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Sep 26 2019

September 26, 2019

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

Re: Docket No. G-9, Sub 752

Dear Ms. Jarvis:

In accordance with the Commission's *Order Scheduling Hearing, Requiring Filing of Testimony, Establishing Discovery Guidelines and Requiring Public Notice*, which was issued August 2, 2019 in the above-referenced docket, I have enclosed the *Rebuttal Testimony and Exhibit of MaryBeth Tomlinson*.

The required fifteen copies of these documents are being sent to the Commission's office via FedEx Overnight.

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/sko

Enclosures

cc: Bruce Barkley
Pia Powers
Beth Culpepper

**Before the
North Carolina Utilities Commission**

Docket No. G-9, Sub 752

**Annual Review of Gas Costs Pursuant to G.S. 62-133.4(c)
and Commission Rule R1-17(k)(6)**

**Rebuttal
Testimony and Exhibit
of
MaryBeth Tomlinson**

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



September 26, 2019

1 **Q. Please state your name and your business address.**

2 A. My name is MaryBeth Tomlinson. My business address is 4720 Piedmont
3 Row Drive, Charlotte, North Carolina.

4 **Q. What is your position with Piedmont Natural Gas Company**
5 **(“Piedmont” or the “Company”)?**

6 A. I am the Manager of Gas Accounting Services in the Natural Gas Business
7 Unit of Duke Energy Corporation (“Duke Energy”), of which Piedmont is a
8 wholly-owned subsidiary.

9 **Q. Have you previously filed testimony in this proceeding?**

10 A. Yes. I prefiled Direct Testimony in this proceeding on August 1, 2019 and
11 supplemental testimony on August 16, 2019.

12 **Q. What is the purpose of your Rebuttal Testimony?**

13 A. The purpose of my rebuttal testimony is to respond to recommendations
14 made in the direct testimonies of Public Staff witnesses Zarka H. Naba and
15 Poornima Jayasheela as well as to provide and explain minor corrections to
16 Schedule 9 in Exhibit_(MBT – 1).

17 **Q. What is your conclusion regarding Ms. Naba’s recommendations set**
18 **forth in the Annual Review of Gas Costs Testimony filed on September**
19 **16, 2019 regarding any proposed increments/decrements?**

20 A. The Company agrees with Ms. Naba’s recommendations that the Company
21 remove the existing temporary decrements and increment approved in the
22 Company’s prior annual review of gas costs proceeding (Docket No. G-9,
23 Sub 727) and implement the temporaries as calculated in Tomlinson

1 Exhibit_(MBT-3). Due to the circumstances regarding the projected
2 balance of the Sales Customers' Only Deferred Account as outlined in Ms.
3 Naba's testimony, the Company has no concerns about not implementing
4 the increment as originally proposed and included in Exhibit_(MBT-4).

5 **Q. What is your conclusion regarding Ms. Jayasheela's recommendation**
6 **regarding additional monthly Secondary Marketing reporting?**

7 A. The Company is agreeable to the additional Secondary Marketing
8 information requested. Public Staff and the Company are working out the
9 details of the reporting.

10 **Q. What minor corrections are you making to Exhibit_(MBT-1), Schedule**
11 **9?**

12 A. In our original filing, the "other adjustments" footnotes had incorrect account
13 names assigned to the journal entries as well as an incorrect month noted for
14 the interest rate change. We are correcting these mistakes in the revised
15 Schedule 9 of Exhibit MBT-1 attached hereto. Specifically, we are making
16 the following changes:

17 1) Journal ID NCDFINTCOR "Account" changed to Regulatory Interest
18 Expense, "(Account)" changed to All Customers Deferred Account,
19 "Description" – the month referred to in the description column was
20 changed from March 2019 to April 2019.

1 2) Journal ID PNGINTEXPA “Account” changed to Current Deferred
2 Income Taxes, “ (Account)” changed to All Customers Deferred Account.
3 All data associated with these journal entries was properly recorded in the
4 general ledger and presented in the schedule.

5 **Q. Does this conclude your Rebuttal Testimony?**

6 A. Yes.

7

8

Exhibit MBT - 1
Schedule 9 - REVISED

**Summary of Deferred Account Activity
All Customers Account 0253132
For the Twelve Month Period Ended May 31, 2019
Owed To (From) Company - - - Debit (Credit)**

	Reporting Month	Beginning Balance	Commodity Cost (Over) Under Collection	Fixed Gas Costs (Over) Under Collection	Fixed Costs (Increments) / Decrements	Negotiated Losses	Supplier Refunds	Capacity Release Credits	NC Portion of OSS Revenue	NC Portion of OSS Cost	Other Adjustments (1)	Ending Balance Before Interest	Accrued Interest	Ending Balance
1	June	(17,078,427.67)	1,654,885.59	5,492,342.58	(424,863.45)	-	(135,103.99)	(968,769.21)	(3,205,192.81)	2,953,678.11	-	(11,711,450.85)	(83,245.93)	(11,794,696.78)
2	July	(11,794,696.78)	(11,513.87)	6,687,818.52	(323,635.07)	-	(1,352.18)	(990,415.14)	(3,089,062.84)	2,804,173.70	-	(6,718,683.66)	(53,531.44)	(6,772,215.10)
3	August	(6,772,215.10)	274,994.71	6,117,550.31	(386,221.59)	-	-	(990,438.11)	(2,546,046.18)	2,290,108.10	-	(2,012,267.86)	(25,400.33)	(2,037,668.19)
4	September	(2,037,668.19)	(7,550.82)	6,235,117.86	(339,385.13)	-	-	(969,040.40)	(2,792,363.45)	2,553,278.52	-	2,642,388.39	1,748.55	2,644,136.94
5	October	2,644,136.94	(4,441.98)	4,339,289.55	(600,272.35)	-	-	(820,015.69)	(816,119.77)	752,135.06	-	5,494,711.76	23,533.48	5,518,245.24
6	November	5,518,245.24	28,337.74	(4,090,544.00)	(1,590,755.06)	-	-	(1,704,045.32)	(8,898,552.97)	8,585,994.32	-	(2,151,320.05)	9,735.46	(2,141,584.59)
7	December *	(2,141,584.59)	228,443.22	(6,784,550.90)	(1,936,941.06)	7,545.56	-	(1,677,937.40)	(7,447,450.80)	6,875,407.44	216.56	(12,876,851.97)	(43,425.81)	(12,920,277.78)
8	January	(12,920,277.78)	(72,385.49)	(9,248,296.43)	3,437,911.29	-	-	(1,777,390.76)	(15,979,564.10)	11,098,547.58	-	(25,461,455.69)	(110,980.78)	(25,572,436.47)
9	February	(25,572,436.47)	(204,265.73)	(3,941,964.33)	2,468,583.51	-	(305,886.54)	(1,592,247.48)	(9,144,630.55)	8,802,898.44	-	(29,489,949.15)	(159,212.89)	(29,649,162.04)
10	March **	(29,649,162.04)	(2,899.90)	592,509.43	2,197,568.04	-	-	(1,900,546.95)	(6,324,914.22)	6,015,610.05	(422.72)	(29,072,258.31)	(170,057.23)	(29,242,315.54)
11	April	(29,242,315.54)	(28,005.32)	6,593,967.95	801,404.81	-	-	(1,420,636.15)	(501,541.50)	468,548.61	-	(23,328,577.14)	(152,245.31)	(23,480,822.45)
12	May ***	(23,480,822.45)	(35,421.75)	8,112,419.33	596,530.13	-	-	(1,488,772.46)	(3,049,928.00)	2,837,847.85	(1,285,339.35)	(17,793,486.70)	(119,530.40)	(17,913,017.10)
	Totals		1,820,176.40	20,105,659.87	3,899,924.07	7,545.56	(442,342.71)	(16,300,255.07)	(63,795,367.19)	56,038,227.78	(1,285,545.51)		(882,612.63)	

Other Adjustments (1):

Reporting Month	Journal ID	Amount	Account	(Account)	Description
December 2018 *	PPADEFINT	\$ 216.56	All Customers Deferred Account	Regulatory Interest Expense	An adjusting entry was made to record \$216.56 of additional interest associated with the period January - December 2018 for January and February 2018 supplier invoice adjustments.
March 2019 **	NCDFINTCOR n/a	\$ (421.50) (1.22) <u>\$ (422.72)</u>	Regulatory Interest Expense	All Customers Deferred Account	To correct recorded interest expense/income in the NC Deferred Account for the January and February interest rate change to 6.95% approved by the NCUC in April 2019. Note: \$1.22 was manually added to reconcile interest on interest for the adjustment not included in the beginning balance.
May 2019 ***	PNGINTEXPA	\$ (1,285,339.35)	Current Deferred Income Taxes	All Customers Deferred Account	To transfer balance in interest accrued on current deferred income taxes to supplier rate change account as required by NC Prudence review of cost of gas.

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