

**Before the
North Carolina Utilities Commission**

Docket No. G-9, Sub 837

GENERAL RATE CASE

**Direct Testimony and Exhibits
of
Brad Evans**

**On Behalf Of
Piedmont Natural Gas Company, Inc.**

1 **Q. Mr. Evans, please state your name and business address.**

2 A. My name is Brad Evans. My business address is 525 South Tryon Street,
3 Charlotte, North Carolina.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am a Rates & Regulatory Strategy Manager for Piedmont Natural Gas
6 Company, Inc. (“Piedmont” or “the Company”). In this capacity, I am
7 responsible for a variety of matters, including supporting the development
8 and execution of rate requests.

9 **Q. Please describe your educational and professional background.**

10 A. I received a Bachelor of Arts degree in economics from the University of
11 North Carolina at Chapel Hill and subsequently earned a Master of
12 Accounting from the University of North Carolina at Chapel Hill Kenan-
13 Flagler Business School. I received my Certified Public Accountant license
14 (NC Certificate #36349) in 2011 that remains active.

15 I was hired by Duke Energy Corporation, the parent company of
16 Piedmont, in 2010 as a Finance Associate in the Accounting Development
17 Program. Since then, I have worked in numerous accounting-related roles
18 across Duke Energy’s multiple utility jurisdictions, including Non-
19 Regulated Reporting, Tax, Internal Audit, Duke Energy Florida, LLC
20 Reporting, Duke Energy Progress, LLC Reporting, and Electric Utility
21 Consolidated Reporting. I assumed my current position of Rates and
22 Regulatory Strategy Manager at Piedmont in 2023.

1 **Q. Have you previously testified before the North Carolina Utilities**
2 **Commission (“Commission”) or any other regulatory authority?**

3 A. I have not previously testified before this Commission or any other
4 regulatory authority.

5 **Q. What is the purpose of your testimony in this proceeding?**

6 A. The purpose of my testimony is to explain and support: (1) Piedmont’s rate
7 base at December 31, 2023, and the actual results of Piedmont’s operations
8 for the twelve-month period ending December 31, 2023 (the “Test Period”);
9 (2) the results of Piedmont’s Test Period operations under present rates, as
10 adjusted for accounting and pro forma changes to its operating revenue,
11 operating expense, capital structure and rate base; (3) the additional revenue
12 required to appropriately support Piedmont’s pro forma cost of service; (4)
13 the amortization of certain deferred expenses that the Commission has
14 previously granted regulatory asset treatment; (5) Piedmont’s request for a
15 new accounting deferral; and (6) Piedmont’s compliance with Commission
16 Form G-1 Minimum Filing Requirements for this general rate case
17 application.

18 **Q. Do you have any exhibits supporting your testimony?**

19 A. Yes. The following exhibits are included with my testimony:

20	Exhibit_(WBE-1)	Summary of Rate Base
21	Exhibit_(WBE-2)	Original Cost of Property Used and Useful
22	Exhibit_(WBE-3)	Accumulated Depreciation of Property Used
23		and Useful

- 1 Exhibit_(WBE-4) Working Capital
- 2 Exhibit_(WBE-5) Accumulated Deferred Income Taxes
- 3 (“ADIT”)
- 4 Exhibit_(WBE-6) Depreciation Policy and Rates
- 5 Exhibit_(WBE-7) Net Operating Income and Rates of Return
- 6 Exhibit_(WBE-8) Total Pro Forma Revenues for the Sale and
- 7 Transportation of Gas
- 8 Exhibit_(WBE-9) Components of Pro Forma Sales and
- 9 Transportation Revenues
- 10 Exhibit_(WBE-10) Piedmont Balance Sheet and Income
- 11 Statement

12 **Q. Were these exhibits prepared by you or under your direction and**

13 **supervision?**

14 A. Yes.

15 **Q. Are you familiar with Piedmont’s accounting procedures and books of**

16 **account?**

17 A. Yes. Piedmont’s books of account follow the Uniform System of Accounts

18 established by the Federal Energy Regulatory Commission. The Test

19 Period amounts shown on my exhibits are those represented on Piedmont’s

20 books of account, and all of the pro forma adjustments shown on my

21 exhibits conform to the Company’s accounting procedures.

1 **Q. What steps does the Company take to ensure that its books and records**
2 **are accurate and complete?**

3 A. Piedmont maintains and relies upon an extensive system of internal
4 accounting controls and audits by both internal and external auditors. The
5 system of internal accounting controls provides reasonable assurance that
6 Piedmont executes all transactions in accordance with management's
7 authorization and records them properly. The Company reviews,
8 documents, and tests its system of internal accounting controls annually to
9 provide reasonable assurance that the amounts it records on its books and
10 records are accurate and proper. In addition, independent certified public
11 accountants perform an annual audit to provide assurance that internal
12 accounting controls are operating effectively and that Piedmont's financial
13 statements are materially accurate.

14 **Test Period Rate Base**

15 **Q. Please explain the computation of rate base reflected in your exhibits.**

16 A. Exhibit_(WBE-1) is a summary of Piedmont's end of Test Period rate base
17 applicable to its utility operations in North Carolina. Piedmont's end of
18 Test Period rate base for its utility operations in North Carolina is
19 approximately \$5.88 billion, as reflected on Line 5, Column 1. This amount
20 reflects the December 31, 2023, balances in the Company's accounting
21 records for utility plant in service, less accumulated depreciation and ADIT,
22 plus an allowance for working capital.

1 The largest component of Piedmont’s North Carolina rate base is
2 utility plant in service, which is approximately \$8.52 billion
3 (Exhibit_(WBE-1), Line 1, Column 1), computed at the original cost of such
4 used and useful property. Exhibit_(WBE-2) identifies utility plant in
5 service by asset category at the end of the Test Period, with approximately
6 88.07% (the sum of Lines 3 and 4, Column 2) of those assets being
7 transmission and distribution plant (predominantly consisting of pipe in the
8 ground, classified as either mains or service lines).

9 Exhibit_(WBE-3) identifies accumulated depreciation by asset
10 category at the end of the Test Period, which is a deduction to rate base of
11 approximately \$1.97 billion (Line 7, Column 1). Exhibit_(WBE-4) shows
12 the Test Period allowance for working capital, which reflects the combined
13 average per books balance for the 13 months ended December 31, 2023, for
14 various other book assets and liabilities supporting Piedmont’s North
15 Carolina utility operations, the projected balance for certain regulatory
16 deferrals, and the results of the cash working capital (“CWC”) lead/lag
17 study. The components of the Test Period allowance for working capital
18 are delineated in Exhibit_(WBE-4) totaling approximately \$0.32 billion
19 (Line 17).

20 Exhibit_(WBE-5) identifies ADIT at the end of the Test Period,
21 which is a deduction to rate base of approximately \$1.00 billion (Line 3).

1 **Q. Has Piedmont presented the results of a depreciation or lead/lag study**
2 **in this filing?**

3 A. Yes. Company witnesses Dane Watson and Paul Normand have provided
4 a depreciation study and a lead lag study, respectively, in their concurrently
5 filed Direct Testimonies in this proceeding. Piedmont has incorporated the
6 results of these studies in the pro forma revenue requirement presented in
7 this proceeding.

8 **Q. How has Piedmont's rate base changed since its last general rate case?**

9 A. Piedmont's last general rate case reflected a Test Period rate base at
10 December 31, 2020, updated for known and measurable changes through
11 June 30, 2021, as adjusted to include the Robeson LNG Plant and the
12 Pender-Onslow Expansion project. Piedmont's rate base coming out of that
13 proceeding was \$4.73 billion, compared to \$5.88 billion at the end of this
14 current Test Period. Utility plant in service, which is the largest component
15 of rate base, grew by more than \$1.44 billion over this period, most
16 significantly in the distribution and transmission asset categories. See Table
17 1 as follows for such growth by major plant asset category.

18 **Table 1**
19 **Summary of Plant Assets by Category**

Plant Asset Category	2021 Rate Case Settlement	As of December 31, 2023	% Change
Storage Plant	\$429,660,184	\$439,039,080	2%
Transmission Plant	\$3,408,734,858	\$4,008,953,501	18%
Distribution Plant	\$2,727,227,056	\$3,497,346,013	28%
General Plant & Intangibles	\$516,016,016	\$578,014,065	12%
Total Utility Plant	\$7,081,638,114	\$8,523,352,659	20%

1 **Q. What factors have contributed to the increase in plant in service since**
2 **2021?**

3 A. Piedmont’s plant in service growth is the result of several factors. First,
4 Piedmont continues to invest in its system to ensure compliance with federal
5 pipeline safety and integrity obligations created by the United States
6 Pipeline and Hazardous Materials Safety Administration (“PHMSA”), and
7 much of that compliance work has involved capital projects. As explained
8 in greater detail in the Direct Testimony of Piedmont witness Brian
9 Weisker, a majority of the capital additions related to PHMSA are initially
10 begun to be recovered under the Integrity Management Rider (“IMR”)
11 mechanism and, as such, did not significantly contribute to the Company’s
12 need to file this general rate case.

13 Other significant drivers for the increase in plant in-service include
14 the capital investments undertaken to support system infrastructure
15 upgrades and customer growth. Piedmont’s service territory covers a
16 significant physical and demographic portion of the state of North Carolina
17 including major, growing metropolitan areas. Accordingly, the demand for
18 firm natural gas service has continued to steadily increase in Piedmont’s
19 service territory, which requires the Company’s continued infrastructure
20 investment. This is also discussed in further detail in Piedmont witness
21 Weisker’s testimony.

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Per Books Test Period Cost of Service

Q. What are the actual financial results of Piedmont’s North Carolina operations for the Test Period?

A. A summary of the Test Period financial results for Piedmont’s North Carolina operations is shown on page 1, Column 1 of Exhibit_(WBE-7). Amounts in Column 1 were taken from Piedmont’s books of account as of December 31, 2023. Column 1, Line 14 shows per books net operating income for return for the Test Period of \$361 million. Line 22 shows actual end of Test Period rate base of \$5.88 billion. Column 1, Line 23 shows that the Test Period per books overall rate of return on rate base is 6.15%.

Pro Forma Cost of Service

Q. Please describe the results of Piedmont’s Test Period operations under present rates, as adjusted for pro forma changes to its operating revenue, operating expense, capital structure and rate base.

A. Column 3 of Exhibit_(WBE-7) summarizes the results of Piedmont’s Test Period operations under present rates, as adjusted for accounting and pro forma changes to its operating revenue, operating expense, capital structure and rate base. Piedmont included the pro forma adjustment workpapers in G-1 Item 4, filed with its Application. Each of the accounting and pro forma adjustments shown in Column 2 of Exhibit_(WBE-7) is based on known and measurable information. Overall, the combined effect of the accounting and pro forma adjustments to the Test Period yields a 5.13% overall rate of return on rate base, as shown in Column 3, Line 23 of Exhibit (WBE-7).

1 **Q. Please explain the accounting and pro forma adjustments to revenues**
2 **and operating expenses used to compute Piedmont’s pro forma cost of**
3 **service.**

4 A. Each accounting and proforma adjustment is numbered and shown
5 alongside Column 2 on page 1 of Exhibit_(WBE-7). A description of each
6 adjustment is also provided on pages 3 and 4 of Exhibit_(WBE-7).

7 I performed Adjustments 1 through 3 to bring annual operating
8 revenues to the going-level amount. A detailed discussion of these
9 adjustments is set forth below in the Pro Forma Revenues section.

10 I performed Adjustments 4 through 8 to bring annual operating
11 expenses to the going-level amount. A detailed discussion of these
12 adjustments is set forth below in the Pro Forma O&M Expense Adjustments
13 and Other Pro Forma Operating Expense Adjustments sections.

14 I performed Adjustments 9 through 12 to update rate base through
15 June 30, 2024, including additional adjustments for the new Customer
16 Information System (“New CIS”) and Eastern Carolina Economic
17 Expansion Project (“ECEEP”). Detailed discussion of these adjustments is
18 set forth below in the Pro Forma Rate Base section.

19 **Pro Forma Revenues**

20 **Q. Please summarize the total pro forma revenues for rate making in this**
21 **proceeding.**

22 A. In summary, the appropriate amount of total pro forma revenues for rate
23 making in this proceeding is \$1,274,456,914, calculated on Line 3, Column

1 3 of Exhibit_(WBE-7). This amount represents the computation of total pro
2 forma revenues for the sale and transportation of gas of \$1,270,463,743
3 shown in Line 1, Column 3 of Exhibit_(WBE-7), and my computation of
4 other pro forma other operating revenues of \$3,993,171 shown in Line 2,
5 Column 3 of Exhibit_(WBE-7).

6 **Q. Which adjustments were used to calculate your pro forma revenues?**

7 A. I performed Adjustment 1 to normalize annual revenues for the sale and
8 transportation of gas to present billing rates and current customer
9 throughput levels and Adjustment 2 to bring other operating revenues to the
10 going-level annual amount. Adjustment 3 specifically aligns the total
11 annual cost of gas to the present billing rates and current customer
12 throughput levels consistent with Adjustment 1 discussed above.

13 **Q. What are the components of sale and transportation revenue?**

14 A. Those categories are margin revenues, cost of gas (“COG”) commodity
15 revenues and COG demand revenues. Exhibit_(WBE-9) provides the
16 breakdown of total pro forma revenues by these three categories by rate
17 schedule. Line 354 of Exhibit_(WBE-9), shows total pro forma revenues
18 by category as follows:

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Table 2

Revenue Category	Pro forma Amount	Reference
Margin Revenues	\$899,070,296	Exhibit_(WBE-9) Line 354, Column 6
COG Demand Revenues	\$130,469,608	Exhibit_(WBE-9) Line 354, Column 8
COG Commodity Revenues	\$240,923,840	Exhibit_(WBE-9) Line 354, Column 10
Total Pro forma Revenues	\$1,270,463,743	Exhibit_(WBE-8) Line 354, Column 10

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Q. Please explain the pro forma revenue calculations for the sale and transportation of gas.

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A. As shown on Exhibit_(WBE-8), Column 1, the starting point for these calculations is actual Test Period customer usage. Adjustments to the Test Period sales and transportation revenues are made to reflect normalized Test Period volumes, post-Test Period plant additions, customer bill growth, and IMR revenues. I discuss each column in my Exhibit_(WBE-8) below.

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- Column 1 shows the actual Test Period bills and sales and transportation volumes by rate schedule.
- Column 2 shows the adjustment made to normalize the Test Period volumes to reflect the expected throughput levels under normal weather conditions.
- Column 3 shows the results of the adjustments in Column 2 on the actual volumes shown in Column 1.
- Column 4 shows the adjustments applied to bills and volumes of customers to match updated rate base and plant through June 30, 2024.

- 1 • Column 5 shows the resulting sales and transportation levels after the
2 normalization of Test Period volumes and the customer adjustments.
- 3 • Column 6 reflects the total bills that would be expected for each
4 customer class as a result of the adjustments.
- 5 • Column 7 shows the current approved rates.
- 6 • Column 8 computes pro forma revenues using these “clean” rates¹ from
7 Column 7 and applied to pro forma bills and volumes in Column 5. The
8 IMR revenues shown in Column 8 reflect the IMR revenue requirements
9 from Piedmont’s 2023 Annual IMR report, which was authorized by the
10 Commission in Docket No. G-9, Sub 818.
- 11 • Column 9 shows the adjustments made to revenues to reflect the Margin
12 Decoupling Tracking mechanism, projected revenue requirement
13 changes from the IMR mechanism and revenue changes to certain
14 customer contracts. These adjustments were used to properly compute
15 the pro forma revenues shown in Column 10.

16 **Q. Please further explain the normalization adjustment shown in**
17 **Exhibit_(WBE-8), Column 2.**

18 A. This adjustment is necessary to adjust actual volumes to the quantities that
19 would have been delivered had weather conditions been normal during the
20 Test Period. Actual weather during the Test Period was 13.2% warmer than

¹ “Clean” rates, as applied to billing determinates for the computation of pro forma revenues in Exhibit_(WBE-8), is comprised of Piedmont’s current base margin rates, gas cost commodity rates, and gas cost demand rates.

1 the 30-year average used for normal. To calculate this adjustment,
2 Piedmont utilized its standard method of normalizing volumes, which the
3 Commission has accepted in prior rate proceedings. The resulting
4 normalized volumes after the adjustment are shown in Column (3).

5 **Q. What growth adjustments did the Company apply to customer bills and**
6 **consumption levels in Exhibit_(WBE-8), Column 4?**

7 A. The growth adjustment projects changes to the number of customers billed
8 and future consumption levels anticipated through June 30, 2024. In some
9 instances, the billing determinants associated with new customers with in-
10 service dates prior to July 1, 2024, were added, while certain customers
11 closing their accounts were removed. In other instances, adjustments were
12 made to either move customers to different tariff rate schedules based on
13 their contractual terms and historical usage or move certain customers who
14 are converting from a special contract agreement to a tariff rate schedule (or
15 vice versa). Overall, this adjustment is made to match pro forma revenues
16 with the expense and rate base adjustments to reflect ongoing business
17 activity through June 30, 2024.

18 **Q. Please explain the calculations in Exhibit_(WBE-8), Columns 5**
19 **through 8.**

20 A. The pro forma dekatherms shown in Column 5 and the pro forma bills
21 shown in Column 6 are derived from the adjustment in Column 4 which is
22 applied to the normalized volumes from Column 3. These quantities are
23 then priced out at Piedmont's existing approved rates, which are shown in

1 Column 7. The results are shown in Column 8, labeled Calculated
2 Revenues. The IMR revenues also shown in Column 8 reflect the IMR
3 revenue requirements authorized from Piedmont's 2023 Annual IMR
4 report.

5 **Q. Please explain the adjustments to revenues captured in Exhibit_(WBE-**
6 **8), Column 9.**

7 **A.** Column 9 incorporates revenue adjustments for the Margin Decoupling
8 Tracker mechanism, the IMR and certain special contracts.

9 The Margin Decoupling Tracker adjustments apply to the
10 Residential, Small General, and Medium General Service rate schedules.
11 The adjustment to volumetric revenues increases the total pro forma
12 revenues for Residential Service and Small and Medium General Service to
13 properly reflect the impact of the Margin Decoupling Tracker mechanism
14 as defined in Appendix C of the Company's Service Regulations. The
15 calculation is necessary to adjust margin in a manner that reflects the going
16 level of annual margin for the pro forma bills as identified in Column 6.

17 The IMR revenue adjustment applies to all rate classes. The IMR
18 revenue adjustment reflects Piedmont's projected change in IMR revenue
19 requirements based on projected integrity plant in-service at March 31,
20 2024, and its impact on the IMR revenue requirement component of rates
21 effective June 1, 2024.

22 Piedmont also has certain non-residential customers that take gas
23 service pursuant to a contract with Piedmont. In order to appropriately

1 reflect the going-level revenues for those customers, adjustments were
2 made based on the terms of those contracts. As discussed in the testimony
3 of Piedmont witness Couzens, Piedmont does not propose modifying the
4 terms of any of its Special Contracts.

5 **Q. Please explain your pro forma revenue calculations for other operating**
6 **revenues.**

7 A. The starting point for these calculations is actual Test Period per books other
8 operating revenues, which amounted to \$5,800,447 as shown on Line 2,
9 Column 1 of Exhibit_(WBE-7) page 1. This amount largely consists of late
10 payment charge revenue, rental revenue from gas properties, other
11 miscellaneous revenue, and customer cash-outs for gas shortage
12 imbalances. The accounting and pro forma adjustments made in
13 Adjustment 2, which primarily consist of the removal of cost of gas cash-
14 outs for normalization purposes, bring this amount to the appropriate going-
15 level amount of \$3,993,171 shown on Line 2, Column 3 of Exhibit_(WBE-
16 7) for rate making in the proceeding.²

17 **Pro Forma Operations and Maintenance (“O&M”)**
18 **Expense Adjustments**

19
20 **Q. Please explain in further detail the pro forma adjustments that**
21 **comprise Adjustment 4 for O&M expenses.**

22 A. Adjustment 4 increases O&M expense to the going-level amount of \$235
23 million as shown on Line 5, Column 3 of Exhibit_(WBE-7) page 1. This

² The workpapers for this adjustment are provided in G-1 Item 4(a).

1 adjustment was prepared by segregating the Test Period O&M expense into
2 its major categories, then analyzing the Test Period transactions and the
3 specific cost drivers for each of these major categories to appropriately
4 develop the going level expense amount for each major category. Page 3 of
5 Exhibit_(WBE-7) lists each O&M expense category and the adjustment
6 amount.

7 The following table includes a description of the nature of each
8 adjustment:

9 **Table 3**
10 **Adjustment 4 – O&M Adjustments Detail**

<u>Adj. No.</u>	<u>Adjustment Description</u> <u>(From Page 3 of Exhibit (WBE-7))</u>
	Note: Adjustments denoted with “*” will be updated with actuals as of June 30, 2024, in a supplemental filing.
4A*	To increase salaries & wages expense to the going-level basis. The adjustment proposes to annualize effective pay rates for headcount at December 31, 2023, and update the jurisdictional allocation factor. Annualized payroll for current headcount will be updated to June 30, 2024, in a supplemental filing.
4B 4C	To increase short-term incentive plan and decrease long-term incentive plan expense to the going-level basis. The adjustment proposes to update STIP and LTIP compensation expense using 2024 budgets at target level and updating the jurisdictional allocation factor.

4D	To reduce executive management compensation for ratemaking purposes. The adjustment proposes to remove 50% of the allocated compensation (including benefits) of the five Duke Energy executives with the highest level of compensation. While the Company fully believes these costs are reasonable, prudent, and appropriate to recover from customers, for purposes of streamlining this proceeding, we have made this adjustment.
4E	To increase pension and OPEB expense to the going-level basis. The adjustment proposes to update pension and OPEB expense for known and measurable annual expense. The jurisdictional allocation factor is also updated.
4F	To increase other employee benefits expense to the going-level basis. The adjustment proposes to increase medical and dental, long-term disability, and other benefit expense to the anticipated going level. The updated jurisdictional allocation factor is reflected in this adjustment.
4G*	To increase the provision of uncollectibles expense to the going-level basis. The adjustment proposes to update uncollectible expense to reflect actual write-offs by normalizing the Test Period write-offs-to-revenues ratio and applying the updated ratio to pro forma Sales & Transportation revenue. This adjustment will be updated to align with the updated pro forma Sales & Transportation revenue that will be included in the Company's supplemental filing for June 30, 2024, actuals.
4H	To increase rent expense to the going-level basis. The adjustment proposes to update rent expense by reflecting the current terms of rental agreements and update the jurisdictional allocation factors.

4I	To increase insurance expense to the going-level basis. The adjustment proposes to reflect insurance rates that were invoiced for January – December 2024 and update jurisdictional allocation factors.
4J*	To decrease expenses for allocations to non-utility activities. The adjustment proposes to allocate a portion of select operating expenses using the three-factor Massachusetts Formula which consists of plant, revenues, and payroll costs, equally weighted. This adjustment will be updated to align with changes in the supplemental filing.
4K	To decrease aviation expense for ratemaking purposes. The adjustment proposes to remove 50% of aviation expenses not related to utility patrol. While the Company fully believes these costs are reasonable, prudent, and appropriate to recover from customers, for purposes of streamlining this proceeding, we have made this adjustment.
4L*	To increase the regulatory amortization expense for deferred environmental cleanup costs. The adjustment proposes to amortize deferred environmental costs related to various state and federal requirements for air emissions, wastewater discharges, and solid, toxic, and hazardous waste management. Piedmont was initially granted regulatory asset treatment for such environmental costs in Docket No. G-9, Sub 333. The proposed amortization period is 6 years. Further discussion is included in the Amortization of Deferred Expenses section of my direct testimony herein. This adjustment will be updated in a supplemental filing to align with Piedmont’s actual deferred costs through June 30, 2024.

<p>4M*</p>	<p>To increase the regulatory amortization expense for deferred distribution pipeline integrity management (“PIM-D”) program costs.</p> <p>The adjustment proposes to amortize deferred O&M costs arising out of activities required to comply with federal PIM-D requirements. Piedmont was initially granted regulatory asset treatment for such costs in its 2019 rate case (Docket No. G-9, Sub 743). The proposed amortization period is 6 years. Further discussion is included in the Amortization of Deferred Expenses section of my Direct Testimony below. This adjustment will be updated in a supplemental filing to align with Piedmont’s actual deferred costs through June 30, 2024.</p>
<p>4N*</p>	<p>To decrease the regulatory amortization expense for deferred transmission pipeline integrity management (“PIM-T”) program costs.</p> <p>The adjustment proposes to amortize deferred O&M costs arising out of activities required to comply with PIM-T requirements. Piedmont was initially granted regulatory asset treatment in Docket No. G-9, Sub 495. The proposed amortization period is six years. Further discussion is included in the Amortization of Deferred Expenses section of my direct testimony herein. This adjustment will be updated in a supplemental filing to align with Piedmont’s actual deferred costs through June 30, 2024.</p>
<p>4O</p>	<p>To increase the regulatory amortization expense for 2024 rate case costs.</p> <p>This adjustment proposes to amortize for recovery the total amount of rate case costs anticipated to be incurred for this proceeding. The proposed amortization period is six years.</p>
<p>4P*</p>	<p>To increase the amortization expense for Piedmont Customer Connect Project O&M costs incurred to date.</p> <p>The adjustment proposes to amortize the O&M costs incurred to date with the Piedmont Customer Connect Project to replace Piedmont’s Legacy customer information system (“Legacy CIS”) with the New CIS. The proposed amortization period is six years. This adjustment will be updated in the Company’s supplement filing to align with such actual costs through June 30, 2024.</p>

<p>4Q*</p>	<p>To decrease current regulatory fee expense to the going level.</p> <p>The adjustment proposes to synchronize the regulatory fee expense with pro forma revenues using the current fee rate of 0.1475%. This adjustment will be updated to align with pro forma revenues changes in the supplemental filing.</p>
<p>4R*</p>	<p>To increase the regulatory amortization expense for under-collected regulatory fee expense.</p> <p>This adjustment accounts for the amortization as approved in the Docket No. G-9, Sub 781 (“2021 rate case”) through the proposed interim rates effective date (November 1, 2024) and the incremental deferral resulting from regulatory fee increases through June 30, 2024. Piedmont was originally granted regulatory asset treatment in Docket No. M-100, Sub 142). The proposed amortization period is six years. This adjustment will be updated with actual deferred costs through June 30, 2024.</p>
<p>4S</p>	<p>To remove distribution leak and repair survey expense from the Test Period.</p> <p>In alignment with the Company’s PIM-D deferrals, this adjustment removes the actual Test Period distribution leak survey and repair costs that were incurred and recorded to O&M expense during the Test Period.</p>
<p>4T</p>	<p>To increase O&M expense to the going level for the New CIS.</p> <p>This adjustment proposes to align O&M expense to the going level for the New CIS. In addition to the implementation costs, the New CIS software from SAP will use a subscription model requiring additional incremental expense compared to the Legacy CIS, as well as ongoing hardware and expanded maintenance requirements. Simply put, it costs more to support a modern platform with new functionality and expanded customer capabilities.</p>
<p>4U</p>	<p>To increase Utilization Technology Development (UTD) Program expense to the going level.</p> <p>This adjustment proposes to recover the annual dues expense for the Company’s participation in GTI Energy’s UTD program for research and development of customer-supportive technologies, as discussed in Piedmont witness Weisker’s direct testimony.</p>

4V	To increase expenses for inflation and going-level jurisdictional allocations net of other ratemaking adjustments. This adjustment proposes that the remaining O&M expenses not specifically adjusted are updated by applying the updated jurisdictional allocators and an inflation factor calculated using data published by Office of Management and Budget (“OMB”).
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1 **Q. Are there any adjustments to Piedmont’s Test Period O&M that you**
2 **would like to further explain?**

3 A. Yes, I would like to discuss Adjustment 4S which removes traditional leak
4 survey costs from the Test Period. As is discussed in Piedmont witness
5 Weisker’s testimony, Piedmont is changing its methodology for PHMSA
6 compliance work from a traditional “walking the facilities” approach for its
7 distribution pipelines to the use of Advanced Methane Leak Detection
8 (“AMLD”). During the Test Period, the Company continued to contract
9 with third parties to perform the traditional survey work while it piloted the
10 new AMLD process. Since Piedmont is now proceeding with AMLD as
11 the primary method of compliance, it has removed the traditional costs from
12 the Test Period and is seeking explicit authority to defer AMLD expense as
13 part of its ongoing PIM-D expense deferrals.

14 **Other Pro Forma Operating Expense Adjustments**

15 **Q. Please continue your discussion of the pro forma adjustments 5 through**
16 **8.**

17 A. Adjustment 5 annualizes depreciation expense to align with the pro forma
18 amount of plant in service per Adjustment 9 herein. Adjustment 6

1 annualizes general tax expense (which is predominantly comprised of
2 property tax expense, payroll tax expense and North Carolina franchise tax
3 expense) consistent with the other related pro forma adjustments in this
4 proceeding. Adjustments 7 and 8 provide an update of annual federal
5 income tax expense (at the current rate of 21%) and state income tax
6 expense (at a rate of 2.25%) consistent with the other related pro forma
7 adjustments in this proceeding. The state income tax rate reflects North
8 Carolina's state income tax rate effective January 1, 2025.

9 **Pro Forma Rate Base**

10 **Q. Please explain the accounting and pro forma adjustments to rate base.**

11 A. Adjustments 9, 10, 11, and 12 were made to update the per books end of
12 Test Period rate base amounts to June 30, 2024, and the addition of the New
13 CIS and ECEEP projects. Adjustment 9 to plant in-service anticipates that
14 additional North Carolina plant assets totaling \$477 million will be placed
15 in service between December 31, 2023, and June 30, 2024. Additionally,
16 the New CIS anticipated in service total is \$86M on a North Carolina basis
17 and the ECEEP anticipated in service total is \$119M. Adjustment 10
18 reflects the change in accumulated depreciation, an increase of \$147 million
19 that is consistent with the time period based on Adjustment 9. Adjustment
20 12 reflects the change in the ADIT balance, an increase of \$30 million that
21 we anticipate occurring between December 31, 2023, and June 30, 2024.

22 Adjustment 11 reflects anticipated changes to the allowance for
23 working capital. For the asset and liability accounts used for regulatory

1 deferrals, the projected June 30, 2024, balances are included. The Company
2 has also included New CIS implementation costs incurred to date, less one
3 full year of amortization, in the balance of Adjustment 11, which is
4 consistent with the treatment of similar assets for which the Commission
5 has granted Piedmont deferral authority. Other asset and liability balances
6 included in Adjustment 11 are determined using a 13-month average
7 balance. Finally, Adjustment 11 includes the results of the CWC lead/lag
8 study based on the Company's cost of service after adjustments for
9 proposed rates.

10 I will amend Adjustments 9, 10, 11 and 12 to replace the estimates
11 with the actual per books amount of plant in service, accumulated
12 depreciation, allowance for working capital, and ADIT as of June 30, 2024,
13 as further adjusted for the New CIS and ECEEP projects.

14 **Piedmont's Revenue Requirement**

15 **Q. Please explain the additional revenue necessary to appropriately**
16 **support Piedmont's North Carolina utility operations.**

17 A. Adjustment 13 shown in Column 4 on page 1 of Exhibit_(WBE-7) reflects
18 the adjustment to Piedmont's base margin revenues needed to produce a
19 10.5% return on equity as recommended by Piedmont witness Jim Coyne
20 in his Direct Testimony. To develop Adjustment 13, Piedmont's rate base
21 was allocated to its capital source components of long-term debt, short-term
22 debt and common equity. This allocation, as shown in Column 4 on page 2
23 of Exhibit_(WBE-7), is based on the proposed capitalization ratios of

1 46.30% long-term debt, 0.70% short-term debt and 53.00% common equity.
2 This is the Company's targeted capital structure and is supported by
3 Company witness Karl Newlin's Direct Testimony. At present rates and at
4 the targeted capital structure and the pro forma cost of debt, Piedmont's
5 revenues and expenses will yield a 5.93% return on equity, as shown in
6 Column 6, Line 3 on page 2 of Exhibit_(WBE-7).

7 Adjustments 14 through 16 are made to align additional O&M
8 expense and state and federal income taxes to the additional revenue
9 increase in Adjustment 13.

10 **Q. Please explain proposed Adjustment 17 for the cost of gas.**

11 A. Adjustment 17 is a revenue requirement adjustment of (\$43,550,812) to
12 facilitate a decrease in the demand cost of gas. This cost reduction largely
13 represents the current annualized cost associated with obtaining upstream
14 natural gas storage and transportation service. A significant portion of the
15 cost decrease is the result of secondary market sales. Detailed support for
16 the adjustment to the demand cost of gas is shown in G-1 Item 4c and
17 discussed further in the testimony of Piedmont witness Couzens.

18 **Q. Does your proposed increased in the revenue requirement comport
19 with the proposed rates shown in Appendix I to the petition?**

20 A. Yes, it does. The proposed rates shown in Appendix I will produce a
21 revenue increase of \$202,399,614 which is the proposed revenue
22 requirement adjustment shown in Exhibit_(WBE-7) on page 1, Line 1,
23 Column 4. The testimony and exhibits of Piedmont witness Couzens

1 support the derivation of proposed rates for this proposed revenue
2 requirement adjustment amount.

3 **Q. Does this complete the cost-of-service portion of your testimony?**

4 A. Yes. I prepared the exhibits, working papers, and testimony filed with the
5 Petition with information currently available to the Company at the time of
6 the filing. New evidence may become available between the filing date and
7 the time of the hearing, and if so and as permitted under North Carolina
8 statutes and the Commission's rules, I will provide any additional relevant,
9 material, and competent evidence at the expert witness evidentiary hearing.
10 We reserve the right to file such updated information at or before the hearing
11 to the extent it is relevant to a determination of the matters at issue in this
12 proceeding.

13 **Deferred Expenses**

14 **Q. Does Piedmont propose to amortize and recover any deferred expenses**
15 **in this proceeding?**

16 A. Yes. There are two categories in which Piedmont proposes deferred
17 expenses: (1) updates to amortization expense that have been deferred
18 pursuant to a previous Commission Order, and (2) amortization of expenses
19 incurred to date, related to Piedmont's request in this proceeding for
20 regulatory asset treatment for the O&M expenses arising from its Piedmont
21 Customer Connect Project.

22 In the first category, Piedmont has previously deferred and now
23 seeks recovery of its updated unamortized balance of deferred PIM-T costs

1 (Adjustment 4N), PIM-D costs (Adjustment 4M), and certain
2 environmental cleanup and remediation costs (Adjustment 4L). These costs
3 have been deferred in accordance with prior Commission orders.

4 In the second category, support for Piedmont's request for
5 regulatory asset treatment of the Piedmont Customer Connect Project
6 expense is discussed in Piedmont witness Pia Powers' Direct Testimony.
7 The proposed six-year amortization of the expenses incurred and deferred
8 to date is shown in Adjustment 4P.

9 *Deferred Expenses – Pipeline Integrity Management*

10 **Q. Can you please describe these Pipeline Integrity Management costs and**
11 **how they came to be deferred?**

12 A. On December 2, 2004, the Commission issued its *Order Approving*
13 *Deferred Accounting Treatment* in which, pursuant to Piedmont's previous
14 request, it ordered that "effective November 1, 2004, Piedmont is
15 authorized to segregate its incremental and extraordinary O&M expenses
16 for Piedmont and North Carolina Natural Gas incurred in compliance with
17 the new Pipeline Integrity Management Regulations issued by the United
18 States Department of Transportaiton pursuant to the Pipeline Safety
19 Improvement Act of 2002 into a special deferred account until recovery of
20 such costs can be sought in a general rate case, subject to a determination
21 that the costs have been prudently incurred and properly accounted for and

1 a determination as to the proper method of recovery.”³

2 **Q. How has the Commission treated these types of costs since its December**
3 **1, 2004, order?**

4 A. Following that Order, Piedmont deferred specific transmission operating
5 and maintenance expenses of the type authorized by the Commission and
6 then sought amortization and recovery of those costs in its rate case filings
7 from 2005 - 2021 (Docket Nos. G-9, Subs 499, 550, 631, 743, and 781,
8 respectively). In those prior cases, in conformance with settlements of those
9 dockets, the Commission authorized Piedmont to amortize the costs it had
10 deferred and approved a continuation of the mechanism in each case.

11 **Q. Has Piedmont continued to defer transmission pipeline integrity O&M**
12 **costs since the last rate case?**

13 A. Yes. In this case, Piedmont seeks to include amortization of the PIM-T
14 costs incurred and deferred since the prior rate case cutoff of June 30, 2021.
15 As such, Piedmont is proposing a six-year amortization of unamortized
16 costs previously approved and the incremental deferred costs since the last
17 rate case. The pro forma adjustment decreases the annual amortization
18 expense by \$4,762,872, as calculated in Adjustment 4N, bringing the
19 anticipated pro forma annual expense to \$10,825,368. The Company will
20 update this deferral in a supplemental filing to replace the estimates with
21 the actual per book amounts as of June 30, 2024.

³ See Order Approving Deferred Accounting Treatment, December 2, 2004, Docket No. G-9, Sub 495, at 2.

1 **Q. How has the Commission treated distribution pipeline integrity costs**
2 **since its 2019 rate case order in Docket No. G-9, Sub 743 granting**
3 **Piedmont regulatory asset treatment?**

4 A. Following that Order, Piedmont deferred specific distribution operating and
5 maintenance expenses of the type authorized by the Commission and then
6 sought amortization and recovery of those costs in its 2021 rate case filing.
7 In that case, in conformance with the settlement in that docket, the
8 Commission authorized Piedmont to amortize the costs it had deferred and
9 approved a continuation of the mechanism.

10 **Q. Has Piedmont continued to defer distribution pipeline integrity O&M**
11 **costs since the last rate case?**

12 Yes. In this case, Piedmont seeks to include amortization of the PIM-D
13 costs incurred and deferred since the prior rate case cutoff of June 30, 2021.
14 Piedmont is proposing a six-year amortization of unamortized costs
15 previously approved and the incremental deferred costs since the last rate
16 case. The pro forma adjustment increases the annual amortization expense
17 by \$3,606,579 as calculated in Adjustment 4M, bringing the anticipated pro
18 forma annual expense to \$6,058,851. The Company will update this
19 adjustment in a supplemental filing to replace the estimated deferrals with
20 the actual per book amounts as of June 30, 2024.

1 **Q. Were the pipeline integrity costs for PIM-T and PIM-D prudently**
2 **incurred and have they been properly accounted for?**

3 A. Yes, these costs were incurred in compliance with federal laws and
4 regulations and in the ordinary conduct of Piedmont's business.

5 **Q. Is Piedmont proposing continued regulatory asset treatment for these**
6 **integrity costs going forward?**

7 A. Yes. The same reasons which supported deferral of these costs previously
8 continue to persist and support continued regulatory asset treatment for
9 these costs.

10 *Deferred Expenses – Environmental Cleanup and Remediation*

11 **Q. What is the basis for Piedmont's proposed amortization and recovery**
12 **of deferred environmental cleanup and remediation costs?**

13 A. Piedmont previously requested authorization to defer certain environmental
14 assessment and clean-up costs relating to various state and federal
15 environmental control requirements for air emissions, wastewater
16 discharges, and solid, toxic, and hazardous waste management.⁴ In its
17 *Order Granting Request* of Piedmont's petition, the Commission ordered
18 that "the request of special accounting for environmental assessment and
19 cleanup costs filed by Piedmont Natural Gas Company is hereby granted,

⁴ See Petition for Approval of Deferral of Environmental Assessment and Cleanup Costs, Docket No. G-9, Sub 333 (December 16, 1992).

1 without prejudice to the right of any party to take issue with the special
2 accounting in a regulatory proceeding.”⁵

3 **Q. Has Piedmont utilized this deferral authority for such environmental**
4 **expenses incurred in the years since it was granted by the Commission?**

5 A. Yes, it has. Piedmont has routinely deferred its environmental assessment
6 and clean-up costs pursuant to the authority granted by the Commission in
7 Docket No. G-9, Sub 333. The Company has filed for and been granted
8 amortization of such costs in rate case proceedings since 1992.

9 **Q. Has Piedmont continued to defer environmental compliance expenses**
10 **since the last rate case?**

11 A. Yes. Piedmont incurred these costs through compliance with federal laws
12 and regulations and in the ordinary conduct of Piedmont’s business. In this
13 proceeding, Piedmont proposes a six-year amortization of an anticipated
14 unamortized balance of \$2,453,120 for an annual amortization expense of
15 \$408,853. The annual amortization increases by \$143,497 as shown in
16 Adjustment 4L. Piedmont will update this deferral in a supplemental filing
17 to replace the estimates with the actual per book amount as of June 30, 2024.

18 *Deferred Expenses - Piedmont Customer Connect Project*

19 **Q. Please describe the costs the Company is seeking to recover for the new**
20 **Customer Connect CIS.**

21 A. The Company is seeking to defer and amortize the prudently incurred

⁵ See *Order Granting Request*, Docket No. G-9, Sub 333 (December 23, 1992).

1 incremental O&M expense for the project implementation in Adjustment
2 4P. Piedmont witness Powers discusses the appropriateness of deferral
3 treatment in her Direct Testimony.

4 **Q. How much is the Company seeking to defer for the O&M portion of the**
5 **Customer Connect CIS implementation?**

6 A. The proposed balance of deferred expenses Piedmont seeks to amortize is
7 \$22,560,876. Piedmont proposes a six-year amortization of the costs,
8 bringing the anticipated pro forma annual expense to \$3,760,146 as
9 calculated in Adjustment 4P. Piedmont plans to update the pro forma
10 amount with actuals as of June 30, 2024, in a supplemental filing.

11 **G-1 Compliance**

12 **Q. Has Piedmont complied with Commission Rule R1-17(b)(12)(c) in this**
13 **proceeding by filing the information required by Commission Form G-**
14 **1 in connection with the filing of this general rate case?**

15 A. Yes. Piedmont prepared and filed its G-1 Minimum Filing Requirements
16 concurrent with the Petition and testimony in this proceeding.

17 **Q. Does this conclude your pre-filed Direct Testimony?**

18 A. Yes.

**PIEDMONT NATURAL GAS COMPANY, INC.
GENERAL RATE CASE
DOCKET NO. G-9, SUB 837**

EXHIBIT_(WBE-1)

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 837
North Carolina Operations

Summary of Rate Base

	[1] As of <u>December 31, 2023</u>	[2] <u>Pro Forma Balance</u>
1 Utility Plant in Service	\$ 8,523,352,659	\$ 9,201,504,541
2 Accumulated Depreciation	(1,965,512,188)	(2,112,795,002)
3 Allowance for Working Capital	323,806,207	359,793,811
4 Accumulated Deferred Income Taxes	(1,003,994,063)	(1,034,016,438)
5 Total End of Period Net Investment	<u>\$ 5,877,652,615</u>	<u>\$ 6,414,486,912</u>

**PIEDMONT NATURAL GAS COMPANY, INC.
GENERAL RATE CASE
DOCKET NO. G-9, SUB 837**

EXHIBIT_(WBE-2)

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 837
North Carolina Operations

Utility Plant in Service:
Original Cost of Property Used and Useful
at December 31, 2023

		[1]	[2]
1	Intangible Plant	\$ 173,100,177	2.03%
2	Storage Plant	439,039,080	5.15%
3	Transmission Plant	4,008,953,501	47.03%
4	Distribution Plant	3,497,346,013	41.03%
5	General Plant Depreciated	288,233,546	3.38%
6	General Plant Amortized	116,680,342	1.37%
7	Total	<u>\$ 8,523,352,659</u>	<u>100.00%</u>

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

**PIEDMONT NATURAL GAS COMPANY, INC.
GENERAL RATE CASE
DOCKET NO. G-9, SUB 837**

EXHIBIT_(WBE-3)

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 837
North Carolina Operations

Accumulated Depreciation of Property Used and Useful
at December 31, 2023

		[1]	[2]
1	Intangible Plant	\$ 128,425,519	6.53%
2	Storage Plant	53,911,418	2.74%
3	Transmission Plant	555,966,662	28.29%
4	Distribution Plant	1,071,066,635	54.49%
5	General Plant Depreciated	93,485,609	4.76%
6	General Plant Amortized	62,656,344	3.19%
7	Total	<u>\$ 1,965,512,188</u>	<u>100.00%</u>

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

**PIEDMONT NATURAL GAS COMPANY, INC.
GENERAL RATE CASE
DOCKET NO. G-9, SUB 837**

EXHIBIT_(WBE-4)

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 837
North Carolina Operations

Allowance for Working Capital
at December 31, 2023

1	Cash Working Capital Per Lead-Lag Study	\$	52,156,462
2	Natural Gas Stored		58,042,681
3	Materials and Supplies		12,111,097
4	Fleet and Other Overheads		3,382,155
5	Accrued Vacation Liability		(2,856,261)
6	Accrued Interest on Customer Deposits		(4,721,406)
7	Customer Deposits		(10,683,204)
8	Deferred Pipeline Integrity Management - Transmission		68,231,621
9	Deferred Pipeline Integrity Management - Distribution		32,301,017
10	Prepaid Insurance		738,340
11	Deferred Revenue - Duke Buck and Dan River		(22,935,516)
12	Undercollection of NCUC Regulatory Fees		191,307
13	Pension/OPEB Asset (Liability)		127,098,223
14	Special Supplier Refunds		(407,704)
15	Environmental Expenses Incurred		2,472,350
16	Deferred Customer Connect		8,685,045
17	Total Allowance for Working Capital	\$	<u><u>323,806,207</u></u>

**PIEDMONT NATURAL GAS COMPANY, INC.
GENERAL RATE CASE
DOCKET NO. G-9, SUB 837**

EXHIBIT_(WBE-5)

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 837
North Carolina Operations

Accumulated Deferred Income Taxes
at December 31, 2023

1	Accumulated Deferred Income Taxes	\$ (693,678,828)
2	Regulatory Liabilities Related to Income Taxes	(310,315,235)
3	Total Accumulated Deferred Income Taxes (ADIT)	<u>\$ (1,003,994,064)</u>

**PIEDMONT NATURAL GAS COMPANY, INC.
GENERAL RATE CASE
DOCKET NO. G-9, SUB 837**

EXHIBIT_(WBE-6)

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 837
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 filing a new depreciation study in order to meet the requirement of Commission Rule R6-80.

Depreciation of Piedmont's LNG plants located in North Carolina is allocated between North Carolina and South Carolina utilizing Piedmont's 2-State Fixed Gas Cost and LNG Allocator. 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_(WBE-7). The proposed depreciation rates for each specific utility plant account are shown in the depreciation study presented in this application as an exhibit accompanying the direct filed testimony of witness Dane Watson.

Intangible Plant	11.42%
Storage Plant	2.81%
Transmission Plant	2.03%
Distribution Plant	2.37%
General Plant Depreciated	4.81%
General Plant Amortized	8.16%
Total Gas Plant	2.64%

**PIEDMONT NATURAL GAS COMPANY, INC.
GENERAL RATE CASE
DOCKET NO. G-9, SUB 837**

EXHIBIT_(WBE-7)

Net Operating Income and Rate of Return
for the 12 Months Ended December 31, 2023

Line No.	[1]	[2]	[3]	[4]	[5]	[6]	[7]
	Per Books Test Period	Accounting & Pro Forma Adjustments	After Accounting & Pro Forma Adjustments	Proposed Increase	After Adjustments For Proposed Revenues	COG Demand Adjustment	Total Proposed Revenues After All Adjustments
<u>Operating Revenues</u>							
1	1,123,562,966	146,900,777 (1)	1,270,463,743	202,399,614 (13)	1,472,863,357	(43,550,812) (17)	1,429,312,545
2	5,800,447	(1,807,277) (2)	3,993,171	-	3,993,171	-	3,993,171
3	<u>1,129,363,413</u>	<u>145,093,500</u>	<u>1,274,456,914</u>	<u>202,399,614</u>	<u>1,476,856,528</u>	<u>(43,550,812)</u>	<u>1,433,305,715</u>
<u>Operating Expenses</u>							
4	282,241,299	89,152,149 (3)	371,393,448	-	371,393,448	(43,243,607) (18)	328,149,841
5	216,325,263	18,758,913 (4)	235,084,176	1,427,717 (14)	236,511,893	(307,205) (18)	236,204,688
6	183,945,405	59,368,424 (5)	243,313,828	-	243,313,828	-	243,313,828
7	32,511,873	7,058,144 (6)	39,570,018	-	39,570,018	-	39,570,018
8	12,904,811	(7,094,810) (7)	5,810,001	4,521,868 (15)	10,331,869	-	10,331,869
9	39,305,754	9,911,307 (8)	49,217,061	41,254,506 (16)	90,471,567	-	90,471,567
10	(26,953)	-	(26,953)	-	(26,953)	-	(26,953)
11	<u>767,207,453</u>	<u>177,154,127</u>	<u>944,361,579</u>	<u>47,204,091</u>	<u>991,565,670</u>	<u>(43,550,812)</u>	<u>948,014,858</u>
12	362,155,961	(32,060,626)	330,095,334	155,195,523	485,290,857	-	485,290,857
13	853,412	-	853,412	-	853,412	-	853,412
14	<u>361,302,549</u>	<u>(32,060,626)</u>	<u>329,241,922</u>	<u>155,195,524</u>	<u>484,437,446</u>	<u>-</u>	<u>484,437,446</u>
<u>Rate Base</u>							
15	8,523,352,659	678,151,881 (9)	9,201,504,541		9,201,504,541		
16	(1,965,512,188)	(147,282,814) (10)	(2,112,795,002)		(2,112,795,002)		
17	<u>6,557,840,471</u>	<u>530,869,067</u>	<u>7,088,709,538</u>		<u>7,088,709,538</u>		
18	52,156,462	24,976,656 (11)	77,133,118		77,133,118		
19	159,768,406	141,815 (11)	159,910,221		159,910,221		
20	111,881,338	10,869,133 (11)	122,750,472		122,750,472		
21	(1,003,994,063)	(30,022,375) (12)	(1,034,016,438)		(1,034,016,438)		
22	<u>5,877,652,615</u>	<u>536,834,297</u>	<u>6,414,486,912</u>		<u>6,414,486,912</u>		
<u>Rate of Return</u>							
23	<u>6.15%</u>		<u>5.13%</u>		<u>7.55%</u>		

Return on Common Equity and Original Cost Net Investment
For the 12 Months Ended December 31, 2023

Line No.		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
		Test Period			After Accounting and Pro Forma Adjustments				
		Per Books <u>@ 12/31/2023</u>	Per Books <u>Ratio</u>	Cost Net <u>Investment</u>	Pro Forma <u>Ratio</u>	Cost Net <u>Investment</u>	Embedded <u>Cost</u>	Weighted <u>Cost</u>	Net Operating <u>Income</u>
1	Long-Term Debt	3,663,933,033	47.13%	2,770,430,565	46.30%	2,969,907,440	4.21%	1.95%	125,033,103
2	Short-Term Debt Proxy	58,042,681	0.75%	43,888,143	0.70%	44,901,408	5.43%	0.04%	2,438,146
3	Common Equity	<u>4,051,301,786</u>	<u>52.12%</u>	<u>3,063,333,907</u>	<u>53.00%</u>	<u>3,399,678,063</u>	<u>5.93%</u>	<u>3.15%</u>	<u>201,770,673</u>
4	Total	<u>\$ 7,773,277,500</u>	<u>100.00%</u>	<u>\$ 5,877,652,615</u>	<u>100.00%</u>	<u>\$ 6,414,486,912</u>		<u>5.13%</u>	<u>\$ 329,241,922</u>

After Adjustments for Proposed Rates

		Cost Net <u>Investment</u>	Embedded <u>Cost</u>	Weighted <u>Cost</u>	Net Operating <u>Income</u>
5	Long-Term Debt	2,969,907,440	4.21%	1.95%	125,033,103
6	Short-Term Debt Proxy	44,901,408	5.43%	0.04%	2,438,146
7	Common Equity	<u>3,399,678,063</u>	<u>10.50%</u>	<u>5.57%</u>	<u>356,966,197</u>
8	Total	<u>\$ 6,414,486,912</u>		<u>7.55%</u>	<u>\$ 484,437,446</u>

After Adjustments for Proposed Rates

		Pre-Tax <u>Retention Factor</u>	(Pre-Tax ROR) Gross Rev. <u>Factor</u>	Retention <u>Factor</u>	Net of Tax <u>Weighted Cost</u>
9	Long-Term Debt	0.992946	1.96%	0.7667778	1.49%
10	Short-Term Debt Proxy	0.992946	0.04%	0.7667778	0.03%
11	Common Equity	0.7667778	<u>7.26%</u>	1.0000000	<u>5.57%</u>
12	Total		<u>9.26%</u>		<u>7.09%</u>

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 837
North Carolina Operations

Pro Forma Adjustments
For the 12 Months Ended December 31, 2023

Line <u>No.</u>		
1	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues to the going-level basis per present rates.	<u>146,900,777</u>
2	<u>Operating Revenues - Other Revenues</u> To decrease revenues to the going-level basis.	<u>(1,807,277)</u>
3	<u>Cost of Gas</u> To increase cost of gas to the going-level basis per present rates.	<u>89,152,149</u>
4	<u>Operations and Maintenance Expenses</u>	
	A To increase salaries & wages expense to the going-level basis.	1,439,342
	B To increase short-term incentive plan expense to the going-level basis.	3,049,419
	C To decrease long-term incentive plan expense to the going-level basis.	(340,600)
	D To decrease executive management compensation for ratemaking purposes.	(817,910)
	E To increase pension and OPEB expense to the going-level basis.	2,398,936
	F To increase other employee benefits expense to the going-level basis.	1,036,401
	G To increase the provision of uncollectibles expense to the going-level basis.	3,707,409
	H To increase rent expense to the going-level basis.	1,190,423
	I To increase insurance expense to the going-level basis.	328,485
	J To decrease expenses for allocations to non-utility activities.	(967,472)
	K To decrease aviation expense for ratemaking purposes.	(384,962)
	L To increase the regulatory amortization expense for deferred environmental cleanup costs.	143,497
	M To increase the regulatory amortization expense for deferred distribution integrity management program costs.	3,606,579
	N To decrease the regulatory amortization expense for deferred transmission integrity management program costs.	(4,762,872)
	O To increase the amortization expense for deferred rate case costs.	316,054
	P To increase the amortization expense for deferred Customer Connect costs.	3,760,146
	Q To decrease current regulatory fee expense to the going-level.	(53,344)
	R To increase the regulatory amortization expense for undercollected regulatory fee expense	7,137
	S To remove leak survey expense from the test period.	(800,696)
	T To increase Customer Information System expense to the going-level.	3,472,086
	U To increase Utilization Technology Development (UTD) Program expense to the going-level.	200,000
	V To increase other remaining O&M expenses for inflation and going-level jurisdictional allocations.	2,230,856
	Total	<u>18,758,913</u>
5	<u>Depreciation and Amortization Expense</u> To increase depreciation and amortization expense to the going-level basis, following adjustment 9	<u>59,368,424</u>
6	<u>General Taxes</u>	
	A To increase payroll tax expense to the going-level basis following adjustment 4A, 4B, 4C, and 4D.	257,515
	B To increase property tax expense to the going-level basis.	6,381,827
	C To increase NC franchise and other tax expense to the going-level basis.	<u>418,802</u>
	Total	<u>7,058,144</u>

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 837
North Carolina Operations

Pro Forma Adjustments
For the 12 Months Ended December 31, 2023

<u>Line No.</u>		
9	<u>Plant in Service</u> To increase plant in service for projected net additions through June 30, 2024.	<u>678,151,881</u>
10	<u>Accumulated Depreciation</u> To increase accumulated depreciation following adjustment 9.	<u>(147,282,814)</u>
11	<u>Allowance for Working Capital</u> To increase the allowance for working capital to reflect anticipated changes through June 30, 2024.	<u>35,987,604</u>
12	<u>Accumulated Deferred Income Taxes</u> To increase accumulated deferred income taxes through June 30, 2024, as projected.	<u>(30,022,375)</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>202,399,614</u>
14	<u>Operations and Maintenance Expenses</u>	
	A To increase the provision for uncollectible accounts (rate of 0.558715%) following adjustment 13.	1,130,837
	B To increase regulatory fee expense (rate of .1475% after the provision for uncollectible accounts) following adjustment 13.	<u>296,880</u>
	Total	<u>1,427,717</u>
15	<u>State Income Taxes</u> To increase state income tax expense (rate of 2.25%) following adjustments 13 and 14.	<u>4,521,868</u>
16	<u>Federal Income Taxes</u> To increase federal income tax expense (rate of 21%) following adjustments 13 and 14.	<u>41,254,506</u>
17	<u>Operating Revenues - Gas Demand</u> To decrease revenues for the sale and transportation of gas following adjustment 18.	<u>(43,550,812)</u>
18	<u>Operations and Maintenance Expenses - Gas Demand</u>	
	A To decrease the demand cost of gas to the going-level basis.	(43,243,607)
	B To decrease the provision for uncollectible accounts (rate of 0.558715%) following adjustment 17.	(243,325)
	C To decrease regulatory fee expense (rate of .1475% after the provision for uncollectible accounts) following adjustment 17.	<u>(63,880)</u>
	Total	<u>(43,550,812)</u>

Revenue Retention Factor: [1] [2]

Line No.		[1]	[2]
1	Gross Revenue		1.00000000
2	Less: Uncollectibles		0.00558715
3	Subtotal		0.99441285
4	Less: Regulatory Fee @	0.1475%	0.00146680
5	Subtotal		0.99294605
6	Less: State Tax @	2.25%	0.02234129
7	Subtotal		0.97060476
8	Less: Federal Tax	21.00%	0.20382700
9	Revenue Requirements of \$1.00		0.76677776

Revenue Increase Calculation:

10	Rate Base	\$	6,414,486,912
11	Overall Rate of Return		7.55%
12	Net Operating Income Requirement	\$	484,437,446
13	Net Operating Income per Existing Rates		329,241,922
14	Net Operating Income Deficiency	\$	155,195,524
15	Revenue Retention Factor		0.76677776
16	Revenue Increase Requested, before COG Demand and Tax Reform Rider	\$	202,399,615
17	Revenue Adjustment Proposed for COG Demand		(43,550,812)
18	Revenue Adjustment Proposed for Tax Reform Rider		-
19	Total Revenue Increase Request	\$	158,848,803

Tax Factor:

20	Total Revenue		1.00000000
21	Less: State Income Tax @ 2.25%	0.0225	0.02250000
22	Balance		0.97750000
23	Less: Federal Income Tax @ 21%	0.21	0.20527500
24	Tax Factor		0.77222500

Uncollectibles Factor:

25	Proforma Sales & Transportation Revenue		1,270,463,743
26	Proforma Period Uncollectibles		7,098,268
27	Uncollectibles Conversion Factor		0.00558715

**PIEDMONT NATURAL GAS COMPANY, INC.
GENERAL RATE CASE
DOCKET NO. G-9, SUB 837**

EXHIBIT_(WBE-8)

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 837
Sales and Transportation Proforma Revenue Calculations
For the Test Period Ending December 31, 2023

(dekattherms)	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Growth Adjustment Thru 6/30/2024 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
Rate Schedule										
101 - Residential Service										
101	Bills - Winter	3,644,651			51,495	3,696,146	10.00	36,961,462		36,961,462
101	Bills - Summer	5,078,996			71,761	5,150,757	10.00	51,507,570		51,507,570
101	DTs - Winter	26,048,661	4,471,424	30,520,084	431,218	30,951,302	13.9101	430,535,701	11,578,795	442,114,495
101	DTs - Summer	8,871,332	(266,851)	8,604,481	121,573	8,726,053	13.3468	116,464,889	3,644,627	120,109,515
101	Integrity Management Rider Revenues							27,398,490	13,333,004	40,731,494
Experimental Motor Vehicle Fuel										
143 / 101 - Residential Service										
101	Bills - Winter	-			-	-	10.00	-		-
101	Bills - Summer	-			-	-	10.00	-		-
101	DTs - Winter	-	-	-	-	-	13.9101	-	-	-
101	DTs - Summer	-	-	-	-	-	13.3468	-	-	-
RESIDENTIAL SERVICE										
	Bills	8,723,647	-	-	123,256	-		8,846,903		
	Winter Dts	26,048,661	4,471,424	30,520,084	431,218	30,951,302				
	Summer Dts	8,871,332	(266,851)	8,604,481	121,573	8,726,053				
	Total Dts	34,919,992	4,204,572	39,124,565	552,790	39,677,355				
	Revenues							662,868,112	28,556,425	691,424,537

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 837
Sales and Transportation Proforma Revenue Calculations
For the Test Period Ending December 31, 2023

	(dekattherms)	Test Period Actual	Normalized Adjustment	Normalized	Growth Adjustment Thru 6/30/2024	Proforma Dekatherms	Proforma Bills	Revenue Clean Rates	Calculated Revenues	Revenue Adjustments	Proforma Revenues
	Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
102- Small General Service											
102	Bills	875,116			10,444		885,560	22.00	19,482,314		19,482,314
102	DTs - Winter	15,807,253	2,264,652	18,071,906	215,356	18,287,262		10.8878	199,108,050	(4,349,648)	194,758,401
102	DTs - Summer	9,385,324	(276,920)	9,108,404	108,771	9,217,175		10.4363	96,193,206	(8,402,963)	87,790,243
102	Integrity Management Rider Revenues								11,074,544	5,389,237	16,463,781
102	Minimum Margin Agreement Revenues								-	-	-
Experimental Motor Vehicle Fuel											
143 / 102- Small General Service											
102	Bills	95			(5)		90	22.00	1,986		1,986
102	DTs - Winter	3,829	-	3,829	(191)	3,637		10.8878	39,603	(11,529)	28,074
102	DTs - Summer	5,736	-	5,736	(287)	5,449		10.4363	56,865	(30,438)	26,427
152- Medium General Service											
152	Bills	7,398			(2,520)		4,878	75.00	365,845		365,845
	Winter - First 500 DTs	1,041,405	53,472	1,094,877	(53,796)	1,041,081		9.7010	10,099,524	(202,815)	9,896,709
	Winter - Over 500 DTs	1,307,143	67,117	1,374,260	(67,524)	1,306,736		9.3238	12,183,746	(254,567)	11,929,179
152	Total Winter DTs	2,348,548	120,589	2,469,137	(121,320)	2,347,817			22,283,270	(457,382)	21,825,888
	Summer - First 500 DTs	1,239,410	(44,194)	1,195,216	(58,726)	1,136,490		9.6354	10,950,532	(1,117,353)	9,833,179
	Summer - Over 500 DTs	995,860	(35,509)	960,351	(47,186)	913,164		9.2872	8,480,740	(897,788)	7,582,952
152	Total Summer DTs	2,235,270	(79,703)	2,155,567	(105,913)	2,049,654			19,431,273	(2,015,142)	17,416,131
152	Integrity Management Rider Revenues								1,718,756	836,403	2,555,159
152	Minimum Margin Agreement Revenues								34,790	-	34,790
Experimental Motor Vehicle Fuel											
143 / 152- Medium General Service											
152	Bills	-			-		-	75.00	-		-
	Winter - First 500 DTs	-	-	-	-	-		9.7010	-	-	-
	Winter - Over 500 DTs	-	-	-	-	-		9.3238	-	-	-
152	Total Winter DTs	-	-	-	-	-			-	-	-
	Summer - First 500 DTs	-	-	-	-	-		9.6354	-	-	-
	Summer - Over 500 DTs	-	-	-	-	-		9.2872	-	-	-
152	Total Summer DTs	-	-	-	-	-			-	-	-
Experimental Motor Vehicle Fuel											
144- Medium General Transportation Service											
144	Bills	-			-		-	75.00	-		-
	Winter - First 500 DTs	-	-	-	-	-		6.7010	-	-	-
	Winter - Over 500 DTs	-	-	-	-	-		6.3238	-	-	-
144	Total Winter DTs	-	-	-	-	-			-	-	-
	Summer - First 500 DTs	-	-	-	-	-		6.6354	-	-	-
	Summer - Over 500 DTs	-	-	-	-	-		6.2872	-	-	-
144	Total Summer DTs	-	-	-	-	-			-	-	-
142 - Natural Gas Vehicle Fuel - Company Stations											
142	DTs - Winter	40,854	-	40,854	-	40,854		10.7561	439,428		439,428
142	DTs - Summer	57,011	-	57,011	-	57,011		10.7561	613,212		613,212
142	Compression Charge Revenues							4.0000	391,458		391,458
142	Integrity Management Rider Revenues								50,801	24,721	75,522
SMALL & MEDIUM GENERAL / NGV FUEL SERVICE											
	Bills	882,609	-	-	7,919	-	890,528				
	Winter Dts	18,200,483	2,385,242	20,585,725	93,845	20,679,570					
	Summer Dts	11,683,340	(356,623)	11,326,717	2,572	11,329,289					
	Total Dts	29,883,823	2,028,619	31,912,442	96,417	32,008,859					
	Revenues								371,285,399	(9,016,741)	362,268,658

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 837
Sales and Transportation Proforma Revenue Calculations
For the Test Period Ending December 31, 2023

	(dekatherms)	Test Period Actual	Normalized Adjustment	Normalized	Growth Adjustment Thru 6/30/2024	Proforma Dekatherms	Proforma Bills	Revenue Clean Rates	Calculated Revenues	Revenue Adjustments	Proforma Revenues
	Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
103 - Large General Sales Service											
103	Bills	1,207			157				477,432		477,432
103	Demand	238,965			31,101	270,066	1,364	350.00	4,096,905		4,096,905
	Winter - First 1,500 DTs	671,184	-	671,184	87,354	758,538		4.9753	3,773,955		3,773,955
	Winter - Next 3,000 DTs	565,921	-	565,921	73,655	639,576		4.3721	2,796,290		2,796,290
	Winter - Next 9,000 DTs	188,540	-	188,540	24,538	213,078		3.9734	846,645		846,645
	Winter - Next 16,500 DTs	15,837	-	15,837	2,061	17,898		3.8061	68,121		68,121
	Winter - Next 30,000 DTs	-	-	-	-	-		3.7600	-		-
	<u>Winter - Over 60,000 DTs</u>	-	-	-	-	-		3.3533	-		-
103	Total Winter DTs	1,441,482	-	1,441,482	187,609	1,629,090			7,485,011		7,485,011
	Summer - First 1,500 DTs	922,673	-	922,673	120,086	1,042,759		4.2560	4,437,983		4,437,983
	Summer - Next 3,000 DTs	605,018	-	605,018	78,743	683,761		3.9032	2,668,858		2,668,858
	Summer - Next 9,000 DTs	202,616	-	202,616	26,370	228,987		3.6438	834,382		834,382
	Summer - Next 16,500 DTs	6,454	-	6,454	840	7,294		3.5146	25,637		25,637
	Summer - Next 30,000 DTs	-	-	-	-	-		3.3510	-		-
	<u>Summer - Over 60,000 DTs</u>	-	-	-	-	-		3.1809	-		-
103	Total Summer DTs	1,736,763	-	1,736,763	226,039	1,962,802			7,966,860		7,966,860
103	Integrity Management Rider Revenues								139,702	67,983	207,685
103	Minimum Margin Agreement Revenues								-	-	-
Experimental Motor Vehicle Fuel											
143 / 103 - Large General Sales Service											
103	Bills	36			-		36	350.00	12,600		12,600
103	Demand	11,363			-	11,363		15.1700	172,377		172,377
	Winter - First 1,500 DTs	22,500	-	22,500	-	22,500		4.9753	111,944		111,944
	Winter - Next 3,000 DTs	30,584	-	30,584	-	30,584		4.3721	133,718		133,718
	Winter - Next 9,000 DTs	44,795	-	44,795	-	44,795		3.9734	177,988		177,988
	Winter - Next 16,500 DTs	6,402	-	6,402	-	6,402		3.8061	24,366		24,366
	Winter - Next 30,000 DTs	-	-	-	-	-		3.7600	-		-
	<u>Winter - Over 60,000 DTs</u>	-	-	-	-	-		3.3533	-		-
103	Total Winter DTs	104,281	-	104,281	-	104,281			448,015		448,015
	Summer - First 1,500 DTs	30,280	-	30,280	-	30,280		4.2560	128,872		128,872
	Summer - Next 3,000 DTs	40,787	-	40,787	-	40,787		3.9032	159,201		159,201
	Summer - Next 9,000 DTs	63,000	-	63,000	-	63,000		3.6438	229,559		229,559
	Summer - Next 16,500 DTs	20,055	-	20,055	-	20,055		3.5146	70,485		70,485
	Summer - Next 30,000 DTs	-	-	-	-	-		3.3510	-		-
	<u>Summer - Over 60,000 DTs</u>	-	-	-	-	-		3.1809	-		-
103	Total Summer DTs	154,122	-	154,122	-	154,122			588,118		588,118
103	Integrity Management Rider Revenues								-	-	-
103	Minimum Margin Agreement Revenues								-	-	-
103	Compression Charge Revenues								84,832	-	84,832
104 - Interruptible Sales Service											
104	Bills	308			81		389	350.00	136,075		136,075
	Winter - First 1,500 DTs	178,403	-	178,403	46,794	225,198		5.2059	1,172,356		1,172,356
	Winter - Next 3,000 DTs	254,072	-	254,072	66,642	320,713		4.9096	1,574,574		1,574,574
	Winter - Next 9,000 DTs	269,263	-	269,263	70,626	339,889		4.5102	1,532,970		1,532,970
	Winter - Next 16,500 DTs	149,548	-	149,548	39,226	188,773		4.2041	793,622		793,622
	Winter - Next 30,000 DTs	43,079	-	43,079	11,299	54,378		3.9718	215,979		215,979
	<u>Winter - Over 60,000 DTs</u>	-	-	-	-	-		3.7994	-		-
104	Total Winter DTs	894,365	-	894,365	234,587	1,128,952			5,289,501		5,289,501
	Summer - First 1,500 DTs	230,137	-	230,137	60,364	290,501		4.6069	1,338,309		1,338,309
	Summer - Next 3,000 DTs	268,875	-	268,875	70,525	339,400		4.3277	1,468,820		1,468,820
	Summer - Next 9,000 DTs	253,113	-	253,113	66,390	319,503		4.2252	1,349,964		1,349,964
	Summer - Next 16,500 DTs	212,026	-	212,026	55,613	267,639		4.0443	1,082,412		1,082,412
	Summer - Next 30,000 DTs	49,751	-	49,751	13,049	62,800		3.9665	249,097		249,097
	<u>Summer - Over 60,000 DTs</u>	-	-	-	-	-		3.8322	-		-
104	Total Summer DTs	1,013,902	-	1,013,902	265,941	1,279,843			5,488,603		5,488,603
104	Integrity Management Rider Revenues								29,634	14,421	44,054
104	Minimum Margin Agreement Revenues								-	-	-

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 837
Sales and Transportation Proforma Revenue Calculations
For the Test Period Ending December 31, 2023

	(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Growth Adjustment Thru 6/30/2024 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
	Rate Schedule										
Experimental Motor Vehicle Fuel											
143 / 104 - Interruptible Sales Service											
104	Bills	-	-	-	-	-	-	350.00	-	-	-
	Winter - First 1,500 DTs	-	-	-	-	-	-	5.2059	-	-	-
	Winter - Next 3,000 DTs	-	-	-	-	-	-	4.9096	-	-	-
	Winter - Next 9,000 DTs	-	-	-	-	-	-	4.5102	-	-	-
	Winter - Next 16,500 DTs	-	-	-	-	-	-	4.2041	-	-	-
	Winter - Next 30,000 DTs	-	-	-	-	-	-	3.9718	-	-	-
	<u>Winter - Over 60,000 DTs</u>	-	-	-	-	-	-	3.7994	-	-	-
104	Total Winter DTs	-	-	-	-	-	-	-	-	-	-
	Summer - First 1,500 DTs	-	-	-	-	-	-	4.6069	-	-	-
	Summer - Next 3,000 DTs	-	-	-	-	-	-	4.3277	-	-	-
	Summer - Next 9,000 DTs	-	-	-	-	-	-	4.2252	-	-	-
	Summer - Next 16,500 DTs	-	-	-	-	-	-	4.0443	-	-	-
	Summer - Next 30,000 DTs	-	-	-	-	-	-	3.9665	-	-	-
	<u>Summer - Over 60,000 DTs</u>	-	-	-	-	-	-	3.8322	-	-	-
104	Total Summer DTs	-	-	-	-	-	-	-	-	-	-
113 - Large General Transportation Service											
113	Bills	3,243	-	-	(82)	-	3,161	350.00	1,106,392	-	1,106,392
113	Demand	1,808,309	-	-	(45,656)	1,762,653	-	3,1700	5,587,610	-	5,587,610
	Winter - First 1,500 DTs	1,907,863	-	1,907,863	(48,170)	1,859,693	-	1,9753	3,673,452	-	3,673,452
	Winter - Next 3,000 DTs	2,591,882	-	2,591,882	(65,440)	2,526,442	-	1,3721	3,466,531	-	3,466,531
	Winter - Next 9,000 DTs	2,979,672	-	2,979,672	(75,231)	2,904,441	-	0.9734	2,827,183	-	2,827,183
	Winter - Next 16,500 DTs	2,034,531	-	2,034,531	(51,368)	1,983,163	-	0.8061	1,598,628	-	1,598,628
	Winter - Next 30,000 DTs	1,850,982	-	1,850,982	(46,734)	1,804,249	-	0.7600	1,371,229	-	1,371,229
	<u>Winter - Over 60,000 DTs</u>	3,068,528	-	3,068,528	(77,474)	2,991,053	-	0.3533	1,056,739	-	1,056,739
113	Total Winter DTs	14,433,457	-	14,433,457	(364,416)	14,069,041	-	-	13,993,762	-	13,993,762
	Summer - First 1,500 DTs	2,557,455	-	2,557,455	(64,571)	2,492,885	-	1.2560	3,131,063	-	3,131,063
	Summer - Next 3,000 DTs	3,214,286	-	3,214,286	(81,154)	3,133,132	-	0.9032	2,829,844	-	2,829,844
	Summer - Next 9,000 DTs	3,623,841	-	3,623,841	(91,495)	3,532,346	-	0.6438	2,274,124	-	2,274,124
	Summer - Next 16,500 DTs	2,644,725	-	2,644,725	(66,774)	2,577,951	-	0.5146	1,326,614	-	1,326,614
	Summer - Next 30,000 DTs	2,328,310	-	2,328,310	(58,785)	2,269,525	-	0.3510	796,603	-	796,603
	<u>Summer - Over 60,000 DTs</u>	3,114,776	-	3,114,776	(78,642)	3,036,134	-	0.1809	549,237	-	549,237
113	Total Summer DTs	17,483,393	-	17,483,393	(441,420)	17,041,973	-	-	10,907,486	-	10,907,486
113	Integrity Management Rider Revenues	-	-	-	-	-	-	-	1,037,180	504,726	1,541,906
113	Minimum Margin Agreement Revenues	-	-	-	-	-	-	-	21,572	-	21,572
Experimental Motor Vehicle Fuel											
143 / 113 - Large General Transportation Service											
113	Bills	115	-	-	7	-	122	350.00	42,859	-	42,859
113	Demand	50,192	-	-	3,253	53,445	-	3,1700	169,421	-	169,421
	Winter - First 1,500 DTs	70,015	-	70,015	4,538	74,553	-	1,9753	147,265	-	147,265
	Winter - Next 3,000 DTs	103,891	-	103,891	6,734	110,624	-	1,3721	151,788	-	151,788
	Winter - Next 9,000 DTs	54,170	-	54,170	3,511	57,681	-	0.9734	56,146	-	56,146
	Winter - Next 16,500 DTs	82,500	-	82,500	5,347	87,847	-	0.8061	70,814	-	70,814
	Winter - Next 30,000 DTs	49,640	-	49,640	3,217	52,858	-	0.7600	40,172	-	40,172
	<u>Winter - Over 60,000 DTs</u>	-	-	-	-	-	-	0.3533	-	-	-
113	Total Winter DTs	360,216	-	360,216	23,347	383,563	-	-	466,185	-	466,185
	Summer - First 1,500 DTs	100,413	-	100,413	6,508	106,922	-	1.2560	134,294	-	134,294
	Summer - Next 3,000 DTs	152,598	-	152,598	9,891	162,489	-	0.9032	146,760	-	146,760
	Summer - Next 9,000 DTs	79,985	-	79,985	5,184	85,169	-	0.6438	54,832	-	54,832
	Summer - Next 16,500 DTs	115,500	-	115,500	7,486	122,986	-	0.5146	63,289	-	63,289
	Summer - Next 30,000 DTs	45,183	-	45,183	2,929	48,111	-	0.3510	16,887	-	16,887
	<u>Summer - Over 60,000 DTs</u>	-	-	-	-	-	-	0.1809	-	-	-
113	Total Summer DTs	493,680	-	493,680	31,998	525,677	-	-	416,061	-	416,061
113	Integrity Management Rider Revenues	-	-	-	-	-	-	-	-	-	-
113	Minimum Margin Agreement Revenues	-	-	-	-	-	-	-	-	-	-
113	Compression Charge Revenues	-	-	-	-	-	-	-	1,023,352	-	1,023,352

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 837
Sales and Transportation Proforma Revenue Calculations
For the Test Period Ending December 31, 2023

	(dekatheims)	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Growth Adjustment Thru 6/30/2024 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
	Rate Schedule										
114 - Interruptible Transportation Service											
114	Bills	2,615	-	-	(109)	-	2,506	350.00	877,074	-	877,074
	Winter - First 1,500 DTs	1,465,682	-	1,465,682	(59,255)	1,406,427	-	2.0333	2,859,688	-	2,859,688
	Winter - Next 3,000 DTs	2,217,839	-	2,217,839	(90,863)	2,126,976	-	1.3662	2,905,875	-	2,905,875
	Winter - Next 9,000 DTs	2,997,122	-	2,997,122	(127,304)	2,869,819	-	1.0071	2,890,194	-	2,890,194
	Winter - Next 16,500 DTs	2,197,514	-	2,197,514	(93,340)	2,104,174	-	0.6393	1,345,198	-	1,345,198
	Winter - Next 30,000 DTs	2,149,590	-	2,149,590	(91,304)	2,058,286	-	0.4975	1,023,997	-	1,023,997
	<u>Winter - Over 60,000 DTs</u>	<u>2,328,170</u>	<u>-</u>	<u>2,328,170</u>	<u>(98,890)</u>	<u>2,229,280</u>	<u>-</u>	<u>0.3269</u>	<u>728,752</u>	<u>-</u>	<u>728,752</u>
114	Total Winter DTs	13,355,917	-	13,355,917	(560,956)	12,794,962	-	-	11,753,705	-	11,753,705
	Summer - First 1,500 DTs	2,102,691	-	2,102,691	(89,312)	2,013,378	-	1.0687	2,151,697	-	2,151,697
	Summer - Next 3,000 DTs	3,063,930	-	3,063,930	(130,141)	2,933,788	-	0.7775	2,281,020	-	2,281,020
	Summer - Next 9,000 DTs	3,883,635	-	3,883,635	(164,958)	3,718,676	-	0.6234	2,318,223	-	2,318,223
	Summer - Next 16,500 DTs	2,602,737	-	2,602,737	(110,552)	2,492,185	-	0.4660	1,161,358	-	1,161,358
	Summer - Next 30,000 DTs	2,712,846	-	2,712,846	(115,229)	2,597,617	-	0.3624	941,376	-	941,376
	<u>Summer - Over 60,000 DTs</u>	<u>2,545,634</u>	<u>-</u>	<u>2,545,634</u>	<u>(108,127)</u>	<u>2,437,507</u>	<u>-</u>	<u>0.2573</u>	<u>627,171</u>	<u>-</u>	<u>627,171</u>
114	Total Summer DTs	16,911,471	-	16,911,471	(718,320)	16,193,152	-	-	9,480,846	-	9,480,846
114	Integrity Management Rider Revenues	-	-	-	-	-	-	-	808,577	393,480	1,202,057
114	Minimum Margin Agreement Revenues	-	-	-	-	-	-	-	294,997	-	294,997
Experimental Motor Vehicle Fuel											
143 / 114 - Interruptible Transportation Service											
114	Bills	-	-	-	-	-	-	350.00	-	-	-
	Winter - First 1,500 DTs	-	-	-	-	-	-	2.0333	-	-	-
	Winter - Next 3,000 DTs	-	-	-	-	-	-	1.3662	-	-	-
	Winter - Next 9,000 DTs	-	-	-	-	-	-	1.0071	-	-	-
	Winter - Next 16,500 DTs	-	-	-	-	-	-	0.6393	-	-	-
	Winter - Next 30,000 DTs	-	-	-	-	-	-	0.4975	-	-	-
	<u>Winter - Over 60,000 DTs</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.3269</u>	<u>-</u>	<u>-</u>	<u>-</u>
114	Total Winter DTs	-	-	-	-	-	-	-	-	-	-
	Summer - First 1,500 DTs	-	-	-	-	-	-	1.0687	-	-	-
	Summer - Next 3,000 DTs	-	-	-	-	-	-	0.7775	-	-	-
	Summer - Next 9,000 DTs	-	-	-	-	-	-	0.6234	-	-	-
	Summer - Next 16,500 DTs	-	-	-	-	-	-	0.4660	-	-	-
	Summer - Next 30,000 DTs	-	-	-	-	-	-	0.3624	-	-	-
	<u>Summer - Over 60,000 DTs</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.2573</u>	<u>-</u>	<u>-</u>	<u>-</u>
114	Total Summer DTs	-	-	-	-	-	-	-	-	-	-
LARGE GENERALSERVICE											
	Bills	7,524	-	-	54	-	7,578	-	-	-	-
	Demand Dts	2,108,829	-	-	(11,302)	2,097,527	-	-	-	-	-
	Winter Dts	30,589,717	-	30,589,717	(479,828)	30,109,890	-	-	-	-	-
	Summer Dts	37,793,330	-	37,793,330	(635,761)	37,157,569	-	-	-	-	-
	Total Dts	68,383,048	-	68,383,048	(1,115,589)	67,267,458	-	-	-	-	-
	Revenues	-	-	-	-	-	-	-	90,402,742	980,610	91,383,353

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 837
Sales and Transportation Proforma Revenue Calculations
For the Test Period Ending December 31, 2023

(dekattherms)	Test Period Actual	Normalized Adjustment	Normalized	Growth Adjustment Thru 6/30/2024	Proforma Dekatherms	Proforma Bills	Revenue Clean Rates	Calculated Revenues	Revenue Adjustments	Proforma Revenues
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
105 - Outdoor Gas Light Service										
105 Bills	600			(21)		579				
105 Fixtures	5,016			(177)		4,839	20.27	98,078		98,078
105 DTs - Winter	3,360		3,360	(119)	3,241					
105 DTs - Summer	4,666		4,666	(165)	4,501					
T-10 (675) - Military Operations Transportation										
T-10 Bills	-			-		-		-		-
T-10 Demand	-			-		-	10.00	-		-
T-10 DTs - Winter	-		-	-		-	1.7881	-		-
T-10 DTs - Summer	-		-	-		-	0.6050	-		-
T-10 Integrity Management Rider Revenue								76,201	37,082	113,283
Power Generation Contracts										
POWGEN Bills	197			-		197				
POWGEN DTs - Winter	134,786,174		134,786,174	15,282,223	150,068,397			44,527,498	(83,446)	44,444,052
POWGEN DTs - Summer	193,941,154		193,941,154	30,755,962	224,697,115			62,246,601	(79,815)	62,166,786
Municipals Contracts										
MUNI Bills	36			-		36				
MUNI DTs - Winter	4,301,810		4,301,810	41,608	4,343,418			4,409,116	(45,000)	4,364,116
MUNI DTs - Summer	2,998,774		2,998,774	41,439	3,040,213			5,762,792	(63,000)	5,699,792
Special Contracts Military										
SPEC Bills	30			(6)		24				
SPEC DTs - Winter	531,984		531,984	(103,551)	428,434			3,532,591	(1,204,773)	2,327,818
SPEC DTs - Summer	371,740		371,740	4,565	376,304			3,319,539	(516,148)	2,803,391
Special Contracts										
SPEC Bills	127			37		164				
SPEC DTs - Winter	1,690,642		1,690,642	78,455	1,769,097			1,825,836	(181,095)	1,644,741
SPEC DTs - Summer	2,436,346		2,436,346	(83,347)	2,342,999			1,465,968	259,171	1,725,139
SPECIAL TARIFFS & CONTRACTS										
Bills	990			10		1,000				
Demand Dts	-			-						
Winter Dts	141,313,970		141,313,970	15,298,616	156,612,586					
Summer Dts	199,752,679		199,752,679	30,708,453	230,461,131					
Total Dts	341,066,649		341,066,649	46,007,069	387,073,718					
Revenues								127,264,220	(1,877,025)	125,387,195

Piedmont Natural Gas Company, Inc.
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Sales and Transportation Proforma Revenue Calculations
For the Test Period Ending December 31, 2023

(dekattherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	Growth Adjustment Thru 6/30/2024 (4)	Proforma Dekatherms (5)	Proforma Bills (6)	Revenue Clean Rates (7)	Calculated Revenues (8)	Revenue Adjustments (9)	Proforma Revenues (10)
GRAND TOTAL - ALL TARIFFS & CONTRACTS										
Bills	9,614,770	-	-	131,239	-	9,746,009				
Demand Dts	2,108,829	-	-	(11,302)	2,097,527					
Winter Dts	216,152,832	6,856,665	223,009,497	15,343,850	238,353,347					
Summer Dts	258,100,681	(623,474)	257,477,206	30,196,836	287,674,042					
Total Dts	474,253,512	6,233,191	480,486,703	45,540,687	526,027,390					
Revenues								1,251,820,473	18,643,270	1,270,463,743
							ck			-
SALES AND TRANSPORTATION										
Total Sales								1,069,581,792	16,707,550	1,086,289,342
Total Transportation								182,238,681	1,935,721	184,174,402
Total Annual								1,251,820,473	18,643,270	1,270,463,743

**PIEDMONT NATURAL GAS COMPANY, INC.
GENERAL RATE CASE
DOCKET NO. G-9, SUB 837**

EXHIBIT_(WBE-9)

(dekatherms)	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)
Rate Schedule										
101 - Residential Service										
101 Bills - Winter		3,696,146	10.00	36,961,462		36,961,462				
101 Bills - Summer		5,150,757	10.00	51,507,570		51,507,570				
101 DTs - Winter	30,951,302		9.3887	290,592,485	11,578,795	302,171,280	1.4780	45,746,024	3.0434	94,197,191
101 DTs - Summer	8,726,053		9.3887	81,926,297	3,844,627	85,770,923	0.9147	7,981,721	3.0434	26,556,871
101 Integrity Management Rider Revenues				27,398,490	13,333,004	40,731,494				
Experimental Motor Vehicle Fuel										
143 / 101 - Residential Service										
101 Bills - Winter		-	10.00	-		-				
101 Bills - Summer		-	10.00	-		-				
101 DTs - Winter	-		9.3887	-	-	-	1.4780	-	3.0434	-
101 DTs - Summer	-		9.3887	-	-	-	0.9147	-	3.0434	-
RESIDENTIAL SERVICE										
Bills	-	8,846,903								
Winter Dts	30,951,302									
Summer Dts	8,726,053									
Total Dts	39,677,355									
Revenues				488,386,305	28,556,425	516,942,730		53,727,745		120,754,062

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 837
Sales and Transportation Proforma Revenue Calculations
For the Test Period Ending December 31, 2023

	(dekattherms)	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)
	Rate Schedule										
102- Small General Service											
102	Bills		885,560	22.00	19,482,314		19,482,314				
102	DTs - Winter	18,287,262		6.5703	120,152,797	(4,349,648)	115,803,148	1.2741	23,299,800	3.0434	55,655,453
102	DTs - Summer	9,217,175		6.5703	60,559,607	(8,402,963)	52,156,644	0.8226	7,582,048	3.0434	28,051,551
102	Integrity Management Rider Revenues				11,074,544	5,389,237	16,463,781				
102	Minimum Margin Agreement Revenues				-	-	-				
Experimental Motor Vehicle Fuel											
143 / 102- Small General Service											
102	Bills		90	22.00	1,986		1,986				
102	DTs - Winter	3,637		6.5703	23,899	(11,529)	12,370	1.2741	4,634	3.0434	11,070
102	DTs - Summer	5,449		6.5703	35,800	(30,438)	5,362	0.8226	4,482	3.0434	16,583
152- Medium General Service											
152	Bills		4,878	75.00	365,845		365,845				
	Winter - First 500 DTs	1,041,081		5.5475	5,775,395	(202,815)	5,572,581	1.1101	1,155,704	3.0434	3,168,425
	Winter - Over 500 DTs	1,306,736		5.5475	7,249,119	(254,567)	6,994,551	0.7329	957,707	3.0434	3,976,921
152	Total Winter DTs	2,347,817			13,024,514	(457,382)	12,567,132		2,113,411		7,145,346
	Summer - First 500 DTs	1,136,490		5.5475	6,304,676	(1,117,353)	5,187,323	1.0445	1,187,063	3.0434	3,458,793
	Summer - Over 500 DTs	913,164		5.5475	5,065,780	(897,788)	4,167,991	0.6963	635,836	3.0434	2,779,125
152	Total Summer DTs	2,049,654			11,370,456	(2,015,142)	9,355,314		1,822,900		6,237,917
152	Integrity Management Rider Revenues				1,718,756	836,403	2,555,159				
152	Minimum Margin Agreement Revenues				34,790	-	34,790				
Experimental Motor Vehicle Fuel											
143 / 152- Medium General Service											
152	Bills		-	75.00	-		-				
	Winter - First 500 DTs	-		5.5475	-	-	-	1.1101	-	3.0434	-
	Winter - Over 500 DTs	-		5.5475	-	-	-	0.7329	-	3.0434	-
152	Total Winter DTs	-			-	-	-		-		-
	Summer - First 500 DTs	-		5.5475	-	-	-	1.0445	-	3.0434	-
	Summer - Over 500 DTs	-		5.5475	-	-	-	0.6963	-	3.0434	-
152	Total Summer DTs	-			-	-	-		-		-
Experimental Motor Vehicle Fuel											
144- Medium General Transportation Service											
144	Bills		-	75.00	-		-				
	Winter - First 500 DTs	-		5.5475	-	-	-	1.1101	-	0.0434	-
	Winter - Over 500 DTs	-		5.5475	-	-	-	0.7329	-	0.0434	-
144	Total Winter DTs	-			-	-	-		-		-
	Summer - First 500 DTs	-		5.5475	-	-	-	1.0445	-	0.0434	-
	Summer - Over 500 DTs	-		5.5475	-	-	-	0.6963	-	0.0434	-
144	Total Summer DTs	-			-	-	-		-		-
142 - Natural Gas Vehicle Fuel - Company Stations											
142	DTs - Winter	40,854		6.3678	260,149		260,149	1.3449	54,944	3.0434	124,334
142	DTs - Summer	57,011		6.3678	363,032		363,032	1.3449	76,674	3.0434	173,506
142	Compression Charge Revenues			4.0000	391,458		391,458				
142	Integrity Management Rider Revenues				50,801	24,721	75,522				
SMALL & MEDIUM GENERAL / NGV FUEL SERVICE											
	Bills	-	890,528								
	Winter Dts	20,679,570									
	Summer Dts	11,329,289									
	Total Dts	32,008,859									
	Revenues				238,910,746	(9,016,741)	229,894,005		34,958,893		97,415,760

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 837
Sales and Transportation Proforma Revenue Calculations
For the Test Period Ending December 31, 2023

	(dekaltherms)	Proforma	Proforma	Margin	Calculated	Revenue	Proforma	COG Demand	Proforma	COG Commodity	Proforma
	Rate Schedule	Dekatherms	Bills	Clean	Margin	Adjustments	Margin	"Clean" Rates	COG Demand	"Clean" Rates	COG Commodity
		(1)	(2)	Rates	Revenues	(5)	Revenues	(7)	Revenues	(9)	Revenues
				(3)	(4)		(6)		(8)		(10)
103 - Large General Sales Service											
103	Bills		1,364	350.00	477,432		477,432				
103	Demand	270,066		2.4200	653,560		653,560	12.7500	3,443,345	-	-
	Winter - First 1,500 DTs	758,538		1.0351	785,163		785,163	0.8968	680,257	3.0434	2,308,535
	Winter - Next 3,000 DTs	639,576		0.4369	279,431		279,431	0.8918	570,374	3.0434	1,946,485
	Winter - Next 9,000 DTs	213,078		0.3832	81,652		81,652	0.5468	116,511	3.0434	648,482
	Winter - Next 16,500 DTs	17,898		0.3189	5,708		5,708	0.4438	7,943	3.0434	54,471
	Winter - Next 30,000 DTs	-		0.2798	-		-	0.4368	-	3.0434	-
	<u>Winter - Over 60,000 DTs</u>	-		0.2131	-		-	0.0968	-	3.0434	-
103	Total Winter DTs	1,629,090			1,151,953		1,151,953		1,375,085		4,957,973
	Summer - First 1,500 DTs	1,042,759		0.3770	393,120		393,120	0.8356	871,330	3.0434	3,173,533
	Summer - Next 3,000 DTs	683,761		0.2742	187,487		187,487	0.5856	400,411	3.0434	2,080,960
	Summer - Next 9,000 DTs	228,987		0.2398	54,911		54,911	0.3606	82,573	3.0434	696,899
	Summer - Next 16,500 DTs	7,294		0.2056	1,500		1,500	0.2656	1,937	3.0434	22,200
	Summer - Next 30,000 DTs	-		0.1720	-		-	0.1356	-	3.0434	-
	<u>Summer - Over 60,000 DTs</u>	-		0.1369	-		-	0.0006	-	3.0434	-
103	Total Summer DTs	1,962,802			637,018		637,018		1,356,250		5,973,591
103	Integrity Management Rider Revenues				139,702	67,983	207,685				
103	Minimum Margin Agreement Revenues				-	-	-				
Experimental Motor Vehicle Fuel											
143 / 103 - Large General Sales Service											
103	Bills		36	350.00	12,600		12,600				
103	Demand	11,363		2.4200	27,498		27,498	12.7500	144,878	-	-
	Winter - First 1,500 DTs	22,500		1.0351	23,290		23,290	0.8968	20,178	3.0434	68,477
	Winter - Next 3,000 DTs	30,584		0.4369	13,362		13,362	0.8918	27,275	3.0434	93,080
	Winter - Next 9,000 DTs	44,795		0.3832	17,165		17,165	0.5468	24,494	3.0434	136,328
	Winter - Next 16,500 DTs	6,402		0.3189	2,042		2,042	0.4438	2,841	3.0434	19,483
	Winter - Next 30,000 DTs	-		0.2798	-		-	0.4368	-	3.0434	-
	<u>Winter - Over 60,000 DTs</u>	-		0.2131	-		-	0.0968	-	3.0434	-
103	Total Winter DTs	104,281			55,859		55,859		74,788		317,368
	Summer - First 1,500 DTs	30,280		0.3770	11,416		11,416	0.8356	25,302	3.0434	92,154
	Summer - Next 3,000 DTs	40,787		0.2742	11,184		11,184	0.5856	23,885	3.0434	124,132
	Summer - Next 9,000 DTs	63,000		0.2398	15,107		15,107	0.3606	22,718	3.0434	191,734
	Summer - Next 16,500 DTs	20,055		0.2056	4,123		4,123	0.2656	5,327	3.0434	61,035
	Summer - Next 30,000 DTs	-		0.1720	-		-	0.1356	-	3.0434	-
	<u>Summer - Over 60,000 DTs</u>	-		0.1369	-		-	0.0006	-	3.0434	-
103	Total Summer DTs	154,122			41,830		41,830		77,232		469,056
103	Integrity Management Rider Revenues				-	-	-				
103	Minimum Margin Agreement Revenues				-	-	-				
103	Compression Charge Revenues				84,832	-	84,832				
104 - Interruptible Sales Service											
104	Bills		389	350.00	136,075		136,075				
	Winter - First 1,500 DTs	225,198		1.0607	238,867		238,867	1.1018	248,123	3.0434	685,366
	Winter - Next 3,000 DTs	320,713		0.4444	142,525		142,525	1.4218	455,990	3.0434	976,059
	Winter - Next 9,000 DTs	339,889		0.3900	132,557		132,557	1.0768	365,993	3.0434	1,034,420
	Winter - Next 16,500 DTs	188,773		0.3269	61,710		61,710	0.8338	157,399	3.0434	574,513
	Winter - Next 30,000 DTs	54,378		0.2866	15,585		15,585	0.6418	34,900	3.0434	165,494
	<u>Winter - Over 60,000 DTs</u>	-		0.2176	-		-	0.5384	-	3.0434	-
104	Total Winter DTs	1,128,952			591,244		591,244		1,262,405		3,435,852
	Summer - First 1,500 DTs	290,501		0.5886	170,989		170,989	0.9749	283,209	3.0434	884,111
	Summer - Next 3,000 DTs	339,400		0.4294	145,738		145,738	0.8549	290,153	3.0434	1,032,929
	Summer - Next 9,000 DTs	319,503		0.3769	120,421		120,421	0.8049	257,168	3.0434	972,376
	Summer - Next 16,500 DTs	267,639		0.3210	85,912		85,912	0.6799	181,968	3.0434	814,533
	Summer - Next 30,000 DTs	62,800		0.2682	16,843		16,843	0.6549	41,128	3.0434	191,126
	<u>Summer - Over 60,000 DTs</u>	-		0.2139	-		-	0.5749	-	3.0434	-
104	Total Summer DTs	1,279,843			539,903		539,903		1,053,626		3,895,074
104	Integrity Management Rider Revenues				29,634	14,421	44,054				
104	Minimum Margin Agreement Revenues				-	-	-				

Piedmont Natural Gas Company, Inc.
Docket No. G-9, Sub 837
Sales and Transportation Proforma Revenue Calculations
For the Test Period Ending December 31, 2023

	(dekatherms)	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)
	Rate Schedule										
Experimental Motor Vehicle Fuel											
143 / 104 - Interruptible Sales Service											
104	Bills	-	-	350.00	-	-	-	-	-	-	-
	Winter - First 1,500 DTs	-	-	1.0607	-	-	-	1.1018	-	3.0434	-
	Winter - Next 3,000 DTs	-	-	0.4444	-	-	-	1.4218	-	3.0434	-
	Winter - Next 9,000 DTs	-	-	0.3900	-	-	-	1.0768	-	3.0434	-
	Winter - Next 16,500 DTs	-	-	0.3269	-	-	-	0.8338	-	3.0434	-
	Winter - Next 30,000 DTs	-	-	0.2866	-	-	-	0.6418	-	3.0434	-
	<u>Winter - Over 60,000 DTs</u>	-	-	0.2176	-	-	-	0.5384	-	3.0434	-
104	Total Winter DTs	-	-	-	-	-	-	-	-	-	-
	Summer - First 1,500 DTs	-	-	0.5886	-	-	-	0.9749	-	3.0434	-
	Summer - Next 3,000 DTs	-	-	0.4294	-	-	-	0.8549	-	3.0434	-
	Summer - Next 9,000 DTs	-	-	0.3769	-	-	-	0.8049	-	3.0434	-
	Summer - Next 16,500 DTs	-	-	0.3210	-	-	-	0.6799	-	3.0434	-
	Summer - Next 30,000 DTs	-	-	0.2682	-	-	-	0.6549	-	3.0434	-
	<u>Summer - Over 60,000 DTs</u>	-	-	0.2139	-	-	-	0.5749	-	3.0434	-
104	Total Summer DTs	-	-	-	-	-	-	-	-	-	-
113 - Large General Transportation Service											
113	Bills	-	3,161	350.00	1,106,392	-	1,106,392	-	-	-	-
113	Demand	1,762,653	-	2,4200	4,265,620	-	4,265,620	0.7500	1,321,990	-	-
	Winter - First 1,500 DTs	1,859,693	-	1.0351	1,924,968	-	1,924,968	0.8968	1,667,773	0.0434	80,711
	Winter - Next 3,000 DTs	2,526,442	-	0.4369	1,103,803	-	1,103,803	0.8918	2,253,081	0.0434	109,648
	Winter - Next 9,000 DTs	2,904,441	-	0.3832	1,112,982	-	1,112,982	0.5468	1,588,148	0.0434	126,053
	Winter - Next 16,500 DTs	1,983,163	-	0.3189	632,431	-	632,431	0.4438	880,128	0.0434	86,069
	Winter - Next 30,000 DTs	1,804,249	-	0.2798	504,829	-	504,829	0.4368	788,096	0.0434	78,304
	<u>Winter - Over 60,000 DTs</u>	2,991,053	-	0.2131	637,393	-	637,393	0.0968	289,534	0.0434	129,812
113	Total Winter DTs	14,069,041	-	-	5,916,406	-	5,916,406	-	7,466,760	-	610,596
	Summer - First 1,500 DTs	2,492,885	-	0.3770	939,818	-	939,818	0.8356	2,083,054	0.0434	108,191
	Summer - Next 3,000 DTs	3,133,132	-	0.2742	859,105	-	859,105	0.5856	1,834,762	0.0434	135,978
	Summer - Next 9,000 DTs	3,532,346	-	0.2398	847,057	-	847,057	0.3606	1,273,764	0.0434	153,304
	Summer - Next 16,500 DTs	2,577,951	-	0.2056	530,027	-	530,027	0.2656	684,704	0.0434	111,883
	Summer - Next 30,000 DTs	2,269,525	-	0.1720	390,358	-	390,358	0.1356	307,748	0.0434	98,497
	<u>Summer - Over 60,000 DTs</u>	3,036,134	-	0.1369	415,647	-	415,647	0.0006	1,822	0.0434	131,768
113	Total Summer DTs	17,041,973	-	-	3,982,011	-	3,982,011	-	6,185,853	-	739,622
113	Integrity Management Rider Revenues	-	-	-	1,037,180	504,726	1,541,906	-	-	-	-
113	Minimum Margin Agreement Revenues	-	-	-	21,572	-	21,572	-	-	-	-
Experimental Motor Vehicle Fuel											
143 / 113 - Large General Transportation Service											
113	Bills	-	122	350.00	42,859	-	42,859	-	-	-	-
113	Demand	53,445	-	2,4200	129,337	-	129,337	0.7500	40,084	-	-
	Winter - First 1,500 DTs	74,553	-	1.0351	77,170	-	77,170	0.8968	66,859	0.0434	3,236
	Winter - Next 3,000 DTs	110,624	-	0.4369	48,332	-	48,332	0.8918	98,655	0.0434	4,801
	Winter - Next 9,000 DTs	57,681	-	0.3832	22,103	-	22,103	0.5468	31,540	0.0434	2,503
	Winter - Next 16,500 DTs	87,847	-	0.3189	28,014	-	28,014	0.4438	38,987	0.0434	3,813
	Winter - Next 30,000 DTs	52,858	-	0.2798	14,790	-	14,790	0.4368	23,088	0.0434	2,294
	<u>Winter - Over 60,000 DTs</u>	-	-	0.2131	-	-	-	0.0968	-	0.0434	-
113	Total Winter DTs	383,563	-	-	190,409	-	190,409	-	259,129	-	16,647
	Summer - First 1,500 DTs	106,922	-	0.3770	40,309	-	40,309	0.8356	89,344	0.0434	4,640
	Summer - Next 3,000 DTs	162,489	-	0.2742	44,554	-	44,554	0.5856	95,153	0.0434	7,052
	Summer - Next 9,000 DTs	85,169	-	0.2398	20,424	-	20,424	0.3606	30,712	0.0434	3,696
	Summer - Next 16,500 DTs	122,986	-	0.2056	25,286	-	25,286	0.2656	32,665	0.0434	5,338
	Summer - Next 30,000 DTs	48,111	-	0.1720	8,275	-	8,275	0.1356	6,524	0.0434	2,088
	<u>Summer - Over 60,000 DTs</u>	-	-	0.1369	-	-	-	0.0006	-	0.0434	-
113	Total Summer DTs	525,677	-	-	138,849	-	138,849	-	254,398	-	22,814
113	Integrity Management Rider Revenues	-	-	-	-	-	-	-	-	-	-
113	Minimum Margin Agreement Revenues	-	-	-	-	-	-	-	-	-	-
113	Compression Charge Revenues	-	-	-	1,023,352	-	1,023,352	-	-	-	-

	(dekattherms)	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)
	Rate Schedule										
114 - Interruptible Transportation Service											
114	Bills		2,506	350.00	877,074		877,074				
	Winter - First 1,500 DTs	1,406,427		1.0607	1,491,797		1,491,797	0.9292	1,306,852	0.0434	61,039
	Winter - Next 3,000 DTs	2,126,976		0.4444	945,228		945,228	0.8784	1,868,336	0.0434	92,311
	Winter - Next 9,000 DTs	2,869,819		0.3900	1,119,229		1,119,229	0.5737	1,646,415	0.0434	124,550
	Winter - Next 16,500 DTs	2,104,174		0.3269	687,854		687,854	0.2690	566,023	0.0434	91,321
	Winter - Next 30,000 DTs	2,058,286		0.2866	589,905		589,905	0.1675	344,763	0.0434	89,330
	<u>Winter - Over 60,000 DTs</u>	<u>2,229,280</u>		<u>0.2176</u>	<u>485,091</u>		<u>485,091</u>	<u>0.0659</u>	<u>146,910</u>	<u>0.0434</u>	<u>96,751</u>
114	Total Winter DTs	12,794,962			5,319,105	-	5,319,105		5,879,298		555,301
	Summer - First 1,500 DTs	2,013,378		0.5886	1,185,074		1,185,074	0.4367	879,242	0.0434	87,381
	Summer - Next 3,000 DTs	2,933,788		0.4294	1,259,769		1,259,769	0.3047	893,925	0.0434	127,326
	Summer - Next 9,000 DTs	3,718,676		0.3769	1,401,569		1,401,569	0.2031	755,263	0.0434	161,391
	Summer - Next 16,500 DTs	2,492,185		0.3210	799,991		799,991	0.1016	253,206	0.0434	108,161
	Summer - Next 30,000 DTs	2,597,617		0.2682	696,681		696,681	0.0508	131,959	0.0434	112,737
	<u>Summer - Over 60,000 DTs</u>	<u>2,437,507</u>		<u>0.2139</u>	<u>521,383</u>		<u>521,383</u>	<u>-</u>	<u>-</u>	<u>0.0434</u>	<u>105,788</u>
114	Total Summer DTs	16,193,152			5,864,467	-	5,864,467		2,913,596		702,783
114	Integrity Management Rider Revenues				808,577	393,480	1,202,057				
114	Minimum Margin Agreement Revenues				294,997	-	294,997				
Experimental Motor Vehicle Fuel											
143 / 114 - Interruptible Transportation Service											
114	Bills		-	350.00	-		-				
	Winter - First 1,500 DTs	-		1.0607	-		-	0.9292	-	0.0434	-
	Winter - Next 3,000 DTs	-		0.4444	-		-	0.8784	-	0.0434	-
	Winter - Next 9,000 DTs	-		0.3900	-		-	0.5737	-	0.0434	-
	Winter - Next 16,500 DTs	-		0.3269	-		-	0.2690	-	0.0434	-
	Winter - Next 30,000 DTs	-		0.2866	-		-	0.1675	-	0.0434	-
	<u>Winter - Over 60,000 DTs</u>	<u>-</u>		<u>0.2176</u>	<u>-</u>		<u>-</u>	<u>0.0659</u>	<u>-</u>	<u>0.0434</u>	<u>-</u>
114	Total Winter DTs	-			-	-	-		-		-
	Summer - First 1,500 DTs	-		0.5886	-		-	0.4367	-	0.0434	-
	Summer - Next 3,000 DTs	-		0.4294	-		-	0.3047	-	0.0434	-
	Summer - Next 9,000 DTs	-		0.3769	-		-	0.2031	-	0.0434	-
	Summer - Next 16,500 DTs	-		0.3210	-		-	0.1016	-	0.0434	-
	Summer - Next 30,000 DTs	-		0.2682	-		-	0.0508	-	0.0434	-
	<u>Summer - Over 60,000 DTs</u>	<u>-</u>		<u>0.2139</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0434</u>	<u>-</u>
114	Total Summer DTs	-			-	-	-		-		-
LARGE GENERALSERVICE											
	Bills	-	7,578								
	Demand Dts	2,097,527									
	Winter Dts	30,109,890									
	Summer Dts	37,157,569									
	Total Dts	67,267,458									
	Revenues				35,597,347	980,610	36,577,958		33,108,716		21,696,679

(dekatherms)	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)
Rate Schedule										
105 - Outdoor Gas Light Service										
105	Bills		579							
105	Fixtures		4,839	20.27	98,078	98,078		-		-
105	DTs - Winter	3,241								
105	DTs - Summer	4,501								
T-10 (675) - Military Operations Transportation										
T-10	Bills		-							
T-10	Demand	-	-				10.0000	-		
T-10	DTs - Winter	-	1.4931				0.2516	-	0.0434	-
T-10	DTs - Summer	-	0.3100				0.2516	-	0.0434	-
T-10	Integrity Management Rider Revenues				76,201	37,082				
Power Generation Contracts										
POWGEN	Bills		197							
POWGEN	DTs - Winter	150,068,397			41,565,267	41,565,267		2,394,313		484,472
POWGEN	DTs - Summer	224,697,115			58,313,858	58,313,858		3,363,713		489,215
Municipals Contracts										
MUNI	Bills		36							
MUNI	DTs - Winter	4,343,418			3,149,116	3,149,116		1,215,000		-
MUNI	DTs - Summer	3,040,213			3,998,792	3,998,792		1,701,000		-
Special Contracts Military										
SPEC	Bills		24							
SPEC	DTs - Winter	428,434			2,309,224	2,309,224		-		18,594
SPEC	DTs - Summer	376,304			2,787,059	2,787,059		-		16,332
Special Contracts										
SPEC	Bills		164							
SPEC	DTs - Winter	1,769,097			1,623,552	1,623,552		162		21,027
SPEC	DTs - Summer	2,342,999			1,697,375	1,697,375		64		27,700
SPECIAL TARIFFS & CONTRACTS										
	Bills	-	1,000							
	Demand Dts	-								
	Winter Dts	156,612,586								
	Summer Dts	230,461,131								
	Total Dts	387,073,718								
	Revenues				115,618,521	37,082		8,674,253		1,057,339

(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)
GRAND TOTAL - ALL TARIFFS & CONTRACTS										
Bills	-	9,746,009								
Demand Dts	2,097,527									
Winter Dts	238,353,347									
Summer Dts	287,674,042									
Total Dts	526,027,390									
Revenues				878,512,919	20,557,377	899,070,296		130,469,608		240,923,840
SALES AND TRANSPORTATION										
Total Sales				731,974,268	19,622,089	751,596,357		97,474,247		237,218,737
Total Transportation				146,538,650	935,288	147,473,938		32,995,361		3,705,102
Total Annual				878,512,919	20,557,377	899,070,296		130,469,608		240,923,840

**PIEDMONT NATURAL GAS COMPANY, INC.
GENERAL RATE CASE
DOCKET NO. G-9, SUB 837**

EXHIBIT_(WBE-10)

Consolidated Income Statement
for the Twelve Months Ending December 31, 2023

	<u>Piedmont Natural Gas</u>	<u>North Carolina Allocated</u>
Revenues		
Regulated Natural Gas	1,565,284,717	1,123,562,966
Non-Regulated Electric, Natural Gas and Other	8,218,285	5,800,447
Total Operating Revenues	<u>1,573,503,002</u>	<u>1,129,363,413</u>
Cost of Natural Gas and Coal Sold	422,145,630	282,241,299
Operations, Maintenance and Other	302,326,502	216,325,263
Depreciation and Amortization	239,847,284	183,945,405
Property and Other Taxes	59,096,767	32,511,873
Operating Expenses	<u>1,023,416,183</u>	<u>715,023,840</u>
Operating Income	<u>550,086,819</u>	<u>414,339,573</u>
Other Income and Expenses	<u>69,120,612</u>	<u>57,461,746</u>
Interest Expense	<u>164,386,213</u>	<u>120,365,213</u>
Earnings From Continuing Operations Before Income Taxes	<u>454,821,218</u>	<u>351,436,107</u>
Income Tax Expense (Benefit) From Continuing Operations	82,218,106	63,710,838
Income (Loss) From Continuing Operations	<u>372,603,112</u>	<u>287,725,269</u>
Earnings (Loss) of Subsidiaries	6,676,797	0

Piedmont Natural Gas Company, Inc.
Docket No. G-9 Sub 837
Total Piedmont Natural Gas

Exhibit_(WBE-10)
Page 2 of 2

Consolidated Balance Sheet
As of December 31, 2023

	<u>Piedmont Natural Gas</u>
ASSETS	
Cash and Cash Equivalents	(25,284,439)
Receivables	290,446,096
Receivables from affiliated companies	84,126,067
Inventory	112,352,179
Regulatory Assets	77,573,220
Other	3,188,182
Total Current Assets	<u>542,401,305</u>
 Net Property Plant and Equipment	 9,826,894,004
Goodwill	48,852,311
Regulatory Assets	412,651,099
Operating Lease Right-of-Use assets	3,536,039
Investment in Consolidated Subsidiaries	19,097,268
Other	76,020,827
Total Other Noncurrent Assets	<u>560,157,544</u>
 Total Assets	 <u><u>10,929,452,853</u></u>
 LIABILITIES AND EQUITY	
Accounts Payable	267,895,210
Accounts payable to affiliated companies	93,096,533
Notes payable to affiliated companies	538,374,000
Taxes Accrued	83,949,327
Interest Accrued	39,257,498
Current Maturities of Long-Term Debt	40,039,777
Regulatory Liabilities	(6,642,191)
Other	74,981,303
Total Current Liabilities	<u>1,130,951,456</u>
 Long-Term Debt	 3,628,374,786
 Other Noncurrent Liabilities	 2,118,824,824
 Equity	 4,051,301,786
 Total Liabilities and Common Stockholders' Equity	 <u><u>10,929,452,853</u></u>

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