 hereto.

The settlement does not attempt to maintain strict adherence to the revenue apportionment principles discussed by Public Staff witness Floyd. The settlement represents a good faith effort to attempt to implement each of the principles. The parties agree that the proposed revenue apportionment and rate designs make reasonable strides to respond to witness Floyd's testimony. The parties acknowledge that much more analysis is required to gain a better understanding of the cost of service and the impacts any attempt to invoke the Public Staff's revenue apportionment principles would have on the changes in revenues and rates resulting from this case.

G. Fixed Gas Cost Apportionment Percentages. The fixed gas cost apportionment percentages embedded in the proposed rates and to be used in future true-ups of fixed gas costs in proceedings under Commission Rule R1-17(k) are set forth in Exhibit D attached hereto and incorporated

herein by reference. These rates shall be used until the resolution of Piedmont's next general rate proceeding or the outcome of the study referenced in Section III. AB.2., whichever occurs first.

H. Continuation of Integrity Management Rider. As authorized by N.C. Gen. Stat. § 62-133.7A, the Stipulating Parties agree that it is appropriate to continue the Company's IMR mechanism in the current form attached as Appendix E to Piedmont's current North Carolina Service Regulations.

I. Margin Decoupling Factors. The "R" values, heat load factors, and base load factors to be used in the Company's approved Margin Decoupling Tracker Mechanism on and after the effective date of rates hereunder, as may be adjusted under Sections III.D.1. and III.D.2., are set forth in Exhibits E1 and E2 attached hereto and incorporated by reference herein.

J. Amortization of Deferred Assets.

1. Deferred Transmission Integrity Management Operating and Maintenance Costs ("PIM-T"). The Commission has previously approved regulatory asset treatment for Piedmont's "TIMP" O&M costs incurred as a result of the implementation of the federal Pipeline Safety Improvement Act of 2002. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of \$62,352,945, which reflects actual deferred expenses through June 30, 2021, net of regulatory amortizations through October 31, 2021,

over a four-year period beginning with the effective date of rates in this proceeding. Additionally, the end of period PIM-T balance shall be included in rate base with an end-of-period adjustment for the difference between the test period annual amortization expense and annual amortization expense based upon the deferred balance as of June 30, 2021. The Stipulating Parties further agree that it is appropriate to continue regulatory asset treatment for these costs and to defer and treat such costs as a regulatory asset until the resolution of the Company's next general rate proceeding.

2. Deferred Distribution Integrity Management Operating and Maintenance Costs ("PIM-D"). The Commission has previously approved regulatory asset treatment for Piedmont's Distribution Integrity Management Program O&M costs in Docket No. G-9, Sub 743. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of \$9,809,087, which reflects actual deferred expenses through June 30, 2021, over a four-year period beginning with the effective date of rates in this proceeding. Additionally, the end-of-period PIM-D balance shall be included in rate base with an end-of-period adjustment for the difference between the test period annual amortization expense and the annual amortization expense based on the deferred balance as of June 30, 2021. The Stipulating Parties further agree that it is appropriate to continue regulatory asset treatment for these costs and to defer and treat such costs as

a regulatory asset until the resolution of the Company's next general rate case proceeding.

3. Eastern NCNG Deferred O&M Expenses. The Commission has previously approved the amortization of certain O&M expenses associated with Eastern NCNG. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of the remaining balance of \$563,150 over a four-year period, on a levelized basis that includes the accrual of interest at the net-of-tax overall rate of return, beginning on the effective date of rates in this proceeding. The appropriate interest rate to use for this purpose is the net of tax overall rate of return of 6.45% as shown on Exhibit B.

4. Deferred Environmental Compliance Assessment and Clean-Up O&M Costs. The Commission has previously authorized the Company to defer certain environmental compliance assessment and clean-up costs. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of \$1,061,400, which reflects actual deferred expenses through June 30, 2021, net of regulatory amortizations through October 31, 2021, over a four-year period beginning with the effective date of rates in this proceeding. Additionally, the end-of-period balance for deferred environmental compliance assessment and clean-up costs shall be included in rate base with an end-of-period adjustment for the difference between the test period annual amortization expense and annual amortization

expense based on the deferred balance as of June 30, 2021. The Stipulating Parties further agree that it is appropriate to continue regulatory asset treatment for these costs and to defer and treat such costs as a regulatory asset until the resolution of the Company's next general rate case proceeding.

5. Under-Collected Regulatory Fee. The Company has previously under-collected its regulatory fee payments made to the Commission in the amount of \$221,897 as of June 30, 2021. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of the balance over a four-year period beginning with the effective date of rates in this proceeding.

K. Non-Utility Adjustment. The annual operating revenues stipulated herein include an agreed upon adjustment attributable to non-utility operations of (\$547,469).

L. Board of Directors Expenses. The annual operating revenues stipulated herein include an agreed upon reduction in Board of Directors expense of Duke Energy Corporation (Duke Energy) allocated to Piedmont of (\$362,829).

M. Compensation Adjustments. The annual operating revenues stipulated to herein include downward adjustments, in the amounts indicated, for each of the following categories of compensation related expense: Payroll (\$15,965), Pension and Other Benefits (\$436,672),

Employee Benefits (\$1,313,594), Executive Compensation (\$270,949) and Incentives (\$367,973).

N. Miscellaneous Expense Adjustments. In addition to the reductions to the Company's proposed annual revenue requirement reflected herein, the Stipulating Parties have also agreed that the annual revenue requirement for Piedmont reflected on Exhibits A1 and A2 includes downward adjustments (in the amounts indicated) to the following areas of Piedmont's filed, and later updated O&M expenses: Advertising Expense (\$384,905); Aviation Expense (\$192,202); Lobbying Expense (\$76,564); Sponsorships & Donations (\$63,771); Inflation Adjustment (\$160,589); and COVID-related expenses (\$438,384). These adjustments benefit ratepayers and reduce Piedmont's projected O&M expense by the amounts indicated.

O. Lead/Lag. In calculating cash working capital, the Stipulating Parties agree that it is appropriate to include adjustments, totaling (\$612,595), to reflect the stipulated revenue requirement in the lead/lag study.

P. Uncollectibles Adjustment. The Stipulating Parties agree that the revenue requirement reflected herein reflects a downward adjustment in the amount of non-gas cost uncollectibles expense after applying the non-gas cost uncollectibles ratio to the pro forma revenues which results in a (\$1,015,778) decrease to O&M expenses. The Stipulating Parties also agree to reflect the non-gas cost uncollectibles ratio of .446354% in the

revenue requirement retention factor used to compute the amount of the rate increase.

Q. Regulatory Fee Adjustment. The Stipulating Parties agree that the annual revenue requirement set forth herein reflects an adjustment to bring regulatory fee expense to a level based on the current effective rate of 0.13%.

R. Rate Case Expense. The Stipulating Parties agree that for purposes of this rate case, it is appropriate to use an updated rate case expense amount of \$1,306,500, representing a reduction of \$175,794 to the revenue requirement increase, which should be amortized and collected over a four-year period beginning with the effective date of rates in this proceeding.

S. Customer Payment Fees. The Stipulating Parties agree that \$1,467,634 should be included in base rates for third-party vendor transaction fees related to residential customer bill payments made over the phone during a call to the Company's contact center. The Company and Public Staff agree that this settlement position is contingent upon the Company renegotiating the contract with the third-party vendor to reduce the current transaction charge as soon as possible.

T. Amortization of Federal Protected Excess Deferred Income Taxes (EDIT). The Stipulating Parties agree that it is appropriate to update the amortization of protected EDIT in the cost of service for this Stipulation using the current ARAM rate.

U. EDIT Riders. The Federal Unprotected EDIT and the State EDIT rider rates will be continued based on the remaining amortization periods approved in Docket No. G-9, Sub 743, and updated based upon the overall rate of return provided for in this Stipulation. For rate design purposes, the EDIT Rider credits shall be distributed to all tariffed rate schedules as approved in the prior Sub 743 rate case. The Federal Unprotected EDIT and State EDIT rider rates are reflected in Exhibits L1 and L2 attached hereto.

V. Depreciation Study. The Stipulating Parties agree that it is appropriate to continue to use the depreciation rates and reallocations of book reserves approved in Docket No. G-9, Sub 743 in this proceeding. The Stipulating Parties also agree that it is appropriate to reduce depreciation expense to reflect the impacts of the reallocation of the reserve accounts related to the NC direct and corporate allocated general plant accounts.

W. Tariffs and Service Regulations. The Stipulating Parties agree that the Tariffs and Service Regulations attached hereto as Exhibits G and H respectively, and reflecting the tariff changes proposed by the Company in its Petition, including Appendix E, as shown in Exhibit F, and should be approved.

X. Rate Elements. The Stipulating Parties agree that the rates reflected on Exhibits C1 and C2, which are subject to adjustment under Sections III.D.1. and III.D.2., are comprised of the rate elements reflected

on Exhibits K1, and K2 attached hereto. The Stipulating Parties also agree to terminate the Line 434 Rider approved in Docket No. G-9, Sub 743.

Y. Gas Extension Feasibility Model. The Stipulating Parties agree to the following revisions to Piedmont's model used to calculate the feasibility of extending natural gas service to its residential and commercial customers: (i) use of an investment horizon of 40 years or an appropriate length of time that matches the book lives of the gas plants, (ii) use of the Company's approved net of tax overall rate of return as the discount rate employed for the net present value analysis approved in the Company's most recent rate case, and (iii) adjustment of all future cash inflows by a long-term inflation rate of 2%.

Z. Affordability. The Stipulating Parties agree that the Commission should allow Piedmont to join and participate in the affordability stakeholder collaborative currently being conducted pursuant to the Commission's Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice issued March 31, 2021, in Docket No. E-7, Subs 1213, 1214, and 1187; and Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice issued April 16, 2021, in Docket No. E-2, Subs 1219, and 1193.

AA. Energy Efficiency ("EE") Programs and Rider. The Stipulating Parties agree to the following regarding the Company's EE programs:

1. Piedmont's entire EE portfolio, both existing and proposed, and consisting of the School Conservation Education Program, Low-Income

Program, Residential HVAC and Water Heating Program, Commercial HVAC & Water Heating Rebate Program, Commercial Food Services Program, and Residential New Construction Program, will be authorized for a three-year pilot program in order to collect operational data, perform evaluation, measurement, and verification (“EM&V”), and assess cost-effectiveness. The three-year pilot program will commence within six (6) months of the Commission’s final order in this docket.

a. Within 30 days of Commission approval of the pilot program, the Company will file calculations of cost effectiveness for the Residential Low-Income Program and the School Conservation Education Program consistent with the manner in which the other programs are evaluated.

b. During the pilot program, Piedmont will structure and perform EM&V to ensure accuracy of the Net-to-Gross (“NTG”) ratio, avoided costs, measure life, and measure savings used in the cost-effectiveness calculations.

c. The criteria for a successful EE measure is a Utility Cost Test (“UCT”) result greater than 1.0. Any measure that results in a $UCT < 0.9$ should be removed from the portfolio.

d. Piedmont will work with the Public Staff and other interested parties to cost effectively increase participation, particularly for low-income customers, and those customers who rent their homes or businesses.

e. Piedmont should terminate any measures or programs in the pilot program before the three-year period if substantial evidence suggests that the UCT will result in a value less than 0.9. Conversely, if substantial evidence suggests that the UCT of a program will result in a value greater than 1.0, Piedmont may propose that the program be removed from pilot status and granted full approval.

2. Piedmont should be allowed to recover costs of EE programs through a rider recovery mechanism,

a. Within 10 business days of the filing of this Stipulation, Piedmont and the Public Staff will file with the Commission a Mechanism to (1) allow Piedmont to recover all reasonable and prudent costs incurred for adopting, implementing, and operating cost-effective EE measures and programs and (2) establish certain requirements for requests by Piedmont for approval and continued operation of EE programs consistent with the provisions for the piloting of Piedmont's EE programs described above.

b. Piedmont shall be allowed to recover, through the EE rider, all reasonable and prudently incurred costs appropriately estimated to be incurred in expenses during the upcoming 12-month rate period each year (presumably June 1st through May 31st), except for the first such rider, which shall have a

shorter rate period ending May 31, 2022, during the term of the pilot for EE programs that have been approved by the Commission, plus a true-up of the under- or over-recovery of actual costs by actual rider revenues incurred during the most recent 12-month period possible (beginning with the most recent month not trued up, except for the first such rider, which will have no true-up).

c. Piedmont may implement deferral accounting for over- and under-recoveries of costs that are eligible for recovery through the annual EE rider. The balance in the deferral account, gross of deferred income taxes, may accrue a return at the annual net-of-tax rate of return approved in Piedmont's then most recent general rate case, using a mid-month convention. Such return will not be eligible for further gross-up for income taxes. Interest shall be eligible for compounding only at the end of the measurement period for the deferred account balance adopted for each annual rider (to avoid an annual accrual of return at greater than the annual rate).

d. For purposes of cost recovery through the EE rider, system-level costs shall be allocated to the North Carolina jurisdiction and North Carolina customer classes by use of appropriate apportionment/allocation factors as approved in each case by the Commission. All North Carolina sales and transportation classes (excluding electric generation and other special contracts) shall be apportioned or allocated a proportionate

share of rider costs. The individual rates for each customer class shall be calculated by dividing the apportioned or allocated costs by volumes applicable to the class, as approved by the Commission.

e. The structure and schedule for reviewing program performance, rider revenues, and rider costs will be determined as set forth in the Mechanism.

3. The Stipulating Parties agree that CIGFUR and CUCA reserve the right to review and object to the reasonableness of the allocation proposed for costs to be recovered through the EE rider.

AB. Studies.

1. The Stipulating Parties agree that the Company, the Public Staff, and any other interested parties, prior to the earlier of the Company's next general rate case or its 2023 annual review of gas costs proceeding ("2023 Annual Review"), will undertake, report on the status of, and complete a study of whether the Company's current method of allocating its transmission plant assets to North Carolina and South Carolina is fair to each state's customers in light of the fact that the Company plans for future supply and capacity resources based on a combination of both North Carolina and South Carolina demands.

2. The Stipulating Parties agree that the Company, the Public Staff, and any other interested parties, prior to the earlier of the Company's next general rate case or its 2023 Annual Review,

will initiate, report on the status of, and complete a study of an updated regression analysis to determine a more accurate breakdown of system usage among customer classes and the North Carolina and South Carolina jurisdictions.

IV. General Provisions

A. Agreement to Support Settlement; Non-Waiver. The Stipulating Parties, and their agents, witnesses, and representatives, will act in good faith to support the reasonableness of this Stipulation in any hearing before the Commission and any proposed order or brief in this docket; provided, however, that the settlement of any issue pursuant to this Stipulation shall not be cited as precedent by any of the Stipulating Parties in any other proceeding or docket before this Commission or on appeal before the North Carolina Court of Appeals or North Carolina Supreme Court. The provisions of this Stipulation do not necessarily reflect any position asserted by any of the Stipulating Parties. Rather, they reflect a settlement among the Stipulating Parties as to all issues, and no Stipulating Party waives the right to assert any position in any future docket before the Commission.

B. Introduction/Withdrawal of Testimony and Waiver of Cross-Examination. The Stipulating Parties agree that all pre-filed testimony and exhibits of the Stipulating Parties, including any supplemental testimony filed in support of this Stipulation, may be introduced into evidence without objection, and the parties hereto waive

their respective right to cross-examine all of the Stipulating Parties' witnesses with respect to pre-filed testimony and exhibits addressing issues resolved by this Stipulation. If questions should be asked by any non-Stipulating Party or a Commissioner, the Stipulating Parties may present testimony and/or exhibits to respond to such questions and may cross-examine any witnesses with respect to such testimony and/or exhibits; provided, however, that such testimony, exhibits, and/or cross-examination shall not be inconsistent with this Stipulation. The Stipulating Parties further agree that the Company and the Public Staff will file supplemental testimony in support of the Stipulation provided that such testimony shall not be inconsistent with this Stipulation.

C. Binding Only if Entire Stipulation Accepted. This Stipulation is the product of give-and-take negotiations and reflects various concessions made by each Stipulating Party as to the items herein. On balance, the Stipulating Parties believe the Stipulation provides a reasonable resolution of the contested issues when considered in its entirety. No portion of this Stipulation shall be binding on the Stipulating Parties unless the entire Stipulation is accepted by the Commission. The terms and conditions set forth above represent, in full, the agreement of the Stipulating Parties. If the Commission rejects any part of this Stipulation or approves this Stipulation subject to any change or condition or if the Commission's approval of this Stipulation is rejected or conditioned by a reviewing court, the Stipulating Parties agree to meet and discuss the

applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Stipulating Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Stipulating Party withdraws from the Stipulation, each Stipulating Party retains the right to seek additional procedures before the Commission, including cross-examination of witnesses, with respect to issues addressed by the Stipulation and shall not be bound or prejudiced by the terms and conditions of the Stipulation.

The foregoing is agreed and stipulated to this the 7th day of September, 2021.

Piedmont Natural Gas Company, Inc.

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Carolina Industrial Group for Fair Utility Rates IV

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached is being served this date upon all of the parties to this docket electronically or by depositing a copy of the same in the United States Mail, First Class Postage Prepaid, at the addresses contained in the official service list in this proceeding.

This the 7th day of September, 2021.

/s/ Richard K. Goley
Richard K. Goley

SCHEDULE OF EXHIBITS

- Exhibit A1 - Statement of Net Operating Income for Return, Rate Base and Overall Return
- Exhibit A2 - Statement of Net Operating Income for Return, Rate Base and Overall Return following Section III.D. Update
- Exhibit B - Calculation of Gross Revenue Effect Factors
- Exhibit C1 - Stipulated Proposed Revenue by Rate Class
- Exhibit C2 - Stipulated Proposed Revenue by Rate Class following Section III.D. Update
- Exhibit D - Allocation of Fixed Gas Costs to Rate Schedules
- Exhibit E1 - Factors for the Margin Decoupling Tracker Mechanism
- Exhibit E2 - Factors for the Margin Decoupling Tracker Mechanism following Section III.D. Update
- Exhibit F - Integrity Management Rider
- Exhibit G - Tariffs
- Exhibit H - Service Regulations
- Exhibit I - Purchased Gas Expense
- Exhibit J1 - Comparison of End of Period Revenues to Stipulated Proposed Revenues for Year One
- Exhibit J2 - Comparison of End of Period Revenues to Stipulated Proposed Revenues for Year One following Section III.D. Update
- Exhibit K1 - Stipulated Proposed Revenue by Rate Element
- Exhibit K2 - Stipulated Proposed Revenue by Rate Element following Section III.D. Update
- Exhibit L1 - Stipulated Proposed Tax Rider Elements
- Exhibit L2 - Stipulated Proposed Tax Rider Elements following III.D. Update

EXHIBIT A1

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
STATEMENT OF NET OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
EXCLUDING ROBESON LNG AND PENDER-ONSLow
For The Test Year Ended December 31, 2020

Line No.	Item	Per Company (a)	Settlement Adjustments (b)	After Settlement Adjustments (c)	Margin Revenue Increase (d)	Cost of Gas Revenue Increase (e)	After Rate Increase (f)
NET OPERATING INCOME FOR RETURN							
Operating Revenues:							
1	Sales and transportation of gas	\$1,112,696,326	\$0	\$1,112,696,326	\$34,133,660	\$6,931,287	\$1,153,761,273
2	Other operating revenues	1,136,144	1,894,155	3,030,299			3,030,299
3	Total operating revenues	1,113,832,470	1,894,154.84	1,115,726,625	34,133,660	6,931,287	1,156,791,572
4	Cost of gas	363,753,310	6,879,660	370,632,970			370,632,970
5	Margin	750,079,160	(4,985,505)	745,093,655	34,133,660	6,931,287	786,158,602
Operating Expenses:							
6	Operating and maintenance	219,043,033	(6,633,247)	212,409,786	196,532	39,908	\$212,646,227
7	Depreciation	174,742,293	(6,704,522)	168,037,771			168,037,771
8	General taxes	37,141,210	(1,616,888)	35,524,322			35,524,322
9	State income tax (2.5%) ^[1]	5,684,100	380,319	6,064,419	845,920	172,284	7,082,624
10	Federal income tax (21%) ^[1]	42,489,648	3,114,813	45,604,461	6,928,082	1,411,010	53,943,553
11	Amortization of investment tax credits	(28,065)	0	(28,065)			(28,065)
12	Amortization of EDIT	0	1,265,387	1,265,387			1,265,387
13	Total operating expenses	479,072,219	(10,194,138)	468,878,080	7,970,534	1,623,203	478,471,817
14	Interest on customer deposits	(895,159)	375	(894,784)			(894,784)
15	Net operating income for return	\$270,111,782	\$5,209,008	\$275,320,791	\$26,163,126	\$5,308,084	\$306,792,001
RATE BASE							
16	Plant in service	\$7,088,221,950	(\$297,291,361)	\$6,790,930,589	\$0	0	\$6,790,930,589
17	Accumulated depreciation	(1,685,129,720)	10,235,882	(1,674,893,838)	0	0	(1,674,893,838)
18	Net plant in service	5,403,092,230	(287,055,480)	5,116,036,751	0	0	5,116,036,751
19	Working Capital - Other	105,078,018	0	105,078,018	0	0	105,078,018
20	Working Capital - Lead Lag	71,838,820	(12,414,599)	59,424,221	5,147,051	0	64,571,272
21	Deferred Regulatory Assets	66,864,624	1,873,378	68,738,002	0	0	68,738,002
22	Deferred Income Taxes	(910,549,794)	389,930	(910,159,864)	0	0	(910,159,864)
23	Original cost rate base	\$4,736,323,899	(\$297,206,770)	\$4,439,117,129	\$5,147,051	\$0	\$4,444,264,180
24	Overall Rate of Return on Rate Base	5.70%		6.20%			6.90%

[1] The income tax calculation includes an adjustment to taxable income for AFUDC Equity.

EXHIBIT A2

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
STATEMENT OF NET OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
INCLUDING ROBESON LNG AND PENDER-ONSLOW
For The Test Year Ended December 31, 2020

Line No.	Item	Per Company (a)	Settlement Adjustments (b)	After Settlement Adjustments (c)	Margin Revenue Increase (d)	Cost of Gas Revenue Increase (e)	After Rate Increase (f)
NET OPERATING INCOME FOR RETURN							
Operating Revenues:							
1	Sales and transportation of gas	\$1,112,696,326	\$0	\$1,112,696,326	\$67,137,199	\$6,931,287	\$1,186,764,812
2	Other operating revenues	1,136,144	1,894,155	3,030,299			3,030,299
3	Total operating revenues	1,113,832,470	1,894,154.84	1,115,726,625	67,137,199	6,931,287	1,189,795,111
4	Cost of gas	363,753,310	6,879,660	370,632,970			370,632,970
5	Margin	750,079,160	(4,985,505)	745,093,655	67,137,199	6,931,287	819,162,141
Operating Expenses:							
6	Operating and maintenance	219,043,033	(5,397,257)	213,645,776	386,558	39,908	\$214,072,242
7	Depreciation	174,742,293	(503,802)	174,238,491			174,238,491
8	General taxes	37,141,210	(149,875)	36,991,334			36,991,334
9	State income tax (2.5%) ^[1]	5,684,100	20,696	5,704,796	1,664,241	172,284	7,541,322
10	Federal income tax (21%) ^[1]	42,489,648	169,495	42,659,143	13,630,137	1,411,010	57,700,290
11	Amortization of investment tax credits	(28,065)	0	(28,065)			(28,065)
12	Amortization of EDIT	0	1,265,387	1,265,387			1,265,387
13	Total operating expenses	479,072,219	(4,595,356)	474,476,862	15,680,936	1,623,203	491,781,001
14	Interest on customer deposits	(895,159)	375	(894,784)			(894,784)
15	Net operating income for return	\$270,111,782	(\$389,774)	\$269,722,008	\$51,456,263	\$5,308,084	\$326,486,355
RATE BASE							
16	Plant in service	\$7,088,221,950	(\$8,190,677)	\$7,080,031,273	\$0	0	\$7,080,031,273
17	Accumulated depreciation	(1,685,129,720)	4,299,664	(1,680,830,056)	0	0	(1,680,830,056)
18	Net plant in service	5,403,092,230	(3,891,014)	5,399,201,217	0	0	5,399,201,217
19	Working Capital - Other	105,078,018	0	105,078,018	0	0	105,078,018
20	Working Capital - Lead Lag	71,838,820	(14,418,507)	57,420,313	9,283,690	0	66,704,003
21	Deferred Regulatory Assets	66,864,624	1,873,378	68,738,002	0	0	68,738,002
22	Deferred Income Taxes	(910,549,794)	389,930	(910,159,864)	0	0	(910,159,864)
23	Original cost rate base	\$4,736,323,899	(\$16,046,213)	\$4,720,277,686	\$9,283,690	\$0	\$4,729,561,376
24	Overall Rate of Return on Rate Base	5.70%		5.71%			6.90%

[1] The income tax calculation includes an adjustment to taxable income for AFUDC Equity.

EXHIBIT B

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
CALCULATION OF GROSS REVENUE EFFECT FACTORS
 For The Test Year Ended December 31, 2020

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factors (c)	Gross Revenue Effect (d)	Composite Tax Rate (e)	Net of Tax Overall Rate of Return (f)
Rate Base Factor:							
1	Long-term debt	47.75%	4.08%	0.9942423	0.01959482	0.77025	1.50%
2	Short-term debt	0.65%	0.20%	0.9942423	0.00001308	0.77025	0.00%
3	Common equity	51.60%	9.60%	0.7658151	0.06468402	1.00000	4.95%
4	Total (Sum of L1 thru L3)	<u>100.00%</u>			<u>0.08429192</u>		<u>6.45%</u>
Net Income Factor:							
5	Total revenue				1.0000000		
6	Uncollectibles				<u>0.0044635</u>		
7	Balance (L5 - L6)				0.9955365		
8	Regulatory fee (L7 x current regulatory fee rate)				<u>0.0012942</u>		
9	Balance (L7 - L8)				0.9942423		
10	Less: State income tax (L9 x 2.5%)				<u>0.0248561</u>		
11	Balance (L9 - L10)				0.9693862		
12	Less: Federal income tax (L11 x 21%)				<u>0.2035711</u>		
13	Gross up factor (L11 - L12)				<u>0.7658151</u>		

EXHIBIT C1

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
Comparison of Present Rates and Stipulated Rates
Excluding Robeson LNG and Pender-Onslow

Rate Schedule	Present Revenue Rates ¹	Stipulated Revenue Rates
101 - Residential Service		
Monthly Charge	10.00	10.00
Monthly Charge	10.00	10.00
Winter per DT	12.7201	13.6396
Summer per DT	12.2103	13.0763
102- Small General Service		
Monthly Charge	22.00	22.00
Winter per DT	9.7244	10.7636
Summer per DT	9.3266	10.3121
152- Medium General Service		
Monthly Charge	75.00	75.00
Winter - First 500 per DT	8.8549	9.6542
Winter - Over 500 per DT	8.5239	9.2770
Summer - First 500 per DT	8.7973	9.5886
Summer - Over 500 per DT	8.4918	9.2404
142 - Natural Gas Vehicle Fuel		
Winter per DT	9.8298	10.5229
Summer per DT	9.8298	10.5229
Compression Charge per DT (maximum rate)	4.0000	4.0000
143- Experimental Motor Vehicle Fuel		
Monthly Charge		<i>Monthly charge is reflected on corresponding rate schedule</i>
Winter per DT		<i>Volumetric charge is reflected on corresponding rate schedule</i>
Summer per DT		<i>Volumetric charge is reflected on corresponding rate schedule</i>
Compression Charge per DT (maximum rate)	4.0000	4.0000
144- Experimental Medium Gen Motor Fuel - Transportation		
Monthly Charge	75.00	75.00
Winter - First 500 per DT	5.6049	6.4042
Winter - Over 500 per DT	5.2739	6.0270
Summer - First 500 per DT	5.5473	6.3386
Summer - Over 500 per DT	5.2418	5.9904
Compression Charge per DT (maximum rate)	4.0000	4.0000
103 - Large General Sales Service		
Monthly Charge	350.00	350.00
Demand Charge per DT	14.9500	15.1700
Winter - First 1,500 per DT	5.0806	5.0866
Winter - Next 3,000 per DT	4.4479	4.5656
Winter - Next 9,000 per DT	4.1067	4.1743
Winter - Next 16,500 per DT	3.9584	4.0158
Winter - Next 30,000 per DT	3.9179	3.9751
Winter - Over 60,000 per DT	3.5329	3.5776
Summer - First 1,500 per DT	4.4600	4.4577
Summer - Next 3,000 per DT	4.1338	4.1191
Summer - Next 9,000 per DT	3.8898	3.8645
Summer - Next 16,500 per DT	3.7758	3.7399
Summer - Next 30,000 per DT	3.6077	3.5809
Summer - Over 60,000 per DT	3.4346	3.4157
104 - Interruptible Sales Service		
Monthly Charge	350.00	350.00
Winter - First 1,500 per DT	5.3570	5.4709
Winter - Next 3,000 per DT	5.1406	5.1680
Winter - Next 9,000 per DT	4.7956	4.7680
Winter - Next 16,500 per DT	4.5184	4.4612
Winter - Next 30,000 per DT	4.2608	4.2285
Winter - Over 60,000 per DT	4.0420	4.0554
Summer - First 1,500 per DT	5.0325	4.8668
Summer - Next 3,000 per DT	4.5686	4.5860
Summer - Next 9,000 per DT	4.5068	4.4828
Summer - Next 16,500 per DT	4.3516	4.3014
Summer - Next 30,000 per DT	4.2327	4.2230
Summer - Over 60,000 per DT	4.0587	4.0881

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
Comparison of Present Rates and Stipulated Rates
Excluding Robeson LNG and Pender-Onslow

Rate Schedule	Present Revenue Rates ¹	Stipulated Revenue Rates
113 - Large General Transportation Service		
Monthly Charge	350.00	350.00
Demand Charge per DT	2.9500	3.1700
Winter - First 1,500 per DT	1.8306	1.8366
Winter - Next 3,000 per DT	1.1979	1.3156
Winter - Next 9,000 per DT	0.8567	0.9243
Winter - Next 16,500 per DT	0.7084	0.7658
Winter - Next 30,000 per DT	0.6679	0.7251
Winter - Over 60,000 per DT	0.2829	0.3276
Summer - First 1,500 per DT	1.2100	1.2077
Summer - Next 3,000 per DT	0.8838	0.8691
Summer - Next 9,000 per DT	0.6398	0.6145
Summer - Next 16,500 per DT	0.5258	0.4899
Summer - Next 30,000 per DT	0.3577	0.3309
Summer - Over 60,000 per DT	0.1846	0.1657
114 - Interruptible Transportation Service		
Monthly Charge	350.00	350.00
Winter - First 1,500 per DT	1.9344	2.0483
Winter - Next 3,000 per DT	1.3472	1.3746
Winter - Next 9,000 per DT	1.0425	1.0149
Winter - Next 16,500 per DT	0.7036	0.6464
Winter - Next 30,000 per DT	0.5365	0.5042
Winter - Over 60,000 per DT	0.3195	0.3329
Summer - First 1,500 per DT	1.2443	1.0786
Summer - Next 3,000 per DT	0.7684	0.7858
Summer - Next 9,000 per DT	0.6550	0.6310
Summer - Next 16,500 per DT	0.5233	0.4731
Summer - Next 30,000 per DT	0.3786	0.3689
Summer - Over 60,000 per DT	0.2338	0.2632
105 - Outdoor Gas Light Service		
Per Fixture Charge	18.93	19.61
T-10 - Military Operations Transportation		
Demand Charge per DT	10.0000	10.0000
Winter per DT	1.4884	1.6575
Summer per DT	0.5784	0.5807
12 - Military Installations in Onslow County - Sales		
Winter per DT	6.2071	<i>eliminated</i>
Summer per DT	5.6682	<i>eliminated</i>
T-12 - Military Installation in Onslow County - Transportation		
Winter per DT	2.9571	<i>eliminated</i>
Summer per DT	2.4182	<i>eliminated</i>
106 - Schedule For Limiting and Curtailing		
Emergency Gas per DT	10.0000	10.0000
Unauthorized Gas per DT	25.0000	25.0000
Reconnect Fees		
<u>Residential</u>		
February Through August	55.00	55.00
September Through January	85.00	85.00
<u>All Others</u>		
February Through August	55.00	55.00
September Through January	110.00	110.00
Returned Check Charge		
Returned Check Charge	25.00	25.00

^{1/} Present Revenue Rates, effective July 1, 2021 in Docket No. G-9, Sub 790, include IMR base billing rates for the recovery of the current IMR revenue requirement and are exclusive of temporary increments or decrements.

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Revenue by Rate Class
 Excluding Robeson LNG and Pender-Onslow

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Total "Clean" Proposed Rates (6)	Total Stipulated Revenues (7)
1	101 - Residential Service							
2	Bills - Winter		3,515,352	10.00			10.00	35,153,519
3	Bills - Summer		4,916,305	10.00			10.00	49,163,053
4	DTs - Winter	30,582,570		8.8646	1.4780	3.2970	13.6396	417,134,022
5	DTs - Summer	8,681,879		8.8646	0.9147	3.2970	13.0763	113,526,859
6	Integrity Management Rider Revenues							-
7								
8								
9	Experimental Motor Vehicle Fuel							
10	143 / 101 - Residential Service							
11	Bills - Winter		-	10.00			10.00	-
12	Bills - Summer		-	10.00			10.00	-
13	DTs - Winter	-		8.8646	1.4780	3.2970	13.6396	-
14	DTs - Summer	-		8.8646	0.9147	3.2970	13.0763	-
15								
16								
17	RESIDENTIAL SERVICE							
18	Bills		8,431,657					
19	Winter Dts	30,582,570						
20	Summer Dts	8,681,879						
21	Total Dts	39,264,449						
22								
23	Revenues						\$	614,977,452
24								

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Revenue by Rate Class
 Excluding Robeson LNG and Pender-Onslow

Line No.	(rates and volumes per dekatherm)	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Total "Clean" Proposed Rates (6)	Total Stipulated Revenues (7)
96								
97	103 - Large General Sales Service							
98	Bills		940	350.00			350.00	329,000
99	Demand	175,455		2.4200	12.7500	-	15,1700	2,661,645
100	Winter - First 1,500 DTs	540,463		0.8928	0.8968	3.2970	5,0866	2,749,118
101	Winter - Next 3,000 DTs	472,780		0.3768	0.8918	3.2970	4,5656	2,158,525
102	Winter - Next 9,000 DTs	166,002		0.3305	0.5468	3.2970	4,1743	692,940
103	Winter - Next 16,500 DTs	7,041		0.2750	0.4438	3.2970	4,0158	28,276
104	Winter - Next 30,000 DTs	-		0.2413	0.4368	3.2970	3,9751	-
105	Winter - Over 60,000 DTs	-		0.1838	0.0968	3.2970	3,5776	-
106	Total Winter DTs	1,186,286						5,628,859
107								
108	Summer - First 1,500 DTs	657,365		0.3251	0.8356	3.2970	4,4577	2,930,337
109	Summer - Next 3,000 DTs	420,922		0.2365	0.5856	3.2970	4,1191	1,733,821
110	Summer - Next 9,000 DTs	121,663		0.2069	0.3606	3.2970	3,8645	470,166
111	Summer - Next 16,500 DTs	3,058		0.1773	0.2656	3.2970	3,7399	11,437
112	Summer - Next 30,000 DTs	-		0.1483	0.1356	3.2970	3,5809	-
113	Summer - Over 60,000 DTs	-		0.1181	0.0006	3.2970	3,4157	-
114	Total Summer DTs	1,203,009						5,145,762
115								
116	Integrity Management Rider Revenues							-
117	Minimum Margin Agreement Revenues							35,732
118								
119								
120	Experimental Motor Vehicle Fuel							
121	143 / 103 - Large General Sales Service							
122	Bills		36	350.00			350.00	12,600
123	Demand	8,419		2.4200	12.7500	-	15,1700	127,709
124	Winter - First 1,500 DTs	22,500		0.8928	0.8968	3.2970	5,0866	114,449
125	Winter - Next 3,000 DTs	29,515		0.3768	0.8918	3.2970	4,5656	134,753
126	Winter - Next 9,000 DTs	24,500		0.3305	0.5468	3.2970	4,1743	102,271
127	Winter - Next 16,500 DTs	-		0.2750	0.4438	3.2970	4,0158	-
128	Winter - Next 30,000 DTs	-		0.2413	0.4368	3.2970	3,9751	-
129	Winter - Over 60,000 DTs	-		0.1838	0.0968	3.2970	3,5776	-
130	Total Winter DTs	76,515						351,472
131								
132	Summer - First 1,500 DTs	31,500		0.3251	0.8356	3.2970	4,4577	140,418
133	Summer - Next 3,000 DTs	45,994		0.2365	0.5856	3.2970	4,1191	189,453
134	Summer - Next 9,000 DTs	40,008		0.2069	0.3606	3.2970	3,8645	154,611
135	Summer - Next 16,500 DTs	-		0.1773	0.2656	3.2970	3,7399	-
136	Summer - Next 30,000 DTs	-		0.1483	0.1356	3.2970	3,5809	-
137	Summer - Over 60,000 DTs	-		0.1181	0.0006	3.2970	3,4157	-
138	Total Summer DTs	117,502						484,481
139								
140	Integrity Management Rider Revenues							-
141	Minimum Margin Agreement Revenues							-
142	Compression Charge Revenues							143,569
143								
144								
145	104 - Interruptible Sales Service							
146	Bills		208	350.00			350.00	72,800
147	Winter - First 1,500 DTs	126,290		1.0721	1.1018	3.2970	5,4709	690,918
148	Winter - Next 3,000 DTs	167,195		0.4492	1.4218	3.2970	5,1680	864,062
149	Winter - Next 9,000 DTs	86,368		0.3942	1.0768	3.2970	4,7680	411,804
150	Winter - Next 16,500 DTs	-		0.3304	0.8338	3.2970	4,4612	-
151	Winter - Next 30,000 DTs	-		0.2897	0.6418	3.2970	4,2285	-
152	Winter - Over 60,000 DTs	-		0.2200	0.5384	3.2970	4,0554	-
153	Total Winter DTs	379,853						1,966,784
154								
155	Summer - First 1,500 DTs	146,785		0.5949	0.9749	3.2970	4,8668	714,374
156	Summer - Next 3,000 DTs	117,722		0.4341	0.8549	3.2970	4,5860	539,871
157	Summer - Next 9,000 DTs	34,380		0.3809	0.8049	3.2970	4,4828	154,120
158	Summer - Next 16,500 DTs	3,243		0.3245	0.6799	3.2970	4,3014	13,949
159	Summer - Next 30,000 DTs	-		0.2711	0.6549	3.2970	4,2230	-
160	Summer - Over 60,000 DTs	-		0.2162	0.5749	3.2970	4,0881	-
161	Total Summer DTs	302,130						1,422,314
162								
163	Integrity Management Rider Revenues							-
164	Minimum Margin Agreement Revenues							-
165								

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Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Revenue by Rate Class
 Excluding Robeson LNG and Pender-Onslow

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Total "Clean" Proposed Rates (6)	Total Stipulated Revenues (7)
286								
287	105 - Outdoor Gas Light Service							
288	Bills		675					
289	Fixtures		5,397	19.61			19.61	105,828
290	DTs - Winter	3,593						
291	DTs - Summer	5,042						
292								
293								
294	T-10 (675) - Military Operations Transportation							
295	Bills		12					
296	Demand	84,000		-	10.0000		10.0000	840,000
297	DTs - Winter	745,667		1.3589	0.2516	0.0470	1.6575	1,235,943
298	DTs - Summer	514,826		0.2821	0.2516	0.0470	0.5807	298,959
299	Integrity Management Rider Revenues							
300								
301								
302	Power Generation Contracts							
303	Bills		194					
304	DTs - Winter	117,470,161						44,300,413
305	DTs - Summer	156,858,541						61,998,863
306								
307								
308	Municipals Contracts							
309	Bills		37					
310	DTs - Winter	4,204,171						4,213,561
311	DTs - Summer	2,847,562						5,484,045
312								
313								
314	Special Contracts Military							
315	Bills		36					
316	DTs - Winter	609,756						3,708,499
317	DTs - Summer	424,056						3,988,096
318								
319								
320	Special Contracts							
321	Bills		109					
322	DTs - Winter	2,111,542						1,410,569
323	DTs - Summer	2,576,984						1,720,773
324								
325								
326	SPECIAL TARIFFS & CONTRACTS							
327	Bills		1,063					
328	Demand Dts	84,000						
329	Winter Dts	125,144,889						
330	Summer Dts	163,227,010						
331	Total Dts	288,371,899						
332								
333	Revenues							\$ 129,305,549
334								
335								
336	GRAND TOTAL - ALL TARIFFS & CONTRACTS							
337	Bills		9,311,988					
338	Demand Dts	1,999,718						
339	Winter Dts	205,234,817						
340	Summer Dts	217,262,722						
341	Total Dts	422,497,539						
342								
343	Revenues							\$ 1,153,760,172
344								
345								
346	SALES AND TRANSPORTATION							
347	Total Sales	72,624,021						\$ 967,005,246
348	Total Transportation	62,770,746						59,930,107
349	Total Special Contracts including Power Generation	287,102,772						126,824,819
350	Total Annual	422,497,539						\$ 1,153,760,172
351								
352	Other Operating Revenues							3,030,299
353	Total Operating Revenue ¹							\$ 1,156,790,471
354								

1/ The target Total Stipulated Revenues used for this exhibit is \$1,156,791,572. The calculations shown in this exhibit yield a rounding difference for Total Stipulated Revenues of \$1,101.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Summary of Volumetric Throughput

Description	Volumes (DT)
Line No.	
1 Sales	72,624,021 1/
2 Transportation	62,770,746
3 Total Sales and Transportation (Line 1 + Line 2)	135,394,767
4 Special Contracts including Power Generation	287,102,772
5 Total Throughput (Line 3 + Line 4)	422,497,539

1/ Includes Outdoor Gaslight Service.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Summary of Customer Bills and Dekatherms by Rate Schedule

Line No.	Rate Class	Proforma Number of Customer Bills			Proforma Normalized Customer Usage			
		Winter (Nov - Mar)	Summer (Apr - Oct)	Annual	Winter Dts (Nov - Mar)	Summer Dts (Nov - Mar)	Annual Dts	%
1	101 - Residential Service	3,515,352	4,916,305	8,431,657	30,582,570.2	8,681,879.3	39,264,449.5	9.29%
2	102- Small General Service	361,474	503,870	865,343	17,207,021.1	7,764,461.6	24,971,482.7	5.91%
3	152- Medium General Service	2,589	3,636	6,225	2,881,952.8	2,154,127.8	5,036,080.6	1.19%
4	142 - Natural Gas Vehicle Fuel - Company Stations	-	-	-	33,028.2	45,052.2	78,080.4	0.02%
5	144- Experimental Motor Fuel Vehicle Medium General Transportation Service	-	-	-	-	-	-	0.00%
6	103 - Large General Sales Service	402	574	976	1,262,800.5	1,320,510.2	2,583,310.7	0.61%
7	104 - Interruptible Sales Service	87	121	208	379,852.5	302,130.0	681,982.5	0.16%
8	113 - Large General Transportation Service	1,513	2,111	3,624	14,824,277.0	17,901,307.6	32,725,584.6	7.75%
9	114 - Interruptible Transportation Service	1,213	1,678	2,891	12,918,425.7	15,866,243.4	28,784,669.1	6.81%
10	105 - Outdoor Gas Light Service	282	393	675	3,593.0	5,041.6	8,634.6	0.00%
11	T-10 - Military Operations Transportation	5	7	12	745,666.8	514,825.7	1,260,492.5	0.30%
12	Power Generation Contracts	82	112	194	117,470,161.1	156,858,541.1	274,328,702.1	64.93%
13	Municipals Contracts	16	21	37	4,204,170.7	2,847,562.1	7,051,732.8	1.67%
14	Special Contracts Military	15	21	36	609,756.3	424,055.5	1,033,811.8	0.24%
15	Other Special Contracts	46	63	109	2,111,541.5	2,576,983.9	4,688,525.4	1.11%
16	Total	3,883,075	5,428,912	9,311,988	205,234,817.4	217,262,722.0	422,497,539.3	100.00%

EXHIBIT C2

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
Comparison of Present Rates and Stipulated Rates
Including Robeson LNG and Pender-Onslow

Rate Schedule	Present Revenue Rates ¹	Stipulated Revenue Rates
101 - Residential Service		
Monthly Charge	10.00	10.00
Monthly Charge	10.00	10.00
Winter per DT	12.7201	14.1578
Summer per DT	12.2103	13.5945
102- Small General Service		
Monthly Charge	22.00	22.00
Winter per DT	9.7244	11.1384
Summer per DT	9.3266	10.6869
152- Medium General Service		
Monthly Charge	75.00	75.00
Winter - First 500 per DT	8.8549	9.9537
Winter - Over 500 per DT	8.5239	9.5765
Summer - First 500 per DT	8.7973	9.8881
Summer - Over 500 per DT	8.4918	9.5399
142 - Natural Gas Vehicle Fuel		
Winter per DT	9.8298	11.0009
Summer per DT	9.8298	11.0009
Compression Charge per DT (maximum rate)	4.0000	4.0000
143- Experimental Motor Vehicle Fuel		
Monthly Charge		<i>Monthly charge is reflected on corresponding rate schedule</i>
Winter per DT		<i>Volumetric charge is reflected on corresponding rate schedule</i>
Summer per DT		<i>Volumetric charge is reflected on corresponding rate schedule</i>
Compression Charge per DT (maximum rate)	4.0000	4.0000
144- Experimental Medium Gen Motor Fuel - Transportation		
Monthly Charge	75.00	75.00
Winter - First 500 per DT	5.6049	6.7037
Winter - Over 500 per DT	5.2739	6.3265
Summer - First 500 per DT	5.5473	6.6381
Summer - Over 500 per DT	5.2418	6.2899
Compression Charge per DT (maximum rate)	4.0000	4.0000
103 - Large General Sales Service		
Monthly Charge	350.00	350.00
Demand Charge per DT	14.9500	15.1700
Winter - First 1,500 per DT	5.0806	5.2289
Winter - Next 3,000 per DT	4.4479	4.6257
Winter - Next 9,000 per DT	4.1067	4.2270
Winter - Next 16,500 per DT	3.9584	4.0597
Winter - Next 30,000 per DT	3.9179	4.0136
Winter - Over 60,000 per DT	3.5329	3.6069
Summer - First 1,500 per DT	4.4600	4.5096
Summer - Next 3,000 per DT	4.1338	4.1568
Summer - Next 9,000 per DT	3.8898	3.8974
Summer - Next 16,500 per DT	3.7758	3.7682
Summer - Next 30,000 per DT	3.6077	3.6046
Summer - Over 60,000 per DT	3.4346	3.4345
104 - Interruptible Sales Service		
Monthly Charge	350.00	350.00
Winter - First 1,500 per DT	5.3570	5.4595
Winter - Next 3,000 per DT	5.1406	5.1632
Winter - Next 9,000 per DT	4.7956	4.7638
Winter - Next 16,500 per DT	4.5184	4.4577
Winter - Next 30,000 per DT	4.2608	4.2254
Winter - Over 60,000 per DT	4.0420	4.0530
Summer - First 1,500 per DT	5.0325	4.8605
Summer - Next 3,000 per DT	4.5686	4.5813
Summer - Next 9,000 per DT	4.5068	4.4788
Summer - Next 16,500 per DT	4.3516	4.2979
Summer - Next 30,000 per DT	4.2327	4.2201
Summer - Over 60,000 per DT	4.0587	4.0858

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
Comparison of Present Rates and Stipulated Rates
Including Robeson LNG and Pender-Onslow

Rate Schedule	Present Revenue Rates ¹	Stipulated Revenue Rates
113 - Large General Transportation Service		
Monthly Charge	350.00	350.00
Demand Charge per DT	2.9500	3.1700
Winter - First 1,500 per DT	1.8306	1.9789
Winter - Next 3,000 per DT	1.1979	1.3757
Winter - Next 9,000 per DT	0.8567	0.9770
Winter - Next 16,500 per DT	0.7084	0.8097
Winter - Next 30,000 per DT	0.6679	0.7636
Winter - Over 60,000 per DT	0.2829	0.3569
Summer - First 1,500 per DT	1.2100	1.2596
Summer - Next 3,000 per DT	0.8838	0.9068
Summer - Next 9,000 per DT	0.6398	0.6474
Summer - Next 16,500 per DT	0.5258	0.5182
Summer - Next 30,000 per DT	0.3577	0.3546
Summer - Over 60,000 per DT	0.1846	0.1845
114 - Interruptible Transportation Service		
Monthly Charge	350.00	350.00
Winter - First 1,500 per DT	1.9344	2.0369
Winter - Next 3,000 per DT	1.3472	1.3698
Winter - Next 9,000 per DT	1.0425	1.0107
Winter - Next 16,500 per DT	0.7036	0.6429
Winter - Next 30,000 per DT	0.5365	0.5011
Winter - Over 60,000 per DT	0.3195	0.3305
Summer - First 1,500 per DT	1.2443	1.0723
Summer - Next 3,000 per DT	0.7684	0.7811
Summer - Next 9,000 per DT	0.6550	0.6270
Summer - Next 16,500 per DT	0.5233	0.4696
Summer - Next 30,000 per DT	0.3786	0.3660
Summer - Over 60,000 per DT	0.2338	0.2609
105 - Outdoor Gas Light Service		
Per Fixture Charge	18.93	20.26
T-10 - Military Operations Transportation		
Demand Charge per DT	10.0000	10.0000
Winter per DT	1.4884	1.7917
Summer per DT	0.5784	0.6086
12 - Military Installations in Onslow County - Sales		
Winter per DT	6.2071	<i>eliminated</i>
Summer per DT	5.6682	<i>eliminated</i>
T-12 - Military Installation in Onslow County - Transportation		
Winter per DT	2.9571	<i>eliminated</i>
Summer per DT	2.4182	<i>eliminated</i>
106 - Schedule For Limiting and Curtailing		
Emergency Gas per DT	10.0000	10.0000
Unauthorized Gas per DT	25.0000	25.0000
Reconnect Fees		
<u>Residential</u>		
February Through August	55.00	55.00
September Through January	85.00	85.00
<u>All Others</u>		
February Through August	55.00	55.00
September Through January	110.00	110.00
Returned Check Charge		
Returned Check Charge	25.00	25.00

^{1/} Present Revenue Rates, effective July 1, 2021 in Docket No. G-9, Sub 790, include IMR base billing rates for the recovery of the current IMR revenue requirement and are exclusive of temporary increments or decrements.

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Revenue by Rate Class
 Including Robeson LNG and Pender-Onslow

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Total "Clean" Proposed Rates (6)	Total Stipulated Revenues (7)
1	101 - Residential Service							
2	Bills - Winter		3,515,352	10.00			10.00	35,153,519
3	Bills - Summer		4,916,305	10.00			10.00	49,163,053
4	DTs - Winter	30,582,570		9.3828	1.4780	3.2970	14.1578	432,981,909
5	DTs - Summer	8,681,879		9.3828	0.9147	3.2970	13.5945	118,025,809
6	Integrity Management Rider Revenues							-
7								
8								
9	Experimental Motor Vehicle Fuel							
10	143 / 101 - Residential Service							
11	Bills - Winter		-	10.00			10.00	-
12	Bills - Summer		-	10.00			10.00	-
13	DTs - Winter	-		9.3828	1.4780	3.2970	14.1578	-
14	DTs - Summer	-		9.3828	0.9147	3.2970	13.5945	-
15								
16								
17	RESIDENTIAL SERVICE							
18	Bills		8,431,657					
19	Winter Dts	30,582,570						
20	Summer Dts	8,681,879						
21	Total Dts	39,264,449						
22								
23	Revenues						\$	635,324,290
24								

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Revenue by Rate Class
 Including Robeson LNG and Pender-Onslow

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	COG Demand Rates (4)	COG Commodity Rates (5)	Total "Clean" Proposed Rates (6)	Total Stipulated Revenues (7)
286								
287	105 - Outdoor Gas Light Service							
288	Bills		675					
289	Fixtures		5,397	20.26			20.26	109,336
290	DTs - Winter	3,593						
291	DTs - Summer	5,042						
292								
293								
294	T-10 (675) - Military Operations Transportation							
295	Bills		12					
296	Demand	84,000		-	10.0000		10.0000	840,000
297	DTs - Winter	745,667		1.4931	0.2516	0.0470	1.7917	1,336,011
298	DTs - Summer	514,826		0.3100	0.2516	0.0470	0.6086	313,323
299	Integrity Management Rider Revenues							
300								
301								
302	Power Generation Contracts							
303	Bills		194					
304	DTs - Winter	117,470,161						44,300,413
305	DTs - Summer	156,858,541						61,998,863
306								
307								
308	Municipals Contracts							
309	Bills		37					
310	DTs - Winter	4,204,171						4,213,561
311	DTs - Summer	2,847,562						5,484,045
312								
313								
314	Special Contracts Military							
315	Bills		36					
316	DTs - Winter	609,756						3,708,499
317	DTs - Summer	424,056						3,988,096
318								
319								
320	Special Contracts							
321	Bills		109					
322	DTs - Winter	2,111,542						1,410,569
323	DTs - Summer	2,576,984						1,720,773
324								
325								
326	SPECIAL TARIFFS & CONTRACTS							
327	Bills		1,063					
328	Demand Dts	84,000						
329	Winter Dts	125,144,889						
330	Summer Dts	163,227,010						
331	Total Dts	288,371,899						
332								
333	Revenues							\$ 129,423,489
334								
335								
336	GRAND TOTAL - ALL TARIFFS & CONTRACTS							
337	Bills		9,311,988					
338	Demand Dts	1,999,718						
339	Winter Dts	205,234,817						
340	Summer Dts	217,262,722						
341	Total Dts	422,497,539						
342								
343	Revenues							\$ 1,186,629,898
344								
345								
346	SALES AND TRANSPORTATION							
347	Total Sales	72,624,021						\$ 998,435,707
348	Total Transportation	62,770,746						61,369,373
349	Total Special Contracts including Power Generation	287,102,772						126,824,819
350	Total Annual	422,497,539						\$ 1,186,629,898
351								
352	Other Operating Revenues							3,030,299
353	Total Operating Revenue ¹							\$ 1,189,660,197
354								

1/ The target margin revenue increase used for this exhibit is \$67,000,000. Hence, the target Total Stipulated Revenues used for this exhibit is \$1,189,657,912. This target amount is in lieu of Total Stipulated Revenues of \$1,189,795,111 shown in Exhibit A2. The calculations shown in this exhibit yield a rounding difference for Total Stipulated Revenues of \$2,285.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Summary of Volumetric Throughput

Description	Volumes (DT)
Line No.	
1 Sales	72,624,021 1/
2 Transportation	62,770,746
3 Total Sales and Transportation (Line 1 + Line 2)	135,394,767
4 Special Contracts including Power Generation	287,102,772
5 Total Throughput (Line 3 + Line 4)	422,497,539

1/ Includes Outdoor Gaslight Service.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Summary of Customer Bills and Dekatherms by Rate Schedule

Line No.	Rate Class	Proforma Number of Customer Bills			Proforma Normalized Customer Usage			
		Winter (Nov - Mar)	Summer (Apr - Oct)	Annual	Winter Dts (Nov - Mar)	Summer Dts (Nov - Mar)	Annual Dts	%
1	101 - Residential Service	3,515,352	4,916,305	8,431,657	30,582,570.2	8,681,879.3	39,264,449.5	9.29%
2	102- Small General Service	361,474	503,870	865,343	17,207,021.1	7,764,461.6	24,971,482.7	5.91%
3	152- Medium General Service	2,589	3,636	6,225	2,881,952.8	2,154,127.8	5,036,080.6	1.19%
4	142 - Natural Gas Vehicle Fuel - Company Stations	-	-	-	33,028.2	45,052.2	78,080.4	0.02%
5	144- Experimental Motor Fuel Vehicle Medium General Transportation Service	-	-	-	-	-	-	0.00%
6	103 - Large General Sales Service	402	574	976	1,262,800.5	1,320,510.2	2,583,310.7	0.61%
7	104 - Interruptible Sales Service	87	121	208	379,852.5	302,130.0	681,982.5	0.16%
8	113 - Large General Transportation Service	1,513	2,111	3,624	14,824,277.0	17,901,307.6	32,725,584.6	7.75%
9	114 - Interruptible Transportation Service	1,213	1,678	2,891	12,918,425.7	15,866,243.4	28,784,669.1	6.81%
10	105 - Outdoor Gas Light Service	282	393	675	3,593.0	5,041.6	8,634.6	0.00%
11	T-10 - Military Operations Transportation	5	7	12	745,666.8	514,825.7	1,260,492.5	0.30%
12	Power Generation Contracts	82	112	194	117,470,161.1	156,858,541.1	274,328,702.1	64.93%
13	Municipals Contracts	16	21	37	4,204,170.7	2,847,562.1	7,051,732.8	1.67%
14	Special Contracts Military	15	21	36	609,756.3	424,055.5	1,033,811.8	0.24%
15	Other Special Contracts	46	63	109	2,111,541.5	2,576,983.9	4,688,525.4	1.11%
16	Total	3,883,075	5,428,912	9,311,988	205,234,817.4	217,262,722.0	422,497,539.3	100.00%

EXHIBIT D

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
Allocation of Fixed Gas Costs to Rate Schedules

	Winter		Summer		Annual		Total Percentage
	Fixed Cost per therm (1)	Apportionment Percentage (2)	Fixed Cost per therm (3)	Apportionment Percentage (4)	Fixed Cost per therm (5)	Apportionment Percentage (6)	Columns (2)+ (4) + (6) (7)
Residential							
Rate 101	\$ 0.14780	35.75%	\$ 0.09147	6.28%			42.03%
Small and Medium General							
Rate 102	\$ 0.12741	17.34%	\$ 0.08226	5.05%			22.39%
Rate 142	\$ 0.13449		\$ 0.13449			0.08%	0.08%
Rate 152 first 500	\$ 0.11101	1.11%	\$ 0.10445	1.05%			2.15%
over 500	\$ 0.07329	0.94%	\$ 0.06963	0.49%			1.43%
Firm Sales - Large General (103)							
Demand Charge					\$ 1.27500	1.85%	1.85%
Commodity							
1st Step Volumes	\$ 0.08968	0.40%	\$ 0.08356	0.46%			0.85%
2nd Step Volumes	\$ 0.08918	0.35%	\$ 0.05856	0.22%			0.57%
3rd Step Volumes	\$ 0.05468	0.08%	\$ 0.03606	0.05%			0.13%
4th Step Volumes	\$ 0.04438	0.00%	\$ 0.02656	0.00%			0.00%
5th Step Volumes	\$ 0.04368	0.00%	\$ 0.01356	0.00%			0.00%
6th Step Volumes	\$ 0.00968	0.00%	\$ 0.00006	0.00%			0.00%
Firm Transportation - Large General (113)							
Demand Charge					\$ 0.07500	1.03%	1.03%
Commodity							
1st Step Volumes	\$ 0.08968	1.47%	\$ 0.08356	1.81%			3.28%
2nd Step Volumes	\$ 0.08918	1.99%	\$ 0.05856	1.55%			3.54%
3rd Step Volumes	\$ 0.05468	1.34%	\$ 0.03606	1.01%			2.35%
4th Step Volumes	\$ 0.04438	0.73%	\$ 0.02656	0.53%			1.26%
5th Step Volumes	\$ 0.04368	0.61%	\$ 0.01356	0.24%			0.85%
6h Step Volumes	\$ 0.00968	0.23%	\$ 0.00006	0.00%			0.23%
Interruptible Sales - Large General (104)							
1st Step Volumes	\$ 0.11018	0.11%	\$ 0.09749	0.11%			0.22%
2nd Step Volumes	\$ 0.14218	0.19%	\$ 0.08549	0.08%			0.27%
3rd Step Volumes	\$ 0.10768	0.07%	\$ 0.08049	0.02%			0.10%
4th Step Volumes	\$ 0.08338	0.00%	\$ 0.06799	0.00%			0.00%
5th Step Volumes	\$ 0.06418	0.00%	\$ 0.06549	0.00%			0.00%
6th Step Volumes	\$ 0.05384	0.00%	\$ 0.05749	0.00%			0.00%
Interruptible Transportation - Large General (114)							
1st Step Volumes	\$ 0.09292	1.16%	\$ 0.04367	0.77%			1.94%
2nd Step Volumes	\$ 0.08784	1.66%	\$ 0.03047	0.76%			2.42%
3rd Step Volumes	\$ 0.05737	1.45%	\$ 0.02031	0.61%			2.06%
4th Step Volumes	\$ 0.02690	0.48%	\$ 0.01016	0.22%			0.69%
5th Step Volumes	\$ 0.01675	0.28%	\$ 0.00508	0.10%			0.38%
6th Step Volumes	\$ 0.00659	0.07%	\$ -	0.00%			0.07%
Other Special Contracts						2.54%	2.54%
Power Generation Special Contracts						4.36%	4.36%
Military Operations (T 10)							
Demand Charge	\$ 0.02516	0.15%	\$ 0.02516	0.10%	\$ 1.00000	0.66%	0.66%
							0.25%
Total		67.97%		21.51%		10.52%	100.00%

EXHIBIT E1

Piedmont Natural Gas Company, Inc
Docket No. G-9 Sub 781
Factors for the Margin Decoupling Tracker Mechanism
Excluding Robeson LNG and Pender-Onslow

	R Factor Winter (\$/therm)	R Factor Summer (\$/therm)	Heat Factor (therms/HDD)	Base Factor (therms/month)
101 - Residential Service	0.88646	0.88646	0.14424	8.53612
102- Small General Service	0.61925	0.61925	0.66877	111.56444
152- Medium General Service				
First 5,000 therms	0.52471	0.52471	10.82083	5240.74216
Over 5,000 therms	0.52471	0.52471	10.82083	5240.74216
Normal Heating Degree Days¹	<u>15 - 15</u>	<u>1 - 31</u>		
January	696.3	732.8		
February	711.0	560.2		
March	458.7	402.0		
April	273.7	154.2		
May	87.0	38.3		
June	12.5	1.6		
July	0.4	0.1		
August	-	-		
September	1.5	17.4		
October	68.2	173.3		
November	317.4	435.2		
December	539.7	651.3		
Winter	2,723.1	2,781.5		
Summer	443.3	384.9		
Annual	<u><u>3,166.4</u></u>	<u><u>3,166.4</u></u>		

1/ Normal Heating Degree Days are computed using a thirty-year average of heating degree days through the end of the Test Period, December 31, 2020.

EXHIBIT E2

Piedmont Natural Gas Company, Inc
Docket No. G-9 Sub 781
Factors for the Margin Decoupling Tracker Mechanism
Including Robeson LNG and Pender-Onslow

	R Factor Winter (\$/therm)	R Factor Summer (\$/therm)	Heat Factor (therms/HDD)	Base Factor (therms/month)
101 - Residential Service	0.93828	0.93828	0.14424	8.53612
102- Small General Service	0.65673	0.65673	0.66877	111.56444
152- Medium General Service				
First 5,000 therms	0.55466	0.55466	10.82083	5240.74216
Over 5,000 therms	0.55466	0.55466	10.82083	5240.74216
Normal Heating Degree Days¹	<u>15 - 15</u>	<u>1 - 31</u>		
January	696.3	732.8		
February	711.0	560.2		
March	458.7	402.0		
April	273.7	154.2		
May	87.0	38.3		
June	12.5	1.6		
July	0.4	0.1		
August	-	-		
September	1.5	17.4		
October	68.2	173.3		
November	317.4	435.2		
December	539.7	651.3		
Winter	2,723.1	2,781.5		
Summer	443.3	384.9		
Annual	<u><u>3,166.4</u></u>	<u><u>3,166.4</u></u>		

1/ Normal Heating Degree Days are computed using a thirty-year average of heating degree days through the end of the Test Period, December 31, 2020.

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EXHIBIT F

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

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

1. Provision for Adjustment

The base rates per therm (100,000 Btu) for gas service set forth in Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114 and T-10 of the Company shall be adjusted by an amount hereinafter described which amount is referred to as the “Integrity Management Adjustment.” The Integrity Management Adjustment shall be calculated as an increment and applied to Applicable Rate Schedules to recover the Integrity Management Revenue Requirement (IMRR). The Integrity Management Adjustment shall be implemented on a biannual basis subject to an audit and adjustment process as described herein. The Integrity Management Deferred Account shall be established to track the Company’s recovery of the IMRR.

2. Definitions

For the purposes of this revised Rider:

“Applicable Rate Schedules” means Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114 and T-10.

“Commission” means the North Carolina Utilities Commission.

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

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

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

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

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

3. Computation of Integrity Management Revenue Requirement (IMRR)

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

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

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

December 1, 2021	\$ X,XXX,XXX
December 1, 2022	\$ X,XXX,XXX
December 1, 2023	\$ X,XXX,XXX
December 1, 2024	\$ X,XXX,XXX
December 1, 2025	\$ X,XXX,XXX
December 1, 2026	\$ X,XXX,XXX

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

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

Each month the Company shall charge its Integrity Management Deferred Account for the portion of the Net IMRR (the IMRR as reduced by the Special Contract Credit), that corresponds to that month. The monthly IMRR is the product of the annual Net IMRR and the Integrity Management Month Factor. The Integrity Management Month Factor represents the percentage of annualized and normalized therms as set forth in the Relevant Rate Order by month for the Applicable Rate Schedules. The Integrity Management Month Factors for each month are as follows:

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

4. Computation of Biannual Integrity Management Adjustment

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

Residential	Rate Schedule 101	XX.XX%
Small/Med General & NGV	Rate Schedules 102, 142, 144, 152	XX.XX%
Large General - Firm	Rate Schedules 103, 113, T-10	XX.XX%
Large General - Interruptible	Rate Schedules 104, 114	XX.XX%

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

Residential	Rate Schedule 101	XX,XXX,XXX
Small/Med General & NGV	Rate Schedules 102, 142, 144, 152	XX,XXX,XXX

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

Large General - Firm	Rate Schedules 103, 113, T-10	XX,XXX,XXX
Large General - Interruptible	Rate Schedules 104, 114	XX,XXX,XXX

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

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

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

6. Interest

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

7. Integrity Management Deferred Account

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

8. Monthly Filing with Commission

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

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

9. Annual Integrity Management Plant Investment Forecast

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

10. Review and Approval of Annual IMR Report and Rates

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

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

11. Commission Review

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

EXHIBIT G

**RATE SCHEDULE 101
RESIDENTIAL SALES SERVICE**

Applicability and Character of Service

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

Rates and Charges

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

Restriction on Right to Service

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

**RATE SCHEDULE 102
SMALL GENERAL SALES SERVICE**

Applicability and Character of Service

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

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

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

Rates and Charges

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

**RATE SCHEDULE 103
LARGE GENERAL SALES SERVICE**

Availability

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

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

Character of Service

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

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

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

Rates and Charges

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

Billing Demand

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

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

**RATE SCHEDULE 103
LARGE GENERAL SALES SERVICE**

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

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

Volumetric Charges

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

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

Availability

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

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

Character of Service

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

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

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

Customer at Risk in Case of Interruption or Curtailment of Service

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

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

Rates and Charges

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

Volumetric Charges

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

**RATE SCHEDULE 105
OUTDOOR GASLIGHT SERVICE**

Applicability and Character of Service

Gas Service under this Rate Schedule is available in the area served with natural gas by the Company in the State of North Carolina to Customers with non-metered gas, when a meter cannot easily be installed, in mantle-equipped outdoor gas lights, upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

Rates and Charges

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

RATE SCHEDULE 106 SCHEDULE FOR LIMITING AND CURTAILING SERVICE

Applicability and Character of Service

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

Curtailment/Interruption of Interruptible Service

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

Curtailment of Firm Service

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

Emergency Service

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

**RATE SCHEDULE 106
SCHEDULE FOR LIMITING AND CURTAILING SERVICE**

Rate for Emergency Service

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

Penalty for Unauthorized Gas

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

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

**RATE SCHEDULE 106
SCHEDULE FOR LIMITING AND CURTAILING SERVICE**

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

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

Payment of Bills

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

Late Payment Charge

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

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

Applicability

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

Limitations on Intra-month Imbalances

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

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

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

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

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

Balancing On Upstream Pipeline(s)

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

Monthly Imbalance Resolution

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

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

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

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

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

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

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

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

Agency Authorization Form

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

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

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

Piedmont Natural Gas Company, Inc.

Rate Schedule 107

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

AGENCY AUTHORIZATION FORM

EFFECTIVE DATE _____

CUSTOMER _____

NAME OF FACILITY _____

ACCOUNT NUMBER(S) _____

AGENT _____

AGENT CONTACT _____

AGENT PHONE # _____

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

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

CUSTOMER AUTHORIZED SIGNATURE

AGENT AUTHORIZED SIGNATURE

Please Print:
AGENT'S NAME _____ TITLE _____

EMAIL _____ PHONE # _____

Piedmont Natural Gas Company, Inc. **Rate Schedule 107**

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

Please submit completed form to: GasCommercialOperations@duke-energy.com

Citygate Operations
Piedmont Natural Gas Company
P. O. Box 33068
Charlotte, NC 28233

**RATE SCHEDULE 108
NEGOTIATED SERVICE**

Applicability and Character of Service

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

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

Rate

The rate to be charged for gas Service pursuant to this Rate Schedule is subject to negotiation between the Customer and the Company.

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

**RATE SCHEDULE 113
LARGE GENERAL TRANSPORTATION SERVICE**

Availability

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

Upon commencement of Service under this Rate Schedule, any reclassification or change in quantity or character of Service to Customer shall be subject to the provisions of this Rate Schedule 113 and the procedures set forth in the Company’s Service Regulations.

Character of Service

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

Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all Services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule 103, “Large General Sales Service,” by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer firm sales Service under Rate Schedule 103, (b) the Company is able to acquire firm gas supplies and capacity necessary to provide Service under Rate Schedule 103 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company’s Service Regulations support such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide Service under Rate Schedule 103 effective the first June 1 following the notice.

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

The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company’s Operating Conditions.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, “Balancing, Cash-Out, and Agency Authorization.”

**RATE SCHEDULE 113
LARGE GENERAL TRANSPORTATION SERVICE**

Rates and Charges

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

Billing Demand

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

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

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

Volumetric Charges

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

**RATE SCHEDULE 114
LARGE GENERAL INTERRUPTIBLE TRANSPORTATION
SERVICE**

Availability

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

Upon commencement of Service under this Rate Schedule, any reclassification or change in quantity or character of Service to Customer shall be subject to the provisions of this Rate Schedule 114 and the procedures set forth in the Company's Service Regulations.

Character of Service

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

Once a qualified Customer is approved by the Company for Service under this Rate Schedule, all Services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue Service under this Rate Schedule and receive Service under Rate Schedule 104, "Large General Interruptible Sales Service," by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided (a) the Company continues to offer interruptible sales Service under Rate Schedule 104, (b) the Company is able to acquire gas supplies and capacity necessary to provide Service under Rate Schedule 104 under commercially reasonable terms and conditions, and (c) the analyses applicable to reclassifications or changes in Service set forth in the Company's Service Regulations supports such consent. If timely notice is received from Customer and consent is provided by Company, the Customer shall discontinue Service under this Rate Schedule and Company shall provide service under Rate Schedule 104 effective the first June 1 following the notice.

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

The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.

Customer at Risk in Case of Interruption or Curtailment of Service

Customers receiving Service under this Rate Schedule shall not be required to maintain alternate fuel capability; provided, however, that all business, operational, mechanical or other risks associated with the interruption or Curtailment of Service under this Rate Schedule shall be borne

**RATE SCHEDULE 114
LARGE GENERAL INTERRUPTIBLE TRANSPORTATION
SERVICE**

by Customer. Such interruption or Curtailment may be ordered by Company at any time and for any reason deemed necessary or appropriate by Company and is an inherent risk of Service under this Rate Schedule. Such interruption or curtailment shall be immediately effective upon verbal or written notification by the Company, and Customer shall refrain from using gas until permitted to do so by the Company. It is understood and agreed that the Company will have the right to suspend gas Service without further notice to the Customer in the event Customer fails to cease Customer's use of gas in accordance with the Company's notice of interruption or Curtailment.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

Rates and Charges

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

Volumetric Charges

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

**RATE SCHEDULE 142
NATURAL GAS VEHICLE FUEL INTERRUPTIBLE SALES
SERVICE**

Applicability and Character of Service

Gas Service under this Rate Schedule is available at Company-operated public stations to Customers seeking to obtain Gas for placement into the fuel tank of a motor vehicle. The nature of Service provided by Company to Customer under this Rate Schedule is interruptible sales Service.

Rates and Charges

The rates to be charged for Gas Service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates applicable to Service hereunder include a per therm charge designed to recover the costs associated with compression and related equipment necessary to provide this Service. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Highway Use Taxes

The rates to be charged for Service pursuant to this Rate Schedule do not include applicable federal, state and/or local road use or motor fuel taxes and fees. Such taxes and fees shall be added to Company's approved rates when calculating total Customer charges for Service under this Rate Schedule.

Payment of Bills

Bills for Service provided pursuant to this Rate Schedule shall be paid at the time of Service with a valid credit or debit card accepted by the Company.

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

**RATE SCHEDULE 143
EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE**

Availability

Gas Service under this Rate Schedule is available, on an experimental basis, in the area served by the Company in the State of North Carolina to all existing and qualified potential customers under Rate Schedules 101, 102, 103, 104, 113, 114, 152 and T-10 seeking to purchase or transport Natural Gas for use as a motor vehicle fuel. All requests for Service under this Rate Schedule shall be subject to application to and consent by the Company to such Service, as provided in the Company’s Service Regulations.

This Rate Schedule is experimental in nature and designed to (a) determine the relative need for sales/transportation service to meet the Natural Gas motor vehicle fuel needs of Customers qualified for and/or receiving service under the applicable rate schedules identified above, and (b) to determine whether Company’s existing facilities and structures can accommodate the provision of such Service. Company reserves the right, upon reasonable notice to the Commission, to suspend Service to new Customers under this Rate Schedule in the event further Service under this Rate Schedule would threaten, interfere with, or impede Piedmont’s ability to meet its other contractual obligations or efficiently operate its system and/or facilities.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule shall be commensurate with the nature of Service for which Customer is qualified under the applicable Rate Schedule identified above. Gas received under the provisions of this Rate Schedule shall be used for motor vehicle fuel purposes only.

All Gas delivered pursuant to this Rate Schedule shall be metered and billed by the Company separately from any Gas delivered to Customer under any other Rate Schedule and utilized for non-motor vehicle fuel purposes.

Service Interruption and Curtailment

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

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, “Balancing, Cash-Out, and Agency Authorization.”

Rates and Charges

The rates to be charged for Gas Service pursuant to this Rate Schedule shall be those rates and charges (and components thereof) applicable to the corresponding individual Rate Schedule under which Customer qualifies for Service. These rates and charges are set forth on the Company’s “Rates and Charges” tariff sheet and may be viewed at the Company’s Web Site at www.piedmontng.com. A copy of the “Rates and Charges” tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates applicable to Service hereunder may, to the extent such Service includes compression of Gas for utilization as a motor vehicle fuel, include a per therm compression charge designed to recover the costs

**RATE SCHEDULE 143
EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE**

associated with such compression and related equipment. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Payment of Bills

Bills for Service rendered pursuant to this Rate Schedule shall be due and payable as provided under the individual Rate Schedules identified above under which Customer is qualified for Service.

Applicable Documents Defining Obligations of the Company and Its Customers

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

Resale

Gas delivered to Customer under the provisions and authority of this Rate Schedule, except for Customers receiving Gas for motor vehicle fuel purposes under Rate Schedule 101, may be resold solely for use as a motor fuel.

Taxes

Customer shall be solely and exclusively responsible for the payment of any local, state, or federal road tax, motor fuel tax, or similar tax, fee, or charge attributable to or arising out of the utilization of Gas delivered hereunder as a motor vehicle fuel.

Treatment of Gas Quantities Received Pursuant to this Rate Schedule

All quantities of Gas delivered to Customer for use as a motor fuel pursuant to this Rate Schedule 143 during any Annual Review Period shall be aggregated with quantities of Gas received by Customer under any of the Rate Schedules identified above solely for the purpose of establishing Customer's eligibility for continued Service from Company as provided in Paragraphs 34 and 35 of Piedmont's Service Regulations.

**RATE SCHEDULE 144
EXPERIMENTAL MEDIUM GENERAL MOTOR FUEL
TRANSPORTATION SERVICE**

Availability

Gas Service under this Rate Schedule is available, on an experimental basis, in the area served by the Company in the State of North Carolina to qualifying Customers seeking to transport Natural Gas for use as a motor fuel. Customers qualifying for this Service shall be non-residential Customers seeking to utilize Gas for motor fuel purposes only whose actual or projected average daily usage under this Rate Schedule is equal to or greater than 20 dekatherms per day but less than 50 dekatherms per day. All requests for Service under this Rate Schedule shall be subject to application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

This Rate Schedule is experimental in nature and designed to (a) determine if there is a market/need for medium general transportation service by Company to Customers who intend to utilize Gas as a motor fuel, and (b) to determine whether Company's existing facilities and structures can accommodate the provision of such Service. Company reserves the right, upon reasonable notice to the Commission, to suspend Service to new Customers under this Rate Schedule in the event further Service under this Rate Schedule would threaten, interfere with, or impede Piedmont's ability to meet its other contractual obligations or efficiently operate its system and/or facilities. Absent such suspension by Piedmont, this Rate Schedule shall remain in effect for a period of two (2) years after which Service hereunder may continue to be provided subject to any proposal by Piedmont or any other interested party to terminate, extend, modify or adjust the provision of such Service.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule is firm Transportation Service. Gas redelivered under this Rate Schedule shall be used for motor vehicle fuel purposes only.

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

The Company will redeliver Gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's Operating Conditions.

Service Interruption and Curtailment

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

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, "Balancing, Cash-Out, and Agency Authorization."

Piedmont Natural Gas Company, Inc. **Rate Schedule 144**

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RATE SCHEDULE 144
EXPERIMENTAL MEDIUM GENERAL MOTOR FUEL
TRANSPORTATION SERVICE

Rates and Charges

The rates to be charged for Gas Service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. Rates applicable to Service hereunder, to the extent such Service includes compression of Gas for utilization as a motor vehicle fuel, may include a per therm compression charge designed to recover the costs associated with such compression and related equipment. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and available from the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission.

Volumetric Charges

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

Payment of Bills

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

Late Payment Charge

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

Resale

Gas delivered to Customer under this Rate Schedule may be resold solely for use as a motor vehicle fuel.

Taxes

Customer shall be solely and exclusively responsible for the payment of any local, state, or federal road tax, motor fuel tax, or similar tax, fee, or charge attributable to or arising out of the utilization of Gas delivered hereunder as a motor vehicle fuel.

**RATE SCHEDULE 152
MEDIUM GENERAL SALES SERVICE****Applicability and Character of Service**

Gas Service under this Rate Schedule is available in the area served by the Company in the State of North Carolina to any full requirements non-residential Customer whose average daily usage is equal to or greater than 20 dekatherms per day but less than 50 dekatherms per day, upon application to and consent by the Company to such Service, as provided in the Company's Service Regulations. Average daily gas usage will be based on the Customer's usage during the most recent calendar year ended on December 31 and adjusted for cycle length. Availability of this Rate Schedule for new Customers or for Customers without at least one full year of usage history will be based on reasonably anticipated usage.

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

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

Rates and Charges

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

Payment of Bills

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

Late Payment Charge

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

Service Interruption and Curtailment

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

**RATE SCHEDULE T-10
TRANSPORTATION SERVICE TO MILITARY INSTALLATIONS WITH
CONTRACT DEMAND IN EXCESS OF 5,000 DT PER DAY**

Availability

Gas Service under this Rate Schedule is available for the delivery from Company of natural gas on a firm basis by any military installation (Customer) having natural gas requirements in excess of 5,000 dekatherms per day located adjacent to Company’s mains or to whom Company will extend its mains upon application to and consent by the Company to such Service, as provided in the Company’s Service Regulations, and subject to the terms and conditions of this Rate Schedule.

Character of Service

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

All gas delivered pursuant to this Rate Schedule shall be metered by the Company separately from any gas delivered to or for Customer under any of the Company’s other rate schedules.

The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer’s account under this Rate Schedule in accordance with the Customer’s scheduled and confirmed nominations and subject to the Company’s Operating Conditions.

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 107, “Balancing, Cash-Out, and Agency Authorization.”

Rates and Charges

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

Minimum Bill

Customer shall pay the monthly Demand Charge multiplied by the maximum daily demand set forth in the Service Agreement, regardless of the quantity of gas transported under this Rate Schedule during such month.

Volumetric Charges

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

Delivery Obligation

The Service Agreement shall set forth a maximum quantity in dekatherms per hour and per day that Company is required to deliver to Customer, which quantities shall not exceed the maximum delivery obligation per hour and per day specified in Customer’s Service Agreement

**RATE SCHEDULE T-10
TRANSPORTATION SERVICE TO MILITARY INSTALLATIONS WITH
CONTRACT DEMAND IN EXCESS OF 5,000 DT PER DAY**

with the Company. Consumption in violation of this provision shall be subject to the Unauthorized Gas penalty provision of Rate Schedule 106.

Service Interruption and Curtailment

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

Payment of Bills

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

Late Payment Charge

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

Applicable Documents Defining Obligations of the Company and Its Customers

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

EXHIBIT H

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

1. Foreword. Piedmont Natural Gas Company, Inc. is a natural gas distribution company and is engaged in the business of selling and transporting natural gas for various Customers. The purpose of these Service Regulations is to set forth the respective obligations of the Company and its North Carolina Customers. These Service Regulations, as well as the Company's approved Tariffs and Rate Schedules, apply to all Service rendered by the Company.

2. Definitions. As used in these Service Regulations, the following terms shall have the meanings assigned below:

- (a) "Applicant" shall mean any person, firm, association, partnership, joint venture, limited liability company, or corporation, or any agency of the Federal, State or local government applying for gas service from the Company.
- (b) "Bill Cycle Month" shall mean the period from a Customer's current meter read date to their previous meter read date.
- (c) "British Thermal Unit" (Btu) shall mean the quantity of heat necessary to raise the temperature of one (1) pound of water one (1) degree Fahrenheit from 58.5 to 59.5 degrees Fahrenheit under standard pressure of 30 inches of mercury at or near its point of maximum density.
- (d) "City Gate" shall mean the outlet side of the interstate pipeline meter that connects to the Company's system.
- (e) "Commission" shall mean the North Carolina Utilities Commission or any subsequent state administrative agency, which regulates gas utilities operating within the State of North Carolina.
- (f) "Commission Rules" shall mean the Rules and Regulations of the Commission.
- (g) "Company" shall mean Piedmont Natural Gas Company, Inc.
- (h) "Cubic Foot of Gas" is the volume of gas which occupies one (1) cubic foot at a temperature of 60 degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute (psia), except that when gas is delivered at a pressure normally used for residential appliances, a cubic foot of gas shall be deemed to be that quantity of gas which, at the temperature and pressure existing in the meter, occupies one (1) cubic foot. The Cubic Foot of Gas is the basic measurement unit used by the Company.

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

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- (i) "Curtailed" or "Interruption" is the interruption or cessation of gas service as permitted by the Commission rules and the terms of the Company's Rate Schedules, Special Contracts, or Service Regulations.
- (j) "Customer" shall mean any person, firm, association, partnership, joint venture, limited liability company, or corporation, or any agency of the Federal, State or local government receiving Service at a Premises and through a single Gas Service Line from the Company. In the case of Service rendered in accordance with Chapter 24 of the Commission's Rules and Regulations, the term Customer shall include Providers as defined in Rule R24-2(d).
- (k) "Customer's Agent" shall mean a person or other entity authorized to act for or on behalf of a Customer.
- (l) "Cycle Month" is a period beginning on a gas Day, at the point of delivery on the first Day of the calendar month and ending at the aforesaid time on the first Day of the succeeding calendar month.
- (m) "Day" is a period of 24 consecutive hours as defined in the FERC Gas Tariff of Transcontinental Gas Pipe Line Corporation, or its successor.
- (n) "Dekatherm" is the basic energy unit purchased by the Company and shall mean the unit of energy equivalent to 1,000,000 Btus.
- (o) "Force Majeure" shall mean acts of God, extreme weather conditions, strikes, lockouts, or other industrial disturbances, acts of the public enemy or terrorists, war, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, arrests and restraints of governments and people, the order of any court or government authority having jurisdiction while the same is in force and effect, civil disturbances, explosions, act of sabotage or terrorism, breakages or freezing of or accidents or damage to wells, machinery, lines of pipe or the Company's other facilities (including, without limitation, Mains, Gas Service Lines, Service Facilities, Meter Assemblies, LNG facilities, and compression equipment), National Weather Service warnings or advisories, whether official or unofficial, that result in the evacuation of facilities, partial or complete curtailment of deliveries to the Company by its suppliers, reduction in gas pressure by its suppliers, inability to obtain or unavoidable delay in obtaining rights-of-way or permits or materials, equipment or supplies for use in the Company's facilities, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Company and which by the exercise of due diligence the Company is unable to prevent

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or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Company, and that the Company shall not be required to settle strikes or lockouts when such course is inadvisable in the discretion of the Company.

- (p) “Gas” or “Natural Gas” shall mean processed or unprocessed natural gas, vaporized liquid natural gas, synthetic gas, gas from coal seams or any mixture of these gases.
- (q) “Gas Service Line(s)” shall mean the pipe or pipes that run between a Main or a pipe and a Customer’s Meter. As determined by and in the Company’s discretion, more than one Gas Service Line may be connected in order to deliver service to multiple Customer Meters from a single Main connection.
- (r) “Main” shall mean a gas pipe, owned, operated or maintained by the Company, which is used for the purpose of transmission or distribution of gas, but does not include Gas Service Line.
- (s) “Margin” for curtailment purposes, shall mean the filed tariff rate per unit of gas or negotiated rate per unit of gas for a Customer, less the per unit cost of gas, where applicable, as determined in the Company’s last general rate case or Purchased Gas Adjustment Procedure, adjusted for any Commission approved temporary decrements or increments in the filed tariff rate.
- (t) “Meter”, without other qualification, shall mean any device, or instrument which is used by the Company in measuring a quantity of gas.
- (u) “Meter Assembly” shall mean Company’s meters, regulator, piping, valves, vents, relief valves, gauges and/or other apparatus required to meter and control the flow and/or pressure of gas.
- (v) “Operating Conditions” shall mean the prevailing conditions on the Company’s system as they relate to conditions under which Piedmont is providing or attempting to provide service, including the impact of any modifications, tests or scheduled or unscheduled repairs to the Company's distribution system, which in the Company’s discretion are necessary or appropriate to maintain the integrity of the Company's distribution system or to provide for the safety of the Company or the public.
- (w) “Operational Order” shall mean an order by Company’s dispatcher, or other Company representative acting on behalf of Company’s dispatcher, to limit, modify, curtail or interrupt the use of Natural Gas as required or permitted by the Commission Rules and the Company’s Service Regulations, Special Contracts, and Rate Schedules.

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- (x) “Premises” shall mean a single contiguous piece of land or real estate, including buildings and other appurtenances thereon.
- (y) “Rate Schedules” shall mean the Company’s various rate schedules approved by and on file with the Commission, as the same may be changed or amended from time to time.
- (z) “Service(s)” shall mean any sales, Transportation, redelivery or other service provided by the Company to a Customer pursuant to the provisions of the Company’s filed and approved Rate Schedules, Special Contracts, or Service Regulations.
- (aa) “Service Facilities” are all Natural Gas delivery equipment and gas service piping to a Customer’s Meter that the Company considers necessary to safely serve the Customer’s connected gas equipment.
- (bb) “Service Regulations” shall mean the Company’s Service Regulations approved by and on file with the Commission as the same may be changed or amended from time to time.
- (cc) “Special Contract” shall mean any contract for Services entered into between the Company and a Customer that provides for rates, terms or conditions of service that vary from those set forth in the Company’s tariffs, Rate Schedules or Service Regulations.
- (dd) “Transportation” shall mean the receipt of Natural Gas supplies that have been delivered by or on behalf of the Customer to the Company’s City Gate and the redelivery of such Natural Gas supplies to the Customer’s Premises.
- (ee) “Unauthorized Gas” shall have the meaning set forth in Rate Schedule 106.

3. Applicable Documents Defining Obligations of the Company and its Customers. The obligations of the Company to provide Service and the obligations of the Customer upon receipt of Service are governed by and set forth in (a) applicable statutes, including those set forth in Chapter 62 of the North Carolina General Statutes, (b) applicable Commission Rules, (c) applicable tariffs or Rate Schedule(s), (d) these Service Regulations, (e) any application, agreement, Special Contract, or similar document executed by Customer and approved, as necessary, by the Commission pertaining to such service, and (f) any standard operating procedures of the Company reasonably necessary for the provision of such Service and administered on a nondiscriminatory basis. Copies of Chapter 62 of the General Statutes, applicable Commission Rules, Rate Schedules, and these Service Regulations are available from the Company for public inspection, as are

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copies of forms of applications, agreements, and other documents approved by the Commission. A copy of the Commission's Rules may also be obtained from the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina, 27699-4300, upon payment of the applicable fee or at the Commission's Web Site at www.ncuc.net. Unofficial copies of the Company's Rate Schedules and Service Regulations are also available at the Company's Web Site at www.piedmontng.com. The Company shall provide all new non-residential Customers with a copy of the applicable Rate Schedule(s) and written application for Service and/or other documents executed by the Company and the Customer pertaining to such Service. After a Customer has executed a written application and/or contract, no promise, statement or representation by an employee or agent of the Company or by any other person inconsistent with the written application and/or contract shall bind the Company to provide Service or to change the terms and conditions upon which Service will be rendered unless the same is in writing and is executed by an authorized representative of the Company. In the event there is a conflict between these Service Regulations and the provisions of the applicable currently effective Rate Schedule, the provisions of the Rate Schedule shall govern. The Commission Rules shall govern in the event of a conflict with these Service Regulations. The Company may not make any representation that conflicts with Commission Rules, its Rate Schedules or these Service Regulations.

4. Applicable Documents Subject to Change. All of the documents defining the obligations of the Company to provide Service and the obligations of the Customer upon the receipt of Service are subject to change from time to time upon order of or approval by the Commission and by other duly constituted governmental authorities. The Company does not undertake to advise any Customer of any such change except as may be required by the Commission or other duly constituted governmental authority.

5. Delivery Pressure. The Company will provide to Residential Customers a delivery pressure of either 7 inches water column (approximately ¼ pounds per square inch, gauge (psig)) or 2 psig. Small, Medium and Large General Customers can be provided a delivery pressure of up to 5 psig. The Company will consider providing delivery pressures greater than 5 psig on a case-by-case basis provided (1) it receives a request in writing, and (2) greater pressures are justified by requirements of Customer's Gas burning equipment or compression equipment. Approval will be conditioned on the Company's distribution system pressure availability and documentation supporting the need for a delivery pressure greater than 5 psig. Exceptions are subject to the approval of the Company.

6. Non-Waiver. The failure of the Company to enforce any provision of any applicable documents defining the obligations of the Company and its Customers shall not be deemed to be a continuing waiver of such provisions for any Customer or a waiver of any other provision of any of the applicable documents.

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7. Process for Obtaining Consent to New or Changed Service. All Customers shall be required to make application to the Company for new or changed Service under any of the Company’s Rate Schedules in such form and manner as may reasonably be required by the Company. Such applications shall be required in order to initiate Service under any Rate Schedule irrespective of whether Customer is then receiving service under any other Company Rate Schedule and for changes in the quantity of Service to be provided under an existing Rate Schedule. At a minimum, such application shall set forth the date of the application, the name of the Applicant, the location of the Premises for which Service is requested, the type of Service applied for and estimated Gas consumption. Prior to being obligated to provide Service to Customer pursuant to such application, Company shall conduct an examination and review of Customer’s application for Service to determine: (1) that the Company has the operational ability to provide the Service requested, including the requisite upstream supply and/or capacity assets; (2) that the requested Service will not impede or interfere with the Company’s ability to maintain Service to existing Customers with the same or a higher priority of service; (3) that provision of the requested Service will not have a materially adverse impact on the Company’s ability to recover its approved margin; (4) that provision of the requested Service is economically feasible; and (5) that Customer is creditworthy as determined in accordance with the Commission’s Rules and the Company’s procedures. Provided that the Company’s review and analysis indicates that Service can be provided as requested, the Company will then approve the requested Service. Company shall have no obligation to provide the requested Service absent such approval.

When the requested Service is to be provided to a Residential, Small or Medium General Service Customer, and the provision of such Service is economically feasible, the application and the Company’s acceptance thereof may be oral at the Company’s option. In such event, the Company’s applicable Rate Schedules and these Service Regulations shall become effective and applicable to any Service rendered to such Applicant in the same manner as if the Company’s standard written form of application for Service had been signed by the Applicant and accepted by the Company. Upon the provision of Service by the Company to such Customer, such oral service agreement shall be presumed to exist in any case where there is no written application accepted in writing by the Company.

In the event a Customer receiving Service under the Company’s Large General sales Rate Schedules anticipates a reduction in its Gas consumption, it shall provide prompt notice thereof to Company.

8. Gas Quality and WAIVER OF WARRANTIES. All Gas delivered by the Company originates from upstream sources of supply over which the Company has no control. The quality requirements associated with such Gas are, for traditional sources of geologic natural gas, matters under the exclusive jurisdiction of the Federal Energy Regulatory Commission and, for non-geologic Alternative Gas, matters governed by Appendix F hereto. As such, the Company shall have no liability to Customer or to any third-party

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recipient of Gas (in cases of Customer resales of Gas) for damages of any kind related to or arising from the quality or constituent characteristics of Gas delivered or sold to Customer. **ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE THAT MIGHT OTHERWISE ATTACH OR BE APPLICABLE TO THE SALE OF GAS FOR RESELL IS HEREBYDISCLAIMED AND WAIVED.** Company shall further have no responsibility to process, condition or otherwise modify Gas delivered to its system for Transportation or sale to Customers. It is Customer's (and any third-party recipient's) sole responsibility to install, adjust, maintain, and operate their Gas burning equipment in a manner consistent with the prevailing quality of Gas delivered to the Company.

9. Non-Assignability of Right to Service. Any rights which accrue to the Customer under any of the applicable documents defining the obligations of the Company and its Customers are personal to Customer and may not be transferred or assigned without the written consent of the Company.

10. Vacated Premises. The Customer will notify the Company before quitting or vacating the Premises served and will pay, upon presentation, all bills due the Company for Service at the Premises. In the absence of the notice required by this paragraph, Customer shall remain fully liable for all Gas usage at the Premises on a continuing basis.

11. Right-of-Way. The Customer shall at all times furnish the Company a satisfactory and lawful right-of-way, at no cost to the Company, onto the Customer's Premises for the installation or servicing of Mains, Gas Service Lines, Meter Assemblies and other apparatus or Service Facilities necessary or incidental to the furnishing of Service to the Customer. The obligation of the Company to supply Service is dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises or permits, for the delivery of such Service, and the Company shall not be liable to the Customer for any failure to deliver Service because of the Company's inability to secure or retain such rights-of-way, privileges, franchises or permits.

12. Access to Customer's Premises. The Company shall at all reasonable times have the right of ingress to and egress from the Premises of the Customer for any and all purposes connected with the delivery or termination of Service. The Company shall have the right, at its option and at its own expense, to place demand meters, pressure gauges, or other instruments on the Premises of the Customer for billing, testing, or other purposes with respect to the Customer's Service.

If a condition exists on a Premises, which in the Company's opinion is dangerous to Company employees or facilities and/or prevents normal access to the Company's facilities, including Meters, the Company may at its sole option and at the sole expense of the Customer remove or relocate its Service Facilities, Meter Assemblies and accessory equipment.

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13. Installation and Maintenance of Facilities. The Company will install and maintain the necessary Mains, Gas Service Lines, Service Facilities, valves, regulators, Meter Assemblies, over-pressure devices, indexes, gauges, and/or other equipment or facilities required to provide Service. All facilities from the point of connection at the outlet of the Meter Assembly shall be owned, installed and maintained by and at the expense of the Customer. Notwithstanding the foregoing two sentences, Company and Customer may agree that the Company will construct compression and/or metering equipment required for utilization of Gas as a motor vehicle fuel and that such facilities shall remain the property of Company even if some or all such facilities are downstream of Customer’s Meter Assembly. The method of recovery of the costs of such additional facilities shall be agreed upon by the Company and Customer. The Company may specify the content and pressure of the Gas to be furnished, the location of the Meter and the point where the service connection shall be made. The Company’s obligation to install all such equipment and facilities, and to otherwise provide Service to Customer, shall be subject to Company’s prior consent obtained through the processes set forth in paragraph 7 of these Service Regulations. Nothing in this section or any other provision of these Service Regulations shall prevent Customer, at its own expense, from constructing compression and/or metering equipment required for utilization of Gas as a motor vehicle fuel, provided that Customer complies with all other provisions of these Service Regulations and Company’s Rate Schedules applicable to the utilization of Gas as a motor vehicle fuel.

For residential Customers, a presumption of the feasibility of providing new Service shall exist, and the connection of facilities needed to provide Service will be at no cost to the residential Customer, if (1) at a minimum, the Customer will be installing central gas primary heating, (2) the Gas Service Line extends along the route selected by the Company, (3) a Company distribution Main borders the Customer’s Premises and (4) the Gas Service Line is no more than 100 feet in length. In the event that the above conditions are not met for new residential Customers, and in all cases of applications for changed residential Service or new or changed Service under non-residential Rate Schedules, the Service to be rendered to the Customer must provide a reasonable return to the Company. If the Customer wishes the facilities to be constructed along a route other than the route selected by the Company and/or if the Gas Service Line is more than 100 feet (for residential Customers) and/or the Service to be rendered to the Customer will not produce a reasonable return to the Company, the Company may require the Customer to pay the excess cost of constructing the facilities along the alternate route or in excess of 100 feet, provide a minimum margin commitment for Service to be rendered through the facilities, and/or to make a contribution which will permit the Company to earn a reasonable return on the facilities needed to provide Service.

14. Relocation of Facilities and Placement of Excess Flow Valves.

- (a) After a Service connection has been made, it may be relocated on the Customer’s Premises by the Company upon request of the Customer. The

Customer must agree to change the location of the right-of-way and to bear the expense of the relocation, except to the extent such expense is offset by any additional load gained in connection with such relocation, as reasonably determined by Company. The relocation will not be made where it will interfere with or jeopardize the Company’s Service either to the Customer desiring the change or to any other Customer(s). All rights of the Company incidental to the original location shall apply to the new location.

- (b) Customer has the right to request the placement of an Excess Flow Valve (“EFV”) on any Gas Service Line that does not already have such a valve installed. Company shall work with the Customer to reasonably determine the date of such installation. The installation will not be made where it will interfere with or jeopardize the Company’s Service either to the Customer desiring the installation or to any other Customer(s). As a precondition to installation of an EFV, Customer shall be required to enter into a written agreement with Company reflecting the terms of such installation and assuming responsibility for all of the actual costs of such installation. Company shall be entitled to collect a deposit on such costs prior to initiating installation of the EFV in the amount of the estimated cost of installation.

15. Title to the Facilities. The title to all facilities including Mains, Service Facilities, Gas Service Lines, Meters and accessory equipment up to and including the outlet of the Meter Assembly, and any additional Company owned facilities for the compression or metering of Gas as a motor vehicle fuel downstream of the Meter Assembly, shall be vested in the Company, notwithstanding any charge which may be made to the Customer or payment made by the Customer for placement or relocation thereof.

16. Responsibility Beyond Delivery Point.

- (a) All piping and equipment installed by or on behalf of the Customer must be installed and maintained in accordance with the requirements of the local, county, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the outlet side of the Meter.
- (b) If the Customer’s equipment might create either a vacuum or a backpressure, a device must be installed and maintained by the Customer to protect the Company’s facilities.
- (c) Company shall not be responsible for equipment failures or malfunctions attributable to the Customer’s or third-party recipient’s failure to install or operate equipment appropriate for the Service provided by the Company

including but not limited to the pressure and chemical composition of Gas delivered to Customer.

- (d) The Company’s responsibility is to deliver Gas to the Customer at the outlet side of the Meter Assembly serving Customer in accordance with the applicable documents defining the obligations of the Company and its Customers. The Company is not responsible for the installation or maintenance of any pipes, facilities, gas using equipment or any other property beyond the point of delivery to the Customer, except for any compression and/or metering equipment for the utilization of Gas as a motor vehicle fuel over which Company maintains ownership. As between the Company and the Customer, the installation, maintenance and use of any pipes, facilities, gas using equipment or any other property beyond the outlet side of the Meter Assembly other than that owned by Company is the sole responsibility of the Customer.

17. Interference with Company Property. The Customer shall not tamper, interfere with or alter the Company's Meters or other property or permit the same to be done by any person other than the Company’s authorized agents or employees. Damages caused or permitted by the Customer to said property shall be paid for by the Customer. North Carolina law makes it unlawful to alter, tamper with or by-pass a Gas Meter. This law provides for fines and/or imprisonment at the discretion of the court for this offense. In addition, this statute provides for recovery in a civil action by the Company for losses and damages sustained.

18. Excavation in Proximity of Company’s Facilities. The Customer shall inform the Company of planned excavation activities in the proximity of the Company’s facilities by calling 811 at least 48 business hours in advance of the planned excavation activities. The Customer will notify the Company prior to any additions or changes at the Customer’s Premises which will extend over, under, or in close proximity to the Company’s facilities, Mains, Meters, Gas Service Lines or Service Facilities.

19. Prohibition Against Resale of Gas. Gas is sold and/or delivered upon the express condition that the Customer shall not directly or indirectly sell or resell, assign, deliver, or otherwise dispose of Gas, or any part thereof, to any person, firm, or corporation, except where (i) Service is provided under a Rate Schedule specifically providing for resale or (ii) is permitted pursuant to Chapter 24 of the Commission’s Rules and Regulations.

20. No Liability for Curtailment/Interruption of Service or Damages. In the event of a Curtailment or Interruption of Service, regardless of cause, the Company shall use all reasonable diligence to remove the cause or causes thereof, but the Company shall not be liable for any loss or damage resulting directly or indirectly from such Curtailment or interruption. In the event of a resale of Gas by Customer, Company shall not be liable to

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Customer or to any third-party with respect to damage to persons, property, or business interests arising from or attributable to the resale and/or utilization of Gas delivered to Customer except to the extent such damage is the direct, proximate, and sole result of Company's gross negligence or intentional wrongful conduct. Company shall not be responsible for the utilization of Gas by Customer or third-parties beyond its facilities.

21. Action to Maintain System Integrity. When the Company, in its sole discretion, determines that it is necessary to modify, curtail or interrupt service to maintain the integrity of its distribution or transmission system, to provide for its or the public's safety, or otherwise when Operating Conditions are such that the Company deems such action to be necessary, the Company shall have the right to limit, modify, curtail or interrupt Service to any Customer through the issuance of an Operational Order. The Company shall not be liable for any loss or damage resulting from such Curtailment or Interruption of Service. Violation of such Operational Orders by any Customer shall subject such Customer to disconnection and/or financial penalties as provided in Rate Schedule 106.

22. Discontinuance of Service. The Company, subject to the Commission Rules, shall have the right to modify, suspend or discontinue its Service for (a) repairs or other necessary work on its Mains or systems, (b) nonpayment of bills in accordance with Rules R6-16, R12-8 and R12-10 of the Commission Rules, as the same may be amended from time to time, and (c) for any of the following reasons:

- (a) For any material misrepresentation as to the identity of the Customer making the application for Service.
- (b) For a material violation by the Customer of any terms or conditions of the documents that are approved by the Commission defining the obligations of the Company to provide Service and the obligations of the Customer upon the receipt of Service.
- (c) For the reason that the Customer's use of the Company's Service is detrimental to the service of other Customers. This may cover a Customer's failure, directly or indirectly, to deliver Gas to the Company or the violation by the Custom of an Operational Order.
- (d) For the reason that the Customer's use of the Company's Service conflicts with or violates orders, ordinances or laws of the State of North Carolina, or any subdivision thereof, or of the Commission or of any other governmental agency having jurisdiction over the Company or the Customer.

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- (e) For the reason that piping, equipment, appliances or devices are installed or in use on the Customer’s Premises, which permit the Gas to be used without passing through the Company’s Meter, or which prevent, or interfere with the accurate measuring of the Gas by the Company’s Meter.
- (f) For failure of the Customer to make, restore, or increase his deposit as required.
- (g) In the event of any condition determined by the Company to be hazardous.
- (h) In the event of tampering with the facilities and/or equipment installed and owned by the Company.
- (i) In the event of Operating Conditions or events of Force Majeure.

Where the Service has been discontinued for any reason except for the failure to pay for repairs or other necessary work by the Company, the Company shall have the right to refuse Service at the same Premises where there is clear, documented evidence of action taken by the Applicant with the intent to evade payment for utility Services. The Company may require reasonable proof of identity of the Applicant as a condition to providing Service.

23. Removal of Equipment. In the event of discontinuation of Service, the Company may enter the Premises of the Customer at any reasonable time and remove the Company’s Meters, apparatus, appliances, fixtures or other property.

24. Non-Waiver of Default. Any delay or omission on the part of the Company in exercising its right to discontinue or suspend Service, or the acceptance of a part of any amount due, shall not be deemed a waiver by the Company of such right so long as any default in whole or in part or breach of contract on the part of the Customer shall continue, and whenever and as often as any default or breach of contract shall occur.

25. Establishment of Credit by Customer. The Company may require an Applicant for Service, or any existing Customer, to satisfactorily establish credit in accordance with the provisions of Rule R12-2 of the Commission Rules or to reestablish credit in accordance with the provisions of Rule R12-3 of the Commission Rules as the same may be amended from time to time. Applicants for new or changed service may be required to provide standard credit information at the request of Company in connection with the establishment or continuation of Service and to evidence continued creditworthiness for continuation of service in accordance with the Company’s procedures.

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26. Deposits. The Company may require a cash deposit prior to establishing, reestablishing, or continuing existing Service as one way for the Customer to establish credit in accordance with the provisions of Chapter 12 of the Commission Rules as the same may be amended from time to time.

27. Billing Procedure.

- (a) Meters will be read and bills rendered monthly for each Customer account on a cycle basis of approximately thirty (30) days. All bills are due and payable when rendered and become past due after twenty-five (25) days in the case of residential Customers and fifteen (15) days in the case of Customers other than residential, from the date the bill is rendered.
- (b) The Company shall measure all Gas in cubic feet and convert the volume of Gas measured to therms or dekatherms, as applicable, for billing purposes by multiplying such volume by the BTU factor. The BTU factor shall be based on the weighted average BTU content of Gas entering Piedmont's eastern and western system, as applicable, for the days of Customer's billing cycle.
- (c) A late payment charge of one percent (1%) per month will be applied to all Customer's balances not paid prior to the next month's billing date.
- (d) The Company will deliver to the Customer a monthly bill of the amount due to the Company by mailing said bill by first-class mail to the mailing address furnished by the Customer or, at the Customer's election with Company agreement, by sending the bill electronically by way of computer internet connection. As long as the Company has placed the bill in the mail or sent the bill electronically on or before the billing date, a Customer's failure to receive a bill will not entitle the Customer to any extension of time for payment beyond the past due date. For Customers that elect, with the consent of the Company, to receive their bills electronically, notices regarding rate or Service changes, account status, or other notices typically provided with written bills, shall also be provided electronically.
- (e) The Company may, in its discretion and upon reasonable terms, accept major credit cards as payment of the monthly bill.
- (f) Where a Meter for any reason is not read at the regular reading date, the Company may estimate the amount of Service used by referring to the Customer's history of consumption for a similar prior period. To the extent practicable, the Company will avoid sending a Customer two successive estimated bills; however, in cases of Force Majeure, including actions or inaction rendering the Meter unreadable, bill estimates may be permitted for two successive billing periods, or greater. The Company will bill the

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Customer on the basis of the estimated use and will make any necessary adjustments when the Meter is next read.

- (g) No claim or demand which the Customer may have against the Company shall be offset or counter-claimed against the payment of any sum of money due the

Company by the Customer for Services rendered, and all such sums shall be paid in accordance with the applicable documents defining the obligations of the Company and the Customer regardless of such claim or demand.

- (h) Monthly charges will not be prorated and will be assessed in full for provision of Gas Service during a partial billing period, except that if an initial bill covers 5 or fewer days of a billing period, no monthly charge will be assessed.
- (i) Customers shall not be entitled to aggregate usage from different Premises or Customer accounts for billing or any other purposes.
- (j) Customers who elect, with the consent of Company, to receive their bills electronically, shall also receive initial notices of disconnection of Service for nonpayment through electronic means as part of their regular bill, as anticipated by Commission Rule R12-10.

28. Adjustment of Bills Due to Failure or Inaccuracy of Meter. Bills which are incorrect due to meter or billing errors will be adjusted as provided in Rule R6-15 of the Commission Rules as the same may be amended from time to time.

Transportation Customers requiring adjustment to their bills for Meter failure or inaccuracy shall be adjusted in accordance with Rule R6-15 except for the commodity portion which will be cashed out in accordance with Rate Schedule 107.

29. Returned Check Charge. Where the Customer makes payment for Service by check which is not honored or paid by the bank, full payment will immediately be due and payable, and a Commission-approved handling charge will be added.

30. Curtailement Priority. It is contemplated that the Company will from time to time find it necessary to curtail or interrupt Gas Service to those Customers who purchase Gas from the Company under interruptible Rate Schedules. In addition, other factors beyond the control of the Company may make Curtailment or Interruption of any Customer necessary. In all such events, to the extent practicable, and in the absence of a Commission directive requiring a different curtailment priority, the Company will curtail Customers based on the priorities established in Commission Rule R6-19.2.

31. Reconnection Fees. When Service has been discontinued at the request of the Customer or the Customer's Agent or for nonpayment of bills or pursuant to Section 22

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of these Service Regulations, and if reconnection is requested by the same Customer or the Customer’s Agent at the same Premises, the Commission-approved Reconnection Fees will be charged.

32. Applicable Rate Schedules. The Company will at all times have current Rate Schedules on file with the Commission. The rates contained in these Rate Schedules are subject to change from time to time as permitted by the North Carolina Purchased Gas Adjustment Procedure attached hereto as Appendix A, the Margin Decoupling Mechanism attached hereto as Appendix C, the Integrity Management Rider Mechanism attached hereto as Appendix E, and/or any lawful order of the Commission. The rates approved by and on file with the Commission shall prevail in the event of conflict with rates posted on the Company’s website.

33. Equal Payment Plan. The Equal Payment Plan (“EPP” or “Plan”) is available to customers receiving service under Rate Schedules 101, 102 and 152. The availability and conditions of the Plan are attached hereto as Appendix D.

34. Small and Medium General Rate Service Classification. Small and Medium General Rate Service Classification under the Company’s Rate Schedules 102 and 152 shall be based on the following criteria:

- A. Definitions: As used in Small and Medium General Rate Service Classification, the following terms shall have the meanings assigned below:
 - (1) “Annual Review Period” shall mean the twelve (12) months ended on December 31 of each year.
 - (2) “Actual Annual Usage” shall mean the actual Natural Gas volumes consumed by the Customer during the Annual Review Period as reflected on the Company’s invoices for the Customer.
 - (3) “Average Dekatherm per Day” shall be the Customer’s Actual Annual Usage divided by the number of Service Days within the Annual Review Period.
 - (4) “Classification Usage” shall mean the usage criteria that establishes the minimum and/or maximum average daily usage that must be maintained in order to receive Service under a Rate Schedule. The classification usage for Rate Schedule 102 shall be less than an average of 20 Dekatherms per day. The classification usage for Rate Schedule 152 shall equal or exceed an average of 20 Dekatherms per day but be less than an average of 50 Dekatherms per day.

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- (5) “Involuntary Curtailment Days” shall mean those days or portions of days in a given Annual Review Period where Curtailment of the Customer’s Natural Gas Service was imposed by the Company’s decision to curtail.
- (6) “Service Days” shall mean 365 days less the number of Involuntary Curtailment Days.

B. Procedures:

(1) During January and February of each year, the Company will determine for each Customer served under Rate Schedule 102 and Rate Schedule 152 that Customer’s Average Dekatherm per Day usage for each of the two most recent Annual Review Periods.

(2) Those Customers currently receiving Service under Rate Schedule 102 whose usage in each of the most recent two (2) Annual Review Periods is equal to or exceeds 20 Dekatherms a day, will be eligible for transfer to Rate Schedule 152.

(3) Those Customers currently receiving Service under Rate Schedule 152 whose usage in each of the most recent two (2) Annual Review Periods is less than 20 Dekatherms a day, will be eligible for transfer to Rate Schedule 102.

(4) Those Customers currently receiving Service under Rate Schedule 102 or 152 whose usage in each of the two (2) most recent Annual Review Periods is equal to or greater than 110% of 50 Dekatherms per day will be eligible for transfer to Rate Schedule 103, 104, 113, or 114, as applicable.

(5) All changes in rate classification under this section shall be subject to Company consent as provided under Section 7 of these Service Regulations. All changes in rate classification under this section shall be effective on the first day of June following the review. The Company shall not be liable for any loss or damage resulting from a change in rate classification.

(6) Customers who are reclassified shall be notified of the change in Rate Schedule, and receive a copy of the tariff sheets applicable to the Customer’s old and new Rate Schedules at least 21 days prior to the effective date of the change.

C. Exceptions: If a Customer currently being billed under Rate Schedule 102 adds Natural Gas equipment that increases the Customer’s Average Dekatherms per Day to the point where the Customer will qualify for Rate Schedules 152, 103 or 104, the Company may, upon notification from the Customer and subject to

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installation verification by the Company, transfer the Customer to the new Rate Schedule prior to June 1 of that year.

35. Large General Rate Service Classification. Large General Rate Service classification under the Company’s Rate Schedules 103, 104, 113 and 114 shall be based on the following criteria:

A. Definitions: As used in Large General Rate Service Classification, the following terms shall have the meanings assigned below:

- (1) “Actual Annual Usage” shall mean the actual Natural Gas volumes sold or transported for the Customer by the Company as reflected on the Company’s bills for that Customer.
- (2) “Annual Review Period” shall mean the twelve (12) months ended on December 31 of each year.
- (3) “Average Dekatherm per Day” shall mean the Actual Annual Usage of a Customer divided by the number of Service Days within the Annual Review Period.
- (4) “Classification Usage” shall mean the usage criteria that establishes the minimum and/or maximum average usage that must be maintained in order to receive service under any rate schedule. For existing Customers, the classification usage for Rate Schedule 102 and 152 shall not exceed an average usage of 50 Dekatherms per day. For existing Customers, the classification usage for Rate Schedules 103, 104, 113 and 114 shall exceed an average usage of 50 Dekatherms per day.
- (5) “Involuntary Curtailment Days” shall mean those days or portions of days in a given Annual Review Period where curtailment of the Customer’s Natural Gas Service was imposed by the Company’s decision to curtail.
- (6) “Service Days” shall mean 365 days less the sum of the number of Involuntary Curtailment Days and the number of days that Customer consumed an alternative fuel to Natural Gas.

B. Procedures:

(1) During January and February of each year, the Company will determine for each Customer served under Rate Schedules 103, 104, 113 and 114 the Customer’s Average Dekatherm per Day usage for each of the two (2) most recent Annual Review Periods.

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- (2) A Rate Schedule 102 or 152 Customer whose usage is equal to or greater than 110% of the 50 Dekatherms threshold in the two most recent Review periods will be eligible for transfer to Rate Schedule 103, 104, 113 or 114, as applicable. A Rate Schedule 103, 104, 113 or 114 Customer whose usage is equal to or less than 90% of the 50 Dekatherms threshold in both of the two (2) most recent Annual Review Periods will be eligible for transfer to the appropriate Small or Medium General Service Rate Schedule. Customers receiving Service under Rate Schedules 103 or 104 shall be eligible to elect Transportation service to be effective with the rate reclassification.
- (3) All changes in rate classification under this section shall be subject to Company consent as provided under Section 7 of these Service Regulations. All changes in rate classification under this section shall be effective on the first day of June following the review. The Company shall not be liable for any loss or damage resulting from a change in rate classification, including any loss resulting from the purchase of gas by a Transportation Customer who has been reclassified to a sales Rate Schedule.
- (4) Customers who are reclassified shall be notified of the change in Rate Schedule, and receive a copy of the tariff sheets applicable to the Customer's old and new Rate Schedules at least 21 days prior to the effective date of the change.
- C. Exceptions: If a Customer adds or retires a major piece of gas-burning equipment, changes the hours of operations or otherwise materially alters the Customer's business that will clearly increase, or decrease, the Customer's consumption on an ongoing basis to a level that will change the Customer's ability to qualify for a particular Rate Schedule, the Customer shall report such changes to the Company and afford the Company an opportunity to inspect the change in equipment and to meet with the Customer to review and discuss the anticipated future level of consumption. If, after such inspection and meeting, the Company is satisfied that reclassification is appropriate, utilizing the mechanisms set forth in Section 7 of these Service Regulations, the reclassification will occur within two months after the new equipment is in place and operational, or the retirement is completed, and the first Meter reading reflects the higher anticipated usage resulting from the new equipment or the lower anticipated usage resulting from the retirement. Any reclassification pursuant to this paragraph is subject to correction if actual experience so warrants. If the reclassification results in qualification for Large General Service, the Customer shall provide an election form at least one week prior to reclassification if a Transportation election is desired. Otherwise, Service will be provided under Rate Schedule 103 or 104, by default, dependent upon rate qualification.

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- D. Requirements: Upon reclassification from Rate 102 or 152 to either Rate 103, 104, 113, or 114, as well as new Customers on these Rate Schedules, the Customer will be responsible for installing and maintaining, at the Customer’s expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company’s telemetering equipment.

36. Extra Facilities. At the request of the Customer with Company agreement, the Company will furnish, install, own and maintain facilities which are in addition to those necessary for delivery of Service at one point, through one Meter, at a maximum pressure in accordance with the applicable Rate Schedule, such additional facilities to be furnished under an “Extra Facilities Clause” added to and made a part of the Company’s standard form of contract and containing the following provisions:

- A. Service shall be used solely by the contracting Customer in a single enterprise located entirely on a single, contiguous Premises, and there shall be no exemption from any of the other provisions of these Service Regulations.
- B. “Extra Facilities” shall consist of such of the following as may be required: Meter, Meter Assembly, Gas Service Line, Main, telemetering equipment or other equipment installed for the exclusive use of the contracting Customer, other than facilities which the Company would furnish to the Customer without cost under its standard form of contract.
- C. The facility to be supplied shall be Company standard Main, Gas Service Lines and Meter equipment installed only on the Company side of the point of delivery.
- D. A monthly “Extra Facilities Charge” equal to 1.7% of the installed cost of the facilities, but not less than \$25, shall be billed to the Customer in addition to the billing for facilities charge, demand charge and sales or Transportation charges.
- E. The “Installed Cost of Extra Facilities” shall be the original cost of material used, including spare equipment, if any, plus applicable labor, Transportation, stores, tax, engineering and general expenses, all estimated if not known. The original cost of materials used is the current market price of the equipment at the time the equipment is installed, whether said equipment is new or out of inventory.
- F. When the Extra Facilities requested by the Customer consist of those required to furnish Service at either more than one delivery point on the Premises or at more than one pressure, or both, the Installed Cost of the Extra Facilities to be used in the computation of the Extra Facilities Charge shall be the difference between the installed cost of the facilities made necessary by the Customer’s request, and the

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installed cost of the facilities which the Company would furnish without cost to the Customer under its standard form of contract.

- G. The Company shall have the option of refusing requests for Extra Facilities if, on its own determination, the requested facilities are not feasible, or may adversely affect the Company's Service to other customers.

- H. Contracts containing the Extra Facilities clause shall have a minimum original term of 5 years to continue from year to year thereafter, but the Company may require the payment of removal costs in contracts with original terms of 10 years or less, and may require advance payment of the Extra Facilities Charge for a period equal to one-half the original term of the contract.

37. Complaints. Customers who have a disagreement with the Company may call the Public Staff Consumer Services Division at telephone number (919) 733-9277 for assistance, or write to the address below:

Public Staff - NC Utilities Commission
Consumer Services Division
4326 Mail Service Center
Raleigh, NC 27699-4300

38. Taxes. Customer shall be responsible for payment of all taxes or tax liabilities attributable to or due in connection with the provision of any Service by the Company to the Customer, including any excise or sales tax required by Chapter 105 of the North Carolina General Statutes. With respect to any local, state, or federal tax, charge, or fee attributable to or arising out of the utilization of Gas delivered by the Company as a motor vehicle fuel, Customer shall be solely and exclusively responsible for the payment of any such tax, charge, or fee.

39. Agency Authorization. Certain Rate Schedules permit a Customer to authorize a Customer's Agent to act on its behalf with respect to nominations, imbalance resolution, and/or billing. In order to be considered a Customer's Agent, the agent must execute and be in compliance with all of the terms of the Customer Agent Agreement form set forth in Appendix B to these Service Regulations.

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APPENDIX A

PROCEDURE FOR RATE ADJUSTMENTS UNDER G.S. 62-133.4

1. Purpose.

The purpose of this Appendix A is to set forth the procedures by which Piedmont Natural Gas Company, Inc. can file to adjust its rates pursuant to G.S. 62-133.4. The intent of these procedures is to permit Piedmont to recover 100% of its prudently incurred gas costs applicable to its North Carolina operations.

2. Definitions. As used in this Appendix, the following definitions shall apply:

- (a) **"LDC"** shall mean Piedmont Natural Gas Company, Inc.
- (b) **"Gas Costs"** shall mean the total delivered cost of gas paid or to be paid to Suppliers, including but not limited to all commodity/gas charges, demand charges, peaking charges, surcharges, emergency gas purchases, over-run charges, capacity charges, standby charges, reservation fees, gas inventory charges, minimum bill charges, minimum take charges, take-or-pay charges, take-and-pay charges, storage charges, service fees and transportation charges, and any other similar charges in connection with the purchase, storage or transportation of gas for the LDC's system supply.
- (c) **"Suppliers"** shall mean any person or entity, including affiliates of the LDC who locates, produces, purchases, sells, stores and/or transports natural gas or its equivalent to, for or on behalf of the LDC. Suppliers may include, but not be limited to, interstate pipeline transmission companies, producers, brokers, marketers, associations, intrastate pipeline transmission companies, joint ventures, providers of Liquefied Natural Gas, Liquefied Petroleum Gas, Synthetic Natural Gas and other hydrocarbons used as feed stock, other local gas distribution companies and end-users.
- (d) **"Benchmark Commodity Gas Costs"** shall mean the LDC's estimate of the City Gate Delivered Gas Costs for gas supplies, excluding Demand Charges and Storage Charges as approved in the LDC's last general rate case or gas cost adjustment proceeding. The Benchmark Commodity Gas Costs may be amended from time to time as provided in Section 3(a).

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- (e) **"City Gate Delivered Gas Costs"** shall mean the total delivered Gas Costs to the LDC at its city gate.
- (f) **"Commodity and Other Charges"** shall mean all Gas Costs other than Demand Charges and Storage Charges and any other Gas Costs determined by the Commission to be properly recoverable from sales Customers.
- (g) **"Demand Charges and Storage Charges"** shall mean all Gas Costs which are not based on the volume of gas actually purchased or transported by the LDC and any other gas costs determined by the Commission to be properly recoverable from applicable sales and transportation Customers.
- (h) **"Apportionment Percentage or Amount"** shall mean the percent or amount of Demand Charges and Storage Charges allocated to each rate schedule.

3. Rate Adjustments Under These Procedures.

- (a) **Sales Rates.** In the event the LDC anticipates a change in its City Gate Delivered Gas Costs, the LDC may apply and file at least 14 days prior to the proposed effective date, revised tariffs in order to increase or decrease its rates to its Customers as hereinafter provided. The Commission may issue an order allowing the rate change to become effective simultaneously with the effective date of the change or at any other time ordered by the Commission. If the Commission has not issued an order within 120 days after the application, the LDC may place the requested rate adjustment into effect. Any rate adjustment under this Section 3(a) is subject to review under Section 6.
 - (i) **Demand Charges and Storage Charges.** Whenever the LDC anticipates a change in the Demand Charges and Storage Charges, the LDC may (as hereinabove provided) change its rates to Customers under each applicable rate schedule by an amount computed as follows:

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[(Total Anticipated Demand Charges and
Storage Charges - Prior Demand Charges and
Storage Charges) X
NC Portion*] X Apportionment %-age or Amount
_____ = Increase (Decrease) Per Unit
(by rate schedule)

Sales and Transportation Volumes as applicable*
(by rate schedule)

* Established by the Commission in the last general rate case

- (ii) **Commodity and Other Charges.** Whenever the LDC's estimate of its Benchmark Commodity Gas Costs changes, the LDC may (as hereinabove provided) change the rates to its Customers purchasing gas under its sales rate schedules, incorporating the Benchmark Commodity Gas Costs, by an amount computed as follows:

[Volumes of gas purchased* (excluding
Company Use and Unaccounted For) X
(New Benchmark Commodity Gas Costs
- Old Benchmark Commodity Gas Costs)]
X NC Portion*
_____ = Increase (Decrease) Per Unit

Volumes of gas purchased for
System Supply* (excluding Company Use and
Unaccounted For)* X NC Portion*

* Established by the Commission in the last general rate case

- (b) **Transportation Rate.** Transportation rates will be computed by adding the applicable Demand Charges and Storage Charges (at the Apportionment Percentage or Amount approved and allocated to each rate schedule by the Commission) to the per unit distribution margin established by the Commission in the last general rate case. Increments or decrements for Demand Charges and Storage Charges may apply to transportation rates based on the Apportionment Percentage or Amount.
- (c) **Other Changes in Purchased Gas Costs.** The intent of these procedures is to permit the LDC to recover its actual prudently incurred Gas Costs. If any other Gas Costs are incurred, they will be handled as in Section 3(a)(i) if they are similar to Demand Charges and Storage Charges, or as in Section 3(a)(ii) if they are similar to Commodity and Other Charges.

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4. True-up of Gas Costs.

- (a) **Demand Charges and Storage Charges.** On a monthly basis, the LDC shall determine the difference between (a) Demand Charges and Storage Charges billed to its Customers in accordance with the Commission-approved allocation of such costs to the LDC's various rate schedules and (b) the LDC's actual Demand Charges and Storage Charges. This difference shall be recorded in the LDC's deferred account for demand and storage charges. Increments and decrements for this deferred account, including the portion of the Commodity and Other Charges true-up calculated under Section (4)(b) and apportioned to this deferred account, flow to applicable sales and transportation rate schedules as allocated and approved by the Commission. Where applicable, the percentage allocation to North Carolina shall be the percentage established in the last general rate case.

- (b) **Commodity and Other Charges.** On a monthly basis, the LDC shall determine with respect to gas sold (including Company use and unaccounted for) during the month the difference between (a) the actual Commodity and Other Charges incurred and (b) the actual Commodity and Other Charges billed to Customers. This difference shall be apportioned each month to the LDC's deferred account for commodity and other charges based on the ratio of volumes sold to the volumes purchased for that month. The residual portion of the difference not apportioned to the LDC's deferred account for commodity and other charges shall be apportioned each month to the LDC's deferred account for Demand Charges and Storage Charges. Increments and decrements for Commodity and Other Charges flow to all sales rate schedules incorporating the Benchmark Commodity Gas Costs.

- (c) **Repealed.**

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- (d) **Supplier Refunds and Direct Bills.** In the event the LDC receives supplier refunds or direct bills with respect to gas previously purchased, the amount of such supplier refunds or direct bills will be recorded in the appropriate deferred account, unless directed otherwise by the Commission.
5. **Other.**
- (a) Gas Costs changes not tracked concurrently shall be recorded in the LDC's appropriate deferred account.
 - (b) The Commodity and Other Charges portion of gas inventories shall be recorded at actual cost and the difference in that cost and the cost last approved under Section 3(a)(ii) shall be recorded in the deferred account when the gas is withdrawn from inventory.
 - (c) The LDC shall file with the Commission (with a copy to the Public Staff) a complete monthly accounting of the computations under these procedures, including all supporting workpapers, journal entries, etc., within 45 days after the end of each monthly reporting period. All such computations shall be deemed to be in compliance with these procedures unless within 60 days of such filing the Commission or the Public Staff notifies the LDC that the computations may not be in compliance; provided, however, that if the Commission or the Public Staff requests additional information reasonably required to evaluate such filing, the running of the 60 day period will be suspended for the number of days taken by the LDC to provide the additional information.
 - (d) Periodically, the LDC may file to adjust its rates to refund or collect balances in these deferred accounts through decrements or increments to current rates. In filing for an increment or decrement, the LDC shall state the amount in the deferred account, the time period during which the increment or decrement is expected to be in effect, the rate classes to which the increment or decrement is to apply, and the level of volumes estimated to be delivered to those classes. Any such increments or decrements shall be made on the applicable Apportionment Percentage or Amount basis for all affected rate classes, unless otherwise ordered by the Commission.
 - (e) Notwithstanding the provisions of this Rule, the LDC may offset negotiated losses in any manner authorized by the Commission. As of the effective date of this Appendix A, the LDC is permitted to negotiate rates to certain industrial Customers when necessary or appropriate to meet the prices of competitive fuels or energy sources or otherwise to avoid the loss of sales or transportation service to these Customers. To permit the LDC to provide

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service to these Customers without suffering a loss of margin, the LDC shall record the negotiated losses in the "All Customers" deferred account. If the LDC should negotiate rates for any purpose other than meeting competition from alternate fuel or energy sources, the LDC will file a report with the Commission stating the reason for any such negotiation. Such reports will be filed within 45 days after the month in which the negotiation took place.

6. Annual Review.

- (a) **Annual Test Periods and Filing Dates.** The LDC will submit to the Commission the information and data required in Section 6(c) for an historical 12-month test period. This information will be filed on or before August 1 of each year based on a test period ended May 31.
- (b) **Public Hearings.** The Commission will schedule an annual public hearing pursuant to G.S. 62-133.4(c) in order to compare the LDC's prudently incurred Gas Costs with Gas Costs recovered from all its Customers that it served during the test period. The public hearing will be on the first Tuesday of October. The Commission, on its own motion or the motion of any interested party, may change the date for the public hearing and/or consolidate the hearing required by this section with any other docket(s) pending before the Commission with respect to the affected LDC.
- (c) **Information Required in Annual Filings.** The LDC will file information and data showing the LDC's actual gas costs, volumes of purchased gas, sales volumes, negotiated sales volumes and transportation volumes and such other information as may be directed by the Commission. All such information and data will be accompanied by workpapers and direct testimony and exhibits of witnesses supporting the information.
- (d) **Notice of Hearings.** The LDC will publish a notice for two (2) successive weeks in a newspaper or newspapers having general circulation in its service area, normally beginning at least 30 days prior to the hearing, notifying the public of the hearing before the Commission pursuant to G.S. 62-133.4 and setting forth the time and place of the hearing.
- (e) **Petitions to Intervene.** Persons having an interest in any hearing held under the provisions of this Appendix A may file a petition to intervene setting forth such interest at least 15 days prior to the date of the hearing. Petitions to intervene filed less than 15 days prior to the date of the hearing may be allowed at the discretion of the Commission for good cause shown.

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- (f) **Filing of Testimony and Exhibits by the Public Staff and Intervenors.** The Public Staff and other intervenors may file direct testimony and exhibits of witnesses at least 15 days prior to the hearing date. If a petition to intervene is filed less than 15 days prior to the hearing date, it shall be accompanied by any direct testimony and exhibits of witnesses the intervenor intends to offer at the hearing.

- (g) **Filing of Rebuttal Testimony.** The LDC may file rebuttal testimony and exhibits within 10 days of the actual receipt of the testimony of the party to whom the Rebuttal Testimony is addressed.

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APPENDIX B

CUSTOMER AGENT AGREEMENT

This Customer Agent Agreement (“Agreement”) is made this _____ day of _____, 201_, by and between Piedmont Natural Gas Company, Inc. (“Piedmont”) and _____ (“Agent”).

WHEREAS, Piedmont’s natural gas transportation tariffs provide for the ability of Customers receiving Piedmont’s transportation services to designate and utilize a third-party Agent for purposes of making nominations for and delivering natural gas to Piedmont on behalf of such Customers and managing imbalances on the Piedmont system resulting from such activities; and

WHEREAS, in undertaking such activities on behalf of Piedmont’s Customers, such Agents have the capacity to create material economic and operational risks for Piedmont and its Customers; and

WHEREAS, Agent desires to act as a Customer Agent on Piedmont’s system; and

WHEREAS, Piedmont is willing to permit Agent to operate on its system under the terms and conditions set forth herein and under the parameters of Piedmont’s approved tariffs and service regulations.

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Piedmont and Agent agree as follows:

1. Establishment and Maintenance of Creditworthiness. Except as otherwise expressly provided in this Paragraph 1, each Agent must establish credit with Piedmont in the form of a Letter of Credit, escrow deposit, parental guaranty, or otherwise, in form and substance acceptable to Piedmont, in an amount equal to or greater than the dollar value obtained by the following formula at all times:

The higher of Agent’s average daily load for the previous month or Agent’s First-of-Month confirmed daily nomination quantity for the new month x 3 days x (NYMEX prompt month close) x 1.25

Each month, at Piedmont’s discretion and prior to accepting nominating transactions for the first of the month business, an evaluation may be made to ensure that the established credit does not fall below the value obtained from the formula shown above. In the event Agent’s established credit falls below the value obtained through application of the formula shown above, either

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during this monthly evaluation or at any other time, Piedmont may require that the value of said Letter of Credit, escrow deposit, parental guaranty, or other form of assurance be changed at any time in order to reestablish adequate creditworthiness hereunder. In the event Agent fails to establish creditworthiness as set forth above, or fails to comply within 5 days with directions from Piedmont to increase the amount of its credit instruments as provided herein, then Agent's right to conduct business on the Piedmont system shall be suspended until such time as Agent shall be in compliance with the creditworthiness provisions set forth herein (including any requirements to increase said creditworthiness). The foregoing creditworthiness requirements shall not apply to any Agent to the extent that and for so long as such Agent's creditworthiness obligations under this Paragraph 1 would be less than or equal to \$100,000.

2. Customer Agent Imbalance Restrictions. Agent shall use all reasonable efforts to minimize intra-month imbalances. Agent agrees to adhere to the imbalance provisions set forth in Piedmont's Service Regulations, Rate Schedules and Operational Orders, as in effect from time to time.

3. Allocation of Imbalance Quantities/Penalties. Concurrent with the submission of monthly nominations, Agent shall provide Piedmont with a schedule of allocated nominations for Customers to be served by Agent for the following month. This allocation shall serve as the basis for resolving imbalances with Agent's Customers to the extent those imbalances are not resolved by Agent. In the event Agent fails to submit such schedule, and further fails to resolve any monthly imbalance during the term hereof, those imbalances and any attendant penalties shall be allocated to Agent's customers, *pro rata*, based upon the actual usage of each such Customer during the month to which the unresolved imbalance and/or penalties is attributable.

4. Failure to Comply with Operational Notices, and Agent Creditworthiness and Imbalance Requirements. If Agent fails to adhere to the imbalance and credit requirements set forth above, or to obey specific instructions issued by Piedmont and designed to preserve the operational integrity of Piedmont's system, Agent (a) shall be subject to the Unauthorized Gas penalty provisions of Piedmont's Rate Schedule 106, and (b) shall have its right to transact business on Piedmont's system suspended. Upon any such suspension, Agent's authorization to conduct business on the Piedmont system shall not be restored until such time as Agent is in full compliance with the provisions hereof and all applicable provisions of Piedmont's tariffs and service regulations.

5. Term. This Agreement shall become effective as of the date first written above and shall continue in full force or effect until terminated by either party hereto upon sixty (60) days written notice.

6. Supplemental Nature of Agreement. This Agreement is supplemental to the provisions of Piedmont's approved tariffs and service regulations, the provisions of which shall also apply to services rendered hereunder. As such, the restrictions and requirements set forth

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herein are cumulative in nature and in addition to any other imbalance or penalty provisions set forth in Piedmont’s approved tariffs and service regulations.

7. Billing and Payment. Billings to Agent for any amounts due hereunder, and payments by Agent on such billings, shall be made in a manner consistent with the billing and payment provisions of the underlying transportation tariffs pursuant to which service is rendered.

8. Miscellaneous.

A. Modification. This Agreement may not be modified or amended except by the execution of a written agreement by the parties hereto.

B. Waiver. No failure by any party to enforce this agreement with respect to any default in the performance of any of the provisions of this Agreement shall operate or be construed to operate as a waiver thereof or of any similar future default.

C. Assignment. This Agreement may not be assigned by any party hereto without the express written consent of the other party hereto.

D. Jurisdiction. This Agreement and the respective obligations of the parties hereto are subject to all valid laws, orders, rules and regulations of the North Carolina Utilities Commission and any other governmental bodies having jurisdiction.

E. Conflict of Laws. The construction, interpretation, and performance of this Agreement shall be in accordance with the substantive laws of the State of North Carolina without regard to any conflicts of laws provisions thereof.

IN WITNESS WHEREOF, the undersigned parties have executed this agreement as of the year and date first written above.

AGENT

PIEDMONT NATURAL GAS
COMPANY, INC.

Signature: _____

Print Name: _____

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Print Title: _____

Please submit to:

GasCommercialOperations@duke-energy.com

Citygate Operations
Piedmont Natural Gas Company
P.O. Box 33068
Charlotte, N.C. 28233

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APPENDIX C

Margin Decoupling Tracker

1. Provision for Adjustment

The base rates per therm (100,000 Btu) for gas service set forth in Rate Schedules 101, 102 and 152 of Piedmont Natural Gas Company (Company) shall be adjusted by an amount hereinafter described which amount is referred to as the “Margin Decoupling Adjustment.” The Margin Decoupling Adjustment shall be calculated, as a decrement or an increment, and applied to Rate Schedules 101, 102 and 152 to refund or recover the balance in the “Margin Decoupling Deferred Account.” The Margin Decoupling Deferred Account shall be established by a monthly adjustment hereinafter described, which monthly adjustment is referred to as the “Margin Decoupling Deferred Account Adjustment.”

2. Definitions

For the purposes of this Rider:

“Commission” means the North Carolina Utilities Commission

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

3. Computation of Margin Decoupling Deferred Account Adjustment

The Margin Decoupling Deferred Account Adjustment, for each of the Rate Schedules 101, 102 and 152, shall be computed monthly to the nearest dollar by the following formulas:

$$\text{Base Load Therms}_i = \text{Actual Customers}_i \times \text{Base Load}_i$$

$$\text{Heat Sensitive Therms}_i = \text{Actual Customers}_i \times \text{Heat Sensitivity Factor}_i \times \text{Normal Degree Days}$$

$$\text{Normalized Therms}_i = \text{Base Load Therms}_i + \text{Heat Sensitive Therms}_i$$

$$\text{Normalized Margin}_i = \text{Normalized Therms}_i \times \text{R Factor}_i$$

$$\text{Actual Margin}_i = \text{Actual Therms}_i \times \text{R Factor}_i$$

$$\text{Margin Decoupling Deferred Account Adjustment}_i = \text{Normalized Margin}_i - \text{Actual Margin}_i$$

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APPENDIX C

Where:

- i = any particular rate schedule
- Actual Customers _{i} = Actual customers billed for the billing cycle month for the i^{th} rate schedule
- Actual Therms _{i} = Actual therms used for the billing cycle month for the i^{th} rate schedule
- R Factor _{i} = base rate (approved rate less fixed and commodity cost of gas) for the i^{th} schedule or classification utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues.
- Heat Sensitivity Factor _{i} = heat sensitive factor for the i^{th} schedule of classification utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues.
- Normal Degree Days = normal, 15th to 15th, heating degree days utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues.
- Base Load _{i} = base load sales for the i^{th} schedule or classification utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues.

4. Filing with Commission

The Company will file monthly as directed by the Commission (a) a copy of each computation of the Margin Decoupling Deferred Account Adjustment by rate schedule, (b) a schedule showing the effective date of each such Margin Decoupling Deferred Account Adjustment, and (c) a schedule showing the factors of values derived from the Relevant Rate Order used in calculating such Margin Decoupling Deferred Account Adjustment. Such reports will be filed within 45 days after the end of the month for which the report is being filed.

**PIEDMONT NATURAL GAS COMPANY, INC.
NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX C

5. Computation of Margin Decoupling Adjustment

Effective for both the first day of April's Bill Cycle Month and the first day of November's Bill Cycle Month, the Margin Decoupling Adjustment to refund or recover the balance in the Margin Decoupling Deferred Account, shall be calculated to the nearest one-thousandth cent per therm by the following formula:

$$\text{Margin Decoupling Adjustment} = \frac{\text{Margin Decoupling Deferred Account Balance}}{\text{Annual Therms}_{ti}}$$

Where:

Margin Decoupling Deferred Account Balance = Balance at January 31 and August 31

Annual Therms = Normalized volumes assigned in most recent rate case

ti = Total for Rate Schedules 101, 102 and 152

6. Interest

Interest will be applied to the Margin Decoupling Deferred Account at the Company's authorized overall rate of return.

7. Filing with Commission

The Company will file revised tariffs for Commission approval upon 14 days notice to implement a decrement or an increment each April and November. With the filing the Company will include a copy of each computation of the Margin Decoupling Adjustment.

**PIEDMONT NATURAL GAS COMPANY
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APPENDIX D

Equal Payment Plan (EPP)

AVAILABILITY

The Equal Payment Plan (“EPP” or “Plan”) is available to customers receiving service under Rate Schedules 101, 102 and 152 whose accounts are in good standing. For purposes of the EPP, a customer shall be in good standing if they have not had service terminated or been removed from the Plan within the immediately prior twelve (12) month period for non-payment of bills. The Plan is designed to provide the customer the option of paying equal payments over a twelve-month period and is available during any month of the year. The Company shall have discretion, but shall not be required, to include existing balances in the calculation of monthly EPP payments as provided below, where a customer has a difficult time paying his monthly bills. In circumstances where an existing balance exists, the Company may require that as much of the old balance as possible be paid up front in order to help keep future payments as low as possible.

GENERAL TERMS AND CONDITIONS

At the customer’s election, the Company will calculate payments under the Plan based on the customer’s actual consumption history during the past 12-months adjusted for normal weather. The estimated monthly usage will be priced at the Company’s currently approved margin rates plus an estimated benchmark cost of gas based on the forward-looking NYMEX futures prices for the upcoming 12-month period. Applicable franchise fees and sales tax will then be added to arrive at the estimated annual billing amount. If the customer has an outstanding balance, and Company agrees to include some or all of that balance under the EPP, it will be added to the estimated annual amount. The monthly payment will be calculated by dividing the estimated annual billing amount plus any outstanding balance included under the EPP by twelve. After 11 payments have been made, the customer will be sent a twelfth-month “true-up” bill reflecting any underage or overage of the total of the past 11 payments. Underages will be treated as debits and overages will be treated as credits and applied to the next billing. Refunds may be made by check if the overage exceeds \$25.00. Unless otherwise requested, the customer will remain on EPP after the twelfth bill with a new monthly EPP amount calculated.

MID-YEAR ADJUSTMENTS

In order to avoid unusually large debit or credit balances to the customer’s account, the Company may make mid-year adjustments to the EPP payments. During periods of highly volatile wholesale gas prices, more frequent EPP adjustments may be required to avoid unusually large debit or credit balances. The Company will notify the customer with a notation on the bill, bill insert or separate mailing of any adjustments to payments.

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APPENDIX E

Integrity Management Rider

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

1. Provision for Adjustment

The base rates per therm (100,000 Btu) for gas service set forth in Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114 and T-10 of the Company shall be adjusted by an amount hereinafter described which amount is referred to as the “Integrity Management Adjustment.” The Integrity Management Adjustment shall be calculated as an increment and applied to Applicable Rate Schedules to recover the Integrity Management Revenue Requirement (IMRR). The Integrity Management Adjustment shall be implemented on a biannual basis subject to an audit and adjustment process as described herein. The Integrity Management Deferred Account shall be established to track the Company’s recovery of the IMRR.

2. Definitions

For the purposes of this revised Rider:

“Applicable Rate Schedules” means Rate Schedules 101, 102, 152, 142, 144, 103, 104, 113, 114 and T-10.

“Commission” means the North Carolina Utilities Commission.

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

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

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NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

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

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

3. Computation of Integrity Management Revenue Requirement (IMRR)

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

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

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

December 1, 2021	\$ X,XXX,XXX
December 1, 2022	\$ X,XXX,XXX
December 1, 2023	\$ X,XXX,XXX
December 1, 2024	\$ X,XXX,XXX
December 1, 2025	\$ X,XXX,XXX
December 1, 2026	\$ X,XXX,XXX

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

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NORTH CAROLINA SERVICE REGULATIONS**

APPENDIX E

Integrity Management Rider

Each month the Company shall charge its Integrity Management Deferred Account for the portion of the Net IMRR (the IMRR as reduced by the Special Contract Credit), that corresponds to that month. The monthly IMRR is the product of the annual Net IMRR and the Integrity Management Month Factor. The Integrity Management Month Factor represents the percentage of annualized and normalized therms as set forth in the Relevant Rate Order by month for the Applicable Rate Schedules. The Integrity Management Month Factors for each month are as follows:

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

4. Computation of Biannual Integrity Management Adjustment

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

Residential	Rate Schedule 101	XX.XX%
Small/Med General & NGV	Rate Schedules 102, 142, 144, 152	XX.XX%
Large General - Firm	Rate Schedules 103, 113, T-10	XX.XX%
Large General - Interruptible	Rate Schedules 104, 114	XX.XX%

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

Residential	Rate Schedule 101	XX,XXX,XXX
Small/Med General & NGV	Rate Schedules 102, 142, 144, 152	XX,XXX,XXX

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Integrity Management Rider

Large General - Firm	Rate Schedules 103, 113, T-10	XX,XXX,XXX
Large General - Interruptible	Rate Schedules 104, 114	XX,XXX,XXX

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

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

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

6. Interest

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

7. Integrity Management Deferred Account

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

8. Monthly Filing with Commission

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

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APPENDIX E

Integrity Management Rider

9. Annual Integrity Management Plant Investment Forecast

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

10. Review and Approval of Annual IMR Report and Rates

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

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

11. Commission Review

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

PIEDMONT NATURAL GAS COMPANY, INC.

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APPENDIX F

STATEMENT OF ALTERNATIVE GAS REQUIREMENTS

This Statement of Alternative Gas Requirements sets forth the terms and conditions under which Piedmont will accept “Alternative Gas” onto its system and pursuant to which it will continue to accept and redeliver such gas to customers receiving service from Piedmont. The terms of this Statement of Alternative Gas Requirements may be modified from time-to-time, with the approval of the North Carolina Utilities Commission, based upon Piedmont’s actual operating experience with Alternative Gas and/or any threats to Piedmont’s ability to provide safe, reliable, and economic natural gas service to the public.

For purposes of this Statement of Alternative Gas Requirements, “Alternative Gas” shall mean gas capable of combustion in customer appliances or facilities which is similar in heat content and chemical characteristics to natural gas produced from traditional underground well sources and which is intended to act as a substitute or replacement for Natural Gas (as that term is defined in Piedmont’s North Carolina Service Regulations). Alternative Gas shall include but not be limited to biogas, biomethane, and landfill gas, as well as any other type of natural gas equivalent produced or manufactured from sources other than traditional underground well sources. For purposes of the application of Piedmont’s rate schedules and its Service Regulations, Alternative Gas shall be treated in a manner equivalent to “Gas” or “Natural Gas” except to the extent that this Statement of Alternative Gas Requirements specifies more restrictive obligations applicable to Alternative Gas, in which case the provisions of this Statement of Alternative Gas Requirements shall control.

Receipt of Alternative Gas

Piedmont’s obligation to receive and accept Alternative Gas shall be limited as set forth below and to situations where Piedmont is able to physically receive the Alternative Gas into its system without materially impacting its ability to provide service to its customers, meet its legal, contractual and regulatory obligations, or adversely impact its ability to safely and reliably operate its system. Construction of facilities needed to receive and accept Alternative Gas shall be governed by Piedmont’s standard feasibility analyses and Piedmont shall have no obligation to construct economically infeasible facilities to enable receipt of Alternative Gas. Piedmont may require prospective suppliers of Alternative Gas to enter into interconnection and facilities reimbursement agreements, as discussed below, as a condition to receipt and acceptance of Alternative Gas.

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Testing Requirements

Initial Testing. Prior to the initial receipt of Alternative Gas by Piedmont, any supplier thereof shall provide the results of an independent laboratory test demonstrating that supplier's Alternative Gas is in conformance with the Alternative Gas Quality Standards set forth herein. Supplier shall also provide Piedmont with the results of an additional laboratory test on a second sample of its Alternative Gas taken at least 7 (but no more than 14) days after the initial test sample, confirming the continuing conformance of supplier's Alternative Gas with the standards set forth herein. After the initial receipt of Alternative Gas by Piedmont, any supplier thereof shall provide the results of 3 consecutive independent laboratory tests, performed no less than 30 days (or more than 45 days) apart, demonstrating that supplier's Alternative Gas is in conformance with the Alternative Gas Quality Standards set forth herein. Such testing shall be performed by an independent third-party laboratory satisfactory to Piedmont at supplier's sole cost and expense.

Subsequent Testing. If receipt of supplier's Alternative Gas is interrupted or suspended by Piedmont pursuant to the terms hereof, then prior to resumption of acceptance of deliveries of Alternative Gas from such supplier, and at the reasonable discretion of Piedmont, that supplier may be required to provide the results of an independent laboratory test, demonstrating that supplier's Alternative Gas continues to be or has been restored to be in conformance with the Alternative Gas Quality Standards set forth herein. If such subsequent independent laboratory testing is required by Piedmont, Supplier shall also provide Piedmont with the results of an additional laboratory test on its Alternative Gas conducted within 7 days of the initial test, confirming the conformance of supplier's Alternative Gas with the standards set forth herein. These provisions for Subsequent Testing shall not apply to (i) simple disruptions in the flow or production of Alternate Gas that occur in the normal course of supplier's business operations and which do not otherwise involve circumstances that would authorize Piedmont to curtail the receipt of such supplies hereunder, or (ii) to non-material and/or incidental deviations from the specific Alternative Gas Quality Standards set forth below related to Temperature, Methane Content, CHDP, Nitrogen, Oxygen, Carbon Monoxide, Total Inerts, Heating Value, Interchangeability, Total Sulfur, Carbon Dioxide, Water, or Hydrogen Sulfide, so long as any such deviations are not recurring in nature and do not pose a threat to Piedmont's equipment or facilities, the equipment or facilities of Piedmont's customers, or to Piedmont's ability to provide continuous, safe, and reliable service to the public.

Quarterly Testing. In addition to the other testing requirements set forth herein, and on no less than a quarterly basis, supplier shall provide to Piedmont the results from independent laboratory testing, satisfactory to Piedmont and at supplier's sole cost and expense, demonstrating that supplier's Alternative Gas continues to conform to the Alternative Gas Quality Standards set forth herein. Piedmont may waive the quarterly testing requirement if, in the reasonable exercise

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of Piedmont’s discretion, it concludes that the percentage of Alternative Gas to be received at a specific interconnect point is immaterial in relation to the amount of geologic natural gas flowing through Piedmont’s system at that point such that the receipt of Alternative Gas at that point will not have a detrimental impact on Piedmont’s system, its operations, or services provided to customers.

Supplemental Testing. Piedmont reserves the right to request supplier, at supplier’s sole expense, to perform additional testing for constituent or contaminant compounds in addition to those expressly listed herein, should (i) the presence of such compounds be determined by Piedmont to be reasonably possible in supplier’s Alternative Gas stream, and (ii) should such constituents or compounds pose an actual or prospective threat to Piedmont’s system or the provision of safe and reliable natural gas service to Piedmont’s customers.

Alternative Gas Source. In the event a supplier flowing Alternative Gas onto Piedmont’s system determines to alter its source of production of Alternative Gas or to take action that might otherwise be expected to change the characteristics or constituent components of its gas stream, supplier shall promptly notify Piedmont, in advance, of such prospective change and Piedmont shall have no obligation to receive Alternative Gas from such supplier until it has been provided with the results of two consecutive independent laboratory tests, performed no less than 7 days apart, demonstrating that supplier’s modified Alternative Gas is in conformance with the Alternative Gas Quality Standards set forth herein. Such testing shall be performed by an independent third-party laboratory satisfactory to Piedmont at supplier’s sole cost and expense.

With regard to any of the testing provided for above, Piedmont shall be provided reasonable advance notice of such testing and shall have the right to observe the samples being taken. Test results shall be promptly shared between Piedmont and supplier upon receipt of such results from the testing laboratory. With regard to any of the testing provided for above, and upon request of a supplier and in the reasonable exercise of Piedmont’s discretion, Piedmont will waive the requirement for laboratory testing for one or more constituent components, on a not unduly discriminatory basis, where certified field testing equipment satisfactory to Piedmont is available to test for those components.

The Alternative Gas testing requirements set forth above shall include tests for and reportable levels of each of the constituent elements set forth below. To the extent that two consecutive laboratory tests demonstrate non-detectable levels of one or more of the constituent compounds set out below from a supplier’s Alternative Gas stream at a specific interconnect point, Piedmont will consider, in the reasonable exercise of its discretion, written requests for waiver of the requirement to continue testing for such constituent compounds at that specific interconnect point. Piedmont may grant or deny such petition in the reasonable exercise of its discretion subject only to the requirement that any decision to deny a petition for a waiver or to revoke a

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waiver once granted shall state the basis for the decision in sufficient detail to facilitate further discussions and/or review of the decision by the Commission. Any such waiver shall be revocable in the reasonable exercise of Piedmont’s discretion subject to the requirements of the foregoing sentence.

Alternative Gas Quality Standards

1. All Alternative Gas delivered to Piedmont shall fully comply with the quality standards and specifications set forth below.

Alternative Gas delivered to Piedmont shall be free of components which might interfere with its merchantability or cause damage to the operation of Piedmont’s system or equipment or those of its customers. All such Alternative Gas delivered to Piedmont shall specifically conform to the following minimum Alternative Gas Quality Standards:

Delivery Temperature: Minimum of 40°F and maximum of 120°F.

Methane: Minimum methane content of 94%.

Heating Value: Between 980 and 1100 Btu/SCF at dry gas conditions (14.73 psia at 60°F).

Interchangeability: All Alternative Gas delivered by any single supplier thereof shall fall within a WOBBE range of 1290 to 1370.

Hydrogen Sulfide (H₂S): Less than or equal to 0.25 grain/100 SCF.

Mercaptan: Shall not exceed 0.5 grain/100 SCF.

Total Sulfur: Less than or equal to 10 grain/100 SCF, including sulfur from hydrogen sulfide and mercaptan.

Water: Less than or equal to 7 pounds/MMSCF at dry gas conditions (14.73 psia at 60°F).

CHDP: Not greater than 20°F.

Carbon Dioxide (CO₂): Not more than 2% by volumetric basis.

Nitrogen: Not more than 2% by volumetric basis.

--/A

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Oxygen: Not more than 0.2% by volumetric basis.

Carbon Monoxide (CO): Not more than 0.1% by volume.

Total Inerts: Not more than 3.2% by volumetric basis. For purposes of this provision, Total Inerts are defined as Oxygen, Nitrogen, and Carbon Dioxide.

Hydrogen: No more than 600 ppm.

Solid Particle Size: Gas filtration is required and shall be sufficient to remove 99.99% of solid particles 3 microns or larger.

Dust, Gums & Solid Matter: The gas shall be free of dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the gas in the course of transportation through pipelines.

Biologicals: Gas, including any associated liquids, shall not contain any micro-biological organisms exceeding 4×10^4 /scf (qPCR per APB, SRB, IOB group), active bacteria or bacterial agents > 0.2 microns.

Organic Silicon (Siloxanes): Total Organic Silicon (siloxanes) shall not be greater than 0.40 mg of Si/m³.

Odorization Masking/Fading Agents (VOC): Gas shall be free of agents, compounds or the like which will interfere with the process of the human olfactory process in the recognition of odorized natural gas through bonding with the odorant or causing interference with the human olfactory senses.

VOC: Alternative Gas shall be free from any halogenated compounds that when, through the process of combustion, form dioxins.

The following Constituents of Concern shall be limited as indicated:

Constituent	Limit mg/m ³ (ppmv)
Arsenic	0.48 (0.15)
p-Dichlorobenzene	140 (24)
Ethylbenzene	650 (150)

Issued to comply with authority granted by the
North Carolina Utilities Commission in
Docket No. G-9, Sub 698

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n-Nitroso-di-n-propylamine	0.81 (0.15)
Vinyl Chloride	21 (8.3)
Antimony	30 (6.1)
Copper	3.0 (1.2)
Lead	3.8 (0.44)
Methacrolein	53 (18)
Alkyl thiols (mercaptans)	N/A (610)
Toluene	45,000 (12,000)

If additional equipment is required to ensure consistent compliance of supplier’s Alternative Gas to the Alternative Gas Quality Standards set forth above, Piedmont may require supplier to purchase, and promptly install, any additional equipment necessary to meet the referenced gas quality specifications at supplier’s expense. The unreasonable refusal to do so shall be a violation of supplier’s obligations hereunder.

Termination of Obligation to Receive Gas

Except as otherwise provided below, if Alternative Gas proffered for delivery to Piedmont fails to meet the specifications of Piedmont’s Alternative Gas Quality Standards set forth herein, or is otherwise out of conformance with the provisions of this Statement of Alternative Gas Requirements, Piedmont may interrupt or suspend its receipt and acceptance of such Alternative Gas until such Alternative Gas is in conformity with this Statement of Alternative Gas Requirements and such conformity is verified by an independent certified third-party laboratory satisfactory to Piedmont as provided above; except in circumstances where field testing for such compliance is permitted under the provisions of Subsequent Testing set forth above. Notwithstanding Piedmont’s right to terminate its receipt of Alternative Gas for non-compliance with the gas quality standards set forth herein, Piedmont will not terminate such receipt for minor non-compliance with such standards applicable to the enumerated constituent component measurements of a producer’s Alternative Gas stream listed under Subsequent Testing above (except Temperature), where:

- (a) Such constituent components can be measured in real time by field equipment operated by Piedmont;
- (b) Variances from Appendix F standards for one or more of the constituent component measurements listed under Subsequent Testing (except Temperature) do not exceed Appendix F standards by more than ten percent (10%);
- (c) Variances from Appendix F standards for one or more of the constituent component

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measurements listed under Subsequent Testing (except Temperature) do not exceed 4 hours in duration; and

- (d) No operational problems or continuity of service issues are created for Piedmont by the variance from Appendix F standards, as determined in the reasonable exercise of Piedmont’s discretion.

Piedmont shall provide electronic notice to any producer of variations from Appendix F standards found in such producer’s Alternative Gas stream. The 4 hour limit on the duration of any variances from Appendix F standards for the constituent component measurements identified above (except Temperature) shall commence upon the issuance of such notice.

Piedmont shall also have the right to interrupt or suspend the receipt of Alternative Gas at any time from any supplier in the event that: (i) constituent compounds or components of supplier’s Alternative Gas are determined to pose an actual or potential health risk to the public or to Piedmont’s employees that is different in degree or nature from the risks normally attendant upon the use and transportation of natural gas; (ii) testing or other evidence reasonably indicates that supplier’s Alternative Gas contains constituent compounds or components reasonably likely to or actually causing harm to Piedmont’s facilities or equipment (including corrosion damage); (iii) testing or other evidence reasonably indicates that supplier’s Alternative Gas contains constituent compounds or components reasonably likely to or actually causing harm to the facilities or equipment of Piedmont’s other customers (including corrosion damage); or (iv) the chemical characteristics or physical properties of supplier’s Alternative Gas are impeding Piedmont’s ability to provide safe and reliable service to Piedmont’s other customers.

In the event of such interruption or suspension of service, Piedmont shall have no obligation to resume receipt of Alternative Gas from supplier until the correction or remediation of the problem prompting such interruption or suspension of service has occurred as determined by Piedmont in the exercise of its reasonable discretion.

Interconnection Agreement

Prior to and as a condition of delivering Alternative Gas to Piedmont and Piedmont’s acceptance thereof, any proposed supplier must enter into an interconnection and facilities reimbursement agreement with Piedmont addressing, to Piedmont’s reasonable satisfaction, the terms and conditions applicable to construction and payment for any needed incremental facilities required to accept or receive supplier’s Alternative Gas. Piedmont shall have no obligation to accept or receive Alternative Gas until such agreement is executed and its obligations to accept and receive Alternative Gas following such execution shall be governed by the interconnection and reimbursement agreement and this Statement of Alternative Gas Requirements.

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Measurement Requirements

Piedmont will measure, on a daily basis, the quantity, heat content, WOBBE value, and specific gravity of all Alternative Gas delivered to Piedmont at each point of delivery into Piedmont’s system utilized by Alternative Gas suppliers.

Indemnity/Liability

As a condition to the receipt and acceptance of Alternative Gas by Piedmont, all suppliers of Alternative Gas shall indemnify and hold Piedmont harmless from any and all claims, suits, actions, debts, accounts, damages, costs, losses and expenses, including reasonable attorney fees, (i) arising from or related to the delivery to Piedmont by supplier of any Alternative Gas that fails to meet the Alternative Gas Quality Standards set forth herein or otherwise is not in compliance with this Statement of Alternative Gas Requirements, or (ii) arising from or related to damage to Piedmont’s equipment or facilities or the equipment or facilities of Piedmont’s customers from receipt of supplier’s Alternative Gas.

PIEDMONT SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO SUPPLIER, SUPPLIER’S CUSTOMER, OR ANY THIRD-PARTY ASSOCIATED WITH ITS EXERCISE OF THE RIGHT TO INTERRUPT OR SUSPEND RECEIPT OF ALTERNATIVE GAS AS PROVIDED FOR ABOVE AND IN NO EVENT SHALL BE LIABLE FOR ANY PUNITIVE, CONSEQUENTIAL, OR EXEMPLARY DAMAGES ARISING FROM ITS RECEIPT OR ACCEPTANCE (OR FAILURE TO RECEIVE OR ACCEPT) ALTERNATIVE GAS UNDER THE TERMS HEREOF OR OTHERWISE.

EXHIBIT I

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 781
Purchased Gas Expense

Table with columns: Line No., DESCRIPTION, NUMBER OF DAYS, DEMAND UNITS (Dts), ANNUAL QUANTITY (Dts), UNIT COST (\$/DT), MONTHLY AMOUNT (\$), TOTAL ANNUAL AMOUNT (\$), NC/SC ALLOCATION (%), NC ANNUAL AMOUNT (\$). Rows include Commodity Costs, Fixed Costs, Demand Charges, Storage Charges, and Total Gas Cost.

1/ Excludes Outdoor Gas Light Service.

2/ Company Use and Lost and Accounted For Volumes computed herein at a 1.4463% rate.

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EXHIBIT J1

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Comparison of End of Period Revenues to Stipulated Revenues by Class
Excluding Robeson LNG and Pender-Onslow

	[A]	[B]	[C]	[D]	[E]	[F]
Line No.	Revenue Class	Tariff Rate Schedule	End of Period Revenues	Total Revenue Increase (Decrease) ¹	Total Stipulated Revenues ¹	Overall Percent Increase (Decrease)
1	Residential Service	101	589,322,493	25,654,959	614,977,452	4.4%
2	Small General Service	102	271,583,679	12,731,274	284,314,953	4.7%
3	Medium General Service	152	46,058,357	2,031,976	48,090,333	4.4%
4	Natural Gas Vehicle Fuel	142	1,095,716	38,238	1,133,954	3.5%
5	Outdoor Gas Light Service	105	102,158	3,670	105,828	3.6%
6	Large General Sales Service	103	14,851,002	69,825	14,920,828	0.5%
7	Large General Transportation Service	113	32,051,843	1,031,456	33,083,298	3.2%
8	Firm Large General Service	103 / 113	46,902,845	1,101,281	48,004,126	2.3%
9	Interruptible Large General Sales Service	104	3,481,316	(19,418)	3,461,898	-0.6%
10	Interruptible Large General Transportation Service	114	25,013,809	(541,903)	24,471,906	-2.2%
11	Interruptible Large General Service	104 / 114	28,495,125	(561,321)	27,933,804	-2.0%
12	Military Operations Transportation Service	T-10	2,278,997	95,905	2,374,902	4.2%
13	Tariff Sales and Transportation Revenue		985,839,371	41,095,982	1,026,935,353	4.2%
14	Power Generation Special Contracts		106,299,276	-	106,299,276	0.0%
15	Other Special Contracts		20,557,679	(32,136)	20,525,543	-0.2%
16	Total Sales and Transportation Revenue		1,112,696,326	41,063,846	1,153,760,172	3.7%
17	Other Revenues		3,030,299	-	3,030,299	0.0%
18	Total Operating Revenue		1,115,726,625	41,063,846	1,156,790,471	3.7%

1/ The target Total Stipulated Revenues used for this exhibit is \$1,156,791,572. The calculations shown in this exhibit yield a rounding difference for Total Stipulated Revenues of \$1,101.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Comparison of End of Period Revenues to Proposed Revenues by Class
Excluding Robeson LNG and Pender-Onslow

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
Line No.	Revenue Class	Tariff Rate Schedule	End of Period Revenues	Stipulated Margin Revenue Increase (Decrease) ¹	Stipulated Revenues Before COG Change ¹	Margin Percent Increase (Decrease)	Stipulated COG Demand Revenue Increase (Decrease) ¹	Stipulated COG Commodity Revenue Increase (Decrease) ¹	Total Stipulated Revenues ¹	COG Percent Increase (Decrease)	Overall Percent Increase (Decrease)
1	Residential Service	101	589,322,493	21,191,751	610,514,244	3.6%	5,044,322	(581,114)	614,977,452	0.7%	4.4%
2	Small General Service	102	271,583,679	9,732,127	281,315,806	3.6%	3,368,725	(369,578)	284,314,953	1.1%	4.7%
3	Medium General Service	152	46,058,357	1,551,632	47,609,990	3.4%	554,877	(74,534)	48,090,333	1.0%	4.4%
4	Natural Gas Vehicle Fuel	142	1,095,716	39,394	1,135,109	3.6%	-	(1,156)	1,133,954	-0.1%	3.5%
5	Outdoor Gas Light Service	105	102,158	3,670	105,828	3.6%	-	-	105,828	0.0%	3.6%
6	Large General Sales Service	103	14,851,002	108,058	14,959,061	0.7%	-	(38,233)	14,920,828	-0.3%	0.5%
7	Large General Transportation Service	113	32,051,843	1,515,794	33,567,637	4.7%	-	(484,339)	33,083,298	-1.4%	3.2%
8	Firm Large General Service	103 / 113	46,902,845	1,623,852	48,526,698	3.5%	-	(522,572)	48,004,126	-1.1%	2.3%
9	Interruptible Large General Sales Service	104	3,481,316	(9,325)	3,471,991	-0.3%	-	(10,093)	3,461,898	-0.3%	-0.6%
10	Interruptible Large General Transportation Service	114	25,013,809	(115,890)	24,897,919	-0.5%	-	(426,013)	24,471,906	-1.7%	-2.2%
11	Interruptible Large General Service	104 / 114	28,495,125	(125,215)	28,369,911	-0.4%	-	(436,106)	27,933,804	-1.5%	-2.0%
12	Military Operations Transportation Service	T-10	2,278,997	114,560	2,393,557	5.0%	-	(18,655)	2,374,902	-0.8%	4.2%
13	Tariff Sales and Transportation Revenue		985,839,371	34,131,772	1,019,971,143	3.5%	8,967,924	(2,003,715)	1,026,935,353	0.7%	4.2%
14	Power Generation Special Contracts		106,299,276	-	106,299,276	0.0%	-	-	106,299,276	0.0%	0.0%
15	Other Special Contracts		20,557,679	-	20,557,679	0.0%	-	(32,136)	20,525,543	-0.2%	-0.2%
16	Total Sales and Transportation Revenue		1,112,696,326	34,131,772	1,146,828,098	3.1%	8,967,924	(2,035,851)	1,153,760,172	0.6%	3.7%
17	Other Revenues		3,030,299	-	3,030,299	0.0%	-	-	3,030,299	0.0%	0.0%
18	Total Operating Revenue		1,115,726,625	34,131,772	1,149,858,397	3.1%	8,967,924	(2,035,851)	1,156,790,471	0.6%	3.7%

1/ The target Total Stipulated Revenues used for this exhibit is \$1,156,791,572. The calculations shown in this exhibit yield a rounding difference for Total Stipulated Revenues of \$1,101.

EXHIBIT J2

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Comparison of End of Period Revenues to Stipulated Revenues by Class
Including Robeson LNG and Pender-Onslow

	[A]	[B]	[C]	[D]	[E]	[F]
Line No.	Revenue Class	Tariff Rate Schedule	End of Period Revenues	Total Revenue Increase (Decrease) ¹	Total Stipulated Revenues ¹	Overall Percent Increase (Decrease)
1	Residential Service	101	589,322,493	46,001,797	635,324,290	7.8%
2	Small General Service	102	271,583,679	22,090,586	293,674,265	8.1%
3	Medium General Service	152	46,058,357	3,540,282	49,598,639	7.7%
4	Natural Gas Vehicle Fuel	142	1,095,716	75,561	1,171,276	6.9%
5	Outdoor Gas Light Service	105	102,158	7,178	109,336	7.0%
6	Large General Sales Service	103	14,851,002	249,232	15,100,234	1.7%
7	Large General Transportation Service	113	32,051,843	2,481,215	34,533,058	7.7%
8	Firm Large General Service	103 / 113	46,902,845	2,730,447	49,633,292	5.8%
9	Interruptible Large General Sales Service	104	3,481,316	(23,650)	3,457,666	-0.7%
10	Interruptible Large General Transportation Service	114	25,013,809	(666,829)	24,346,981	-2.7%
11	Interruptible Large General Service	104 / 114	28,495,125	(690,479)	27,804,647	-2.4%
12	Military Operations Transportation Service	T-10	2,278,997	210,337	2,489,334	9.2%
13	Tariff Sales and Transportation Revenue		985,839,371	73,965,709	1,059,805,079	7.5%
14	Power Generation Special Contracts		106,299,276	-	106,299,276	0.0%
15	Other Special Contracts		20,557,679	(32,136)	20,525,543	-0.2%
16	Total Sales and Transportation Revenue		1,112,696,326	73,933,573	1,186,629,898	6.6%
17	Other Revenues		3,030,299	-	3,030,299	0.0%
18	Total Operating Revenue		1,115,726,625	73,933,573	1,189,660,197	6.6%

1/ The target margin revenue increase used for this exhibit is \$67,000,000. Hence, the target Total Stipulated Revenues used for this exhibit is \$1,189,657,912. This target amount is in lieu of Total Stipulated Revenues of \$1,189,795,111 shown in Exhibit A2. The calculations shown in this exhibit yield a rounding difference for Total Stipulated Revenues of \$2,285.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Comparison of End of Period Revenues to Proposed Revenues by Class
Including Robeson LNG and Pender-Onslow

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
Line No.	Revenue Class	Tariff Rate Schedule	End of Period Revenues	Stipulated Margin Revenue Increase (Decrease) ¹	Stipulated Revenues Before COG Change ¹	Margin Percent Increase (Decrease)	Stipulated COG Demand Revenue Increase (Decrease) ¹	Stipulated COG Commodity Revenue Increase (Decrease) ¹	Total Stipulated Revenues ¹	COG Percent Increase (Decrease)	Overall Percent Increase (Decrease)
1	Residential Service	101	589,322,493	41,538,589	630,861,082	7.0%	5,044,322	(581,114)	635,324,290	0.7%	7.8%
2	Small General Service	102	271,583,679	19,091,439	290,675,118	7.0%	3,368,725	(369,578)	293,674,265	1.0%	8.1%
3	Medium General Service	152	46,058,357	3,059,939	49,118,296	6.6%	554,877	(74,534)	49,598,639	1.0%	7.7%
4	Natural Gas Vehicle Fuel	142	1,095,716	76,716	1,172,432	7.0%	-	(1,156)	1,171,276	-0.1%	6.9%
5	Outdoor Gas Light Service	105	102,158	7,178	109,336	7.0%	-	-	109,336	0.0%	7.0%
6	Large General Sales Service	103	14,851,002	287,465	15,138,467	1.9%	-	(38,233)	15,100,234	-0.3%	1.7%
7	Large General Transportation Service	113	32,051,843	2,965,554	35,017,396	9.3%	-	(484,339)	34,533,058	-1.4%	7.7%
8	Firm Large General Service	103 / 113	46,902,845	3,253,018	50,155,864	6.9%	-	(522,572)	49,633,292	-1.0%	5.8%
9	Interruptible Large General Sales Service	104	3,481,316	(13,557)	3,467,759	-0.4%	-	(10,093)	3,457,666	-0.3%	-0.7%
10	Interruptible Large General Transportation Service	114	25,013,809	(240,815)	24,772,994	-1.0%	-	(426,013)	24,346,981	-1.7%	-2.7%
11	Interruptible Large General Service	104 / 114	28,495,125	(254,372)	28,240,753	-0.9%	-	(436,106)	27,804,647	-1.5%	-2.4%
12	Military Operations Transportation Service	T-10	2,278,997	228,992	2,507,989	10.0%	-	(18,655)	2,489,334	-0.7%	9.2%
13	Tariff Sales and Transportation Revenue		985,839,371	67,001,499	1,052,840,870	6.8%	8,967,924	(2,003,715)	1,059,805,079	0.7%	7.5%
14	Power Generation Special Contracts		106,299,276	-	106,299,276	0.0%	-	-	106,299,276	0.0%	0.0%
15	Other Special Contracts		20,557,679	-	20,557,679	0.0%	-	(32,136)	20,525,543	-0.2%	-0.2%
16	Total Sales and Transportation Revenue		1,112,696,326	67,001,499	1,179,697,825	6.0%	8,967,924	(2,035,851)	1,186,629,898	0.6%	6.6%
17	Other Revenues		3,030,299	-	3,030,299	0.0%	-	-	3,030,299	0.0%	0.0%
18	Total Operating Revenue		1,115,726,625	67,001,499	1,182,728,124	6.0%	8,967,924	(2,035,851)	1,189,660,197	0.6%	6.6%

1/ The target margin revenue increase used for this exhibit is \$67,000,000. Hence, the target Total Stipulated Revenues used for this exhibit is \$1,189,657,912. This target amount is in lieu of Total Stipulated Revenues of \$1,189,795,111 shown in Exhibit A2. The calculations shown in this exhibit yield a rounding difference for Total Stipulated Revenues of \$2,285.

EXHIBIT K1

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	Margin Revenues (4)	COG Demand Rates (5)	COG Demand Revenues (6)	COG Commodity Rates (7)	COG Commodity Revenues (8)
286									
287	105 - Outdoor Gas Light Service								
288	Bills		675						
289	Fixtures		5,397	19.61	105,828				
290	DTs - Winter	3,593							
291	DTs - Summer	5,042							
292									
293									
294	T-10 (675) - Military Operations Transportation								
295	Bills		12						
296	Demand	84,000		-	-	10,0000	840,000		
297	DTs - Winter	745,667		1.3589	1,013,287	0.2516	187,610	0.0470	35,046
298	DTs - Summer	514,826		0.2821	145,232	0.2516	129,530	0.0470	24,197
299	Integrity Management Rider Revenues								
300									
301									
302	Power Generation Contracts								
303	Bills		194						
304	DTs - Winter	117,470,161			41,677,015		2,291,140		332,257
305	DTs - Summer	156,858,541			58,327,840		3,216,703		454,320
306									
307									
308	Municipals Contracts								
309	Bills		37						
310	DTs - Winter	4,204,171			3,043,561		1,170,000		-
311	DTs - Summer	2,847,562			3,846,045		1,638,000		-
312									
313									
314	Special Contracts Military								
315	Bills		36						
316	DTs - Winter	609,756			2,821,737		245,173		641,590
317	DTs - Summer	424,056			3,428,259		154,259		405,578
318									
319									
320	Special Contracts								
321	Bills		109						
322	DTs - Winter	2,111,542			1,386,988		-		23,581
323	DTs - Summer	2,576,984			1,690,890		-		29,883
324									
325									
326	SPECIAL TARIFFS & CONTRACTS								
327	Bills		1,063						
328	Demand Dts	84,000							
329	Winter Dts	125,144,889							
330	Summer Dts	163,227,010							
331	Total Dts	288,371,899							
332									
333	Revenues				\$ 117,486,682		\$ 9,872,414		\$ 1,946,453
334									
335									
336	GRAND TOTAL - ALL TARIFFS & CONTRACTS								
337	Bills		9,311,988						
338	Demand Dts	1,999,718							
339	Winter Dts	205,234,817							
340	Summer Dts	217,262,722							
341	Total Dts	422,497,539							
342									
343	Revenues				\$ 783,074,788		\$ 126,435,019		\$ 244,250,364
344									
345									
346	SALES AND TRANSPORTATION								
347	Total Sales	72,624,021			\$ 636,449,630		\$ 91,142,687		\$ 239,412,929
348	Total Transportation	62,770,746			30,402,823		26,577,058		2,950,225
349	Total Special Contracts including Power Generation	287,102,772			116,222,335		8,715,275		1,887,210
350	Total Annual	422,497,539			\$ 783,074,788		\$ 126,435,019		\$ 244,250,364

EXHIBIT K2

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Margin Rates (3)	Margin Revenues (4)	COG Demand Rates (5)	COG Demand Revenues (6)	COG Commodity Rates (7)	COG Commodity Revenues (8)
286									
287	105 - Outdoor Gas Light Service								
288	Bills		675						
289	Fixtures		5,397	20.26	109,336				
290	DTs - Winter	3,593							
291	DTs - Summer	5,042							
292									
293									
294	T-10 (675) - Military Operations Transportation								
295	Bills		12						
296	Demand	84,000		-	-	10.0000	840,000		
297	DTs - Winter	745,667		1.4931	1,113,355	0.2516	187,610	0.0470	35,046
298	DTs - Summer	514,826		0.3100	159,596	0.2516	129,530	0.0470	24,197
299	Integrity Management Rider Revenues								
300									
301									
302	Power Generation Contracts								
303	Bills		194						
304	DTs - Winter	117,470,161			41,677,015		2,291,140		332,257
305	DTs - Summer	156,858,541			58,327,840		3,216,703		454,320
306									
307									
308	Municipals Contracts								
309	Bills		37						
310	DTs - Winter	4,204,171			3,043,561		1,170,000		-
311	DTs - Summer	2,847,562			3,846,045		1,638,000		-
312									
313									
314	Special Contracts Military								
315	Bills		36						
316	DTs - Winter	609,756			2,821,737		245,173		641,590
317	DTs - Summer	424,056			3,428,259		154,259		405,578
318									
319									
320	Special Contracts								
321	Bills		109						
322	DTs - Winter	2,111,542			1,386,988		-		23,581
323	DTs - Summer	2,576,984			1,690,890		-		29,883
324									
325									
326	SPECIAL TARIFFS & CONTRACTS								
327	Bills		1,063						
328	Demand Dts	84,000							
329	Winter Dts	125,144,889							
330	Summer Dts	163,227,010							
331	Total Dts	288,371,899							
332									
333	Revenues				\$ 117,604,622		\$ 9,872,414		\$ 1,946,453
334									
335									
336	GRAND TOTAL - ALL TARIFFS & CONTRACTS								
337	Bills		9,311,988						
338	Demand Dts	1,999,718							
339	Winter Dts	205,234,817							
340	Summer Dts	217,262,722							
341	Total Dts	422,497,539							
342									
343	Revenues				\$ 815,944,515		\$ 126,435,019		\$ 244,250,364
344									
345									
346	SALES AND TRANSPORTATION								
347	Total Sales	72,624,021			\$ 667,880,091		\$ 91,142,687		\$ 239,412,929
348	Total Transportation	62,770,746			31,842,089		26,577,058		2,950,225
349	Total Special Contracts including Power Generation	287,102,772			116,222,335		8,715,275		1,887,210
350	Total Annual	422,497,539			\$ 815,944,515		\$ 126,435,019		\$ 244,250,364

EXHIBIT L1

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Tax Rider Elements
 Excluding Robeson LNG and Pender-Onslow

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Tax Rider 3 Year Amort Rates (3)	Tax Rider 3 Year Amort Revenues (4)	Tax Rider 5 Year Amort Rates (5)	Tax Rider 5 Year Amort Revenues (6)
1	101 - Residential Service						
2	Bills - Winter		3,515,352				
3	Bills - Summer		4,916,305				
4	DTs - Winter	30,582,570		(0.3667)	(11,214,628)	(0.4222)	(12,911,961)
5	DTs - Summer	8,681,879		(0.3667)	(3,183,645)	(0.4222)	(3,665,489)
6	Integrity Management Rider Revenues						
7							
8							
9	Experimental Motor Vehicle Fuel						
10	143 / 101 - Residential Service						
11	Bills - Winter		-				
12	Bills - Summer		-				
13	DTs - Winter	-		(0.3667)	-	(0.4222)	-
14	DTs - Summer	-		(0.3667)	-	(0.4222)	-
15							
16							
17	RESIDENTIAL SERVICE						
18	Bills		8,431,657				
19	Winter Dts	30,582,570					
20	Summer Dts	8,681,879					
21	Total Dts	39,264,449					
22							
23	Revenues				\$ (14,398,274)		\$ (16,577,451)
24							

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Tax Rider Elements
 Excluding Robeson LNG and Pender-Onslow

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Line No.	(rates and volumes per dekatherm)	Volumes (1)	Number of Bills (2)	Tax Rider 3 Year Amort Rates (3)	Tax Rider 3 Year Amort Revenues (4)	Tax Rider 5 Year Amort Rates (5)	Tax Rider 5 Year Amort Revenues (6)
25	102- Small General Service						
26	Bills		865,235				
27	DTs - Winter	17,200,095		(0.2229)	(3,833,901)	(0.2567)	(4,415,264)
28	DTs - Summer	7,759,515		(0.2229)	(1,729,596)	(0.2567)	(1,991,867)
29	Integrity Management Rider Revenues						
30	Minimum Margin Agreement Revenues						
31							
32							
33							
34	Experimental Motor Vehicle Fuel						
35	143 / 102- Small General Service						
36	Bills		108				
37	Winter Dts	6,927		(0.2229)	(1,544)	(0.2567)	(1,778)
38	Summer Dts	4,947		(0.2229)	(1,103)	(0.2567)	(1,270)
39							
40							
41	152- Medium General Service						
42	Bills		6,225				
43	Winter - First 500 DTs	1,260,433		(0.2229)	(280,951)	(0.2567)	(323,553)
44	Winter - Over 500 DTs	1,621,520		(0.2229)	(361,437)	(0.2567)	(416,244)
45	Total Winter DTs	2,881,953			(642,387)		(739,797)
46							
47	Summer - First 500 DTs	1,266,956		(0.2229)	(282,404)	(0.2567)	(325,227)
48	Summer - Over 500 DTs	887,172		(0.2229)	(197,751)	(0.2567)	(227,737)
49	Total Summer DTs	2,154,128			(480,155)		(552,965)
50							
51	Integrity Management Rider Revenues						
52	Minimum Margin Agreement Revenues						
53							
54							
55							
56	Experimental Motor Vehicle Fuel						
57	143 / 152- Medium General Service						
58	Bills		-				
59	Winter - First 500 DTs	-		(0.2229)	-	(0.2567)	-
60	Winter - Over 500 DTs	-		(0.2229)	-	(0.2567)	-
61	Total Winter DTs	-			-		-
62							
63	Summer - First 500 DTs	-		(0.2229)	-	(0.2567)	-
64	Summer - Over 500 DTs	-		(0.2229)	-	(0.2567)	-
65	Total Summer DTs	-			-		-
66							
67							
68							
69	Experimental Motor Vehicle Fuel						
70	144- Medium General Transportation Service						
71	Bills		-				
72	Winter - First 500 DTs	-		(0.2229)	-	(0.2567)	-
73	Winter - Over 500 DTs	-		(0.2229)	-	(0.2567)	-
74	Total Winter DTs	-			-		-
75							
76	Summer - First 500 DTs	-		(0.2229)	-	(0.2567)	-
77	Summer - Over 500 DTs	-		(0.2229)	-	(0.2567)	-
78	Total Summer DTs	-			-		-
79							
80							
81							
82	142 - Natural Gas Vehicle Fuel - Company Stations						
83	DTs - Winter	33,028		(0.2229)	(7,362)	(0.2567)	(8,478)
84	DTs - Summer	45,052		(0.2229)	(10,042)	(0.2567)	(11,565)
85	Compression Charge Revenues						
86	Integrity Management Rider Revenues						
87							
88							
89	SMALL & MEDIUM GENERAL / NGV FUEL SERVICE						
90	Bills	-	871,568				
91	Winter Dts	20,122,002					
92	Summer Dts	9,963,642					
93	Total Dts	30,085,644					
94	Revenues				\$ (6,706,090)		\$ (7,722,985)
95							

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Tax Rider Elements
 Excluding Robeson LNG and Pender-Onslow

Line No.	(rates and volumes per dekatherm)	Volumes (1)	Number of Bills (2)	Tax Rider 3 Year Amort Rates (3)	Tax Rider 3 Year Amort Revenues (4)	Tax Rider 5 Year Amort Rates (5)	Tax Rider 5 Year Amort Revenues (6)
96							
97	103 - Large General Sales Service						
98	Bills		940				
99	Demand	175,455					
100	Winter - First 1,500 DTs	540,463		(0.0173)	(9,350)	(0.0199)	(10,755)
101	Winter - Next 3,000 DTs	472,780		(0.0173)	(8,179)	(0.0199)	(9,408)
102	Winter - Next 9,000 DTs	166,002		(0.0173)	(2,872)	(0.0199)	(3,303)
103	Winter - Next 16,500 DTs	7,041		(0.0173)	(122)	(0.0199)	(140)
104	Winter - Next 30,000 DTs	-		(0.0173)	-	(0.0199)	-
105	<u>Winter - Over 60,000 DTs</u>	-		(0.0173)	-	(0.0199)	-
106	Total Winter DTs	1,186,286			(20,523)		(23,607)
107							
108	Summer - First 1,500 DTs	657,365		(0.0173)	(11,372)	(0.0199)	(13,082)
109	Summer - Next 3,000 DTs	420,922		(0.0173)	(7,282)	(0.0199)	(8,376)
110	Summer - Next 9,000 DTs	121,663		(0.0173)	(2,105)	(0.0199)	(2,421)
111	Summer - Next 16,500 DTs	3,058		(0.0173)	(53)	(0.0199)	(61)
112	Summer - Next 30,000 DTs	-		(0.0173)	-	(0.0199)	-
113	<u>Summer - Over 60,000 DTs</u>	-		(0.0173)	-	(0.0199)	-
114	Total Summer DTs	1,203,009			(20,812)		(23,940)
115							
116	Integrity Management Rider Revenues						
117	Minimum Margin Agreement Revenues						
118							
119							
120	Experimental Motor Vehicle Fuel						
121	143 / 103 - Large General Sales Service						
122	Bills		36				
123	Demand	8,419					
124	Winter - First 1,500 DTs	22,500		(0.0173)	(389)	(0.0199)	(448)
125	Winter - Next 3,000 DTs	29,515		(0.0173)	(511)	(0.0199)	(587)
126	Winter - Next 9,000 DTs	24,500		(0.0173)	(424)	(0.0199)	(488)
127	Winter - Next 16,500 DTs	-		(0.0173)	-	(0.0199)	-
128	Winter - Next 30,000 DTs	-		(0.0173)	-	(0.0199)	-
129	<u>Winter - Over 60,000 DTs</u>	-		(0.0173)	-	(0.0199)	-
130	Total Winter DTs	76,515			(1,324)		(1,523)
131							
132	Summer - First 1,500 DTs	31,500		(0.0173)	(545)	(0.0199)	(627)
133	Summer - Next 3,000 DTs	45,994		(0.0173)	(796)	(0.0199)	(915)
134	Summer - Next 9,000 DTs	40,008		(0.0173)	(692)	(0.0199)	(796)
135	Summer - Next 16,500 DTs	-		(0.0173)	-	(0.0199)	-
136	Summer - Next 30,000 DTs	-		(0.0173)	-	(0.0199)	-
137	<u>Summer - Over 60,000 DTs</u>	-		(0.0173)	-	(0.0199)	-
138	Total Summer DTs	117,502			(2,033)		(2,338)
139							
140	Integrity Management Rider Revenues						
141	Minimum Margin Agreement Revenues						
142	Compression Charge Revenues						
143							
144							
145	104 - Interruptible Sales Service						
146	Bills		208				
147	Winter - First 1,500 DTs	126,290		(0.0158)	(1,995)	(0.0182)	(2,298)
148	Winter - Next 3,000 DTs	167,195		(0.0158)	(2,642)	(0.0182)	(3,043)
149	Winter - Next 9,000 DTs	86,368		(0.0158)	(1,365)	(0.0182)	(1,572)
150	Winter - Next 16,500 DTs	-		(0.0158)	-	(0.0182)	-
151	Winter - Next 30,000 DTs	-		(0.0158)	-	(0.0182)	-
152	<u>Winter - Over 60,000 DTs</u>	-		(0.0158)	-	(0.0182)	-
153	Total Winter DTs	379,853			(6,002)		(6,913)
154							
155	Summer - First 1,500 DTs	146,785		(0.0158)	(2,319)	(0.0182)	(2,671)
156	Summer - Next 3,000 DTs	117,722		(0.0158)	(1,860)	(0.0182)	(2,143)
157	Summer - Next 9,000 DTs	34,380		(0.0158)	(543)	(0.0182)	(626)
158	Summer - Next 16,500 DTs	3,243		(0.0158)	(51)	(0.0182)	(59)
159	Summer - Next 30,000 DTs	-		(0.0158)	-	(0.0182)	-
160	<u>Summer - Over 60,000 DTs</u>	-		(0.0158)	-	(0.0182)	-
161	Total Summer DTs	302,130			(4,774)		(5,499)
162							
163	Integrity Management Rider Revenues						
164	Minimum Margin Agreement Revenues						
165							

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Tax Rider Elements
 Excluding Robeson LNG and Pender-Onslow

Line No.	(rates and volumes per dekatherm)	Volumes (1)	Number of Bills (2)	Tax Rider 3 Year Amort Rates (3)	Tax Rider 3 Year Amort Revenues (4)	Tax Rider 5 Year Amort Rates (5)	Tax Rider 5 Year Amort Revenues (6)
166	Experimental Motor Vehicle Fuel						
167	143 / 104 - Interruptible Sales Service						
168	Bills						
169	Winter - First 1,500 DTs	-	-	(0.0158)	-	(0.0182)	-
170	Winter - Next 3,000 DTs	-	-	(0.0158)	-	(0.0182)	-
171	Winter - Next 9,000 DTs	-	-	(0.0158)	-	(0.0182)	-
172	Winter - Next 16,500 DTs	-	-	(0.0158)	-	(0.0182)	-
173	Winter - Next 30,000 DTs	-	-	(0.0158)	-	(0.0182)	-
174	Winter - Over 60,000 DTs	-	-	(0.0158)	-	(0.0182)	-
175	<u>Total Winter DTs</u>	-	-	-	-	-	-
176	Summer - First 1,500 DTs	-	-	(0.0158)	-	(0.0182)	-
177	Summer - Next 3,000 DTs	-	-	(0.0158)	-	(0.0182)	-
178	Summer - Next 9,000 DTs	-	-	(0.0158)	-	(0.0182)	-
179	Summer - Next 16,500 DTs	-	-	(0.0158)	-	(0.0182)	-
180	Summer - Next 30,000 DTs	-	-	(0.0158)	-	(0.0182)	-
181	Summer - Over 60,000 DTs	-	-	(0.0158)	-	(0.0182)	-
182	<u>Total Summer DTs</u>	-	-	-	-	-	-
183							
184							
185							
186							
187	113 - Large General Transportation Service						
188	Bills		3,516				
189	Demand	1,686,422					
190	Winter - First 1,500 DTs	2,006,761		(0.0173)	(34,717)	(0.0199)	(39,935)
191	Winter - Next 3,000 DTs	2,722,361		(0.0173)	(47,097)	(0.0199)	(54,175)
192	Winter - Next 9,000 DTs	3,029,365		(0.0173)	(52,408)	(0.0199)	(60,284)
193	Winter - Next 16,500 DTs	1,990,377		(0.0173)	(34,434)	(0.0199)	(39,609)
194	Winter - Next 30,000 DTs	1,724,440		(0.0173)	(29,833)	(0.0199)	(34,316)
195	Winter - Over 60,000 DTs	3,001,054		(0.0173)	(51,918)	(0.0199)	(59,721)
196	<u>Total Winter DTs</u>	14,474,358			(250,406)		(288,040)
197	Summer - First 1,500 DTs	2,644,564		(0.0173)	(45,751)	(0.0199)	(52,627)
198	Summer - Next 3,000 DTs	3,206,097		(0.0173)	(55,465)	(0.0199)	(63,801)
199	Summer - Next 9,000 DTs	3,460,313		(0.0173)	(59,863)	(0.0199)	(68,860)
200	Summer - Next 16,500 DTs	2,415,870		(0.0173)	(41,795)	(0.0199)	(48,076)
201	Summer - Next 30,000 DTs	2,141,810		(0.0173)	(37,053)	(0.0199)	(42,622)
202	Summer - Over 60,000 DTs	3,512,795		(0.0173)	(60,771)	(0.0199)	(69,905)
203	<u>Total Summer DTs</u>	17,381,449			(300,699)		(345,891)
204							
205							
206	Integrity Management Rider Revenues						
207	Minimum Margin Agreement Revenues						
208							
209							
210	Experimental Motor Vehicle Fuel						
211	143 / 113 - Large General Transportation Service						
212	Bills		108				
213	Demand	45,423					
214	Winter - First 1,500 DTs	67,394		(0.0173)	(1,166)	(0.0199)	(1,341)
215	Winter - Next 3,000 DTs	94,486		(0.0173)	(1,635)	(0.0199)	(1,880)
216	Winter - Next 9,000 DTs	58,028		(0.0173)	(1,004)	(0.0199)	(1,155)
217	Winter - Next 16,500 DTs	82,500		(0.0173)	(1,427)	(0.0199)	(1,642)
218	Winter - Next 30,000 DTs	47,512		(0.0173)	(822)	(0.0199)	(945)
219	Winter - Over 60,000 DTs	-		(0.0173)	-	(0.0199)	-
220	<u>Total Winter DTs</u>	349,919			(6,054)		(6,963)
221	Summer - First 1,500 DTs	94,500		(0.0173)	(1,635)	(0.0199)	(1,881)
222	Summer - Next 3,000 DTs	143,006		(0.0173)	(2,474)	(0.0199)	(2,846)
223	Summer - Next 9,000 DTs	87,207		(0.0173)	(1,509)	(0.0199)	(1,735)
224	Summer - Next 16,500 DTs	115,500		(0.0173)	(1,998)	(0.0199)	(2,298)
225	Summer - Next 30,000 DTs	79,645		(0.0173)	(1,378)	(0.0199)	(1,585)
226	Summer - Over 60,000 DTs	-		(0.0173)	-	(0.0199)	-
227	<u>Total Summer DTs</u>	519,859			(8,994)		(10,345)
228							
229							
230	Integrity Management Rider Revenues						
231	Minimum Margin Agreement Revenues						
232	Compression Charge Revenues						
233							

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Tax Rider Elements
 Excluding Robeson LNG and Pender-Onslow

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Line No.	(rates and volumes per dekatherm)	Volumes (1)	Number of Bills (2)	Tax Rider 3 Year Amort Rates (3)	Tax Rider 3 Year Amort Revenues (4)	Tax Rider 5 Year Amort Rates (5)	Tax Rider 5 Year Amort Revenues (6)
234	Rate Schedule						
235	114 - Interruptible Transportation Service						
236	Bills		2,891				
237	Winter - First 1,500 DTs	1,583,831		(0.0158)	(25,025)	(0.0182)	(28,826)
238	Winter - Next 3,000 DTs	2,392,971		(0.0158)	(37,809)	(0.0182)	(43,552)
239	Winter - Next 9,000 DTs	3,198,909		(0.0158)	(50,543)	(0.0182)	(58,220)
240	Winter - Next 16,500 DTs	2,248,444		(0.0158)	(35,525)	(0.0182)	(40,922)
241	Winter - Next 30,000 DTs	2,132,135		(0.0158)	(33,688)	(0.0182)	(38,805)
242	Winter - Over 60,000 DTs	1,362,136		(0.0158)	(21,522)	(0.0182)	(24,791)
243	Total Winter DTs	12,918,426			(204,111)		(235,115)
244							
245	Summer - First 1,500 DTs	2,242,062		(0.0158)	(35,425)	(0.0182)	(40,806)
246	Summer - Next 3,000 DTs	3,162,517		(0.0158)	(49,968)	(0.0182)	(57,558)
247	Summer - Next 9,000 DTs	3,766,414		(0.0158)	(59,825)	(0.0182)	(68,913)
248	Summer - Next 16,500 DTs	2,689,562		(0.0158)	(42,495)	(0.0182)	(48,950)
249	Summer - Next 30,000 DTs	2,474,718		(0.0158)	(39,101)	(0.0182)	(45,040)
250	Summer - Over 60,000 DTs	1,510,970		(0.0158)	(23,873)	(0.0182)	(27,500)
251	Total Summer DTs	15,866,243			(250,687)		(288,766)
252							
253	Integrity Management Rider Revenues						
254	Minimum Margin Agreement Revenues				-		-
255							
256							
257	Experimental Motor Vehicle Fuel						
258	143 / 114 - Interruptible Transportation Service						
259	Bills		-				
260	Winter - First 1,500 DTs	-		(0.0158)	-	(0.0182)	-
261	Winter - Next 3,000 DTs	-		(0.0158)	-	(0.0182)	-
262	Winter - Next 9,000 DTs	-		(0.0158)	-	(0.0182)	-
263	Winter - Next 16,500 DTs	-		(0.0158)	-	(0.0182)	-
264	Winter - Next 30,000 DTs	-		(0.0158)	-	(0.0182)	-
265	Winter - Over 60,000 DTs	-		(0.0158)	-	(0.0182)	-
266	Total Winter DTs	-			-		-
267							
268	Summer - First 1,500 DTs	-		(0.0158)	-	(0.0182)	-
269	Summer - Next 3,000 DTs	-		(0.0158)	-	(0.0182)	-
270	Summer - Next 9,000 DTs	-		(0.0158)	-	(0.0182)	-
271	Summer - Next 16,500 DTs	-		(0.0158)	-	(0.0182)	-
272	Summer - Next 30,000 DTs	-		(0.0158)	-	(0.0182)	-
273	Summer - Over 60,000 DTs	-		(0.0158)	-	(0.0182)	-
274	Total Summer DTs	-			-		-
275							
276							
277	LARGE GENERALSERVICE						
278	Bills		7,699				
279	Demand Dts	1,915,718					
280	Winter Dts	29,385,356					
281	Summer Dts	35,390,191					
282	Total Dts	64,775,547					
283							
284	Revenues				\$ (1,076,417)		\$ (1,238,940)
285							

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Tax Rider Elements
 Excluding Robeson LNG and Pender-Onslow

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Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Tax Rider 3 Year Amort Rates (3)	Tax Rider 3 Year Amort Revenues (4)	Tax Rider 5 Year Amort Rates (5)	Tax Rider 5 Year Amort Revenues (6)
286							
287	105 - Outdoor Gas Light Service						
288	Bills		675				
289	Fixtures		5,397				
290	DTs - Winter	3,593					
291	DTs - Summer	5,042					
292							
293							
294	T-10 (675) - Military Operations Transportation						
295	Bills		12				
296	Demand	84,000					
297	DTs - Winter	745,667		(0.0173)	(12,900)	(0.0199)	(14,839)
298	DTs - Summer	514,826		(0.0173)	(8,906)	(0.0199)	(10,245)
299	Integrity Management Rider Revenues						
300							
301							
302	Power Generation Contracts						
303	Bills		194				
304	DTs - Winter	117,470,161		-	-	-	-
305	DTs - Summer	156,858,541		-	-	-	-
306							
307							
308	Municipals Contracts						
309	Bills		37				
310	DTs - Winter	4,204,171		-	-	-	-
311	DTs - Summer	2,847,562		-	-	-	-
312							
313							
314	Special Contracts Military						
315	Bills		36				
316	DTs - Winter	609,756		-	-	-	-
317	DTs - Summer	424,056		-	-	-	-
318							
319							
320	Special Contracts						
321	Bills		109				
322	DTs - Winter	2,111,542		-	-	-	-
323	DTs - Summer	2,576,984		-	-	-	-
324							
325							
326	SPECIAL TARIFFS & CONTRACTS						
327	Bills		1,063				
328	Demand Dts	84,000					
329	Winter Dts	125,144,889					
330	Summer Dts	163,227,010					
331	Total Dts	288,371,899					
332							
333	Revenues				\$ (21,807)		\$ (25,084)
334							
335							
336	GRAND TOTAL - ALL TARIFFS & CONTRACTS						
337	Bills		9,311,988				
338	Demand Dts	1,999,718					
339	Winter Dts	205,234,817					
340	Summer Dts	217,262,722					
341	Total Dts	422,497,539					
342							
343	Revenues ¹				\$ (22,202,587)		\$ (25,564,459)
344							
345							
346	SALES AND TRANSPORTATION						
347	Total Sales	72,624,021			\$ (21,159,830)		\$ (24,364,255)
348	Total Transportation	62,770,746			(1,042,757)		(1,200,204)
349	Total Special Contracts including Power Generation	287,102,772			-		-
350	Total Annual	422,497,539			\$ (22,202,587)		\$ (25,564,459)

1/ The targeted flow-back of annual revenues for the State EDIT Rider - 3 Year Amortization and Federal Unprotected EDIT Rider - 5 Year Amortization is \$22,201,275 and \$25,562,970, respectively. The calculations shown in this exhibit yield a rounding difference of \$1,312 and \$1,489, respectively.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Computation of Tax Rider Rates
Excluding Robeson LNG and Pender-Onslow

Line No.	State EDIT Rider - 3 Year Amortization (Ending on 10/31/2022)	Notes	Residential	Small & Medium	Firm Large General	Interruptible Large	Total
			(101)	General (102, 142, 152, 144)	(103, 113, T-10)	General (104, 114)	
1	Customer Class Apportionment	see table below	64.85%	30.21%	2.84%	2.10%	100.00%
2	EDIT Rider Amount	[= Line 1 x Line 16]	\$ (14,397,361)	\$ (6,706,289)	\$ (630,868)	\$ (466,757)	(22,201,275)
3	Annualized Throughput (DTs)	Stipulation Exhibit C1, Schedule 3	39,264,449	30,085,644	36,569,388	29,466,652	135,386,133
4	Rider Rate Per DT	[= Line 2 / Line 3]	(0.3667)	(0.2229)	(0.0173)	(0.0158)	
5	Rider Rate Per Therm	[= Line 4 / 10]	(0.03667)	(0.02229)	(0.00173)	(0.00158)	
Federal Unprotected EDIT Rider - 5 Year Amortization (Ending on 10/31/2024)							
Line No.		Notes	Residential	Small & Medium	Firm Large General	Interruptible Large	Total
			(101)	General (102, 142, 152, 144)	(103, 113, T-10)	General (104, 114)	
6	Customer Class Apportionment	see table below	64.85%	30.21%	2.84%	2.10%	100.00%
7	EDIT Rider Amount	[= Line 6 x Line 17]	\$ (16,577,395)	\$ (7,721,749)	\$ (726,393)	\$ (537,433)	(25,562,970)
8	Annualized Throughput (DTs)	Stipulation Exhibit C1, Schedule 3	39,264,449	30,085,644	36,569,388	29,466,652	135,386,133
9	Rider Rate Per DT	[= Line 7 / Line 8]	(0.4222)	(0.2567)	(0.0199)	(0.0182)	
10	Rider Rate Per Therm	[= Line 9 / 10]	(0.04222)	(0.02567)	(0.00199)	(0.00182)	

Derivation of Customer Class Apportionment Percentages

	Annual Amount	Allocation %
11	Residential (101)	\$ 432,380,209 64.85%
12	Sm & Med General Service (102, 142, 152, 144)	\$ 201,402,658 30.21%
13	Large General Service - Firm (103, 113, T-10)	\$ 18,946,160 2.84%
14	Large General Service - Interruptible (104, 114)	\$ 14,017,598 2.10%
15	Total	\$ 666,746,626 100.00%

Annual Amounts per Stipulation, Settlement Exhibit_(PKP-1) - EDIT Rider Impacts

	Annual Amount
16	State EDIT - 3 Year Amortization \$ (22,201,275)
17	Federal Unprotected EDIT - 5 Year Amortization \$ (25,562,970)

EXHIBIT L2

Piedmont Natural Gas Company, Inc.
 Docket No. G-9, Sub 781
 Stipulated Tax Rider Elements
 Including Robeson LNG and Pender-Onslow

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Tax Rider 3 Year Amort Rates (3)	Tax Rider 3 Year Amort Revenues (4)	Tax Rider 5 Year Amort Rates (5)	Tax Rider 5 Year Amort Revenues (6)
1	101 - Residential Service						
2	Bills - Winter		3,515,352				
3	Bills - Summer		4,916,305				
4	DTs - Winter	30,582,570		(0.3659)	(11,190,162)	(0.4213)	(12,884,437)
5	DTs - Summer	8,681,879		(0.3659)	(3,176,700)	(0.4213)	(3,657,676)
6	Integrity Management Rider Revenues						
7							
8							
9	Experimental Motor Vehicle Fuel						
10	143 / 101 - Residential Service						
11	Bills - Winter		-				
12	Bills - Summer		-				
13	DTs - Winter	-		(0.3659)	-	(0.4213)	-
14	DTs - Summer	-		(0.3659)	-	(0.4213)	-
15							
16							
17	RESIDENTIAL SERVICE						
18	Bills		8,431,657				
19	Winter Dts	30,582,570					
20	Summer Dts	8,681,879					
21	Total Dts	39,264,449					
22							
23	Revenues				\$ (14,366,862)		\$ (16,542,112)
24							

Piedmont Natural Gas Company, Inc.
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 Including Robeson LNG and Pender-Onslow

Line No.	(rates and volumes per dekatherm) Rate Schedule	Volumes (1)	Number of Bills (2)	Tax Rider 3 Year Amort Rates (3)	Tax Rider 3 Year Amort Revenues (4)	Tax Rider 5 Year Amort Rates (5)	Tax Rider 5 Year Amort Revenues (6)
25							
26	102- Small General Service						
27	Bills		865,235				
28	DTs - Winter	17,200,095		(0.2239)	(3,851,101)	(0.2578)	(4,434,184)
29	DTs - Summer	7,759,515		(0.2239)	(1,737,355)	(0.2578)	(2,000,403)
30	Integrity Management Rider Revenues						
31	Minimum Margin Agreement Revenues						
32							
33							
34	Experimental Motor Vehicle Fuel						
35	143 / 102- Small General Service						
36	Bills		108				
37	Winter Dts	6,927		(0.2239)	(1,551)	(0.2578)	(1,786)
38	Summer Dts	4,947		(0.2239)	(1,108)	(0.2578)	(1,275)
39							
40							
41	152- Medium General Service						
42	Bills		6,225				
43	Winter - First 500 DTs	1,260,433		(0.2239)	(282,211)	(0.2578)	(324,940)
44	Winter - Over 500 DTs	1,621,520		(0.2239)	(363,058)	(0.2578)	(418,028)
45	Total Winter DTs	2,881,953			(645,269)		(742,967)
46							
47							
48	Summer - First 500 DTs	1,266,956		(0.2239)	(283,671)	(0.2578)	(326,621)
49	Summer - Over 500 DTs	887,172		(0.2239)	(198,638)	(0.2578)	(228,713)
50	Total Summer DTs	2,154,128			(482,309)		(555,334)
51							
52	Integrity Management Rider Revenues						
53	Minimum Margin Agreement Revenues						
54							
55							
56	Experimental Motor Vehicle Fuel						
57	143 / 152- Medium General Service						
58	Bills		-				
59	Winter - First 500 DTs	-		(0.2239)	-	(0.2578)	-
60	Winter - Over 500 DTs	-		(0.2239)	-	(0.2578)	-
61	Total Winter DTs	-			-		-
62							
63							
64	Summer - First 500 DTs	-		(0.2239)	-	(0.2578)	-
65	Summer - Over 500 DTs	-		(0.2239)	-	(0.2578)	-
66	Total Summer DTs	-			-		-
67							
68							
69	Experimental Motor Vehicle Fuel						
70	144- Medium General Transportation Service						
71	Bills		-				
72	Winter - First 500 DTs	-		(0.2239)	-	(0.2578)	-
73	Winter - Over 500 DTs	-		(0.2239)	-	(0.2578)	-
74	Total Winter DTs	-			-		-
75							
76							
77	Summer - First 500 DTs	-		(0.2239)	-	(0.2578)	-
78	Summer - Over 500 DTs	-		(0.2239)	-	(0.2578)	-
79	Total Summer DTs	-			-		-
80							
81							
82	142 - Natural Gas Vehicle Fuel - Company Stations						
83	DTs - Winter	33,028		(0.2239)	(7,395)	(0.2578)	(8,515)
84	DTs - Summer	45,052		(0.2239)	(10,087)	(0.2578)	(11,614)
85	Compression Charge Revenues						
86	Integrity Management Rider Revenues						
87							
88							
89	SMALL & MEDIUM GENERAL / NGV FUEL SERVICE						
90	Bills	-	871,568				
91	Winter Dts	20,122,002					
92	Summer Dts	9,963,642					
93	Total Dts	30,085,644					
94	Revenues				\$ (6,736,176)		\$ (7,756,079)
95							

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Line No.	(rates and volumes per dekatherm)	Volumes (1)	Number of Bills (2)	Tax Rider 3 Year Amort Rates (3)	Tax Rider 3 Year Amort Revenues (4)	Tax Rider 5 Year Amort Rates (5)	Tax Rider 5 Year Amort Revenues (6)
103	Large General Sales Service						
98	Bills		940				
99	Demand	175,455					
100	Winter - First 1,500 DTs	540,463		(0.0180)	(9,728)	(0.0207)	(11,188)
101	Winter - Next 3,000 DTs	472,780		(0.0180)	(8,510)	(0.0207)	(9,787)
102	Winter - Next 9,000 DTs	166,002		(0.0180)	(2,988)	(0.0207)	(3,436)
103	Winter - Next 16,500 DTs	7,041		(0.0180)	(127)	(0.0207)	(146)
104	Winter - Next 30,000 DTs	-		(0.0180)	-	(0.0207)	-
105	<u>Winter - Over 60,000 DTs</u>	-		(0.0180)	-	(0.0207)	-
106	Total Winter DTs	1,186,286			(21,353)		(24,556)
108	Summer - First 1,500 DTs	657,365		(0.0180)	(11,833)	(0.0207)	(13,607)
109	Summer - Next 3,000 DTs	420,922		(0.0180)	(7,577)	(0.0207)	(8,713)
110	Summer - Next 9,000 DTs	121,663		(0.0180)	(2,190)	(0.0207)	(2,518)
111	Summer - Next 16,500 DTs	3,058		(0.0180)	(55)	(0.0207)	(63)
112	Summer - Next 30,000 DTs	-		(0.0180)	-	(0.0207)	-
113	<u>Summer - Over 60,000 DTs</u>	-		(0.0180)	-	(0.0207)	-
114	Total Summer DTs	1,203,009			(21,654)		(24,902)
116	Integrity Management Rider Revenues						
117	Minimum Margin Agreement Revenues						
118							
119							
120	Experimental Motor Vehicle Fuel						
121	143 / 103 - Large General Sales Service						
122	Bills		36				
123	Demand	8,419					
124	Winter - First 1,500 DTs	22,500		(0.0180)	(405)	(0.0207)	(466)
125	Winter - Next 3,000 DTs	29,515		(0.0180)	(531)	(0.0207)	(611)
126	Winter - Next 9,000 DTs	24,500		(0.0180)	(441)	(0.0207)	(507)
127	Winter - Next 16,500 DTs	-		(0.0180)	-	(0.0207)	-
128	Winter - Next 30,000 DTs	-		(0.0180)	-	(0.0207)	-
129	<u>Winter - Over 60,000 DTs</u>	-		(0.0180)	-	(0.0207)	-
130	Total Winter DTs	76,515			(1,377)		(1,584)
132	Summer - First 1,500 DTs	31,500		(0.0180)	(567)	(0.0207)	(652)
133	Summer - Next 3,000 DTs	45,994		(0.0180)	(828)	(0.0207)	(952)
134	Summer - Next 9,000 DTs	40,008		(0.0180)	(720)	(0.0207)	(828)
135	Summer - Next 16,500 DTs	-		(0.0180)	-	(0.0207)	-
136	Summer - Next 30,000 DTs	-		(0.0180)	-	(0.0207)	-
137	<u>Summer - Over 60,000 DTs</u>	-		(0.0180)	-	(0.0207)	-
138	Total Summer DTs	117,502			(2,115)		(2,432)
140	Integrity Management Rider Revenues						
141	Minimum Margin Agreement Revenues						
142	Compression Charge Revenues						
143							
144							
145	104 - Interruptible Sales Service						
146	Bills		208				
147	Winter - First 1,500 DTs	126,290		(0.0150)	(1,894)	(0.0172)	(2,172)
148	Winter - Next 3,000 DTs	167,195		(0.0150)	(2,508)	(0.0172)	(2,876)
149	Winter - Next 9,000 DTs	86,368		(0.0150)	(1,296)	(0.0172)	(1,486)
150	Winter - Next 16,500 DTs	-		(0.0150)	-	(0.0172)	-
151	Winter - Next 30,000 DTs	-		(0.0150)	-	(0.0172)	-
152	<u>Winter - Over 60,000 DTs</u>	-		(0.0150)	-	(0.0172)	-
153	Total Winter DTs	379,853			(5,698)		(6,533)
155	Summer - First 1,500 DTs	146,785		(0.0150)	(2,202)	(0.0172)	(2,525)
156	Summer - Next 3,000 DTs	117,722		(0.0150)	(1,766)	(0.0172)	(2,025)
157	Summer - Next 9,000 DTs	34,380		(0.0150)	(516)	(0.0172)	(591)
158	Summer - Next 16,500 DTs	3,243		(0.0150)	(49)	(0.0172)	(56)
159	Summer - Next 30,000 DTs	-		(0.0150)	-	(0.0172)	-
160	<u>Summer - Over 60,000 DTs</u>	-		(0.0150)	-	(0.0172)	-
161	Total Summer DTs	302,130			(4,532)		(5,197)
163	Integrity Management Rider Revenues						
164	Minimum Margin Agreement Revenues						
165							

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166	Experimental Motor Vehicle Fuel						
167	143 / 104 - Interruptible Sales Service						
168	Bills						
169	Winter - First 1,500 DTs	-	-	(0.0150)	-	(0.0172)	-
170	Winter - Next 3,000 DTs	-	-	(0.0150)	-	(0.0172)	-
171	Winter - Next 9,000 DTs	-	-	(0.0150)	-	(0.0172)	-
172	Winter - Next 16,500 DTs	-	-	(0.0150)	-	(0.0172)	-
173	Winter - Next 30,000 DTs	-	-	(0.0150)	-	(0.0172)	-
174	Winter - Over 60,000 DTs	-	-	(0.0150)	-	(0.0172)	-
175	<u>Total Winter DTs</u>	-	-	-	-	-	-
176	Summer - First 1,500 DTs	-	-	(0.0150)	-	(0.0172)	-
177	Summer - Next 3,000 DTs	-	-	(0.0150)	-	(0.0172)	-
178	Summer - Next 9,000 DTs	-	-	(0.0150)	-	(0.0172)	-
179	Summer - Next 16,500 DTs	-	-	(0.0150)	-	(0.0172)	-
180	Summer - Next 30,000 DTs	-	-	(0.0150)	-	(0.0172)	-
181	Summer - Over 60,000 DTs	-	-	(0.0150)	-	(0.0172)	-
182	<u>Total Summer DTs</u>	-	-	-	-	-	-
183							
184							
185							
186							
187	113 - Large General Transportation Service						
188	Bills		3,516				
189	Demand	1,686,422					
190	Winter - First 1,500 DTs	2,006,761		(0.0180)	(36,122)	(0.0207)	(41,540)
191	Winter - Next 3,000 DTs	2,722,361		(0.0180)	(49,002)	(0.0207)	(56,353)
192	Winter - Next 9,000 DTs	3,029,365		(0.0180)	(54,529)	(0.0207)	(62,708)
193	Winter - Next 16,500 DTs	1,990,377		(0.0180)	(35,827)	(0.0207)	(41,201)
194	Winter - Next 30,000 DTs	1,724,440		(0.0180)	(31,040)	(0.0207)	(35,696)
195	Winter - Over 60,000 DTs	3,001,054		(0.0180)	(54,019)	(0.0207)	(62,122)
196	<u>Total Winter DTs</u>	14,474,358			(260,538)		(299,619)
197	Summer - First 1,500 DTs	2,644,564		(0.0180)	(47,602)	(0.0207)	(54,742)
198	Summer - Next 3,000 DTs	3,206,097		(0.0180)	(57,710)	(0.0207)	(66,366)
199	Summer - Next 9,000 DTs	3,460,313		(0.0180)	(62,286)	(0.0207)	(71,628)
200	Summer - Next 16,500 DTs	2,415,870		(0.0180)	(43,486)	(0.0207)	(50,009)
201	Summer - Next 30,000 DTs	2,141,810		(0.0180)	(38,553)	(0.0207)	(44,335)
202	Summer - Over 60,000 DTs	3,512,795		(0.0180)	(63,230)	(0.0207)	(72,715)
203	<u>Total Summer DTs</u>	17,381,449			(312,866)		(359,796)
204							
205							
206	Integrity Management Rider Revenues						
207	Minimum Margin Agreement Revenues						
208							
209							
210	Experimental Motor Vehicle Fuel						
211	143 / 113 - Large General Transportation Service						
212	Bills		108				
213	Demand	45,423					
214	Winter - First 1,500 DTs	67,394		(0.0180)	(1,213)	(0.0207)	(1,395)
215	Winter - Next 3,000 DTs	94,486		(0.0180)	(1,701)	(0.0207)	(1,956)
216	Winter - Next 9,000 DTs	58,028		(0.0180)	(1,044)	(0.0207)	(1,201)
217	Winter - Next 16,500 DTs	82,500		(0.0180)	(1,485)	(0.0207)	(1,708)
218	Winter - Next 30,000 DTs	47,512		(0.0180)	(855)	(0.0207)	(984)
219	Winter - Over 60,000 DTs	-		(0.0180)	-	(0.0207)	-
220	<u>Total Winter DTs</u>	349,919			(6,299)		(7,243)
221	Summer - First 1,500 DTs	94,500		(0.0180)	(1,701)	(0.0207)	(1,956)
222	Summer - Next 3,000 DTs	143,006		(0.0180)	(2,574)	(0.0207)	(2,960)
223	Summer - Next 9,000 DTs	87,207		(0.0180)	(1,570)	(0.0207)	(1,805)
224	Summer - Next 16,500 DTs	115,500		(0.0180)	(2,079)	(0.0207)	(2,391)
225	Summer - Next 30,000 DTs	79,645		(0.0180)	(1,434)	(0.0207)	(1,649)
226	Summer - Over 60,000 DTs	-		(0.0180)	-	(0.0207)	-
227	<u>Total Summer DTs</u>	519,859			(9,357)		(10,761)
228							
229							
230	Integrity Management Rider Revenues						
231	Minimum Margin Agreement Revenues						
232	Compression Charge Revenues						
233							

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Line No.	(rates and volumes per dekatherm)	Volumes (1)	Number of Bills (2)	Tax Rider 3 Year Amort Rates (3)	Tax Rider 3 Year Amort Revenues (4)	Tax Rider 5 Year Amort Rates (5)	Tax Rider 5 Year Amort Revenues (6)
234	Rate Schedule						
235	114 - Interruptible Transportation Service						
236	Bills		2,891				
237	Winter - First 1,500 DTs	1,583,831		(0.0150)	(23,757)	(0.0172)	(27,242)
238	Winter - Next 3,000 DTs	2,392,971		(0.0150)	(35,895)	(0.0172)	(41,159)
239	Winter - Next 9,000 DTs	3,198,909		(0.0150)	(47,984)	(0.0172)	(55,021)
240	Winter - Next 16,500 DTs	2,248,444		(0.0150)	(33,727)	(0.0172)	(38,673)
241	Winter - Next 30,000 DTs	2,132,135		(0.0150)	(31,982)	(0.0172)	(36,673)
242	Winter - Over 60,000 DTs	1,362,136		(0.0150)	(20,432)	(0.0172)	(23,429)
243	Total Winter DTs	12,918,426			(193,776)		(222,197)
244							
245	Summer - First 1,500 DTs	2,242,062		(0.0150)	(33,631)	(0.0172)	(38,563)
246	Summer - Next 3,000 DTs	3,162,517		(0.0150)	(47,438)	(0.0172)	(54,395)
247	Summer - Next 9,000 DTs	3,786,414		(0.0150)	(56,796)	(0.0172)	(65,126)
248	Summer - Next 16,500 DTs	2,689,562		(0.0150)	(40,343)	(0.0172)	(46,260)
249	Summer - Next 30,000 DTs	2,474,718		(0.0150)	(37,121)	(0.0172)	(42,565)
250	Summer - Over 60,000 DTs	1,510,970		(0.0150)	(22,665)	(0.0172)	(25,989)
251	Total Summer DTs	15,866,243			(237,994)		(272,899)
252							
253	Integrity Management Rider Revenues						
254	Minimum Margin Agreement Revenues				-		-
255							
256							
257	Experimental Motor Vehicle Fuel						
258	143 / 114 - Interruptible Transportation Service						
259	Bills		-				
260	Winter - First 1,500 DTs	-		(0.0150)	-	(0.0172)	-
261	Winter - Next 3,000 DTs	-		(0.0150)	-	(0.0172)	-
262	Winter - Next 9,000 DTs	-		(0.0150)	-	(0.0172)	-
263	Winter - Next 16,500 DTs	-		(0.0150)	-	(0.0172)	-
264	Winter - Next 30,000 DTs	-		(0.0150)	-	(0.0172)	-
265	Winter - Over 60,000 DTs	-		(0.0150)	-	(0.0172)	-
266	Total Winter DTs	-			-		-
267							
268	Summer - First 1,500 DTs	-		(0.0150)	-	(0.0172)	-
269	Summer - Next 3,000 DTs	-		(0.0150)	-	(0.0172)	-
270	Summer - Next 9,000 DTs	-		(0.0150)	-	(0.0172)	-
271	Summer - Next 16,500 DTs	-		(0.0150)	-	(0.0172)	-
272	Summer - Next 30,000 DTs	-		(0.0150)	-	(0.0172)	-
273	Summer - Over 60,000 DTs	-		(0.0150)	-	(0.0172)	-
274	Total Summer DTs	-			-		-
275							
276							
277	LARGE GENERALSERVICE						
278	Bills		7,699				
279	Demand Dts	1,915,718					
280	Winter Dts	29,385,356					
281	Summer Dts	35,390,191					
282	Total Dts	64,775,547					
283							
284	Revenues				\$ (1,077,560)		\$ (1,237,721)
285							

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286							
287	105 - Outdoor Gas Light Service						
288	Bills		675				
289	Fixtures		5,397				
290	DTs - Winter	3,593					
291	DTs - Summer	5,042					
292							
293							
294	T-10 (675) - Military Operations Transportation						
295	Bills		12				
296	Demand	84,000					
297	DTs - Winter	745,667		(0.0180)	(13,422)	(0.0207)	(15,435)
298	DTs - Summer	514,826		(0.0180)	(9,267)	(0.0207)	(10,657)
299	Integrity Management Rider Revenues						
300							
301							
302	Power Generation Contracts						
303	Bills		194				
304	DTs - Winter	117,470,161		-	-	-	-
305	DTs - Summer	156,858,541		-	-	-	-
306							
307							
308	Municipals Contracts						
309	Bills		37				
310	DTs - Winter	4,204,171		-	-	-	-
311	DTs - Summer	2,847,562		-	-	-	-
312							
313							
314	Special Contracts Military						
315	Bills		36				
316	DTs - Winter	609,756		-	-	-	-
317	DTs - Summer	424,056		-	-	-	-
318							
319							
320	Special Contracts						
321	Bills		109				
322	DTs - Winter	2,111,542		-	-	-	-
323	DTs - Summer	2,576,984		-	-	-	-
324							
325							
326	SPECIAL TARIFFS & CONTRACTS						
327	Bills		1,063				
328	Demand Dts	84,000					
329	Winter Dts	125,144,889					
330	Summer Dts	163,227,010					
331	Total Dts	288,371,899					
332							
333	Revenues				\$ (22,689)		\$ (26,092)
334							
335							
336	GRAND TOTAL - ALL TARIFFS & CONTRACTS						
337	Bills		9,311,988				
338	Demand Dts	1,999,718					
339	Winter Dts	205,234,817					
340	Summer Dts	217,262,722					
341	Total Dts	422,497,539					
342							
343	Revenues ¹				\$ (22,203,286)		\$ (25,562,004)
344							
345							
346	SALES AND TRANSPORTATION						
347	Total Sales	72,624,021			\$ (21,159,767)		\$ (24,363,396)
348	Total Transportation	62,770,746			(1,043,519)		(1,198,608)
349	Total Special Contracts including Power Generation	287,102,772			-		-
350	Total Annual	422,497,539			\$ (22,203,286)		\$ (25,562,004)

1/ The targeted flow-back of annual revenues for the State EDIT Rider - 3 Year Amortization and Federal Unprotected EDIT Rider - 5 Year Amortization is \$22,201,275 and \$25,562,970, respectively. The calculations shown in this exhibit yield a rounding difference of \$2,011 and \$966, respectively.

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 781
Computation of Tax Rider Rates
Including Robeson LNG and Pender-Onslow

Line No.	State EDIT Rider - 3 Year Amortization (Ending on 10/31/2022)	Notes	Residential	Small & Medium	Firm Large General	Interruptible Large	Total
			(101)	General (102, 142, 152, 144)	(103, 113, T-10)	General (104, 114)	
1	Customer Class Apportionment	see table below	64.71%	30.35%	2.96%	1.99%	100.00%
2	EDIT Rider Amount	[= Line 1 x Line 16]	\$ (14,366,685)	\$ (6,737,297)	\$ (656,562)	\$ (440,731)	\$ (22,201,275)
3	Annualized Throughput (DTs)	Stipulation Exhibit C2, Schedule 3	39,264,449	30,085,644	36,569,388	29,466,652	135,386,133
4	Rider Rate Per DT	[= Line 2 / Line 3]	(0.3659)	(0.2239)	(0.0180)	(0.0150)	
5	Rider Rate Per Therm	[= Line 4 / 10]	(0.03659)	(0.02239)	(0.00180)	(0.00150)	
Federal Unprotected EDIT Rider - 5 Year Amortization (Ending on 10/31/2024)							
Line No.	Federal Unprotected EDIT Rider - 5 Year Amortization (Ending on 10/31/2024)	Notes	Residential	Small & Medium	Firm Large General	Interruptible Large	Total
			(101)	General (102, 142, 152, 144)	(103, 113, T-10)	General (104, 114)	
6	Customer Class Apportionment	see table below	64.71%	30.35%	2.96%	1.99%	100.00%
7	EDIT Rider Amount	[= Line 6 x Line 17]	\$ (16,542,075)	\$ (7,757,452)	\$ (755,978)	\$ (507,466)	\$ (25,562,970)
8	Annualized Throughput (DTs)	Stipulation Exhibit C2, Schedule 3	39,264,449	30,085,644	36,569,388	29,466,652	135,386,133
9	Rider Rate Per DT	[= Line 7 / Line 8]	(0.4213)	(0.2578)	(0.0207)	(0.0172)	
10	Rider Rate Per Therm	[= Line 9 / 10]	(0.04213)	(0.02578)	(0.00207)	(0.00172)	

Derivation of Customer Class Apportionment Percentages

	Margin Revenues per Stipulation Exhibit K2	Annual Amount	Allocation %
11	Residential (101)	\$ 452,727,047	64.71%
12	Sm & Med General Service (102, 142, 152, 144)	\$ 212,307,599	30.35%
13	Large General Service - Firm (103, 113, T-10)	\$ 20,689,758	2.96%
14	Large General Service - Interruptible (104, 114)	\$ 13,888,440	1.99%
15	Total	\$ 699,612,844	100.00%

Annual Amounts per Stipulation, Settlement Exhibit_(PKP-2) - EDIT Rider Impacts

	Annual Amount
16	State EDIT - 3 Year Amortization \$ (22,201,275)
17	Federal Unprotected EDIT - 5 Year Amortization \$ (25,562,970)

Ms. Kimberley A. Campbell
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street, Dobbs Building
Raleigh, North Carolina 27603

August 26, 2021

Re: Docket **No. G-9, Sub 781 Notice** of Piedmont Natural Gas Company, Inc. Regarding Intent to File General Rate Application with The North Carolina Utilities Commission on or about March 22, 2021

Dear Ms. Campbell,

On February 19, 2021 Piedmont Natural Gas informed the North Carolina Utilities Commission of its intend to file a general rate case application with the Commission on or about March 22, 2021. I wanted to share something with the Commission relative to this case. First, I need to apologize for not identifying myself. I have no doubt I would be fired if anyone in management at PNG knew I was sharing this. And as much as I want to help my neighbors save money, I have a duty to my wife and young kids to keep my job.

Several months ago, the VP of the Project Management group, Amy Presson, implemented a new requirement for construction contractors when they were doing something called a horizontal bore, or drill. This is a process to install long sections of gas mains by drilling them through the ground rather than digging. She mandated that any time it was suspected that the driller might encounter rock that the entire length of the pipe in the drill be coated with something called ScarGuard. This is a coating put on the pipe to help protect it from abrasion. But this has historically only been used at the point two 40' sections of pipe are welded together, not the entire length of the pipe. No other utility does this and all the contractors can't understand why, even though they are loving the windfall. It adds millions of dollars to each project it is used. And since a significant number of these projects are on integrity projects, the cost is immediately passed directly onto the consumer under the Integrity Management Rider. You may here it is to ensure PNG doesn't have to re-drill if the pipe does indeed scrap rock. But PNG pays the driller only when they accept the drill. If the pipe is scrapped the driller needs to redrill, at his expense. So, the only ones benefiting from this new rule are the contractors. You must ask yourself why Ms. Presson is so concerned about helping the contractors save money. And please know Ms. Presson is a nuclear engineer with no gas pipeline construction experience. She was told this was not needed but she never listens to her team. Her bullying tactics and ignoring the facts caused the best construction superintendent the company has ever had to quit. All these added costs need to be taken out of the rate case and PNG should eat these costs.

Sincerely,

A concerned employee and rate payer

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(BRW-1)

Piedmont Natural Gas Company, Inc.
 NCUC Docket No. G-9, Sub 781
 North Carolina Operations

Exhibit_(BRW-1)

Cumulative Cost of PHMSA Compliance Activity since the Company's Last General Rate Case through the end of the Test Period for this Rate Case
 (July 1, 2019 through December 31, 2020)

	<u>Integrity Management Capital Investments (Gross Plant Additions)¹:</u>	
1	Corrosion Control	\$ 2,795,040
2	Casing Remediation	\$ 8,883,641
3	Distribution Integrity	\$ 50,680,705
4	Transmission Integrity	\$ 303,560,026
5	Total	\$ 365,919,412
	<u>Transmission Pipeline Integrity Management Program:</u>	
6	Incremental O&M Expenses, As Deferred	\$ 25,586,438
	<u>Distribution Pipeline Integrity Management Program:</u>	
7	Incremental O&M Expenses, As Deferred	\$ 4,764,524
8	Grand Total (Line 5 + Line 6 + Line 7)	<u>\$ 396,270,374</u>

1/ These amounts were also shown in Schedule 1 of the Company's IMR Monthly Report for December 2020 filed in Docket No. G-9, Sub 642 on February 15, 2021.

Piedmont Natural Gas Company, Inc.
General Rate Case
Docket No. G-9, Sub 781

EXHIBIT_(BRW-2)

I/A

Piedmont Natural Gas Company, Inc.
NCUC Docket No. G-9, Sub 781
North Carolina Operations

Exhibit_(BRW-2)

Projected Gross Integrity Management Plant Investment Amount by Integrity Project Category ¹
(\$ millions)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
1 Corrosion Control	\$ 11.3	\$ 5.8	\$ 6.5	\$ 23.6
2 Casing Remediation	8.6	17.7	4.7	31.0
3 Distribution Integrity	37.4	24.2	21.8	83.4
4 Transmission Integrity	169.4	140.3	384.4	694.1
5 Gross Total	\$ 226.7	\$ 188.0	\$ 417.4	\$ 832.1