

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-9, SUB 642  
DOCKET NO. G-9, SUB 697

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Piedmont Natural Gas	)	ORDER APPROVING RATE
Company, Inc., for Approval of	)	ADJUSTMENTS EFFECTIVE
Adjustments of Rates Under Appendix E	)	DECEMBER 1, 2016
of Its Service Regulations	)	

BY THE COMMISSION: On November 23, 2015, in Docket No. G-9, Subs 631 and 642, the Commission approved a revised Integrity Management Rider (IMR) mechanism for Piedmont Natural Gas Company, Inc. (Piedmont or Company), which is Appendix E of Piedmont's North Carolina Service Regulations (Revised IMR Mechanism).

The Revised IMR Mechanism requires that Piedmont file by October 31<sup>st</sup> an annual report summarizing the Integrity Management (IM) Plant Investment for the prior 12-month period ending September 30<sup>th</sup> and the data substantiating and supporting its Integrity Management Revenue Requirement (IMRR) calculation for the next bi-annual Integrity Management Adjustment. On October 31, 2016, Piedmont filed its projected three-year plan of IM Plant Investment and computations of the IMR rate adjustments that Piedmont proposes to implement effective December 1, 2016. On November 15, 2016, Piedmont filed its proposed IMR rate adjustments including an increment to collect the October 31, 2016 balance in the IM Deferred Account to be effective December 1, 2016.

The proposed IMR rate adjustments, expressed in dollars per dekatherm (\$/dt), are as follows:

Description	Residential Rate 101	Small & Medium General	Firm Large General	Interruptible Large General
		Rate 102, 142, 152	Rate 103, 113, 12 T-10, T-12	Rate 104, 114
Rate Class Percentage	64.64%	29.43%	2.67%	3.26%
IMRR	\$36,522,073	\$16,628,165	\$1,508,570	\$1,841,924
IM Deferred Account Balance	\$2,613,921	\$1,190,094	\$107,970	\$131,828
Total Amount for recovery	\$39,135,994	\$17,818,260	\$1,616,539	\$1,973,752
Rate Case Volumes (dts)	36,504,751	27,448,263	30,188,509	34,669,378
IM Increment per dt	\$1.0721	\$0.6492	\$0.0535	\$0.0569
Remove Previous Increment	(\$0.81190)	(\$0.94160)	(\$0.04060)	(\$0.04320)
Change in IM Increment per dt	\$0.2602	\$0.1576	\$0.0129	\$0.0137

The Public Staff presented this matter to the Commission at its November 28, 2016, Staff Conference. The Public Staff stated it had reviewed the proposed IMR rate adjustments and recommended approval as filed.

Based on review of the filing and the recommendation of the Public Staff, the Commission finds good cause to approve the application.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to implement the proposed IMR rate adjustments as contained in the body of this Order based on its IM Deferred Account balance as of October 31, 2016, effective for service rendered on and after December 1, 2016.

2. That Piedmont shall file revised tariffs consistent with Ordering Paragraph 1 within five (5) days of the date of this Order.

3. That Piedmont shall give notice to its customers of the rate changes authorized by this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 29<sup>th</sup> day of November, 2016.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Linnetta Threatt".

Linnetta Threatt, Acting Deputy Clerk

Commissioners Jerry C. Dockham and James G. Patterson did not participate in this decision.