

McGuireWoods LLP
201 North Tryon Street
Suite 3000
Charlotte, NC 28202-2146
Phone: 704.343.2000
Fax: 704.343.2300
www.mcguirewoods.com

James H. Jeffries IV
Direct: 704.343.2348

McGUIREWOODS

jjeffries@mcguirewoods.com

OFFICIAL COPY

Apr 04 2019

April 4, 2019

Ms. M. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street, Dobbs Building
Raleigh, North Carolina 27603

Re: Docket No. M-100, Sub 148
Docket No. G-9, Sub 731
Docket No. G-9, Sub 737

Dear Ms. Jarvis:

Pursuant to the *Commission's Order Approving Proposal and Application and Requiring Filing of Revised Tariffs* dated March 25, 2019, I have attached various schedules implementing the adjustment of Piedmont's base rates for the reduction in the federal corporate income tax rate and the reduction in the state corporate income tax rate as approved in the above-referenced dockets.

Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,

/s/ James H. Jeffries IV
James H. Jeffries IV

JHJ/rkg

CERTIFICATE OF SERVICE

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

This the 4th day of April, 2019.

/s/ Richard K. Goley
Richard K. Goley

Rates and Charges

NORTH CAROLINA RATES AND CHARGES

Residential

Residential Service - Rate 101

| | | | | | |
|------------------|----|-------|------------------|----|---------|
| Monthly Charge | | | Rate Per Therm | | |
| November - March | \$ | 10.00 | November - March | \$ | 0.96756 |
| April - October | \$ | 10.00 | April - October | \$ | 0.92622 |

Outdoor Gaslight Service - Rate 105

| | | |
|----------------------------|----|-------|
| Monthly Charge Per Fixture | \$ | 16.50 |
|----------------------------|----|-------|

Small / Medium General Service and NGV

Small General Service - Rate 102

| | | | | | |
|----------------|----|-------|------------------|----|---------|
| Monthly Charge | \$ | 22.00 | Rate Per Therm | | |
| | | | November - March | \$ | 0.74775 |
| | | | April - October | \$ | 0.71556 |

Medium General Service - Rate 152

| | | | | | |
|----------------|----|-------|------------------|-------------|------------|
| Monthly Charge | \$ | 75.00 | Rate Per Therm | | |
| | | | November - March | First 5,000 | \$ 0.71984 |
| | | | | Over 5,000 | \$ 0.69299 |
| | | | April - October | First 5,000 | \$ 0.66333 |
| | | | | Over 5,000 | \$ 0.63854 |

Natural Gas Vehicle Fuel - Rate 142

| | | | |
|------------------|----|----------------|----------------|
| | | Rate Per Therm | Rate Per GGE * |
| November - March | \$ | 0.72451 | 0.91288 |
| April - October | \$ | 0.72451 | 0.91288 |

Compression Charge of \$0.40 per therm (maximum)

Experimental Motor Vehicle Fuel Service - Rate 143

Monthly Charge depends on the customer-specific corresponding Rate Schedule
Rate Per Therm depends on the customer-specific corresponding Rate Schedule
Compression Charge, if applicable, is \$0.40 per therm (maximum)

Experimental Medium General Motor Vehicle Fuel Transportation Service - Rate 144

| | | | | | |
|----------------|----|-------|------------------|-------------|------------|
| Monthly Charge | \$ | 75.00 | Rate Per Therm | | |
| | | | November - March | First 5,000 | \$ 0.46243 |
| | | | | Over 5,000 | \$ 0.43558 |
| | | | April - October | First 5,000 | \$ 0.40592 |
| | | | | Over 5,000 | \$ 0.38113 |

Compression Charge, if applicable, is \$0.40 per therm (maximum)

Piedmont Natural Gas bills with the sale of natural gas are subject to a 7 percent sales tax. House Bill 998, s. 4.1., S.L. 2013-316.
Natural Gas Vehicle Fuel is subject to federal, state and local highway motor fuel taxes and fees.

* The Company may bill in units of Gasoline Gallon Equivalent ("GGE") for gas Service provided at the Company's Premises under Rate 142. The rates above convert 1.26 Therms to 1 GGE.

Issued to comply with the authority granted by
The North Carolina Utilities Commission
Docket Nos. M-100 Sub 148, G-9 Sub 731, and G-9 Sub 737

Issued: March 25, 2019
Effective: May 1, 2019

NORTH CAROLINA RATES AND CHARGES

Large General Service

Large General Sales Service - Rate 103

| | | | | |
|--|-------------------------|--------------|------------------------|---------|
| Monthly Charge | | | \$ | 350.00 |
| Demand Charge (monthly per peak day therm usage) | | | \$ | 1.25339 |
| Rate Per Therm | | | | |
| | <u>November - March</u> | | <u>April - October</u> | |
| First 15,000 | \$ 0.44211 | First 15,000 | \$ 0.38758 | |
| Next 30,000 | \$ 0.38420 | Next 30,000 | \$ 0.34289 | |
| Next 90,000 | \$ 0.36020 | Next 90,000 | \$ 0.32583 | |
| Next 165,000 | \$ 0.33999 | Next 165,000 | \$ 0.31645 | |
| Next 300,000 | \$ 0.34011 | Next 300,000 | \$ 0.30571 | |
| Over 600,000 | \$ 0.31070 | Over 600,000 | \$ 0.30210 | |

Interruptible Sales Service - Rate 104

| | | | | |
|----------------|-------------------------|--------------|------------------------|--------|
| Monthly Charge | | | \$ | 350.00 |
| Rate Per Therm | | | | |
| | <u>November - March</u> | | <u>April - October</u> | |
| First 15,000 | \$ 0.45931 | First 15,000 | \$ 0.43301 | |
| Next 30,000 | \$ 0.42825 | Next 30,000 | \$ 0.40310 | |
| Next 90,000 | \$ 0.40424 | Next 90,000 | \$ 0.38897 | |
| Next 165,000 | \$ 0.37247 | Next 165,000 | \$ 0.36864 | |
| Next 300,000 | \$ 0.36846 | Next 300,000 | \$ 0.36496 | |
| Over 600,000 | \$ 0.35512 | Over 600,000 | \$ 0.35241 | |

Large General Transportation Service - Rate 113

| | | | | |
|---|-------------------------|--------------|------------------------|---------|
| Monthly Charge | | | \$ | 350.00 |
| Demand Charge (monthly per peak day therm usage) | | | \$ | 0.26196 |
| Standby Sales Service Charge (monthly per peak day therm usage) | | | \$ | 1.20000 |
| Rate Per Therm | | | | |
| | <u>November - March</u> | | <u>April - October</u> | |
| First 15,000 | \$ 0.15928 | First 15,000 | \$ 0.10475 | |
| Next 30,000 | \$ 0.10137 | Next 30,000 | \$ 0.06006 | |
| Next 90,000 | \$ 0.07737 | Next 90,000 | \$ 0.04300 | |
| Next 165,000 | \$ 0.05716 | Next 165,000 | \$ 0.03362 | |
| Next 300,000 | \$ 0.05728 | Next 300,000 | \$ 0.02288 | |
| Over 600,000 | \$ 0.02619 | Over 600,000 | \$ 0.01173 | |

Interruptible Transportation Service - Rate 114

| | | | | |
|----------------|-------------------------|--------------|------------------------|--------|
| Monthly Charge | | | \$ | 350.00 |
| Rate Per Therm | | | | |
| | <u>November - March</u> | | <u>April - October</u> | |
| First 15,000 | \$ 0.08973 | First 15,000 | \$ 0.10966 | |
| Next 30,000 | \$ 0.08355 | Next 30,000 | \$ 0.08492 | |
| Next 90,000 | \$ 0.07031 | Next 90,000 | \$ 0.07165 | |
| Next 165,000 | \$ 0.04953 | Next 165,000 | \$ 0.05047 | |
| Next 300,000 | \$ 0.03276 | Next 300,000 | \$ 0.04854 | |
| Over 600,000 | \$ 0.02116 | Over 600,000 | \$ 0.01963 | |

Piedmont Natural Gas bills with the sale of natural gas are subject to a 7 percent sales tax. House Bill 998, s. 4.1., S.L. 2013-316.
 Natural Gas Vehicle Fuel is subject to federal, state and local highway motor fuel taxes and fees.

Issued to comply with the authority granted by
 The North Carolina Utilities Commission
 Docket Nos. M-100 Sub 148, G-9 Sub 731, and G-9 Sub 737

Issued: March 25, 2019
 Effective: May 1, 2019

NORTH CAROLINA RATES AND CHARGES

Large General Service

Transportation Service to Military Installations with Contract Demand in Excess of 5,000 DT per Day - Rate T-10

| | | |
|--|----|---------|
| Demand Charge (monthly per peak day therm usage) | \$ | 0.82618 |
| Rate Per Therm | | |
| November - March | \$ | 0.12700 |
| April - October | \$ | 0.03600 |

Service to Military Installations Located in Onslow County - Rate 12

| | | |
|------------------|----|---------|
| Rate Per Therm | | |
| November - March | \$ | 0.58138 |
| April - October | \$ | 0.52749 |

Transportation Service to Military Installations in Onslow County - T-12

| | | |
|------------------|----|---------|
| Rate Per Therm | | |
| November - March | \$ | 0.29855 |
| April - October | \$ | 0.24466 |

Standby On-Peak Supply Service - ST-1

| | | |
|--|----|---------|
| Demand Charge (monthly per peak day therm usage) | \$ | 0.42600 |
| Capacity Charge | \$ | 0.12700 |

Piedmont Natural Gas bills with the sale of natural gas are subject to a 7 percent sales tax. House Bill 998, s. 4.1., S.L. 2013-316.
Natural Gas Vehicle Fuel is subject to federal, state and local highway motor fuel taxes and fees.

Issued to comply with the authority granted by
The North Carolina Utilities Commission
Docket Nos. M-100 Sub 148, G-9 Sub 731, and G-9 Sub 737

Issued: March 25, 2019
Effective: May 1, 2019

NORTH CAROLINA RATES AND CHARGES

Miscellaneous Fees And Charges

Schedule For Limiting And Curtailing Service - Rate 106

| | | | |
|---|----|------|--|
| Emergency Service Rate Per Therm | \$ | 1.00 | In addition to other rate components as defined in Rate Schedule 106, Rate For Emergency Service. |
| Unauthorized Gas Penalty Rate Per Therm | \$ | 2.50 | In addition to other rate components as defined in Rate Schedule 106, Penalty for Unauthorized Gas |

Reconnect Fees

Residential

| | | |
|---------------------------|----|-------|
| February Through August | \$ | 55.00 |
| September Through January | \$ | 85.00 |

All Others

| | | |
|---------------------------|----|--------|
| February Through August | \$ | 55.00 |
| September Through January | \$ | 110.00 |

Returned Check Charge

| | | |
|-----------------------|----|-------|
| Returned Check Charge | \$ | 25.00 |
|-----------------------|----|-------|

Piedmont Natural Gas bills with the sale of natural gas are subject to a 7 percent sales tax. House Bill 998, s. 4.1., S.L. 2013-316.
Natural Gas Vehicle Fuel is subject to federal, state and local highway motor fuel taxes and fees.

Issued to comply with the authority granted by
The North Carolina Utilities Commission
Docket Nos. M-100 Sub 148, G-9 Sub 731, and G-9 Sub 737

Issued: March 25, 2019
Effective: May 1, 2019

OFFICIAL COPY

Apr 04 2019

Margin Decoupling Factors

Piedmont Natural Gas Company, Inc.
Revised Factors for the Margin Decoupling Mechanism
Docket Nos. M-100 Sub 148, G-9 Sub 731, and G-9 Sub 737
Effective: May 1, 2019

| | <u>"R" Value</u> | | <u>Heat Factor (therms/DDD)</u> | <u>Base Factor (therms/mo.)</u> |
|--|------------------------------|------------------------------|---|---|
| | <u>Winter (\$/therm)</u> | <u>Summer (\$/therm)</u> | | |
| Rate Schedule 101 - Residential Service | 0.42363 | 0.42363 | 0.14895 | 8.62725 |
| Rate Schedule 102 - Small General Service | 0.32113 | 0.32113 | 0.57639 | 130.58655 |
| Rate Schedule 152 - Medium General Service | | | | |
| First 5,000 therms | 0.29995 | 0.24810 | 8.81812 | 5868.12934 |
| Over 5,000 therms | 0.29995 | 0.24810 | 8.81812 | 5868.12934 |

| | |
|---------------------------|----------------|
| <u>Normal Degree Days</u> | <u>15-15</u> |
| January | 724.5 |
| February | 717.7 |
| March | 476.5 |
| April | 286.3 |
| May | 90.6 |
| June | 13.8 |
| July | 0.2 |
| August | - |
| September | 2.1 |
| October | 80.9 |
| November | 310.7 |
| December | 536.6 |
| Total | 3,239.9 |

OFFICIAL COPY

Apr 04 2019

Schedule A

Piedmont Natural Gas Company, Inc.
Base Rate Adjustment for COS Impact due to FIT & SIT Rate Changes
Docket Nos. M-100 Sub 148, G-9 Sub 731, and G-9 Sub 737

| | Current April 2019 <u>Total Billing Rates</u> | Base Margin Rate Adjustment <u>for FIT Change</u> | Base Margin Rate Adjustment <u>for SIT Change</u> | Proposed May 2019 <u>Total Billing Rates</u> |
|--|---|--|---|--|
| North Carolina Rate Schedules: | | | | |
| 101 - Residential Service | | | | |
| Monthly Charge | 10.00 | - | - | 10.00 |
| Rate Per Therm - winter | 1.00595 | (0.03726) | (0.00113) | 0.96756 |
| Rate Per Therm - summer | 0.96461 | (0.03726) | (0.00113) | 0.92622 |
| 102- Small General Service | | | | |
| Monthly Charge | 22.00 | - | - | 22.00 |
| Rate Per Therm - winter | 0.77099 | (0.02256) | (0.00068) | 0.74775 |
| Rate Per Therm - summer | 0.73880 | (0.02256) | (0.00068) | 0.71556 |
| 152- Medium General Service | | | | |
| Monthly Charge | 75.00 | - | - | 75.00 |
| Rate Per Therm - winter - first 5,000 | 0.74308 | (0.02256) | (0.00068) | 0.71984 |
| Rate Per Therm - winter - over 5,000 | 0.71623 | (0.02256) | (0.00068) | 0.69299 |
| Rate Per Therm - summer - first 5,000 | 0.68657 | (0.02256) | (0.00068) | 0.66333 |
| Rate Per Therm - summer - over 5,000 | 0.66178 | (0.02256) | (0.00068) | 0.63854 |
| 142 - Natural Gas Vehicle Fuel - PNG Stations | | | | |
| Rate Per Therm - winter | 0.74775 | (0.02256) | (0.00068) | 0.72451 |
| Rate Per Therm - summer | 0.74775 | (0.02256) | (0.00068) | 0.72451 |
| 143 - Experimental Motor Vehicle Fuel | | | | |
| Monthly Charge | | varies by customer per their corresponding rate schedule | | |
| Rate Per Therm - winter | | varies by customer per their corresponding rate schedule | | |
| Rate Per Therm - summer | | varies by customer per their corresponding rate schedule | | |
| 144 - Experimental Medium Gen Motor Fuel - Transportation | | | | |
| Monthly Charge | 75.00 | - | - | 75.00 |
| Rate Per Therm - winter - first 5,000 | 0.48567 | (0.02256) | (0.00068) | 0.46243 |
| Rate Per Therm - winter - over 5,000 | 0.45882 | (0.02256) | (0.00068) | 0.43558 |
| Rate Per Therm - summer - first 5,000 | 0.42916 | (0.02256) | (0.00068) | 0.40592 |
| Rate Per Therm - summer - over 5,000 | 0.40437 | (0.02256) | (0.00068) | 0.38113 |
| 103 - Large General Sales Service | | | | |
| Monthly Charge | 350.00 | - | - | 350.00 |
| Rate Per Therm - Demand Charge | 1.25339 | - | - | 1.25339 |
| Rate Per Therm - Winter-1st 15,000 | 0.44403 | (0.00186) | (0.00006) | 0.44211 |
| Rate Per Therm - Winter-Next 30,000 | 0.38612 | (0.00186) | (0.00006) | 0.38420 |
| Rate Per Therm - Winter-Next 90,000 | 0.36212 | (0.00186) | (0.00006) | 0.36020 |
| Rate Per Therm - Winter-Next 165,000 | 0.34191 | (0.00186) | (0.00006) | 0.33999 |
| Rate Per Therm - Winter-Next 300,000 | 0.34203 | (0.00186) | (0.00006) | 0.34011 |
| Rate Per Therm - Winter-Over 600,000 | 0.31262 | (0.00186) | (0.00006) | 0.31070 |
| Rate Per Therm - Summer-1st 15,000 | 0.38950 | (0.00186) | (0.00006) | 0.38758 |
| Rate Per Therm - Summer-Next 30,000 | 0.34384 | (0.00089) 1/ | (0.00006) | 0.34289 |
| Rate Per Therm - Summer-Next 90,000 | 0.32775 | (0.00186) | (0.00006) | 0.32583 |
| Rate Per Therm - Summer-Next 165,000 | 0.31690 | (0.00039) 1/ | (0.00006) | 0.31645 |
| Rate Per Therm - Summer-Next 300,000 | 0.30666 | (0.00089) 1/ | (0.00006) | 0.30571 |
| Rate Per Therm - Summer-Over 600,000 | 0.30402 | (0.00186) | (0.00006) | 0.30210 |
| 104 - Interruptible Sales Service | | | | |
| Monthly Charge | 350.00 | - | - | 350.00 |
| Rate Per Therm - Winter-1st 15,000 | 0.46135 | (0.00198) | (0.00006) | 0.45931 |
| Rate Per Therm - Winter-Next 30,000 | 0.43029 | (0.00198) | (0.00006) | 0.42825 |
| Rate Per Therm - Winter-Next 90,000 | 0.40628 | (0.00198) | (0.00006) | 0.40424 |
| Rate Per Therm - Winter-Next 165,000 | 0.37451 | (0.00198) | (0.00006) | 0.37247 |
| Rate Per Therm - Winter-Next 300,000 | 0.37050 | (0.00198) | (0.00006) | 0.36846 |
| Rate Per Therm - Winter-Over 600,000 | 0.35716 | (0.00198) | (0.00006) | 0.35512 |
| Rate Per Therm - Summer-1st 15,000 | 0.43505 | (0.00198) | (0.00006) | 0.43301 |
| Rate Per Therm - Summer-Next 30,000 | 0.40514 | (0.00198) | (0.00006) | 0.40310 |
| Rate Per Therm - Summer-Next 90,000 | 0.39101 | (0.00198) | (0.00006) | 0.38897 |
| Rate Per Therm - Summer-Next 165,000 | 0.37068 | (0.00198) | (0.00006) | 0.36864 |
| Rate Per Therm - Summer-Next 300,000 | 0.36700 | (0.00198) | (0.00006) | 0.36496 |
| Rate Per Therm - Summer-Over 600,000 | 0.35241 | - 1/ | - 1/ | 0.35241 |
| 105 - Outdoor Gas Light Service | | | | |
| Per Fixture/Mo. | 16.50 | - | - | 16.50 |
| 106 - Limiting and Curtailing Service | | | | |
| Rate Per Therm - Authorized | 1.00000 | - | - | 1.00000 |
| Rate Per Therm - Unauthorized | 2.50000 | - | - | 2.50000 |

OFFICIAL COPY

Apr 04 2019

Piedmont Natural Gas Company, Inc.
Base Rate Adjustment for COS Impact due to FIT & SIT Rate Changes
Docket Nos. M-100 Sub 148, G-9 Sub 731, and G-9 Sub 737

| | Current April 2019 <u>Total Billing Rates</u> | Base Margin Rate Adjustment <u>for FIT Change</u> | Base Margin Rate Adjustment <u>for SIT Change</u> | Proposed May 2019 <u>Total Billing Rates</u> |
|---|---|---|---|--|
| North Carolina Rate Schedules: | | | | |
| 113 - Large General Transportation Service | | | | |
| Monthly Charge | 350.00 | - | - | 350.00 |
| Rate Per Therm - Demand Charge | 0.26196 | - | - | 0.26196 |
| Rate Per Therm - Standby Demand | 1.20000 | - | - | 1.20000 |
| Rate Per Therm - Winter-1st 15,000 | 0.16120 | (0.00186) | (0.00006) | 0.15928 |
| Rate Per Therm - Winter-Next 30,000 | 0.10329 | (0.00186) | (0.00006) | 0.10137 |
| Rate Per Therm - Winter-Next 90,000 | 0.07929 | (0.00186) | (0.00006) | 0.07737 |
| Rate Per Therm - Winter-Next 165,000 | 0.05908 | (0.00186) | (0.00006) | 0.05716 |
| Rate Per Therm - Winter-Next 300,000 | 0.05920 | (0.00186) | (0.00006) | 0.05728 |
| Rate Per Therm - Winter-Over 600,000 | 0.02811 | (0.00186) | (0.00006) | 0.02619 |
| Rate Per Therm - Summer-1st 15,000 | 0.10667 | (0.00186) | (0.00006) | 0.10475 |
| Rate Per Therm - Summer-Next 30,000 | 0.06101 | (0.00089) 1/ | (0.00006) | 0.06006 |
| Rate Per Therm - Summer-Next 90,000 | 0.04492 | (0.00186) | (0.00006) | 0.04300 |
| Rate Per Therm - Summer-Next 165,000 | 0.03407 | (0.00039) 1/ | (0.00006) | 0.03362 |
| Rate Per Therm - Summer-Next 300,000 | 0.02383 | (0.00089) 1/ | (0.00006) | 0.02288 |
| Rate Per Therm - Summer-Over 600,000 | 0.01173 | - 1/ | - 1/ | 0.01173 |
| 114 - Interruptible Transportation Service | | | | |
| Monthly Charge | 350.00 | - | - | 350.00 |
| Rate Per Therm - Winter-1st 15,000 | 0.09177 | (0.00198) | (0.00006) | 0.08973 |
| Rate Per Therm - Winter-Next 30,000 | 0.08539 | (0.00178) 1/ | (0.00006) | 0.08355 |
| Rate Per Therm - Winter-Next 90,000 | 0.07235 | (0.00198) | (0.00006) | 0.07031 |
| Rate Per Therm - Winter-Next 165,000 | 0.05157 | (0.00198) | (0.00006) | 0.04953 |
| Rate Per Therm - Winter-Next 300,000 | 0.03480 | (0.00198) | (0.00006) | 0.03276 |
| Rate Per Therm - Winter-Over 600,000 | 0.02320 | (0.00198) | (0.00006) | 0.02116 |
| Rate Per Therm - Summer-1st 15,000 | 0.11170 | (0.00198) | (0.00006) | 0.10966 |
| Rate Per Therm - Summer-Next 30,000 | 0.08696 | (0.00198) | (0.00006) | 0.08492 |
| Rate Per Therm - Summer-Next 90,000 | 0.07369 | (0.00198) | (0.00006) | 0.07165 |
| Rate Per Therm - Summer-Next 165,000 | 0.05251 | (0.00198) | (0.00006) | 0.05047 |
| Rate Per Therm - Summer-Next 300,000 | 0.05058 | (0.00198) | (0.00006) | 0.04854 |
| Rate Per Therm - Summer-Over 600,000 | 0.02167 | (0.00198) | (0.00006) | 0.01963 |
| T-10 - Transportation Service to Military Operations | | | | |
| Rate Per Therm - Demand | 0.82618 | - | - | 0.82618 |
| Rate Per Therm - winter | 0.12892 | (0.00186) | (0.00006) | 0.12700 |
| Rate Per Therm - summer | 0.03792 | (0.00186) | (0.00006) | 0.03600 |
| 12 - Service to Military Installations in Onslow County (Sales) | | | | |
| Rate Per Therm - winter | 0.58330 | (0.00186) | (0.00006) | 0.58138 |
| Rate Per Therm - summer | 0.52941 | (0.00186) | (0.00006) | 0.52749 |
| T-12 - Transportation Service to Military Installations in Onslow County | | | | |
| Rate Per Therm - winter | 0.30047 | (0.00186) | (0.00006) | 0.29855 |
| Rate Per Therm - summer | 0.24658 | (0.00186) | (0.00006) | 0.24466 |
| ST-1 Standby On-Peak Supply Service | | | | |
| Rate Per Therm - Demand | 0.42600 | - | - | 0.42600 |
| Rate Per Therm - Capacity | 0.12700 | - | - | 0.12700 |

1/ The proposed base margin billing rate for this step is zero. The base margin rate adjustment amount for this step reflects the change from Piedmont's current base margin billing rate to the proposed base margin billing rate of zero. This adjustment will vary from the rate adjustment shown on Schedule B or Schedule C.

OFFICIAL COPY

Apr 04 2019

Schedule B

Piedmont Natural Gas Company, Inc.

Schedule B

Base Rate Adjustment for Cost of Service Impact due to Decrease in FIT Rate (35% to 21%)

Docket Nos. M-100 Sub 148, G-9 Sub 731, and G-9 Sub 737

| Line No. | Notes | Residential (101) | Small & Medium General (102, 142, 152, 144) | Firm Large General (103, 113, T-10, T-12, 12) | Interruptible Large General (104, 114) | Special Contracts | Total |
|----------|---|--------------------------|---|--|--|-------------------|--------|
| 1 | Customer Class Apportionment | see table below | 52.41% | 23.86% | 2.16% | 2.64% | 18.92% |
| 2 | Revenue Requirement Adjustment | [= Line 1 x Line 14] \$ | (13,600,583) \$ | (6,193,117) \$ | (560,829) \$ | (685,998) \$ | - \$ |
| 3 | Annualized Throughput from 2013 Rate Case (DTs) | G-9, Sub 631 | 36,504,751 | 27,448,263 | 30,188,509 | 34,669,378 | n/a |
| 4 | Proposed Base Rate Adjustment Per DT | [= Line 2 / Line 3] | (0.3726) | (0.2256) | (0.0186) | (0.0198) | n/a |
| 5 | Proposed Base Rate Adjustment Per Therm | [= Line 4 / 10] | (0.03726) | (0.02256) | (0.00186) | (0.00198) | n/a |

Derivation of Customer Class Apportionment Percentages

| G-9, Sub 631: Approved Rate Case Settlement | | Annual | |
|---|---|----------------|---------------------|
| <u>Margin Revenues</u> | | <u>Total</u> | <u>Allocation %</u> |
| 6 | Residential (101) | \$ 245,499,050 | 52.41% |
| 7 | Sm & Med General Service (102, 142, 152, 144) | \$ 111,789,642 | 23.86% |
| 8 | Large General Service - Firm (103, 113, T-10, T-12, 12) | \$ 10,123,306 | 2.16% |
| 9 | Large General Service - Interruptible (104, 114) | \$ 12,382,691 | 2.64% |
| 10 | Special Contracts including Power Generation | \$ 88,650,908 | 18.92% |
| 11 | Total | \$ 468,445,597 | 100.00% |

Revenue Requirement Adjustment for Decrease in FIT Rate

| | | | |
|----|--------------------------------|------------------------|-----------------|
| 12 | Impact to NOI for Return | | \$ (19,822,593) |
| 13 | NOI Gross Up Factor* | G-9, Sub 631 | 0.7638245 |
| 14 | Revenue Requirement Adjustment | [= Line 12 / Line 13] | \$ (25,951,764) |

* Gross Up Factor based on the methodology approved in Docket No. G-9, Sub 631, using the current 21% federal corporate income tax rate and the 2.5% North Carolina corporate income tax rate effective January 1, 2019.

OFFICIAL COPY
Apr 04 2019

Schedule C

Piedmont Natural Gas Company, Inc.

Schedule C

Base Rate Adjustment for Cost of Service Impact due to Decrease in SIT Rate (3.0% to 2.5%)

Docket Nos. M-100 Sub 148, G-9 Sub 731, and G-9 Sub 737

| Line No. | Notes | Residential (101) | Small & Medium General (102, 142, 152, 144) | Firm Large General (103, 113, T-10, T-12, 12) | Interruptible Large General (104, 114) | Special Contracts | Total |
|----------|---|--------------------------|---|--|--|-------------------|--------|
| 1 | Customer Class Apportionment | see table below | 52.41% | 23.86% | 2.16% | 2.64% | 18.92% |
| 2 | Revenue Requirement Adjustment | [= Line 1 x Line 14] \$ | (412,170) \$ | (187,685) \$ | (16,996) \$ | (20,789) \$ | - \$ |
| 3 | Annualized Throughput from 2013 Rate Case (DTs) | G-9, Sub 631 | 36,504,751 | 27,448,263 | 30,188,509 | 34,669,378 | n/a |
| 4 | Proposed Base Rate Adjustment Per DT | [= Line 2 / Line 3] | (0.0113) | (0.0068) | (0.0006) | (0.0006) | n/a |
| 5 | Proposed Base Rate Adjustment Per Therm | [= Line 4 / 10] | (0.00113) | (0.00068) | (0.00006) | (0.00006) | n/a |

Derivation of Customer Class Apportionment Percentages

| G-9, Sub 631: Approved Rate Case Settlement | | Annual | |
|---|---|----------------|---------------------|
| <u>Margin Revenues</u> | | <u>Total</u> | <u>Allocation %</u> |
| 6 | Residential (101) | \$ 245,499,050 | 52.41% |
| 7 | Sm & Med General Service (102, 142, 152, 144) | \$ 111,789,642 | 23.86% |
| 8 | Large General Service - Firm (103, 113, T-10, T-12, 12) | \$ 10,123,306 | 2.16% |
| 9 | Large General Service - Interruptible (104, 114) | \$ 12,382,691 | 2.64% |
| 10 | Special Contracts including Power Generation | \$ 88,650,908 | 18.92% |
| 11 | Total | \$ 468,445,597 | 100.00% |

Revenue Requirement Adjustment for Decrease in SIT Rate

| | | | |
|----|--------------------------------|------------------------|--------------|
| 12 | Impact to NOI for Return | | \$ (600,731) |
| 13 | NOI Gross Up Factor* | G-9, Sub 631 | 0.7638245 |
| 14 | Revenue Requirement Adjustment | [= Line 12 / Line 13] | \$ (786,477) |

* Gross Up Factor based on the methodology approved in Docket No. G-9, Sub 631, using the current 21% federal corporate income tax rate and the 2.5% North Carolina corporate income tax rate effective January 1, 2019.

OFFICIAL COPY
Apr 04 2019

Schedule D

Piedmont Natural Gas Company, Inc.
Calculation of the Net-of-Tax Overall Rate of Return per 21% FIT Rate and 2.5% SIT Rate
Docket Nos. M-100 Sub 148, G-9 Sub 731, and G-9 Sub 737

Schedule D

FY2019

| Line No. | Item | Capital Structure (a) | Cost Rates (b) | Retention Factors (c) | Gross Revenue Effect (d) | Weighted Cost/Return % (e) | Tax Factors (f) | Net of Tax Overall Rate of Return (g) |
|---|--------------------------------------|--------------------------|-------------------|--------------------------|-----------------------------|-------------------------------|--------------------|--|
| <u>Rate Base Factor:</u> | | | | | | | | |
| 1 | Long-term debt | 46.52% | 5.23% | 0.9916579 | 0.02453474 | 2.43% | 0.7702500 | 1.87% |
| 2 | Short-term debt | 2.82% | 0.53% | 0.9916579 | 0.00015048 | 0.01% | 0.7702500 | 0.01% |
| 3 | Common equity | 50.66% | 10.00% | 0.7638245 | 0.06632977 | 5.07% | 1.0000000 | 5.07% |
| 4 | Total (Sum of L1 thru L3) | 100.00% | | | 0.09101499 | 7.51% | | 6.95% |
| <u>Net Income Factor: Revenue Retention Factor</u> | | | | | | | | |
| 5 | Total revenue | | | | 1.0000000 | | | |
| 6 | Uncollectibles | | | | 0.0070513 | | | |
| 7 | Balance (L5 - L6) | | | | 0.9929487 | | | |
| 8 | Regulatory fee (L7 x .13%) | | | | 0.0012908 | | | |
| 9 | Balance (L7 - L8) | | | | 0.9916579 | | | |
| 10 | Less: State income tax (L9 x 2.5%) | | | | 0.0247914 | | | |
| 11 | Balance (L9 - L10) | | | | 0.9668665 | | | |
| 12 | Less: Federal income tax (L11 x 21%) | | | | 0.2030420 | | | |
| 13 | Gross up factor (L11 - L12) | | | | 0.7638245 | | | |

OFFICIAL COPY
Apr 04 2019