

ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION		
01 Exact Legal Name of Respondent Piedmont Natural Gas Company	02 Year of Report December 31, 2016	
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Business Office at End of Year (Street, City, State, Zip Code) 4720 Piedmont Row Drive, Charlotte, NC 28210		
05 Name of Contact Person Michael Covington	06 Title of Contact Person Director of Gas Utilities and Infrastructure	
07 Address of Contact Person (Street, City, State, Zip Code) PO Box 33068, 4720 Piedmont Row Drive, Charlotte, NC 28233		
08 Telephone of Contact Person, Including Area Code (704) 731-4009	09 This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) April 1, 2017
ANNUAL CORPORATE OFFICER CERTIFICATION		
The undersigned officer certifies that: I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.		
11 Name William E. Currens, Jr.	12 Title Senior Vice President, Chief Accounting Officer and Controller	
13 Signature /s/ William E. Currens, Jr.	14 Date Signed (Mo, Day, Yr) March 24, 2017	
Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willfully to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.		

Name of Respondent Piedmont Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/01/17	Year of Report Dec. 31, 2016	
LIST OF SCHEDULES (Natural Gas Company) (Continued)				
Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (continued)			
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		
40	Taxes Accrued, Prepaid, and Charged During Year	262-263		
41	Miscellaneous Current and Accrued Liabilities	268		
42	Other Deferred Credits	269		
43	Accumulated Deferred Income Taxes—Other Property	274-275		
44	Accumulated Deferred Income Taxes—Other (283xx)	276-277		N/A
45	Other Regulatory Liabilities	278		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
46	Monthly Quantity & Revenue Data by Rate Schedule	299		N/A
47	Gas Operating Revenues (Must agree with quarterly commission reports.)	300-301 *		
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		N/A
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		N/A
50	Revenues from Storage Gas of Others	306-307		N/A
51	Other Gas Revenues	308		
52	Discounted Rate Services and Negotiated Rate Services	313		N/A
53	Gas Operation and Maintenance Expenses (Must agree with quarterly commission reports.)	317-325 *		
54	Exchange and Imbalance Transactions	328		N/A
55	Gas Used in Utility Operations	331		
56	Transmission and Compression of Gas by Others	332		N/A
57	Other Gas Supply Expenses	334		N/A
58	Miscellaneous General Expenses-Gas	335		
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338 *		
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
	COMMON SECTION			
61	Regulatory Commission Expenses	350-351		
62	Employee Pensions and Benefits (Account 926)	352		
63	Distribution of Salaries and Wages	354-355		
64	Charges for Outside Professional and Other Consultative Services	357		
65	Transactions with Associated (Affiliated) Companies	358		
	GAS PLANT STATISTICAL DATA			
66	Compressor Stations	508-509		
67	Gas Storage Projects	512		
67.1	Gas Storage Projects	513		
68	Transmission Lines	514		
69	Transmission System Peak Deliveries	518		N/A
70	Auxiliary Peaking Facilities	519		
71	Gas Account—Natural Gas	520		
72	Shipper Supplied Gas	521a-d		N/A
73	System Map	522		
74	Footnote Reference	551		
75	Footnote Text	552		
76	Stockholders' Reports (check appropriate box)	—		
	<input type="checkbox"/> Four copies will be submitted. <input type="checkbox"/> No annual report to stockholders is prepared.			
	* Separate state pages for NC, SC and TN are required.			
	Gas Plant in Service - TN only	G2-G3		
	Accumulated Provision - TN only	G4-G5		
	Gas Plant in Service (Manufactured Gas Plant)	204-B Attach		
	Gas Operating Revenues and Expenses - TN only (Must agree to pp 114, 300-301, 317-325)	G-6		
	Revenues from Sales of Gas - TN only (Must agree to pp 114, 300-301)	G-7		
	Gas Operating Revenues, Dts, Customers - SC only (Must agree to qtrly commission rpt)	300-B Attach		
	Statistical Information - NC only	568		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/01/17	Dec. 31, 2016

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

William E. Currens, Jr.
Senior Vice President, Chief Accounting Officer and Controller

2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

North Carolina - December 14, 1993

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Piedmont is primarily engaged in the distribution of natural gas to residential, commercial, industrial and power generation customers in portions of North Carolina, South Carolina and Tennessee. During the calendar year, our subsidiaries were invested in joint venture, energy-related businesses, including unregulated retail natural gas marketing, and regulated interstate natural gas transportation and storage and intrastate natural gas transportation businesses.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) Yes... Enter the date when such independent accountant was initially engaged: _____
(2) No

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Control Over Respondent

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.

3. In column (b) designate type of control of the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	Duke Energy Corporation	M	Delaware	100
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CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give give particulars (details) in a footnote.

2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.

3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.

2. Direct control is that which is exercised without interposition of an intermediary.

3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.

4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	Piedmont Intrastate Pipeline Company	Subsidiary	Member of a limited liability company that owns and operates an intrastate natural gas pipeline.	100%	
2	Piedmont Interstate Pipeline Company	Subsidiary	Member of a limited liability company that owns an interstate liquefied natural gas storage facility.	100%	
3	Piedmont Energy Partners, Inc.	Subsidiary	Holding company for Piedmont Constitution Pipeline, Piedmont Intrastate Pipeline Company and Piedmont Interstate Company.	100%	
4	Piedmont Hardy Storage Company, LLC	Subsidiary	Member of a limited liability company that owns and operates an underground interstate natural gas storage facility.	100%	
5	Piedmont ENCNG Company, LLC	Subsidiary	Holding company Piedmont ACP Company and an interest in Piedmont Hardy Storage Company.	100%	
6	Piedmont Constitution Pipeline, LLC	Subsidiary	Equity interest in a limited liability company that proposes to construct and operate an interstate natural gas pipeline and related facilities.	100%	
7	Piedmont ACP Company, LLC	Subsidiary	Equity interest in a limited liability company that is currently constructing and is planning to operate and maintain an interstate natural gas pipeline from WV to NC.	100%	

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SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting

rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets of any officer, director, associated company, or any of the 10 largest security holders if entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing: December 31, 2016, for calendar year end closing	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy Total: 49,802,510 By proxy: 49,802,510	3. Give the date and place of such meeting: March 17, 2016 4720 Piedmont Row Drive Charlotte, NC 28210
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VOTING SECURITIES					
4. Number of votes as of (date): December 31, 2016					
Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	100	100		
5	TOTAL number of security holders	1	1		
6	TOTAL votes of security holders listed below	100	100		
7	Duke Energy Corporation	100	100		
8	Charlotte, North Carolina				
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IMPORTANT CHANGES DURING THE YEAR

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable," where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.

4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.

Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.

6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person has a material interest.

11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.

12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.

13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent, please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

8. Approximately 32.0% of the Company's employees are covered under collective bargaining agreements that included increases during 2016. The average union wages increased by an annual average of 2.6% over the prior year. Salary ranges for non-bargaining unit employees reflect a 2% increase over the prior year.

10. In accordance with the SSE LLC Agreement, upon the announcement of the Acquisition by Duke Energy Corporation, the Company delivered a notice of change of control to Georgia Natural Gas Company (GNGC). In December 2015, GNGC delivered to Piedmont a written notice electing to purchase our entire 15% interest in SouthStar, subject to and effective upon the consummation of the Acquisition. On October 3, 2016, we sold our 15% interest in SouthStar, and at closing, we received \$160.0 million from GNGC resulting in an after-tax gain of \$80.9 million.

11. Effective January 1, 2016, the Tennessee Regulatory Authority approved an annual decrease in margin revenues of \$2,990,000, affecting approximately 178,000 customers. The increase by revenue classification is: Residential down \$1,784,000, Commercial down \$933,000 and Industrial down \$273,000.

Effective June 1, 2016, the North Carolina Utilities Commission approved an annual increase in margin revenues of \$7,422,000, affecting approximately 716,000 customers. The approximate increase by revenue classification is: Residential up \$4,798,000, Commercial up \$2,184,000, and Industrial up \$440,000.

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IMPORTANT CHANGES DURING THE YEAR - CONTINUED - PAGE 2

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable," where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

11. - cont.

Effective November 1, 2016, the Public Service Commission of South Carolina approved an annual increase in margin revenues of approximately \$8,300,000, affecting approximately 141,000 customers. The approximate increase by revenue classification is: Residential up \$5,395,000, Commercial up \$2,905,000 and Industrial up \$0.

Effective December 1, 2016, the North Carolina Utilities Commission approved an annual increase in margin revenues of approximately \$8,160,000, affecting approximately 716,000 customers. The approximate increase by revenue classification is: Residential up \$5,275,000, Commercial up \$2,401,000 and Industrial up \$484,000.

12. As previously disclosed, on October 3, 2016, pursuant to that certain Agreement and Plan of Merger, dated as of October 24, 2015, by and among Duke Energy Corporation, a Delaware corporation, Forest Subsidiary, Inc., a North Carolina corporation and a wholly-owned subsidiary of Duke Energy ("Merger Sub") and Piedmont Natural Gas Company, Inc., Merger Sub merged with and into Piedmont on the terms and subject to the conditions set forth in the Merger Agreement, with Piedmont continuing as the surviving corporation in the Merger. As a result of the Merger, Piedmont became a wholly-owned subsidiary of Duke Energy.

Pursuant to the Merger Agreement, at the effective time of the Merger, each share of common stock, no par value, of Piedmont issued and outstanding immediately prior to the Effective Time (excluding shares that were held by Duke Energy, Merger Sub or their respective wholly-owned subsidiaries) was converted into the right to receive \$60.00 cash per Share, without interest (subject to any applicable withholding tax).

As a result of the merger, the below officers' employment with Piedmont was terminated:

- Thomas E. Skains
- Jane R. Lewis-Raymond
- Kevin M. O'Hara
- Keith P. Maust
- Judy Z. Mayo
- Bradly A. Merlie
- Rodney W. Myers
- Robert O. Pritchard
- Jose M. Simon
- Kenneth T. Valentine

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IMPORTANT CHANGES DURING THE YEAR - CONTINUED - PAGE 3

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable," where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

12. - cont.

The current Piedmont officers are listed below:

Eduardo Abrao-Netto - Assistant Corporate Secretary
Melissa H. Anderson - Executive Vice President, Administration and Chief Human Resources Officer
Bruce Barkley - Vice President, Regulatory and Community Relations
Keith Gerard Butler - Senior Vice President, Global Risk Management and Insurance and Chief Risk Officer
E. Christopher Cox - Assistant Corporate Secretary
William E. Currens, Jr. - Controller and Chief Accounting Officer
Stephen Gerard De May - Treasurer and Senior Vice President, Tax
Paul Draovitch - Senior Vice President, Environmental Health and Safety
Kris C. Duffy - Assistant Treasurer
Victor M. Gaglio - Senior Vice President and Chief Operations Officer, Natural Gas Business
Lynn J. Good - Chief Executive Officer and Director
Phillip C. Grigsby - Senior Vice President, Ventures and Business Development
Christopher B. Heck - Vice President and Chief Information Officer
Dhiaa M. Jamil - Executive Vice President and Chief Operating Officer and Director
Julia S. Janson - Executive Vice President, Chief Legal Officer and Corporate Secretary
Gayle S. Lanier - Senior Vice President, Customer Services
Robert Theodore Lucas, III - Assistant Corporate Secretary
David S. Maltz - Assistant Corporate Secretary
Lisa M. Marcuz - Vice President, Talent Management
Thomas Cooper Monroe III - Director, State Tax
Karl W. Newlin - Senior Vice President and Chief Commercial Officer, Natural Gas Business
Robert J. Ringel - Assistant Corporate Secretary
L. Stanford Sherrill, Jr. - Vice President, Employee Relations and Labor Relations
Thomas Silinski - Vice President, Total Rewards and Human Resource Operations
Catherine B. Stancombe - Vice President, Human Resources Business Partners
Catherine S. Stempien - Senior Vice President, Corporate Development
Jeffrey M. Stone - Vice President, Corporate Audit Services
John L. Sullivan, III - Assistant Treasurer
Nancy M. Wright - Assistant Corporate Secretary
Sandra S. Wyckoff - Vice President and Chief Ethics and Compliance Officer
Franklin H. Yoho - President, Natural Gas Business and Director
Steven Keith Young - Executive Vice President and Chief Financial Officer

Piedmont no longer has an external Board of Directors. For more information see published 8-Ks.

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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Reference Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	5,955,465,117	5,477,518,883
3	Construction Work in Progress (107)	200-201	209,636,207	191,070,426
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	6,165,101,324	5,668,589,309
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)	200-201	1,887,685,298	1,795,119,038
6	Net Utility Plant (Total of line 4 less 5)	200-201	4,277,416,026	3,873,470,271
7	Plant Held for Future Use		7,750,638	3,154,505
8	(Less) Accum. Provision for Amort. of Nuclear Fuel Assemblies (120.5)			
9	Plant Held for Future Use (Total of line 7 less 8)		7,750,638	3,154,505
10	Net Utility Plant (Total of lines 6 and 9)		4,285,166,664	3,876,624,776
11	Utility Plant Adjustments (116)	122		
12	Gas Stored-Base Gas (117.1)	220		
13	System Balancing Gas (117.2)	220		
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220		
15	Gas Owed to System Gas (117.4)	220		
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)		709,968	709,968
18	(Less) Accum. Provision for Depreciation and Amortization (122)		708,276	705,357
19	Investments in Associated Companies (123)	222-223		
20	Investments in Subsidiary Companies (123.1)	224-225	648,182,479	267,231,280
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances			
23	Other Investments (124)	222-223	5,733,659	574,500
24	Sinking Funds (125)			
25	Depreciation Fund (126)			
26	Amortization Fund - Federal (127)			
27	Other Special Funds (128) - Overfunded Asset/Qualified Pension Plan		2,502,390	27,303,620
28	Long-Term Portion of Derivative Assets (175)			
29	Long-Term Portion of Derivative Assets - Hedges (176)			
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		656,420,220	295,114,011
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		24,971,041	33,201,876
33	Special Deposits (132-134)		95,500	95,500
34	Working Funds (135)		263,937	271,220
35	Temporary Cash Investments (136)	222-223		
36	Notes Receivable (141)			
37	Customer Accounts Receivable (142)		212,455,809	141,729,651
38	Other Accounts Receivable (143)		21,343,617	34,443,718
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		2,977,716	2,927,019
40	Notes Receivable from Associated Companies (145)			
41	Accounts Receivable from Associated Companies (146)		54,240,609	53,320,364
42	Marketable Securities (137)		56,365	236,267
43	Fuel Stock Expenses Undistributed (152)			

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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)					
Line No.	Title of Account (a)	Reference Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
44	Residuals (Elec) and Extracted Products (Gas) (153)				
45	Plant Materials and Operating Supplies (154)		1,411,355	1,250,717	
46	Merchandise (155)				
47	Other Materials and Supplies (156)				
48	Nuclear Materials Held for Sale (157)				
49	Allowances (158.1 and 158.2)				
50	(Less) Noncurrent Portion of Allowances				
51	Stores Expenses Undistributed (163)				
52	Gas Stored Underground - Current (164.1)	220	48,196,425	63,923,148	
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	16,594,969	19,943,799	
54	Prepayments (165)	230a	8,471,898	11,735,596	
55	Advances for Gas (166 thru 167)				
56	Interest and Dividends Receivable (171)				
57	Rents Receivable (172)				
58	Accrued Utility Revenues (173)				
59	Misc. Current & Accrued Assets-Mark-to-market gas purchase options (174)		3,361,164	2,166,800	
60	Derivative Instrument Assets (175)				
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)				
62	Derivative Instrument Assets - Hedges (176)				
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)				
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		388,484,973	359,391,637	
65	DEFERRED DEBITS				
66	Unamortized Debt Expense (181)	259	14,604,387	12,670,140	
67	Extraordinary Property Losses (182.1)	230			
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230			
69	Other Regulatory Assets (182.3)	232	426,658,908	203,422,460	
70	Preliminary Survey and Investigation Charges (Electric) (183)				
71	Prelim. Survey and Investigation Charges (Gas) (183.1 and 183.2)				
72	Clearing Accounts (184)		0	1,889	
73	Temporary Facilities (185)				
74	Miscellaneous Deferred Debits (186)	233	52,724,923	50,153,720	
75	Deferred Losses from Disposition of Utility Plant (187)				
76	Marketable Securities - noncurrent		4,637,671	5,189,121	
77	Unamortized Loss on Reacquired Debt (189)	260	4,626,602	4,864,882	
78	Accumulated Deferred Income Taxes (190)	234-235	0	74,000	
79	Unrecovered Purchased Gas Costs (191)				
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		503,252,491	276,376,212	
81	TOTAL Assets and Other Debits (Total of lines 10-15, 30, 64, and 80)		5,833,324,348	4,807,506,636	

Name of Respondent		This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	859,846,440	728,109,476
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252		
7	Other Paid-In Capital (208-211)	253		
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254		
11	Retained Earnings (215, 215.1, 216)	118-119	730,511,477	414,684,070
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119		
13	(Less) Reacquired Capital Stock (217)	250-251		
14	Accumulated Other Comprehensive Income (219)	117-117a		
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,590,357,917	1,142,793,546
16	LONG-TERM DEBT			
17	Bonds (221)	256-257		
18	(Less) Reacquired Bonds (222)	256-257		
19	Advances from Associated Companies (223)	256-257	682,780,675	477,992,574
20	Other Long-Term Debt (224)	256-257	1,835,000,000	1,575,000,000
21	Unamortized Premium on Long-Term Debt (225)	258-259		
22	(Less) Unamortized Discount on Long-Term Debt - Dr (226)	258-259	958,510	634,019
23	(Less) Current Portion of Long-Term Debt			
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		2,516,822,165	2,052,358,555
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)			
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)			
29	Accumulated Provision for Pensions and Benefits (228.3)		13,697,844	15,049,533
30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			

Name of Respondent		This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		152,300,000	
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		14,275,823	19,892,705
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		180,273,667	34,942,238
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt			
38	Notes Payable (231)		330,000,000	480,000,000
39	Accounts Payable (232)		194,033,013	111,504,925
40	Notes Payable to Associated Companies (233)			
41	Accounts Payable to Associated Companies (234)			
42	Customer Deposits (235)		14,208,918	21,760,605
43	Taxes Accrued (236)	262-263	(16,518,606)	(11,473,230)
44	Interest Accrued (237)		33,027,200	32,107,440
45	Dividends Declared (238)		0	26,729,813
46	Matured Long-Term Debt (239)			
47	Matured Interest (240)			
48	Tax Collections Payable (241)		6,992,441	4,406,726
49	Miscellaneous Current and Accrued Liabilities (242)	268	483,168	5,519,811
50	Obligations Under Capital Leases-Current (243)			
51	Derivative Instrument Liabilities (244)		186,700,000	
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		152,300,000	
53	Derivative Instrument Liabilities - Hedges (245)			
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges			
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		596,626,134	670,556,090
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		0	25,474
58	Accumulated Deferred Investment Tax Credits (255)		838,014	1,000,077
59	Deferred Gains from Disposition of Utility Plant (256)			
60	Other Deferred Credits (253)	269	36,923,361	29,260,854
61	Other Regulatory Liabilities (254)	278	14,974,611	58,246,829
62	Unamortized Gain of Reacquired Debt (257)	260		
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)	275	896,508,479	818,322,973
64	Accumulated Deferred Income Taxes - Other Property (282)			
65	Accumulated Deferred Income Taxes - Other (283)			
66	TOTAL Deferred Credits (Enter Total of lines 57 thru 65)		949,244,465	906,856,207
67	TOTAL Liabilities and Other Credits (Total of lines 15, 24, 35, 55, and 66)		5,833,324,348	4,807,506,636

Name of Respondent Piedmont Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
STATEMENT OF INCOME			Total Company

1. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in other utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
3. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 401.1, 404.2, 404.3, 407.1 and 407.2
4. Use page 122 for important notes regarding the statement of income for any account thereof.
5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
7. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.
10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	1,115,660,171	1,146,948,516		
3	Operating Expenses					
4	Operation Expenses (401)	317-325	657,862,964	676,955,994		
5	Maintenance Expenses (402)	317-325	44,644,028	43,493,344		
6	Depreciation Expense (403)	336-338	135,966,267	127,934,542		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338				
8	Amortization and Depletion of Utility Plant (404-405)	336-338	2,338,843	1,952,435		
9	Amortization of Utility Plant Acquisition Adj. (406)	336-338				
10	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)					
11	Amortization of Conversion Expenses (407.2)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	42,852,462	40,808,918		
15	Income Taxes - Federal (409.1)	262-263	(18,714,609)	31,981,433		
16	Income Taxes - Other (409.1)	262-263	(2,661,214)	6,982,155		
17	Provision of Deferred Income Taxes (410.1)	234-235	71,127,723	33,183,890		
18	(Less) Provision for Deferred Income Taxes - Cr. (411.1)	234-235				
19	Investment Tax Credit Adjustment - Net (411.4)		(162,064)	(164,644)		
20	(Less) Gains from Disposition of Utility Plant (411.6)					
21	Losses from Disposition of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		933,254,400	963,128,067		
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		182,405,771	183,820,449		

Name of Respondent Piedmont Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
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Statement of Income

Total Company

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2			1,115,660,171	1,146,948,516		
3						
4			657,862,964	676,955,994		
5			44,644,028	43,493,344		
6			135,966,267	127,934,542		
7						
8			2,338,843	1,952,435		
9						
10						
11						
12						
13						
14			42,852,462	40,808,918		
15			(18,714,609)	31,981,433		
16			(2,661,214)	6,982,155		
17			71,127,723	33,183,890		
18						
19			(162,064)	(164,644)		
20						
21						
22						
23						
24						
25	0	0	933,254,400	963,128,067	0	0
26	0	0	182,405,771	183,820,449	0	0

Name of Respondent		This Report Is:	Date of Report	Year of Report		
Piedmont Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016		
STATEMENT OF INCOME (Continued)						
Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Year (c)	Total Prior Year to Date Balance for Year (d)	Current Three Months Ended Quarterly Only No 4th Quarter (e)	Prior Three Months Ended Quarterly Only No 4th Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)	---	182,405,771	183,820,449		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		10,235,904	11,511,744		
32	(Less) Costs and Expense of Merchandising, Job. & Contract Work (416)		(7,063,087)	(7,844,873)		
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)		25,559,375	33,722,864		
35	Secondary Market Revenues (417.10)		84,940,376	122,888,558		
36	(Less) Secondary Market Cost of Gas (417.35)		(68,842,675)	(101,268,356)		
37	Equity in Earnings of Subsidiary Companies (418.1)					
38	Interest and Dividend Income (419)		930,801	338,125		
39	Allowance for Other Funds Used During Construction (419.1)		12,700,603	11,472,657		
40	Miscellaneous Nonoperating Income (421)		559,870	(387,466)		
41	Gain on Disposition of Property (421.1)		132,392,506			
42	TOTAL Other Income (Total of lines 31 thru 40)		191,413,673	70,433,253		
43	Other Income Deductions					
44	Loss on Disposition of Property (421.2)					
45	Miscellaneous Amortization (425)					
46	Donations (426.0)		1,593,440	1,732,568		
47	Life Insurance (426.2)					
48	Penalties (426.3)		0	4,440		
49	Other Deductions (426.5) (426.1) (426.4)		25,238,625	11,902,519		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		26,832,065	13,639,527		
51	Taxes Applicable to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)		393,093	244,711		
53	Income Taxes - Federal (409.2)		68,720,460	26,292,180		
54	Income Taxes - Other (409.2)		743,437	(4,115,399)		
55	Provision for Deferred Income Taxes (410.2)					
56	(Less) Provision for Deferred Income Taxes - Credit (411.2)					
57	Investment Tax Credit Adjustment - Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52 thru 58)		69,856,990	22,421,492		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		94,724,618	34,372,234		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		79,351,865	71,520,226		
63	Amortization of Debt Discount and Expense (428)		1,315,552	1,373,581		
64	Amortization of Loss on Reacquired Debt (428.1)		238,280	238,280		
65	(Less) Amortization of Premium on Debt - Credit (429)					
66	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)					
67	Interest on Debt to Associated Companies (430)					
68	Other Interest Expense (431)		970,982	6,656,364		
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)					
70	Net Interest Charges (Total of lines 62 thru 69)		81,876,679	79,788,451		
71	Income Before Extraordinary Items (Total of lines 27, 60, and 70)		195,253,710	138,404,232		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0		
76	Income Taxes - Federal and Other (409.3)					
77	Extraordinary Items After Taxes (Total of line 75 less line 76)		0	0		
78	Net Income (Enter Total of lines 71 and 77)		195,253,710	138,404,232		

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Statement of Accumulated Comprehensive Income and Hedging Activities (continued)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (Insert category) (g)	Totals for Each Category of Items Recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1					
2					
3					
4			0	195,253,710	195,253,710
5					
6					
7					
8					
9			0	195,253,710	195,253,710
10					

Name of Respondent Piedmont Natural Gas Company	This Report Is. (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
UNAPPROPRIATED RETAINED EARNINGS				
1	Balance - Beginning of Year		414,684,070	402,508,657
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	Balance transferred from Income (account 433 less Acct 418.1)	43500	96,436,792	117,004,210
5	Tax benefit from dividends paid on ESOP shares		116,476	123,497
6	Acquisition-related adjustment to equitize prior period earnings of equity method investments *		333,293,183	0
7			0	0
8	Appropriations of Retained Earnings (Account 436)			
9	Dividends Declared - Preferred Stock (Account 437)			
10				
11	Dividends Declared - Common Stock (Account 438)			
12	Dividends accrued on common stock	23820	114,019,044	104,952,294
13	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance - End of Year (Total of lines 1, 4, 5, 6, 8, 10, 12 and 13)		730,511,477	414,684,070
APPROPRIATED RETAINED EARNINGS (Account 215)				
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines 17 and 18)			
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 19)		730,511,477	414,684,070
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)				
Report only on an Annual Basis no Quarterly				
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance - End of Year			

	<u>2016</u>	<u>2015</u>
Reconciliation of net income from utility operations to consolidated income:		
Parent company net income	96,436,792	117,004,210
Subsidiary net income, January 1 - December 31	<u>98,816,918</u>	<u>21,400,022</u>
Net income, page 116	<u>195,253,710</u>	<u>138,404,232</u>

* Application of Duke Energy Corporation's process, with acquisition effective October 3, 2016.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/01/17	Dec. 31, 2016
STATEMENT OF CASH FLOWS			
<p>(1) Codes to be used:(a)Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c)Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to Financial Statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amounts capitalized) and income taxes paid.</p> <p>4. Investing Activities: Include at Other (Line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per US of A General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>			
Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	96,436,792	117,004,210
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	135,969,186	127,939,176
5	Amortization	13,323,897	13,424,219
	Provision for doubtful accounts	4,542,497	5,143,500
	Gain on sale of property	-	-
6	Deferred Income Taxes (Net)	78,185,506	77,069,266
7	Investment Tax Credit Adjustments (Net)	(162,063)	(164,644)
8	Net (Increase) Decrease in Receivables	(62,027,120)	75,796,331
9	Net (Increase) Decrease in Inventory	18,914,915	24,526,467
10	Settlement of legal asset retirement obligation	(6,460,316)	(5,788,870)
11	Net Increase (Decrease) in Payables and Accrued Expenses	71,320,140	(69,494,715)
12	Net (Increase) Decrease in Other Regulatory Assets	(237,665,643)	(30,464,164)
13	Net Increase (Decrease) in Other Regulatory Liabilities	(43,272,218)	(39,806,517)
14	(Less) Allowance for Other Funds Used During Construction		
15	Contributions to employee benefit plans	(13,964,844)	(12,735,222)
16	Net Change in Long-term Assets and Liabilities - Derivative Instruments	186,700,000	-
	Net (Increase) Decrease in Other Assets	30,919,297	30,002,695
	Net Increase (Decrease) in Other Liabilities	26,059,202	8,586,956
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of lines 2 thru 16)	298,819,228	321,038,688
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(547,988,916)	(438,358,914)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	(12,700,603)	(11,472,657)
27	Construction Advances		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(560,689,519)	(449,831,571)
29			
30	Acquisition of Other Noncurrent Assets (d)		
	Proceeds from sale of property	487,481	797,479
31	Proceeds from Disposal of Noncurrent Assets (d)		
32	Other Investments	(5,159,159)	44,000
33	Investments in and Advances to Assoc. and Subsidiary Companies	(61,527,150)	(35,334,261)
34	Reimbursements from bond fund		
36	Proceeds from Investments in and Advances to Assoc. and Subsidiary Com	173,869,134	-
37	Other	13,561,344	7,566,149
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Name of Respondent		This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016
STATEMENT OF CASH FLOWS (Continued)				
Line No.	Description (See Instructions for Explanation of Codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year	
40	Loans Made or Purchased			
41	Collections on Loans			
42	Net (Increase) Decrease in Restricted Cash			
43	Net (Increase) Decrease in Receivables			
44	Net (Increase) Decrease in Inventory			
45	Net Increase (Decrease) in Allowances Held for Speculation			
46	Net Increase (Decrease) in Payables and Accrued Expenses			
47	Investment in marketable securities	1,044,262	(462,388)	
48	Net Cash Provided by (Used in) Investing Activities			
49	(Total of lines 28 thru 47)	(438,413,607)	(477,220,592)	
50				
51	Cash Flows from Financing Activities:			
52	Proceeds from Issuance of:			
53	Long-Term Debt (b)	299,634,000	149,902,500	
54	Preferred Stock			
55	Common Stock, net proceeds	120,899,882	80,728,884	
56	Sale of common stock			
57	Borrowings under credit facility	-	-	
58	Net Borrowings - commercial paper	-	-	
	Advances from Associated Compaies	44,788,101	26,727,900	
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	465,321,983	257,359,284	
60				
61	Payments for Retirement of:			
62	Long-Term Debt, net of discount (b)	(40,000,000)	-	
63	Preferred Stock			
64	Common Stock			
65	Repurchases of common stock	-	-	
	Other	-	-	
66	Net Repayments - commercial paper	(150,000,000)	(5,000,000)	
67	Expenses related to issuance of debt	(3,216,865)	(2,477,867)	
68	Dividends on Preferred Stock			
69	Dividends on Common Stock	(140,748,857)	(104,952,294)	
70	Net Cash Provided by (Used in) Financing Activities			
71	(Total of lines 59 thru 69)	131,356,261	144,929,123	
72				
73	Net Increase (Decrease) in Cash and Cash Equivalents			
74	(Total of lines 18, 49 and 71)	(8,238,118)	(11,252,781)	
75				
76	Cash and Cash Equivalents at Beginning of Period	33,568,596	44,821,377	
77				
78	Cash and Cash Equivalents at End of Period	25,330,478	33,568,596	
	Cash and Cash Equivalents:			
	Cash	\$24,971,041	\$33,201,876	
	Special deposits	95,500	95,500	
	Working funds	263,937	271,220	
	Total	<u>\$25,330,478</u>	<u>\$33,568,596</u>	
	Cash Paid (Refunded) for:			
	Interest	\$82,016,679	\$71,588,394	
	Income taxes paid (refunded)	(\$26,057,464)	\$2,300,100	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/01/17	Dec. 31, 2016

Notes to Financial Statements

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains, or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financials statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Provide details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where the events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However, where material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

See Attachment to Page 122.1

1. Summary of Significant Accounting Policies

Change in Control

On October 24, 2015, we entered into an Agreement and Plan of Merger (Merger Agreement) with Duke Energy Corporation (Duke Energy). On October 3, 2016, the merger was consummated between Duke Energy and Piedmont and Forest Subsidiary, Inc. (Merger Sub), a new wholly owned subsidiary of Duke Energy. The Merger Agreement provided for the merger of the Merger Sub with and into Piedmont, with Piedmont surviving as a wholly owned subsidiary of Duke Energy (the Acquisition). The Acquisition was recorded using the acquisition method of accounting. Under SEC regulations, Duke Energy elected to not apply push down accounting to the stand alone Piedmont financial statements. These adjustments will be recorded by Duke Energy.

Net Property, Plant and Equipment

Utility plant is stated at original cost, including direct labor and materials, contractor costs, allocable overhead charges, such as engineering, supervision, corporate office salaries and expenses, pensions and insurance, and an allowance for funds used during construction (AFUDC) that is calculated under a formula prescribed by our state regulators. We apply the group method of accounting, where the costs of homogeneous assets are aggregated and depreciated by applying a rate based on the average expected useful life of the assets. Major expenditures that last longer than a year and improve or lengthen the expected useful life of the overall property from original expectations that are recoverable in regulatory rate base are capitalized while expenditures not meeting these criteria are expensed as incurred. The costs of property retired or otherwise disposed of are removed from utility plant and charged to accumulated depreciation for recovery or refund through future rates. On certain assets, like land, that are nondepreciable, we record a gain or loss upon the disposal of the property that is recorded in account 42100, Miscellaneous Nonoperating Income.

Contributions in aid of construction represent nonrefundable donations or contributions received from third-parties for partial or full reimbursement for construction expenditures for utility plant in service.

AFUDC represents the estimated costs of funds from both debt and equity sources used to finance the construction of major projects and is capitalized for ratemaking purposes when the completed projects are placed in service. AFUDC costs totaled \$12.7 million for 2016.

In accordance with utility accounting practice, we classify costs incurred for utility plant that is not in service to be "Plant held for future use" in the Comparative Balance Sheet. Since March 2009 when construction was suspended, we classified real estate and development costs associated with a liquefied natural gas (LNG) peak storage facility in the eastern part of North Carolina as "Plant held for future use."

In May 2013, we filed a general rate application with the North Carolina Utilities Commission (NCUC) requesting rate recovery of the non-real estate costs. Under the settlement of the 2013 North Carolina general rate proceeding approved by the NCUC in December 2013, we agreed to the amortization and collection of \$1.2 million of non-real estate costs that are recorded as a regulatory asset with amortization over 38 months beginning January 1, 2014 through February 2017.

During fiscal 2016, we reclassified \$4.6 million of project costs recorded as "Construction work in progress" to "Plant held for future use." We intend to resume the project when future economic conditions become more favorable.

We compute depreciation expense using the straight-line method over periods ranging from 5 to 80 years. The composite weighted average depreciation rate was 2.44% for 2016.

Depreciation rates for utility plant are approved by our regulatory commissions. In North Carolina, we are required to conduct a depreciation study every five years and file the results with the regulatory commission. No such requirement exists in South Carolina or Tennessee; however, we periodically propose revised rates in those states based on depreciation studies. Our last system-wide depreciation study based on fiscal year 2009 data was

completed in 2011 and filed with the appropriate regulatory commission in all jurisdictions. New depreciation rates were approved effective November 1, 2011 for South Carolina, March 1, 2012 for Tennessee and January 1, 2014 for North Carolina.

As authorized by our regulatory commissions, the estimated costs of removal on certain regulated properties are collected through depreciation expense through rates with a corresponding credit to accumulated depreciation. Our approved depreciation rates are comprised of two components, one based on average service life and one based on cost of removal for certain regulated properties. Therefore, through depreciation expense, we collect and record estimated non-legal costs of removal on any depreciable asset that includes cost of removal in its depreciation rate.

Asset Retirement Obligations

The accounting guidance for asset retirement obligations (AROs) addresses the financial accounting and reporting for AROs associated with the retirement of long-lived assets that result from the acquisition, construction, development and operation of the assets. The accounting guidance requires the recognition of the fair value of a liability for AROs in the period in which the liability is incurred if a reasonable estimate of fair value can be made. We have determined that conditional AROs exist for our underground mains and services.

We have costs of removal that are non-legal obligations as defined by the accounting guidance. The costs of removal are a component of our depreciation rates in accordance with long-standing regulatory treatment. Because these estimated removal costs meet the requirements of rate-regulated accounting guidance, we have accounted for these non-legal AROs as a regulatory liability. In the rate setting process, the liability for non-legal costs of removal is treated as a reduction to the net rate base upon which our regulated utility operations have the opportunity to earn its allowed rate of return.

We apply the accounting guidance for conditional AROs that requires recognition of a liability for the fair value of conditional AROs when incurred if the liability can be reasonably estimated. The NCUC, the Public Service Commissions of South Carolina (PSCSC) and the Tennessee Regulatory Authority (TRA) have approved placing these ARO costs in deferred accounts to preserve the regulatory treatment of these costs; therefore, accretion is not reflected in the Statements of Income as the regulatory treatment provides for deferral of the accretion as a regulatory asset with a corresponding deferral of the accretion recorded as a regulatory liability. AROs are capitalized concurrently by increasing the carrying amount of the related asset by the same amount as the regulatory liability. In periods subsequent to the initial measurement, any changes in the liability resulting from the passage of time (accretion) or due to the revisions of either timing or the amount of the originally estimated cash flows to settle conditional AROs must be recognized. The estimated cash flows to settle conditional AROs are discounted using the credit adjusted risk-free rate. We have recorded a liability on our distribution and transmission mains and services.

A reconciliation of the changes in conditional AROs for the year ended December 31, 2016 is presented below.

In thousands	2016
Beginning of period	\$ 19,893
Liabilities incurred during the period	5,404
Liabilities settled during the period	(6,460)
Accretion	1,153
Adjustment to estimated cash flows	(5,714)
End of period	\$ 14,276

Receivables and Allowance for Doubtful Accounts

Receivables consist of natural gas sales and transportation services, unbilled revenues, and other miscellaneous receivables, including merchandise and service work, construction related receivables and other miscellaneous receivables. We bill customers monthly with payment due within 30 days. We maintain an allowance

for doubtful accounts, which we adjust periodically, based on the aging of receivables and our historical and projected charge-off activity. Our estimate of recoverability could differ from actual experience based on customer credit issues, the level of natural gas prices and general economic conditions. We write off our customers' accounts when they are deemed to be uncollectible. Pursuant to orders issued by the NCUC, PSCSC and TRA, we are authorized to recover actual uncollected gas costs through the purchased gas adjustment (PGA). As a result, only the portion of accounts written off relating to the non-gas costs, or regulated margin, is included in base rates and, accordingly, only this portion is included in the provision for uncollectibles expense.

Inventory

We maintain gas inventories on the basis of average cost. Injections into storage are priced at the purchase cost at the time of injection, and withdrawals from storage are priced at the weighted average purchase price in storage. The cost of gas in storage is recoverable under rate schedules approved by state regulatory commissions. Inventory activity is subject to regulatory review on an annual basis in gas cost recovery proceedings.

Materials, supplies and merchandise inventories are valued at the lower of average cost or market and removed from such inventory at average cost.

Fair Value Measurements

We have financial and nonfinancial assets and liabilities subject to fair value measurement. The financial assets and liabilities measured and carried at fair value in the Consolidated Balance Sheets are cash and cash equivalents, marketable securities held in rabbi trusts established for our deferred compensation plans and purchased call option derivative assets and liabilities, if any, that are held for our utility operations. The carrying values of receivables, short-term debt, accounts payable, accrued interest and other current assets and liabilities approximate fair value as all amounts reported are to be collected or paid within one year. Our nonfinancial assets and liabilities include our qualified pension and postretirement plan assets and liabilities that are recorded at fair value in the Comparative Balance Sheet in accordance with employers' accounting and related disclosures of postretirement plans.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, or exit date. We utilize market data or assumptions that market participants would use in valuing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable. We primarily apply the market approach for fair value measurements and endeavor to utilize the best available information for the specific instrument, location or commodity being valued. Accordingly, we use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value of our financial assets and liabilities are subject to potentially significant volatility based on changes in market prices, the maturity and settlement of our contracts, and subsequent newly originated transactions, each of which directly affects the estimated fair value of our financial instruments. We are able to classify fair value balances based on the observance of those inputs at the lowest level that is significant to the fair value measurement, in its entirety, in the following fair value hierarchy levels as set forth in the fair value guidance.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date. Active markets have sufficient frequency and volume to provide pricing information for the asset or liability on an ongoing basis. Our Level 1 items consist of financial instruments of exchange-traded derivatives, investments in marketable securities and benefit plan assets held in registered investment companies and individual stocks.

Level 2 inputs are inputs other than quoted prices in active markets included in Level 1 and are either directly or indirectly corroborated or observable as of the reporting date, generally using valuation methodologies. These methodologies are primarily industry-standard methodologies that consider various assumptions, including time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable

levels at which transactions are executed in the marketplace. We obtain market price data from multiple sources in order to value some of our Level 2 transactions and this data is representative of transactions that occurred in the marketplace. Our Level 2 items include non-exchange-traded derivative instruments, such as some qualified pension plan assets held in common trust funds, collateralized mortgage obligations, swaps, futures, currency forwards, corporate bonds and government and agency obligations that are valued at the closing price reported in the active market for similar assets in which the individual securities are traded or based on yields currently available on comparable securities of issuers with similar credit ratings or based on the most recent available financial information for the respective funds and securities. For some qualified pension plan assets, the determination of Level 2 assets was completed through a process of reviewing each individual security while consulting research and other metrics provided by investment managers, including a pricing matrix detailing the pricing source and security type, annual audited financial statements and a review of valuation policies and procedures used by the investment managers as well as our investment advisor.

Level 3 inputs include significant pricing inputs that are generally less observable from objective sources and may be used with internally developed methodologies that result in management's best estimate of fair value. Our Level 3 inputs include cost estimates for removal (contract fees or manpower/equipment estimates), inflation factors, risk premiums, the remaining life of long-lived assets, the credit adjusted risk free rate to discount for the time value of money over an appropriate time span, and the most recent available financial information of an investment in a diversified private equity fund of funds for some of our qualified pension plan assets.

We have long-dated, fixed quantity natural gas supply contracts for our regulated utility operations which are accounted for as derivatives. We have classified these contracts as Level 3 in the fair value hierarchy, as the inputs are generally unobservable due to the tenure of the contracts and the absence of market quoted observable data. In the absence of actively quoted prices or if we believe that observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In determining the fair value, we use a discounted cash flow technique to calculate our valuation. We incorporate the following inputs and assumptions in our model: contract volume, forward market prices from third-party pricing services with an evaluation of pricing information on active and inactive markets, price correlations, pricing projections, time value, fuel assumptions and credit adjusted risk free rate of return.

In determining whether to categorize the fair value measurement of an instrument as Level 2 or Level 3, we must use judgment to assess whether we have the ability as of the measurement date to redeem an investment at its net asset value per share (NAV) in the near term. We consider when we might have the ability to redeem the investment by reviewing contractual restrictions in effect as of the investment date as well as any potential restrictions that the investee may impose. Regarding our benefit plans' investments, "near term" is the ability to redeem an investment in no more than 180 days.

Transfers between different levels of the fair value hierarchy may occur based on the level of observable inputs used to value the instruments for the period. These transfers represent existing assets or liabilities previously categorized as Level 1 or Level 2 for which the inputs to the estimate became less observable or assets and liabilities previously classified as Level 2 or Level 3 for which the lowest significant input became more observable during the period. Transfers into and out of each level are measured at the actual date of the event or change in circumstances causing the transfer.

Goodwill, Equity Method Investments and Long-Lived Assets

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. We annually evaluate goodwill for impairment, or more frequently if impairment indicators arise during the year. These indicators include, but are not limited to, a significant change in operating performance, the business climate, legal or regulatory factors, or a planned sale or disposition of a significant portion of the business. When we test goodwill, we use a fair value approach at a reporting unit level, generally equivalent to our operating segment. An impairment charge would be recognized if the carrying value of the reporting unit, including goodwill, exceeded its fair value. All of our goodwill is attributable to our regulated utility operations.

Our annual goodwill impairment assessment as of October 31, 2016 was performed using a qualitative approach. As part of our qualitative assessment, we considered macroeconomic conditions such as general deterioration in economic condition, limitations on accessing capital and other developments in equity and credit markets. We evaluated industry and market considerations for any deterioration in the environment in which we operate, the increased competitive environment, a decline (both absolute and relative to our peers) in market-dependent multiples or metrics, any changes in the market for our products or services, and regulatory and political development. We assessed our overall financial performance and considered cost factors, such as increases in utility construction expenditures, labor or other costs, that would have a negative effect on earnings. We determined the relevance of any entity-specific events or events affecting our regulated utility operations which would have a negative effect on the carrying value of the reporting unit.

Based on our qualitative assessment, we have determined that it is not necessary to perform a quantitative goodwill impairment test of our 2016 goodwill. The annual goodwill impairment assessments performed have indicated that it is more likely than not that the fair value of the reporting unit is substantially in excess of carrying value and not at risk of failing step one of the quantitative goodwill impairment test. No impairment was recognized during the years ended December 31, 2016 and 2015.

On a quarterly basis, or when events or changes in circumstances indicate, we evaluate our investments in our unconsolidated affiliates and long-lived assets for impairment. Each equity method investment is recorded at cost plus its post-acquisition contributions and earnings based on our ownership share less any distributions as received from the joint venture investment, and if applicable, less any impairment in value of the investment. Given the nature of our equity method investment, our assessment may include a discounted cash flow income approach, including consideration of qualitative factors or events or circumstances which could affect the fair value. To the extent the analysis indicates a decline in fair value, we consider both the severity and duration of any decline in our evaluation as to whether an other-than-temporary impairment (OTTI) has occurred. Our key inputs involve significant management judgments and estimates, including projections of the entity's cash flows, selection of a discount rate and probability weighting of potential outcomes of any legal or regulatory proceedings or other events affecting the investment.

There were no events or circumstances during the years ended December 31, 2016 and 2015 that resulted in any impairment charges.

Marketable Securities

We have marketable securities that are invested in money market and mutual funds that are liquid and actively traded on the exchanges. These securities are assets that are held in rabbi trusts established for our deferred compensation plans.

We have classified these marketable securities as trading securities since their inception as the assets are held in rabbi trusts. Trading securities are recorded at fair value on the Comparative Balance Sheets with any gains or losses recognized currently in earnings. We do not intend to engage in active trading of the securities, and participants in the deferred compensation plans may redirect their deemed investments at any time.

The money market investments in the trusts approximate fair value due to the short period of time to maturity. The fair values of the equity securities are based on quoted market prices as traded on the exchanges. The composition of these securities as of December 31, 2016 is as follows.

In thousands	2016	
	Cost	Fair Value
Money markets	\$ 579	\$ 579
Mutual funds	3,521	4,115
Total trading securities	4,100	4,694

Unamortized Debt Expense

Unamortized debt expense consists of costs, such as underwriting and broker dealer fees, discounts and commissions, legal fees, accountant fees, registration fees and rating agency fees, related to issuing long-term debt and the short-term syndicated revolving credit facility. We amortize long-term debt expense on a straight-line basis, which approximates the effective interest method, over the life of the related debt with lives ranging from 5 to 30 years. We amortize bank debt expense over the life of the syndicated revolving credit facility, which is 5 years.

Should we reacquire long-term debt prior to its term date and simultaneously issue new debt, we defer the gain or loss resulting from the transaction, essentially the remaining unamortized debt expense, and amortize it over the life of the new debt in accordance with established regulatory practice. Where the refunding of the debt is not simultaneous, we defer the gain or loss resulting from the reacquisition of the debt as a regulatory asset or liability and amortize it over the remaining life of the redeemed debt in accordance with established regulatory practice. For income tax purposes, any gain or loss would be recognized as incurred.

Revenue Recognition and Unbilled Revenue

We record revenues when services are provided to our distribution service customers. Utility sales and transportation revenues are based on rates approved by state regulatory commissions. Base rates charged to jurisdictional customers may not be changed without approval by the regulatory commission in that jurisdiction; however, the wholesale cost of gas component of rates may be adjusted periodically under purchased gas adjustment (PGA) provisions. In North Carolina, a margin decoupling mechanism provides for the recovery of our approved margin from residential and commercial customers on an annual basis independent of weather and consumption patterns. The margin decoupling mechanism provides for semi-annual rate adjustments to refund any over-collection of margin or to recover any under-collection of margin. In South Carolina, a rate stabilization adjustment (RSA) mechanism achieves the objectives of margin decoupling for residential and commercial customers with a one year lag. Under the RSA mechanism, we reset our rates in South Carolina based on updated costs and revenues on an annual basis. In South Carolina and Tennessee, a weather normalization adjustment (WNA) is calculated for residential and commercial customers during the winter heating season November through March, and in Tennessee, the months of October through April. The WNA mechanisms are designed to partially offset the impact that warmer-than-normal or colder-than-normal weather has on customer billings during the winter heating season. The WNA formulas do not ensure full recovery of approved margin during periods when customer consumption patterns vary from those used to establish the WNA factors. In all states, the gas cost portion of our costs is recoverable through PGA procedures and is not affected by the margin decoupling mechanism or the WNA mechanism.

We have integrity management riders (IMRs) in our tariffs in North Carolina, effective February 1, 2014, and in Tennessee, effective January 1, 2014, related to our ongoing system integrity programs. These IMRs provide for rate adjustments to allow us to recover and earn on those investments without the necessity of filing general rate cases. The North Carolina IMR was initially approved in December 2013 in the settlement of our 2013 general rate case and subsequently revised in November 2015. Under the revised North Carolina IMR tariff, we make filings semi-annually each October 31 and April 30 for certain costs closed to plant through September and March, respectively, with revised rates effective the following December 1 and June 1, respectively. Under the Tennessee IMR, we file to adjust rates to be effective each January 1 based on capital expenditures related to mandated safety and integrity programs that were incurred by the previous October 31.

Revenues are recognized monthly on the accrual basis, which includes estimated amounts for gas delivered to customers but not yet billed under the cycle-billing method from the last meter reading date to month end. The unbilled revenue estimate reflects factors requiring judgment related to estimated usage by customer class, customer mix, changes in weather during the period and the impact of the WNA or margin decoupling mechanisms, as applicable.

Secondary market revenues associated with the commodity are recognized when the physical sales are delivered based on contract or market prices. Asset management fees for storage and transportation remitted on a monthly basis are recognized as earned given the monthly capacity costs associated with the contracts involved.

Asset management fees remitted in a lump sum are deferred and amortized ratably into income over the period in which they are earned, which is typically the contract term.

Utility sales, transportation and secondary market revenues are reported net of excise taxes, sales taxes and franchise fees.

Non-regulated merchandise and service work includes the sale, installation and/or maintenance of natural gas appliances and gas piping beyond the meter. Revenue is recognized when the sale is made or the work is performed. If the customer is eligible for and elects financing through us, the finance fee income is recognized on a monthly basis based on principal, rate and term.

Cost of Natural Gas and Deferred Purchased Gas Adjustments

We charge our utility customers for natural gas consumed using natural gas cost recovery mechanisms as set by the regulatory commissions in states in which we operate. Rate schedules for utility sales and transportation customers include PGA provisions that provide for the recovery of prudently incurred gas costs. With regulatory commission approval, we revise rates periodically without formal rate proceedings to reflect changes in the wholesale cost of gas. We charge our secondary market customers for natural gas based on negotiated contract terms. Under PGA provisions, charges to cost of gas are based on the amount recoverable under approved rate schedules. Within our cost of natural gas, we include amounts for lost and unaccounted for gas and adjustments to reflect the gains and losses associated with gas price hedging derivatives. By jurisdiction, differences between gas costs incurred and gas costs billed to customers, such that no operating margin is recognized related to these costs, are deferred and included in "Other Regulatory Assets" or "Other Regulatory Liabilities" in the Comparative Balance Sheets, as applicable. We review gas costs and deferral activity periodically, including deferrals under the margin decoupling and WNA mechanisms, and with regulatory commission approval, increase rates to collect under-recoveries or decrease rates to refund over-recoveries over a subsequent period.

Taxes

We have two categories of income taxes in the Statement of Income: current and deferred. Current income tax expense consists of federal and state income taxes less applicable tax credits related to the current year. Deferred income tax expense generally is equal to the changes in the deferred income tax liability and regulatory tax liability during the year. Deferred taxes are primarily attributable to utility plant, deferred gas costs, revenues and cost of natural gas, equity method investments, benefit of loss carryforwards and employee benefits and compensation. The determination of our provision for income taxes requires judgment, the use of estimates and the interpretation and application of complex tax laws. Judgment is required in assessing the timing and amounts of deductible and taxable items.

Deferred income taxes are determined based on the estimated future tax effects of differences between the book and tax basis of assets and liabilities. We have provided valuation allowances to reduce the carrying amount of deferred tax assets to amounts that are more likely than not to be realized. To the extent that the establishment of deferred income taxes is different from the recovery of taxes through the ratemaking process, the differences are deferred in accordance with rate-regulated accounting provisions, and a regulatory asset or liability is recognized for the impact of tax expenses or benefits that will be collected from or refunded to customers in different periods pursuant to rate orders.

Deferred investment tax credits, including energy credits, associated with our utility operations are presented in the Comparative Balance Sheets. We amortize these deferred investment and energy tax credits to income over the estimated useful lives of the property to which the credits relate.

We recognize accrued interest and penalties, if any, related to uncertain tax positions as operating expenses in the Statement of Income. This is consistent with the recognition of these items in prior reporting periods.

Excise taxes, sales taxes and franchises fees separately stated on customer bills are recorded on a net basis as liabilities payable to the applicable jurisdictions. All other taxes other than income taxes are recorded as general taxes. General taxes consist of property taxes, payroll taxes, Tennessee gross receipt taxes, franchise taxes, tax on company use and other miscellaneous taxes.

2. Debt and Credit Facilities

Summary of Long-Term Debt

Our long-term debt consists of privately placed senior notes issued under note purchase agreements, as well as publicly issued medium-term and senior notes issued under an indenture. All of our long-term debt is unsecured and is issued at fixed rates. None of our debt is actively traded. Current maturities for the next five years ending December 31 are as follows.

In thousands		
2017	\$	35,000
2018		-
2019		-
2020		-
2021		160,000
Thereafter		1,640,000
Total	\$	1,835,000

On June 6, 2016, we repaid \$40.0 million of our 2.92% senior notes at maturity.

On July 28, 2016, we issued \$300.0 million of unsecured senior notes maturing November 1, 2046 with an interest rate of 3.64% and at a discount of .122% or \$0.4 million under our effective registration statement. We have the option to redeem all or part of the notes before May 1, 2046, at a redemption price equal to the greater of a) 100% of the principal amount of the notes to be redeemed, and b) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, discounted to the date of redemption on a semi-annual basis at the Treasury Rate as defined in the indenture, as supplemented, plus 25 basis points and any accrued and unpaid interest to the date of redemption. We have the option to redeem all or part of the notes on or after May 1, 2046, at 100% of the principal amount plus any accrued and unpaid interest to the date of redemption. We used the net proceeds of \$297.0 million from this issuance to finance capital expenditures, to repay outstanding short-term, unsecured notes under our CP program and for general corporate purposes.

The amount of cash dividends that may be paid on common stock is restricted by provisions contained in certain note agreements under which long-term debt was issued, with those for the senior notes being the most restrictive. We cannot pay or declare any dividends or make any other distribution on any class of stock or make any investments in subsidiaries or permit any subsidiary to do any of the above (all of the foregoing being “restricted payments”), except out of net earnings available for restricted payments.

The Acquisition constituted a change in control under the note agreements under which our 4.24% Senior Notes due 2021, 3.47% Senior Notes due 2027 and 3.57% Senior Notes due 2027 were issued. While the Acquisition did not constitute an event of default, upon the closing of the Acquisition, we were required to offer to prepay 100% of the principal amounts plus accrued interest to these noteholders. None of the noteholders exercised the prepayment option.

Available Credit Facilities

At December 31, 2016, we have an \$850.0 million five-year revolving syndicated credit facility that expires on December 14, 2020 that has an option to request an expansion up to an additional \$200.0 million. We pay an annual fee of \$35,000 plus 8.5 basis points for any unused amount. The facility provides a line of credit for letters of credit of \$10.0 million, of which \$1.7 million and \$1.6 million were issued and outstanding as of October 31,

2016 and 2015, respectively. These letters of credit are used to guarantee claims from self-insurance under our general and automobile liability policies. The credit facility bears interest based on the 30-day London Interbank Offered Rate (LIBOR) plus from 75 to 112.5 basis points, based on our credit ratings. Amounts borrowed are continuously renewable until the expiration of the facility in 2020 provided that we are in compliance with all terms of the agreement. The facility expressly permitted the Acquisition by Duke Energy.

We have an \$850 million unsecured CP program that is backstopped by the revolving syndicated credit facility. The amounts outstanding under the revolving syndicated credit facility and the CP program, either individually or in the aggregate, cannot exceed \$850 million. The notes issued under the CP program may have maturities not to exceed 397 days from the date of issuance and bear interest based on, among other things, the size and maturity date of the note, the frequency of the issuance and our credit ratings, plus a spread of 5 basis points. Any borrowings under the CP program rank equally with our other unsecured debt. The notes under the CP program are not registered and are offered and issued pursuant to an exemption from registration. Due to the seasonal nature of our business, amounts borrowed can vary significantly during the year.

As of December 31, 2016, we had \$330 million of notes outstanding under the CP program, as included in the Comparative Balance Sheets, with original maturities ranging from 7 to 15 days from their dates of issuance at a weighted average interest rate of .96%.

3. Employee Benefit Plans

Pension Benefits

We have a noncontributory, tax-qualified defined benefit pension plan (qualified pension plan) for our eligible employees. A defined benefit plan specifies the amount of benefit that an eligible participant eventually will receive upon retirement using information about that participant. An employee became eligible on the January 1 or July 1 following either the date on which he or she attained age 30 or attained age 21 and completed 1,000 hours of service during an applicable year. Plan benefits are generally based on credited years of service and the level of compensation during the five consecutive years of the last ten years prior to retirement or termination during which the participant received the highest compensation. Our policy is to fund the plan in an amount not in excess of the amount that is deductible for income tax purposes. The qualified pension plan is closed to employees hired after December 31, 2007. Employees hired prior to January 1, 2008 continue to participate in the qualified pension plan. Employees are vested after five years of service and can be credited with up to a total of 35 years of service. When a vested employee leaves the company, his benefit payment will be calculated as the greater of the accrued benefit as of December 31, 2007 under a specific formula plus the accrued benefit calculated under a second formula for years of service after December 31, 2007, or the benefit for all years of service up to 35 years under the second formula.

The investment objectives of the qualified pension plan are oriented to meet both the current ongoing and future commitments to the participants and designed to grow at an acceptable rate of return for the risks permitted under the investment policy guidelines. Assets are structured to provide for both short-term and long-term needs and to meet the objectives of the qualified pension plan.

Our primary investment objective of the qualified pension plan is to generate sufficient assets to meet plan liabilities. The plan's assets will therefore be invested to maximize long-term returns in a manner that is consistent with the plan's liabilities, cash flow requirements and risk tolerance. The plan's liabilities are defined in terms of participant salaries. Given the nature of these liabilities and recognizing the long-term benefits of investing in return-generating assets, the qualified pension plan seeks to invest in a diversified portfolio to:

- Achieve full funding over the longer term, and
- Control year-to-year fluctuations in pension expense that is created by asset and liability volatility.

We consider the current and targeted allocation of our plan assets and the expected long-term rates of return. Investment advisors assist us in deriving expected long-term rates of return. These rates are generally based on a 20-year horizon for various asset classes, our expected investments of plan assets and active asset management, where applicable.

The investment philosophy of the qualified pension plan is to maintain a balanced portfolio which is diversified across asset classes. The portfolio is primarily composed of equity and fixed income investments in order to provide diversification as to issuers, economic sectors, markets and investment instruments. Risk and quality are viewed in the context of the diversification requirements of the aggregate portfolio. We measure and monitor investment risk on an ongoing basis through quarterly investment portfolio reviews, annual liability measurements and periodic asset/liability studies. We do not have a concentration of assets in a single entity, industry, country, commodity or class of investment fund.

The qualified pension plan maintains the following types of investments:

- Fixed income securities: includes U.S. treasuries, corporate bonds, high yield debt (bank loans), asset-backed securities and derivatives. The derivatives in the fixed income portfolio are fully collateralized. The investment guidelines limit liabilities created with derivatives in the fixed income portfolio to cash equivalents plus 10% of the portfolio's market value. The aggregate risk exposure of the plan can be no greater than that which could be achieved without using derivatives.
- Equity securities: includes large cap growth, large cap value and small cap domestic equity securities, as well as international equity.
- Real estate: includes a diversified global real estate investment trust fund.
- Other investments: includes commodities, hedge funds and private equity funds that follow several diversified strategies.

Employees hired or rehired after December 31, 2007 cannot participate in the qualified pension plan but are participants in the Money Purchase Pension (MPP) plan, a defined contribution pension plan that allows the employee to direct the investments and assume the risk of investment returns. A defined contribution plan specifies the amount of the employer's annual contribution to individual participant accounts established for the retirement benefit. Eligible employees who have completed 30 days of continuous service and have attained age 18 are eligible to participate. Under the MPP plan, we annually deposit a percentage of each participant's pay into an account of the MPP plan. This contribution equals 4% of the participant's compensation plus an additional 4% of compensation above the social security wage base up to the Internal Revenue Service (IRS) compensation limit. The participant is vested in this plan after three years of service.

Other Postretirement Employee Benefits (OPEB) Plan

We provide certain postretirement health care and life insurance benefits to eligible retirees. The liability associated with such benefits is funded in irrevocable trust funds that can only be used to pay the benefits. Employees hired prior to January 1, 2008 are first eligible to retire and receive these benefits at age 55 with ten or more years of service after the age of 45. Employees hired after January 1, 2008 have to complete ten years of service after age 50 to be eligible for benefits, and no benefits are provided to those employees after age 65 when they are automatically eligible for Medicare benefits to cover health costs. Employees who meet the eligibility requirements to retire also receive a life insurance benefit of \$15,000.

Prior to January 1, 2016, employees who met the eligibility requirement noted above or were part of a "grandfathered" group received either full or partial retiree coverage paid by us, subject to certain participation limits. Retirees were responsible for the full cost of dependent coverage.

Effective January 1, 2016, we replaced the existing retiree medical and dental group coverage for eligible retirees with a tax-free Health Reimbursement Arrangement (HRA). Under the new HRA, participating eligible retirees and their dependents may qualify for a subsidy each year through the HRA account to help purchase medical and dental coverage available on public and private health care exchanges using a tax-advantaged account funded by us to pay for allowable medical and dental expenses.

OPEB plan assets are comprised of mutual funds within a 401(h) account and Voluntary Employees' Beneficiary Association trusts. The investment philosophy is similar to the investment philosophy of the qualified

pension plan as discussed above, except the OPEB fixed income portfolio does not include derivatives. We do not have a concentration of assets in a single entity, industry, country, commodity or class of investment fund.

Supplemental Executive Retirement Plans

We have pension liabilities related to supplemental executive retirement plans (SERPs) for certain former employees, non-employee directors or surviving spouses. There are no assets related to these SERPs, and no additional benefits accrue to the participants. Payments to the participants are made from operating funds during the year. Actuarial information for these nonqualified plans is presented below.

We have a non-qualified defined contribution restoration plan (DCR plan) for certain officers at the vice president level and above where benefits payable under the plan are informally funded annually through a rabbi trust with a bank as the trustee. We contribute 13% of the total cash compensation (base salary, short-term incentive and MVP incentive) that exceeds the IRS compensation limit to the DCR plan account of each covered executive. Participants may not contribute to the DCR plan. In accordance with the Merger Agreement, the account balances were subject to accelerated vesting effective with the consummation of the Acquisition with distribution occurring upon the participant's separation of service from the Company.

Prior to the Acquisition, we had a voluntary deferred compensation plan for the benefit of all director-level employees and officers, where we made no contributions to this plan. Participants could defer a percentage of their base salary and annual incentive pay in accordance with the plan. Benefits under this plan, known as the Voluntary Deferral Plan, were informally funded monthly through a rabbi trust with a bank as the trustee. In accordance with the Merger Agreement, the account balances were subject to accelerated distribution effective with the consummation of the Acquisition.

During the year ended December 31, 2016, we funded \$.4 million to the DCR plan accounts. At December 31, 2016, we have a liability of \$4.7 million for these two deferred compensation plans.

We provide term life insurance policies for certain officers at the vice president level and above who were former participants in a terminated SERP; the level of the insurance benefit is dependent upon the level of the benefit provided under the terminated SERP. These life insurance policies are owned exclusively by each officer. Premiums on these policies are paid and expensed. We also provide a term life insurance benefit equal to \$200,000 to all officers and director-level employees for which we bear the cost of the policies. The cost of these premiums in 2016 was \$43,000 for vice president and above term life policies and \$22,000 for the term life policy covering officers and director-level employees.

401(k) Plan

We maintain a 401(k) plan that is a profit-sharing plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (the Tax Code), which includes qualified cash or deferred arrangements under Tax Code Section 401(k). The 401(k) plan is subject to the provisions of the Employee Retirement Income Security Act. Eligible employees who have completed 30 days of continuous service and have attained age 18 are eligible to participate. Participants may defer a portion of their base salary and cash incentive payments to the plan, and we match a portion of their contributions. Employee contributions vest immediately, and company contributions vest after six months of service.

Employees receive a company match of 100% up to the first 5% of eligible pay contributed. Employees may contribute up to 50% of eligible pay to the 401(k) on a pre-tax basis, up to the Tax Code annual contribution and compensation limits. We automatically enroll all eligible non-participating employees in the 401(k) plan at a 2% contribution rate unless the employee chooses not to participate by notifying our record keeper. For employees who are automatically enrolled in the 401(k) plan, we automatically increase their contributions by 1% each year to a maximum of 5% unless the employee chooses to opt out of the automatic increase by contacting our record keeper. If the employee does not make an investment election, employee contributions and matches are automatically invested in a diversified portfolio of stocks and bonds. Prior to the Acquisition, participants could direct up to 20% of their contributions and company matching contributions as an investment in the Piedmont Stock Fund.

Employees may change their contribution rate and investments at any time. Participants may direct up to 20% of their contributions and company matching contributions as an investment in the Piedmont Stock Fund. Employees may change their contribution rate and investments at any time. For the year ended December 31, 2016, we made matching contributions to participant accounts of \$6.9 million.

4. Financial Instruments and Related Fair Value

Derivative Assets and Liabilities under Master Netting Arrangements

We maintain brokerage accounts to facilitate transactions that support our gas cost hedging plans with the purchase of financial gas call option derivative instruments (gas purchase options). The accounting guidance related to derivatives and hedging requires that we use a gross presentation, based on our election, for the fair value amounts of our gas purchase options. We use long position gas purchase options to provide some level of protection for our customers in the event of significant commodity price increases. The long gas purchase options held as of December 31, 2016 are for the period from February 2017 through November 2017.

Derivative Assets and Liabilities - Gas Supply Contracts

We enter into forward gas supply contracts to provide diversification, reliability and gas cost benefits to our customers as part of our diversified gas supply portfolio. We evaluate all of our gas supply contracts at inception to determine if they meet the definition of a derivative in accordance with accounting guidance, whether any derivative contracts qualify as "normal purchases and normal sales" and would not be subject to fair value accounting requirements, or if they can be designated for hedge accounting purposes. Beginning with the fiscal year ended October 31, 2016, we have certain long-dated, fixed quantity forward gas supply contracts that meet the definition of derivative instruments that should be recorded at fair value. We have included gas supply contracts requiring fair value accounting in "Derivative Instrument Liabilities" in the Comparative Balance Sheet. As these contracts have been entered into for our regulated utility operations, and as commodity costs are recoverable through our PGA clauses in the jurisdictions in which we operate, we have recorded the offset to an applicable regulatory asset.

Fair Value Measurements and Quantitative and Qualitative Disclosures

We use gas purchase options as financial instruments that are not designated as hedges for accounting purposes to mitigate commodity price risk for our customers. Based on our continual evaluation under derivative accounting standards of contracts added to our supply portfolio, we have determined that certain of these long-dated, fixed quantity gas supply contracts should be recorded at fair value.

The costs of our gas cost hedging plans for natural gas and all other costs related to hedging activities of our regulated gas costs are recorded in accordance with our regulatory tariffs approved by our state regulatory commissions, and thus are not accounted for as designated hedging instruments under derivative accounting standards. As required by the accounting guidance, we present our derivative positions at fair value on a gross basis and have only asset positions for all periods presented for the fair value of our gas purchase options held for our utility operations. There are no gas purchase options in a liability position, and we have posted no cash collateral nor received any cash collateral under our master netting arrangements. Therefore, we have no offsetting disclosures for financial assets or liabilities for our gas purchase options held for utility operations. Our gas purchase options held for utility operations are held with one broker as our counterparty. We have only liability positions for our gas supply derivative contracts presented at fair value that are held for our utility operations.

We also have trading securities that are held in rabbi trusts established for certain deferred compensation plans. Securities classified within Level 1 include funds held in money market and mutual funds which are highly liquid and are actively traded on the exchanges.

In developing our fair value measurements of these financial instruments, we utilize market data or assumptions about risk and the risks inherent in the inputs to the valuation technique. Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

participants in the market in which the entity transacts. We classify fair value balances based on the observance of those inputs into the fair value hierarchy levels as set forth in the fair value accounting guidance and fully described in "Fair Value Measurements" in Note 1.

The following table sets forth, by level of the fair value hierarchy, our financial assets that were accounted for at fair value on a recurring basis as of December 31, 2016. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their consideration within the fair value hierarchy levels.

Recurring Fair Value Measurements as of December 31, 2016					
	Quoted Prices in active Market	Significant Observable Inputs	Significant Unobservable Inputs	Effects of Netting and Cash Collateral Receivables/ Payables	Total Carrying Value
In thousands	(Level 1)	(Level 2)	(Level 3)		
Assets:					
Derivatives held for distribution operations	\$ 3,361	\$ -	\$ -	\$ -	\$ 3,361
Debt and equity securities held as trading securities:	-	-	-	-	-
Money markets	579	-	-	-	579
Mutual funds	4,115	-	-	-	4,115
Total fair value assets	\$ 8,055	\$ -	\$ -	\$ -	\$ 8,055
Liabilities:					
Derivatives held for distribution operations	\$ -	\$ -	\$ 186,700	\$ -	\$186,700

In our discounted cash flow valuation, our unobservable input was the price of natural gas in future periods past the observable market price, commencing in the middle of the contract terms. The unobservable prices of our gas supply derivative contracts in the mid to later years of contract terms ranged from \$2.31 to \$4.18 per dekatherm.

The fair value of our gas supply derivative contracts is sensitive to the pricing differential of various natural gas indexes relevant to those particular contracts. An increased market price spread between the indexes would increase the fair value of the derivative and result in an unrealized loss, while conversely, a decreased market price spread would decrease the fair value of the derivative and result in an unrealized gain.

We purchase natural gas for our regulated operations for resale under tariffs approved by state regulatory commissions. We recover the cost of gas purchased for regulated operations through PGA procedures. Our risk management policies allow us to use financial instruments to hedge commodity price risks, but not for speculative trading. The strategy and objective of our hedging programs are to use these financial instruments to reduce gas cost volatility for our customers.

Our regulated utility operations gas purchase options are used in accordance with programs filed with or approved by the NCUC, the PSCSC and the TRA to hedge the impact of market fluctuations in natural gas prices. These gas purchase options are accounted for at fair value each reporting period. In accordance with regulatory requirements, the net gains and losses related to these gas purchase options are reflected in purchased gas costs and ultimately passed through to customers through our PGA procedures. In accordance with accounting provisions for rate-regulated activities, the unrecovered amounts related to these instruments are reflected as a regulatory asset or liability, as appropriate. These gas purchase options are exchange-traded derivative contracts. Exchange-traded contracts are generally based on unadjusted quoted prices in active markets and are classified within Level 1.

Our gas supply derivatives are generally based on unobservable inputs and are classified within Level 3. In accordance with regulatory provisions for rate-regulated activities, any gains and losses associated with these derivatives are reflected as a regulatory asset or liability, as appropriate.

In Tennessee, the cost of gas purchase options and all other costs related to hedging activities up to 1% of total annual gas costs are approved for recovery under the terms and conditions of our TIP as approved by the TRA. In South Carolina, the costs of gas purchase options are subject to and are approved for recovery under the terms and conditions of our gas hedging plan as approved by the PSCSC. In North Carolina, the costs associated with our hedging program are treated as gas costs subject to an annual cost review proceeding by the NCUC.

We would have recorded an unrealized loss of \$186.7 million related to our gas supply derivative contracts in the Statement of Income for the twelve months ended December 31, 2016, absent regulatory provisions for rate-regulated activities. We recognize the actual costs of our gas supply derivative contracts in the Statement of Income as a component of "Cost of gas" in the month purchased.

Our long-term debt is presented at net cost. In developing the fair value of our long-term debt, we use a discounted cash flow technique, consistently applied, that incorporates a developed discount rate using long-term debt similarly rated by credit rating agencies combined with the U.S. Treasury benchmark with consideration given to maturities, redemption terms and credit ratings. The principal and fair value of our long-term debt is classified within Level 2.

5. Commitments and Contingent Liabilities

Environmental Matters

As of December 31, 2016, our regulatory assets for unamortized environmental costs in our three-state territory totaled \$4.9 million. We received approval from the TRA to recover \$2 million of our deferred Tennessee environmental costs over an eight-year period beginning March 2012, pursuant to the 2012 general rate case proceeding in Tennessee. We will seek recovery of the remaining Tennessee balance in future rate proceedings. The approval by the NCUC in December 2013 of the settlement of the general rate proceeding allowed recovery of \$6.3 million of our deferred North Carolina environmental costs over a five-year period beginning January 2014. We received approval from the PSCSC to recover \$.1 million of our deferred South Carolina environmental costs over a one-year period beginning November 2014, pursuant to the annual rate stabilization order issued in October 2014.

6. Acquisition by Duke Energy Corporation

On October 3, 2016, the Acquisition of Piedmont by Duke Energy was consummated. Under the terms of the Merger Agreement, each share of Piedmont common stock issued and outstanding immediately prior to the closing (other than shares owned by Duke Energy or its wholly owned subsidiaries) was converted automatically into the right to receive \$60 in cash per share, without interest, less any applicable withholding taxes. Each share of the Merger Sub's issued and outstanding stock was converted into one share of no par value common stock for a total of 100 shares owned by Duke Energy. As a result of the merger, the legacy Piedmont common stock outstanding was canceled, and Piedmont's common stock was delisted from the New York Stock Exchange.

Acquisition-related Regulatory Matters

In January 2016, we and Duke Energy filed a joint application with the NCUC seeking regulatory approval of the Acquisition. Subsequently, we, Duke Energy and the NCUC Public Staff reached an agreement of stipulation and settlement setting forth stipulations and conditions for approval of the proposed Acquisition, which was originally filed with the NCUC in June 2016. Among the stipulations contained in the agreement are:

- Funding by the combined company of annual charitable contributions totaling at least \$17.5 million in North Carolina during each of the four years after the Acquisition;
- Commitment by the combined company of \$7.5 million for low-income household energy assistance and workforce development programs in North Carolina during the first year after the Acquisition;

- Exclusion of certain expenses related to the Acquisition, including severance costs, from customer bills;
- Withdrawal of our March 2016 petition requesting approval of deferred accounting treatment for certain distribution integrity management program expenses; and
- A one-time bill credit to our North Carolina customers collectively of \$10.0 million.

A hearing was held on July 18 and 19, 2016. In September 2016, the NCUC approved the Acquisition pursuant to the terms of the stipulation and settlement agreement.

In October 2016, we reduced customers' bills by \$4.7 million as a result of the one-time bill credit with the remaining \$5.3 million reflected on November bills.

Also in January 2016, we and Duke Energy discussed the Acquisition of Piedmont by Duke Energy with the PSCSC pursuant to its procedures for an allowable ex-parte communication briefing in accordance with state statute. The PSCSC's approval of the Acquisition was not required.

In January 2016, we and Duke Energy filed a joint application with the TRA seeking approval to transfer Piedmont's Tennessee operating license effective at the closing of the Acquisition pursuant to state statute due to the change in control. In March 2016, the TRA approved the transfer contingent upon NCUC approval of the Acquisition.

Costs to Achieve the Acquisition

Pre-tax acquisition consummation costs, integration and other related costs (collectively referred to as costs to achieve) that we recorded in connection with the Acquisition are included in the Statement of Income for the years ended December 31, 2016 and 2015 totaling \$62.8 and \$21.9 million, respectively. See table below for detail of accounts utilized to record cost to achieve expenses.

Account Number	Account Name	Income Statement Line	2016	2015
40819	C.O. Payroll Taxes	General Taxes	\$ 6,596	\$ -
42651	PNG and Duke Merger Costs	Other Income	21,858,611	9,870,000
92000	Admin & Gen Salaries	Operating Expense	(773,018)	12,040,969
92110	Office Supplies & Expenses	Operating Expense	76,676	-
92300	Outside Services Operations	Operating Expense	606,894	-
92610	Pensions	Operating Expense	2,500,000	-
92640	Employee Benefits-Misc	Operating Expense	21,929	-
93000	General Expenses	Operating Expense	34,555	-
93025	Cost to Achieve (CTA) - Merger	Operating Expense	38,487,136	-
Total			\$ 62,819,379	\$ 21,910,969

Name of Respondent Piedmont Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

TOTAL COMPANY

Line No.	Item (a)	Total (b)	
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified)	5,955,461,167	0
4	Property Under Capital Leases		0
5	Plant Purchased or Sold		0
6	Completed Construction not Classified		0
7	Asset Retirement Cost	3,950	0
8	TOTAL (Total of lines 3 thru 7)	5,955,465,117	0
9	Leased to Others		0
10	Held for Future Use	7,750,638	0
11	Construction Work in Progress	209,636,207	0
12	Acquisition Adjustments	-	0
13	TOTAL Utility Plant (Total of lines 8 thru 12)	6,172,851,962	0
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,887,685,298	0
15	Net Utility Plant (Enter Total of line 13 less 14)	4,285,166,664	0
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		0
17	In Service:		0
18	Depreciation	1,884,310,226	0
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights		0
20	Amortization of Underground Storage Land and Land Rights		0
21	Amortization of Other Utility Plant	3,374,302	0
22	TOTAL In Service (Total of lines 18 thru 21)	1,887,684,528	0
23	Leased to Others		0
24	Depreciation		0
25	Amortization and Depletion		0
26	TOTAL Leased to Others (Total of lines 24 and 25)	-	0
27	Held for Future Use		0
28	Depreciation		0
29	Amortization		0
30	TOTAL Held for Future Use (Total of lines 28 and 29)	-	0
31	Abandonment of Leases (Natural Gas)		0
32	Amortization of Asset Retirement Cost	770	0
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Total of lines 22, 26, 30, 31, and 32)	1,887,685,298	0

0

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016	
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)				
Electric (c)	Gas (d)	Other (Specify) (e)	TOTAL COMPANY Common (f)	Line No.
				1
				2
	5,955,461,167			3
				4
				5
				6
	3,950			7
	5,955,465,117			8
				9
	7,750,638			10
	209,636,207			11
	-			12
	6,172,851,962	-		13
	1,887,685,298			14
	4,285,166,664			15
				16
				17
	1,884,310,226			18
				19
				20
	3,374,302			21
	1,887,684,528			22
				23
				24
				25
				26
				27
				28
				29
				30
				31
	770			32
	1,887,685,298			33

0

Name of Respondent Piedmont Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)		Total Company	
<p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified-Gas.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>5. Classify Account 106 according to prescribed accounts on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distribution of these tentative classifications in columns (c) and (d), including the reversals of the</p>			
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. Intangible Plant		
2	301 Organization	49,912	-
3	302 Franchises and Consents	759,375	-
4	303 Miscellaneous Intangible Plant	2,565,015	-
5	TOTAL Intangible Plant (Total of lines 2 thru 4)	3,374,302	-
6	2. Production Plant		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		-
9	325.2 Producing Leaseholds		-
10	325.3 Gas Rights		-
11	325.4 Rights-of-Way		-
12	325.5 Other Land and Land Rights		-
13	326 Gas Well Structures		-
14	327 Field Compressor Station Structures		-
15	328 Field Measuring and Regulating Station Structures		-
16	329 Other Structures		-
17	330 Producing Gas Wells-Well Construction		-
18	331 Producing Gas Wells-Well Equipment		-
19	332 Field Lines		-
20	333 Field Compressor Station Equipment		-
21	334 Field Measuring and Regulating Station Equipment		-
22	335 Drilling and Cleaning Equipment		-
23	336 Purification Equipment		-
24	337 Other Equipment		-
25	338 Unsuccessful Exploration & Development Costs		-
26	TOTAL Production and Gathering Plant (Total lines 8-25)	-	-
27	Products Extraction Plant		
28	340 Land and Land Rights		-
29	341 Structures and Improvements		-
30	342 Extraction and Refining Equipment		-
31	343 Pipe Lines		-
32	344 Extracted Products Storage Equipment		-
33	345 Compressor Equipment		-
34	346 Gas Measuring and Regulating Equipment		-
35	347 Other Equipment		-
36	TOTAL Products Extraction Plant	-	-
37	TOTAL Nat. Gas Production Plant	-	-
38	Mfd. Gas Prod. Plant (Submit Suppl. Statement)	-	-
39	TOTAL Production Plant	-	-

0

0

Name of Respondent	This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)

Total Company

prior year's tentative account distribution of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
-			49,912	301	2
			759,375	302	3
-			2,565,015	303	4
-	-	-	3,374,302		5
					6
					7
			-	325	8
			-	325	9
			-	325	10
			-	325	11
			-	326	12
			-	326	13
			-	327	14
			-	328	15
			-	329	16
			-	330	17
			-	331	18
			-	332	19
			-	333	20
			-	334	21
			-	335	22
			-	336	23
			-	337	24
			-	338	25
-	-	-	-		26
					27
				340	28
				341	29
				342	30
				343	31
				344	32
				345	33
				346	34
				347	35
-	-	-	-		36
-	-	-	-		37
					38
-	-	-	-		39
0	0	0	0		

Name of Respondent		This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				Total Company
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
40	3. Natural Gas Storage and Processing Plant			
41	Underground Storage Plant			
42	350.1 Land			-
43	350.2 Rights-of-Way			-
44	351 Structures and Improvements			-
45	352 Wells			-
46	352.1 Storage Leaseholds and Rights			-
47	352.2 Reservoirs			-
48	352.3 Non-recoverable Natural Gas			-
49	353 Lines			-
50	354 Compressor Station Equipment			-
51	355 Measuring and Regulating Equipment			-
52	356 Purification Equipment			-
53	357 Other Equipment			-
54	TOTAL Underground Storage Plant	-		-
55	Other Storage Plant			
56	360 Land and Land Rights	3,977,061		388,212
57	361 Structures and Improvements	36,350,793		1,807,531
58	362 Gas Holders	13,612,471		-
59	363 Purification Equipment	22,630,693		(0)
60	363.1 Liquefaction Equipment	16,321,979		474,478
61	363.2 Vaporizing Equipment	57,728,009		800,519
62	363.3 Compressor Equipment	13,493,351		717,043
63	363.4 Measuring and Regulating Equipment	322,265		-
64	363.5 Other Equipment	16,571,050		4,018,612
65	TOTAL Other Storage Plant	181,007,672		8,206,395
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant			
67	364.1 Land and Land Rights			-
68	364.2 Structures and Improvements			-
69	364.3 LNG Processing Terminal Equipment			-
70	364.4 LNG Transportation Equipment			-
71	364.5 Measuring and Regulating Equipment			-
72	364.6 Compressor Station Equipment			-
73	364.7 Communications Equipment			-
74	364.8 Other Equipment			-
75	TOTAL Base Load Liquefied Natural			
76	Gas, Terminaling and Processing Plant	-		-
77	TOTAL Nat. Gas Storage and Proc. Plant	181,007,672		8,206,395
78	4. Transmission Plant			
79	365.1 Land and Land Rights	15,476,746		(1,487,955)
80	365.2 Rights-of-Way	120,328,374		15,377,841
81	366 Structures and Improvements	-		-
82	367 Mains	1,656,026,397		302,070,305
83	368 Compressor Station Equipment	166,351,341		8,783,576
84	369 Measuring and Reg. Sta. Equipment	94,228,123		42,162,392
85	370 Communication Equipment	-		-
86	371 Other Equipment	-		-
87	TOTAL Transmission Plant	2,052,410,981		366,906,159

(1)

0

Name of Respondent	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016		
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				Total Company	
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					40
					41
-	-	-	-	350	42
-	-	-	-	350	43
-	-	-	-	351	44
-	-	-	-	352	45
-	-	-	-	352	46
-	-	-	-	352	47
-	-	-	-	352	48
-	-	-	-	353	49
-	-	-	-	354	50
-	-	-	-	355	51
-	-	-	-	356	52
-	-	-	-	357	53
-	-	-	-		54
					55
-	-	-	4,365,273	360	56
-	-	(1,590)	38,156,734	361	57
-	-	-	13,612,471	362	58
-	-	-	22,630,693	363	59
-	-	-	16,796,457	363	60
-	-	-	58,528,528	363	61
-	-	-	14,210,394	363	62
-	-	-	322,265	363	63
-	-	-	20,589,662	364	64
-	-	(1,590)	189,212,477		65
					66
-	-	-	-	364	67
-	-	-	-	364	68
-	-	-	-	364	69
-	-	-	-	364	70
-	-	-	-	365	71
-	-	-	-	365	72
-	-	-	-	365	73
-	-	-	-	365	74
					75
-	-	-	-		76
-	-	(1,590)	189,212,477		77
					78
-	-	-	13,988,791	365	79
-	-	-	135,706,215	365	80
-	-	-	-	366	81
2,833,376	-	-	1,955,263,326	367	82
-	-	-	175,134,917	368	83
15,005	-	-	136,375,510	369	84
-	-	-	-	370	85
-	-	-	-	371	86
2,848,381	-	-	2,416,468,759		87
(1)	0	0	0		

Name of Respondent		This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)			Total Company	
Line No.	Account	Balance at Beginning of Year	Additions	
	(a)	(b)	(c)	
88	5. Distribution Plant			
89	374 Land and Land Rights	11,536,520	1,338,540	
90	375 Structures and Improvements	1,539,086	58,068	
91	376 Mains	1,403,707,930	78,133,939	
92	388 House Piping		-	
93	378 Measuring and Regulating Station Equipment-General	44,389,171	(3,976,358)	
94	379 Measuring and Regulating Station Equipment-City Gate	75,664,200	(29,134,784)	
95	380 Services	943,280,618	45,807,056	
96	381 Meters and Meter Accessories (38110)	178,027,589	5,987,162	
97	382 Meter Installations	48,793,874	7,132,457	
98	383 House Regulators	19,052,744	1,414,037	
99	384 House Regulator Installations	4,376,130	(689,002)	
100	385 Industrial Measuring and Regulating Station Equipment	49,489,645	2,227,909	
101	386 Other Properties on Customers' Premises	743,304	-	
102	387 Other Equipment	43,671	-	
103	TOTAL Distribution Plant	2,780,644,483	108,299,024	
104	6. General Plant			
105	389 Land and Land Rights	8,854,829	6,457	
106	390 Structures and Improvements	96,280,125	13,354,576	
107	391 Office Furniture and Equipment (39110 - 39140)	194,896,989	13,187,103	
108	392 Transportation Equipment	60,315,146	9,903,974	
109	393 Stores Equipment	15,909	-	
110	394 Tools, Shop, and Garage Equipment	39,144,658	1,162,557	
111	395 Laboratory Equipment	1,343,272	312,666	
112	396 Power Operated Equipment	14,228,217	2,138,261	
113	397 Communication Equipment	37,852,509	460,890	
114	398 Miscellaneous Equipment	2,990,708	244,045	
115	Subtotal	455,922,362	40,770,529	
116	399 Other Tangible Property	-	-	
117	TOTAL General Plant	455,922,362	40,770,529	
118	TOTAL (Accounts 101 and 106)	5,473,359,799	524,182,107	
119	Gas Plant Purchased (See Instruction 8)	-		
120	(Less) Gas Plant Sold (See Instruction 8)			
121	Experimental Gas Plant Unclassified			
122	TOTAL Gas Plant in Service	5,473,359,799	524,182,107	

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016			
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					Total Company	
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.	
					88	
-	-	-	12,875,060	374	89	
-	-	-	1,597,154	375	90	
1,783,219	-	-	1,480,058,650	376	91	
-	-	-		388	92	
181,791	-	-	40,231,022	378	93	
259,389	-	-	46,270,027	379	94	
4,601,145	-	-	984,486,529	380	95	
3,240,491	-	-	180,774,260	381	96	
930,592	-	-	54,995,739	382	97	
481,938	-	-	19,984,843	383	98	
108,205	-	-	3,578,923	384	99	
19,931	-	-	51,697,623	385	100	
-	-	-	743,304	386	101	
-	-	-	43,671	387	102	
11,606,701	-	-	2,877,336,806		103	
					104	
-	-	-	8,861,286	389	105	
-	-	1,590	109,636,291	390	106	
19,750,143	-	-	188,333,949	391	107	
4,438,177	-	-	65,780,943	392	108	
2,016	-	-	13,893	393	109	
1,203,609	-	-	39,103,606	394	110	
63,930	-	-	1,592,008	395	111	
-	-	-	16,366,478	396	112	
2,161,980	-	-	36,151,419	397	113	
5,802	-	-	3,228,951	398	114	
27,625,657	-	1,590	469,068,824		115	
			-	399	116	
27,625,657	-	1,590	469,068,824		117	
42,080,738	-	-	5,955,461,167		118	
			-		119	
					120	
					121	
42,080,738	-	-	5,955,461,167		122	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/2017	Dec. 31, 2016

Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.

2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Robeson LNG Plant, Robeson County, NC	April 30, 2009		3,154,505
2	Northeast Clayton Expansion, Goldsboro County, NC	July 31, 2016		4,596,133
3				
4				
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39				
40	Total			7,750,638

Name of Respondent		This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/2017	Dec. 31, 2016
Construction Work in Progress - Gas (Account 107)				
<p>1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).</p> <p>3. Minor projects (less than \$1,000,000) may be grouped.</p>				
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c) *	
1	OASIS: Distribution for WAM	22,550,529	36,541,655	
2	OASIS: Distribution for GIS	4,195,891	3,511,785	
3	OASIS: Distribution for Ventyx	21,648,314	40,013,095	
4	Enterprise Data Warehouse	2,598,492	421,767	
5	Enterprsize Disk Storage Exp	1,215,427	0	
6	Line 200 Cotswold Ave DOT Relo	1,385,654	(1,376,028)	
7	Line 328 Relocation	2,460,598	(2,389,139)	
8	SCDOT Relo I-85@I-385/Woodruff Rd	6,435,169	73,709	
9	WS Lee Compression Station	22,780,738	6,105,443	
10	WS Lee Delivery Station	2,165,543	3,216,503	
11	WS Lee Transmission Costs	3,696,798	2,910,019	
12	Line 346 Retrofitting	1,944,241	323,054	
13	Mayland AC Mitigation Line 209	2,637,621	286,493	
14	Line 291 Replacement 8" Phase 1A	3,383,201	73,317,922	
15	Hickory CNG Station	2,529,174	957,951	
16	Line D Replacement	1,646,972	13,615,836	
17	Line 297 Replacement of sections	1,404,350	4,985,610	
18	I-65 from Trinity Ln to Dicker	1,353,584	0	
19	White Bridge Road @ Post Rd. r	6,680,011	51,486	
20	Shelby Park RR Bridge Project	1,564,231	7,159,334	
21	Cabarrus Compressor Station	1,541,401	896,611	
22	DOT Replacement Proj US 220 Bypass	3,967,556	(3,527,766)	
23	Line 1, Section 3&4 (Ph 2)	1,335,879	1,733,253	
24	Sutton Simple Cycle Combustion	4,327,931	6,672,485	
25	Fayetteville RC & CCC Phase 2 Upfit	9,425,130	3,631,306	
26	Line 2 Secrion 1,2,3 Scheduled Digs	2,214,640	182,119	
27	Duke Sutton Simple Cycle M&R	1,123,360	559,994	
28	Clayton Compressor Stn Security Upd	1,195,069	673,551	
29	New Bern Interconnect	3,084,570	300,332	
30	Controls @ Ahoskie Station	1,561,316	402,972	
31	Ln 6 Corridor Ph1-P-Hill to Ln 61	9,785,001	85,700,471	
32	Ln6 Corridor Ph2-Ln 61 to Ln41	1,271,488	104,147,962	
33	Projects less than \$1 million	54,526,329.09	N/A	
34				
35				
36	* Represents post 12/31/16 net project activity including amounts reimbursable upon completion.			
37				
38	TOTAL	209,636,207	N/A	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/1/2017	Dec. 31, 2016

General Description of Construction Overhead Procedure

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

1. (a) Administrative and general overhead covers that portion of the salaries and expenses of administrative employees applicable to construction work and that portion of other management, supervisory and pension costs applicable to construction.
 - (b) Administrative and general overhead is allocated to construction on the following basis:
 - (1) Administrative employees' salaries and other miscellaneous costs - estimates of the charges directly applicable to construction.
 - (2) Pension costs - payroll charged to construction.
 - (3) Other engineering and supervision - charged directly.
 - (4) District overheads - charges incurred for payroll, expenses and other miscellaneous items are distributed based on total expenditures charged.
 - (5) Payroll taxes - payroll charged to construction.
 - (6) Supplies and forms - capitalization percentage of payroll charged to construction.
 - (7) Depreciation expense - expense applicable to transportation equipment used in construction allocated by driver labor.
 - (c) The amounts determined above are distributed to construction projects to which the overheads apply on the basis of the ratio of direct charges to such construction projects.
 - (d) Same rates are applied to all types of construction.
 - (e) Not applicable.
 - (f) Overhead is assigned directly and indirectly as indicated above.
2. In North Carolina and Tennessee, AFUDC is computed using the current allowed rate of return on rate base . In South Carolina, AFUDC is calculated using the Company's monthly average short-term interest rate. AFUDC is computed from the date funds are expended to the date the property becomes available for service, exclusive of expenditures on blanket authorizations. Additionally, the Public Service Commission of South Carolina allows us to continue to accrue AFUDC on projects that have been placed in service but are projected not to earn an adequate rate of return. Effective with the Company's next annual Rate Stabilization Act filing, such projects are included in rate base and the accrual of AFUDC ceases. Total interest capitalized for the year ended December 31, 2016, was \$12,700,603.
- The Company is not subject to Federal Energy Regulatory Commission regulation and accordingly has not conformed with the rules for computation and presentation prescribed by that commission.

Name of Respondent Piedmont Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/1/2017	Year of Report Dec. 31, 2016	
General Description of Construction Overhead Procedure (continued)				
COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES				
1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years				
2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.				
3. Identify, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.				
1. Components of Formula (Derived from actual book balances and actual cost rates):				
Line No.	Title (a)	Amount (b)	Capitalization Ration (percent) (c)	Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S		
	(2) Short-Term Interest			s
	(3) Long-Term Debt	D		d
	(4) Preferred Stock	P		p
	(5) Common Equity	C		c
	(6) Total Capitalization			
	(7) Average Construction Work in Progress Balance	W		
2. Gross Rate for Borrowed Funds $s(S/W)+d[D/(D+P+C)](1-(S/W))$				
3. Rate for Other Funds $[1-(S/W)][p(P/(D+P+C))+c(C/(D+P+C))]$				
4. Weighted Average Rate Actually Used For the Year:				
a. Rate for Borrowed Funds -				
b. Rate for Other Funds -				

Name of Respondent Piedmont Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/01/2017	Year of Report Dec. 31, 2016
ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)					Total Company
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, pages 204-209, column (d), excluding retirements of nondepreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> <p>5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.</p>					
Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
Section A. BALANCES AND CHANGES DURING YEAR					
1	Balance Beginning of Year	1,788,207,742	1,788,207,742		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	135,966,267	135,966,267		
4	(413) Expense of Gas Plant Leased to Others				
5	Transportation Expenses - Clearing	6,697,258	6,697,258		
6	Other Clearing Accounts				
7	Other Clearing (Specify):				
7.01	Amortization of leasehold improvements	2,338,843	2,338,843		
8	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 7.01)	145,002,368	145,002,368		
9	Net Charges for Plant Retired:				
10	Book Cost of Plant Retired	42,080,738	42,080,738		
11	Cost of Removal	6,944,933	6,944,933		
12	Salvage (Credit)	(1,409,344)	(1,409,344)		
13	TOTAL Net Chrgs. for Plant Ret. (Total of lines 10 thru 12)	47,616,327	47,616,327		
14	Other Debit or Credit Items (Describe): RWIP	1,283,557	1,283,557		
14.01	Transfers and Adjustments	0	0		
15	Balance End of Year (Total of lines 1, 8, 13, 14, and 14.01)	1,884,310,226	1,884,310,226		
Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS					
16	Production--Manufactured Gas	0	0		
17	Intangible Plant	0			
18	Undistributed Depreciation				
19	Underground Gas Storage				
20	Other Storage Plant	44,516,992	44,516,992		
21	Base Load LNG Terminating and Processing Plant				
22	Transmission	299,497,480	299,497,480		
23	Distribution	1,327,981,936	1,327,981,936		
24	General	212,313,818	212,313,818		
25	TOTAL (Total of lines 16 thru 24)	1,884,310,226	1,884,310,226		

Name of Respondent Piedmont Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
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Gas Stored (Account 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments was made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method.)

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 151) (f)	LNG (Account 164.2) (g)	LNG (Account 165) (h)	Total (i)
1	Balance at Beginning of Year					63,923,148		19,943,799	83,866,947
2	Gas Delivered to Storage					42,523,330		5,403,089	47,926,419
3	Gas Withdrawn from Storage					(58,943,697)		(9,541,856)	(68,485,553)
4	Other Debits or Credits					693,644		789,937	1,483,581
5	Balance at End of Year					48,196,425		16,594,969	64,791,394
6	Dth					17,836,945		5,047,652	22,884,597
7	Amount Per Dt					2.70 (1)		3.29	2.83

(1) Various inventory service locations are combined in (f) above; therefore, the Dth value of the inventory does not include certain charges on all volumes, such as fuel retainage and transportation charges to deliver the gas to the city gate meters.

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Investments (Accounts 123, 124, 136)

- Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
- Provide a subheading for each account and list thereunder the information called for:

(a) Investment in Securities--List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.

(b) Investment Advances--Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	(b)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	<u>Account 124 - Other Investments</u>			
2	Other Long-Term Assets, Primarily LT receivable from Fort Bragg contract		46,500	5,203,159
3	Charlotte Knights Sponsorship		528,000	0
4				
5			<u>574,500</u>	<u>5,203,159</u>
6				
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Name of Respondent	This Report Is:	Date of Report	Year of Report
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Investments (Accounts 123, 124, 136) (continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.
4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.
5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.
6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between the cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includable in column (h).

Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)	Line No.
		5,249,659			1
0		484,000			2
44,000		_____	_____	_____	3
_____		5,733,659	0	0	4
<u>44,000</u>					5
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Name of Respondent	This Report Is:	Date of Report	Year of Report
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Investments in Subsidiary Companies (Accounts 123.1)

- Report below investments in Account 123.1, Investments in Subsidiary Companies.
- Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
 - Investment in Securities--List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
 - Investment Advances--Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Piedmont Energy Partners, Inc. (1)	(2)	1/30/1996	253,792,724
2	Piedmont ENCNG Company, LLC (1)	(2)	5/7/2003	13,437,566
3	Piedmont Hardy Storage Company, LLC (1)	(2)	7/22/2004	990
4				<u>267,231,280</u>
5				
6				
7				
8				
9				
10				
11				
12	(1) Wholly owned subsidiary.			
13	(2) Date of incorporation.			
14				
15				
16				
17				
18	<u>Item 2 (a)</u>			
19	Piedmont Energy Partners, Inc.		\$100 (10 shares of common stock, no par value)	
20				
21	Piedmont ENCNG Company, LLC		\$100 (10 shares of common stock, no par value)	
22				
23	Piedmont Hardy Storage Company, LLC		\$1000 (100 shares of common stock, no par value)	
24				
25	*			
26	Includes Acquisition-related adjustment to equitize prior period earnings of equity method investments (as shown on page 118, Line 6) as follows:			
27	Piedmont Energy Partners, Inc.			
28	Piedmont ENCNG Company, LLC			
29	Piedmont Hardy Storage Company, LLC			
30				
31				
32				
33				
34				
35	TOTAL Cost for Account 123.1 \$		TOTAL	

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Investments in Subsidiary Companies (Accounts 123.1) (continued)

4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of the pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and selling price thereof, not including interest adjustments includable in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
319,887,458		573,680,182		1
31,457,391		44,894,957		2
29,606,350		<u>29,607,340</u>		3
		<u>648,182,479</u>		4
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302,997,403				27
689,430				28
29,606,350				29
333,293,183				30
				31
				32
				33
				34
				35

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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (Account 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Prepayment (a)	Balance at End of Year (In Dollars) (b)
1	Prepaid Insurance	1,102,168
2	Prepaid Taxes	1,453,741
3	Prepaid License Agreement	1,714,310
4	Prepaid Cost of Gas	3,208,034
5	Other	993,645
6	TOTAL	8,471,898

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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2) (continued)

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	Written Off During the Year		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
16	Regulated Assets Unrecovered	63,609			92800	63,609	0
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	Total						

*** Non-land development cost associated with a liquified natural gas (LNG) peak storage facility in the eastern part of North Carolina that has been cancelled.

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Other Regulatory Assets (Account 182.3)

- Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
- For regulatory assets being amortized, show period of amortization in column (a).
- Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.
- Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
- Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Year (b)	Debits (c)	Written Off During Year Account Charged (d)	Written Off During the Year		Balance at End of Current Year (g)	
					Amount Recovered (e)	Amount deemed Unrecoverable (f)		
1	Regulatory cost of removal asset: deferral of certain asset retirement costs.	(1) 19,270,617	(4,997,974)	(A)			14,272,643	
2	Deferred operations and maintenance expenses - deferral of certain operations and maintenance expenses associated with Eastern North Carolina Gas Company. Amortization of December 31, 2013 balance over 82 months (1/1/14-10/31/20).	(2) 4,706,627			92800	(855,844)	3,850,783	
3	Environmental costs - North Carolina (NC): deferral of actual environmental costs incurred and for estimated environmental liabilities. Amortization of August 31, 2013 balance over 5 years (1/1/14-12/31/18).	(2) & (3) 4,464,447	30,824		92800	(1,269,328)	3,225,943	
4	Environmental costs - South Carolina (SC). Amortization of 1 year (1/1/2016- 10/31/2017)	(4) 878,330			92800	(11,585)	866,745	
5	Environmental costs - Tennessee (TN). Amortization of 8 years (3/1/12- 2/28/20).	(5) & (6) 1,023,012			92800	(243,761)	779,251	
6	Deferred pension costs - TN: deferral of funded pension expense. Amortization of 8 years (3/1/12-2/28/20).	(6) & (7) 21,662,097	1,734,000		92610	(2,686,343)	20,709,754	
7	Performance Incentive Plan - TN: purchase benchmarking gains and losses are combined with secondary market transaction gains and losses and shared with our customers.	(6) & (8) 1,070,117	(441,482)	(A)			628,635	
8	Deferred pension and other retirement benefits costs - NC. Amortization of 5 years (1/1/14-12/31/18).	(2) 212,204			92620	(70,735)	141,469	
9	Deferral franchise renewal fee - TN.	(9) 22,703	794	(A)			23,497	
10	Deferred pipeline integrity expenses - NC: deferral of certain interim incremental and extraordinary operations and maintenance expenses incurred as a result of the US Department of Transportation Pipeline Improvement Act of 2002. Amortization of 5 years (1/1/14-12/31/18).	(2) & (10) 33,241,928	6,057,151		92800	(3,469,719)	35,829,360	
11	Deferred flood costs - TN: deferral of direct and incremental costs related to 2010 flooding in the Nashville, TN area. Amortization of 8 years (3/1/12- 2/28/20).	(6) & (11) 499,844			92800	(119,962)	379,882	
12	Robeson liquefied natural gas development costs - NC & SC: non-real estate costs associated with investment in the development of Robeson LNG facility. NC amortization over 38 months (1/1/14-2/28/17).	(2) & (4) 445,263			92800	(381,654)	63,609	
13	Deferred rate case costs - TN. Amortization of 8 years or \$0 balance (3/1/12- 2/28/20).	(6) 374,932			92800	(89,984)	284,948	
14	Deferred rate case costs - NC. Amortization of 5 years (11/1/14-12/31/18).	(2) 696,916	149,439		92800	(232,305)	614,050	
15	Amounts not yet recognized as component of pension and other retirement benefit costs - deferred accounting treatment for defined benefit pension and other postretirement obligations (Statement of Financial Accounting Standards 158).	(12) 114,853,423	29,942,608	(A)			144,796,031	
16	Derivatives- Our gas supply derivatives are generally based on unobservable inputs and are classified within Level 3. In accordance with regulatory provisions for rateregulated activities, any gains and losses associated with these derivatives are reflected as a regulatory asset or liability.	0	186,700,000				186,700,000	
17	Vacation Accrual	0	13,492,308				13,492,308	
Total		203,422,460	232,667,668			(9,431,220)	0	426,658,908

(A) During the normal course of business due to the nature of the account, a portion of the balance was transferred to another balance sheet account and/or adjusted/trued-up during the period. This amount reflects the net change in the account for the period, excluding any amount written off during the year.

- NC Utilities Commission Order Docket No. G-9, Sub 530
- NC Utilities Commission Order Docket No. G-9, Sub 631
- NC Utilities Commission Order Docket No. G-9, Sub 333
- Public Service Commission of SC Docket No. 2014-7-G Order No. 2014-822, Docket No. 2015-7-G Order No. 2015-732 and Docket No. 2016-7-G Order No. 2016-705
- TN Regulatory Authority (TRA) Order 92-16160
- TN Regulatory Authority Order 11-00144
- TN Regulatory Authority Order 96-00977
- TN Regulatory Authority Order 96-00805
- TN - Metropolitan Government of Nashville and Davidson County Ordinance No. BL2003-36
- NC Utilities Commission Order Docket No. G-9, Sub 495
- TN Regulatory Authority Order 10-00185
- NC Utilities Commission Order Docket No. G-9, Sub 545

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MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than \$250,000) may be grouped by classes

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Estimated payroll	1,200,898	2,489,586	Various	2,127,274	1,563,209
2						
3	Goodwill	48,852,311				48,852,311
4						
5	Non-current prepaid expenses	35,901	2,451,726	Various	285,892	2,201,735
6						
7	Discount on Commercial Paper	64,611	2,146,457	Various	2,159,580	51,487
8						
9	Preliminary Study	0	110,236	18300	54,055	56,181
10						
11						
12						
13						
14						
15	TOTAL	50,153,721	7,198,006		4,626,801	52,724,923

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Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year	Changes During Year
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas	74,000		
4				
5	Total (Total of lines 2 thru 4)	74,000		
6				
7	TOTAL Account 190 (Total of lines 5 thru 6)	74,000	-	-
8	Classification of TOTAL			
9	Federal Income Tax	-		
10	State Income Tax	74,000		
11	Local Income Tax	-		

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Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits Account No. (g)	Debits Amount (h)	Credits Account No. (i)	Credits Amount (j)	
1							
2							
3			236	74,000			-
4							-
5				74,000			-
6							
7	-	-	236	74,000			-
8							
9							-
10			236	74,000			-
11							-

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Piedmont Natural Gas Company			

CAPITAL STOCK (ACCOUNTS 201 AND 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separately totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	Common Stock	100	no par	
2	(NO New York Stock Exchange - private stock held by Duke Energy)			
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CAPITAL STOCK (Accounts 201 and 204) (Continued)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent)	Outstanding per Bal. Sheet	Held by Respondent As Reacquired Stock (Act 217)	Held by Respondent As Reacquired Stock (Act 217)	Held by Respondent In Sinking and Other Funds	Held by Respondent In Sinking and Other Funds
	Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)
1	\$859,846,440	\$859,846,440				
2						
3						
4						
5						
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Name of Respondent	This Report Is:	Date of Report	Year of Report
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Securities Issued or Assumed and Securities Refunded or Retired During the Year

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.
2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

Securities Issued

1. Employee Stock Purchase Plan, authorized by the North Carolina Utilities Commission (NCUC) in Docket No.G-9, Sub 580, dated May 24, 2010.

On January 31, 2016, 6,096 shares of common stock were issued with proceeds of \$341,960. On April 30, 2016, 5,112 shares of common stock were issued with proceeds of \$289,709. On July 31, 2016, 5,826 shares of common stock were issued with proceeds of \$330,675. The aggregate effect of these transactions was recorded as follows:

	<u>Debit</u>	<u>Credit</u>
Accounts Payable - Stock Purchase Plan	962,344	
Common Stock		962,344

2. Dividend Reinvestment and Stock Purchase Plan, authorized by the NCUC in Docket No. G-9, Sub 573, dated December 21, 2009, Docket No. G-9, Sub 616, dated October 29, 2012, and Docket No. G-9, Sub 677, dated October 29, 2015.

During the year, 244,108 shares of common stock were issued with proceeds of \$13,871,661. The following (in the aggregate) was recorded to reflect this activity.

	<u>Debit</u>	<u>Credit</u>
Dividends Declared - Common Stock	11,513,014	
Cash (optional cash payments provision of the Plan)	2,358,647	
Common Stock		13,871,661

3. Incentive Compensation Plan, authorized by the NCUC in Docket No. G-9, Sub 526, dated July 26, 2006:

During the year, 24,124 shares of common stock were issued pursuant to the Incentive Compensation Plan. The following (in the aggregate) was recorded to reflect this activity:

	<u>Debit</u>	<u>Credit</u>
Estimated Liability - Restricted Stock	10,845,657	
Cash (optional cash payments provision of the Plan)	1,441,313	
Common Stock		12,286,970

Name of Respondent	This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016

Securities Issued, (continued)

4. In September 2016, we issued 1.8 million shares of our common stock to the forward counterparties by physically settling all of the forward sales agreements entered into during 2016 and received net proceeds of \$104,703,908. The aggregate effect of these transactions were recorded as follows:

	<u>Debit</u>	<u>Credit</u>
Cash	104,703,908	
Common Stock		\$104,703,908

5. On July 28, 2016, we issued the following long-term debt:

<u>Issue</u>	<u>Redemption Date</u>	<u>Amount</u>
3.64% Senior Notes due 2046	05/1/2046	\$300,000,000

6. On October 3, 2016, the business combination transaction ("Merger") between Duke Energy Corporation ("Duke Energy") and Piedmont Natural Gas Company, Inc. ("Piedmont") closed. As a result of this closing, each share of common stock, no par value, of ("Piedmont Common Stock") issued and outstanding immediately prior to the effective time of the Merger (excluding shares that were held by Duke Energy or its wholly owned subsidiaries) was converted into the right to receive \$60.00 cash per share, without interest. Following the closing of the Merger, no shares of Piedmont Common Stock remain outstanding.

Name of Respondent	This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016

Long-Term Debt (Accounts 221, 222, 223, and 224)

- Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
- For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.
- In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during the year. Give Commission authorization numbers and dates.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (d)
1	Senior Notes:			
2	Note due 2016	6/6/2011	6/6/2016	0
3	Note due 2017	9/21/1992	9/30/2017	35,000,000
4	Note due 2021	6/6/2011	6/6/2021	160,000,000
5	Note due 2027	7/16/2012	7/16/2027	100,000,000
6	Note due 2027	10/15/2012	7/16/2027	200,000,000
7	Note due 2043	8/1/2013	8/1/2043	300,000,000
8	Note due 2034	9/18/2014	9/18/2034	250,000,000
9	Note due 2025	9/14/2015	9/14/2025	150,000,000
10	Note due 2046	7/28/2016	11/1/2046	300,000,000
11				
12	Medium-Term Notes, Series A:			
13	Note due 2023	10/06/1993	10/06/2023	45,000,000
14	Note due 2024	9/19/1994	9/19/2024	40,000,000
15				
16	Medium-Term Notes, Series B:			
17	Note due 2025	10/03/1995	10/3/2025	55,000,000
18	Note due 2026	10/09/1996	10/09/2026	40,000,000
19				
20	Medium-Term Notes, Series C:			
21	Note due 2029	9/20/1999	9/14/2029	60,000,000
22				
23	Medium-Term Notes, Series E:			
24	Note due 2033	12/19/2003	12/19/2033	100,000,000
25				
26	Pages 256 and 257 exclude the Advances from Associated Companies presented on an attached supplemental schedule.			
27				
28				
29				
30				
31	TOTAL			1,835,000,000

Name of Respondent Piedmont Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
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Long-Term Debt (Accounts 221, 222, 223, and 224)

6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct. 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price Per \$100 at End of Year (i)	Line No.
					1
2.92	502,889				2
8.51	3,028,142				3
4.24	6,784,000				4
3.47	3,470,000				5
3.57	7,140,000				6
4.65	13,950,000				7
4.10	10,250,000				8
3.60	5,400,000				9
3.64	4,671,333				10
					11
					12
6.87	3,091,500				13
8.45	3,380,000				14
					15
					16
7.40	4,070,000				17
7.50	3,000,000				18
					19
					20
7.95	4,770,000				21
					22
					23
6.00	<u>6,000,000</u>				24
					25
	79,507,864				26
					27
	79,507,864				28
	155,999	Allocation to non-utility activities			29
					30
	79,351,865	0	0		31

Piedmont Natural Gas Company

Supplemental schedule to Pages 256 and 257

Long-Term Debt

Year of Report: 12/31/16

Date of Report: 04/01/17

Outstanding balance, 12/31/2015	1,575,000,000	Prior year P. 256, Line No. 31 (d)
Additions during 2016:		
3.64% Senior Notes, due November 1, 2046	300,000,000	Current year P. 256, Line No. 10 (d)
Redemptions during 2016:		
2.92% Senior Notes, due June 6, 2016	(40,000,000)	Prior year P. 256, Line No. 2 (d)
	<hr/>	
Outstanding balance, 12/31/2016	<u>1,835,000,000</u>	Current year P. 256, Line No. 31 (d)

Piedmont Natural Gas Company

Supplemental schedule to Pages 256 and 257

Advances from Associated Companies

Year of Report: 12/31/16

Date of Report: 04/01/17

	Beginning Balance	Activity During Year	Ending Balance
Piedmont Interstate Pipeline Company	66,178,587	4,742,517	70,921,104
Piedmont Intrastate Pipeline Company	27,066,627	2,649,558	29,716,185
Piedmont Energy Company	302,268,133	194,906,331	497,174,464
Piedmont Energy Partners, Inc.	53,118,404	273,635	53,392,039
Piedmont Hardy Storage	29,360,823	2,216,060	31,576,883
	<u>477,992,574</u>	<u>204,788,101</u>	<u>682,780,675</u>
Prior year			Current year
Page 112			Page 112
Line 19 (d)			Line 19 (c)

Name of Respondent		This Report Is:	Date of Report	Year of Report	
Piedmont Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016	
Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)					
<p>1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.</p> <p>2. Show premium amounts by enclosing the figures in parentheses.</p> <p>3. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p>					
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense, Premium or Discount (c)	Amortization Period	
				Date From (d)	Date To (e)
1					
2	Unamortized Discount - Long-Term Debt:				
3	4.65% Senior notes due 2043	(142,000)			
4	4.10% Senior notes due 2043	(435,000)			
5	3.60% Senior notes due 2025	(97,500)			
6	3.64% Senior notes due 2046	(366,000)			
7					
8					
9	Unamortized Debt Expense - Long-Term Debt:				
10	2.92% Senior notes due 2016	0	335,852	6/06/2011	6/06/2016
11	8.51% Senior notes due 2017	35,000,000	51,946	09/21/1992	09/30/2017
12	4.24% Senior notes due 2021	160,000,000	1,343,409	6/06/2011	6/06/2021
13	3.47% Senior notes due 2027	100,000,000	817,644	7/16/2012	7/16/2027
14	3.57% Senior notes due 2027	200,000,000	1,646,600	10/15/2012	7/16/2027
15	4.65% Senior notes due 2043	300,000,000	3,124,109	8/1/2013	8/1/2043
16	6.87% Medium-term notes due 2023	45,000,000	432,236	10/06/1993	10/06/2023
17	8.45% Medium-term notes due 2024	40,000,000	386,753	09/19/1994	09/19/2024
18	7.40% Medium-term notes due 2025	55,000,000	518,333	10/03/1995	10/03/2025
19	7.50% Medium-term notes due 2026	40,000,000	351,832	10/09/1996	10/09/2026
20	7.95% Medium-term notes due 2029	60,000,000	589,836	09/20/1999	09/14/2029
21	6.0% Medium-term notes due 2033	100,000,000	1,192,577	12/19/2003	12/19/2033
22	4.1% Senior notes due 2034	250,000,000	435,000	9/18/2014	9/18/2034
23	3.60% Senior notes due 2025	150,000,000	97,500	9/14/2015	6/1/2025
24	3.64% Senior notes due 2046	300,000,000	366,000	7/28/2016	11/1/2046
25					
26	Total unamortized debt expense - long-term debt				
27	(expense recorded in account 42800)				
28					
29	Unamortized Debt Expense - Syndicated Credit Facility			10/01/2012	10/01/2017
30	(expense recorded in account 42801)				
31					
32					
33					
34	Shelf registration	0	0		
35	TOTAL	1,833,959,500	11,689,627		

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016	
Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)				
5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.				
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.				
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.				
Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)	Line No.
				1
				2
132,400		(4,800)	127,600	3
407,027		(21,750)	385,277	4
94,592		(9,785)	84,806	5
0	366,000	(5,174)	360,826	6
<u>634,019</u>	<u>366,000</u>	<u>(41,509)</u>	<u>958,510</u>	7
				8
28,920		(28,920)	0	10
0			0	11
729,843		(134,341)	595,502	12
629,059		(54,510)	574,549	13
1,287,991		(111,634)	1,176,357	14
2,872,445		(104,137)	2,768,308	15
112,035		(14,430)	97,605	16
112,382		(12,892)	99,490	17
168,555		(17,278)	151,277	18
124,298		(11,820)	112,478	19
269,607		(19,656)	249,951	20
713,516		(39,753)	673,764	21
2,213,623		(118,288)	2,095,335	22
1,280,048	4,042	(132,279)	1,151,811	23
0	3,209,129	(45,365)	3,163,764	24
				25
<u>10,542,321</u>	<u>3,213,171</u>	<u>(845,301)</u>	<u>12,910,191</u>	26
				27
				28
2,094,836	28,101	(428,741)	1,694,196	29
				30
				31
				32
				33
32,983		(32,983)	0	34
<u>13,304,159</u>	<u>3,607,272</u>	<u>(1,348,535)</u>	<u>15,562,896</u>	35

Name of Respondent Piedmont Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016		
Unamortized Loss and Gain on Recquired Debt (Accounts 189, 257)						
<p>1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Recquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If a gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.</p> <p>2. In column (c) show the principal amount of bonds or other long-term debt reacquired.</p> <p>3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.</p> <p>4. Show loss amounts by enclosing the figures in parentheses.</p> <p>5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Recquired Debt, or credited to Account 429.1, Amortization of Gain on Recquired Debt-Credit.</p>						
Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	Unamortized loss on Recquired Debt:					
2	6.25% insured quarterly notes - amortization	6/01/2011	196,843,000	(5,956,998)	(4,864,882)	(4,626,602)
3	period of June 2011 through May 2036 (no					
4	refunding of debt)					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	TOTAL		196,843,000	(5,956,998)	(4,864,882)	(4,626,602)

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	December 31, 2016

Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 116)	195,253,710
2	Reconciling Items for the Year	
3	Taxable Income Not Reported on Books	
4	Hedging Gains (Losses)	2,756,789
5	CIAC	3,645,975
6	Subsidiaries	180,517,483
7	State Tax Refunds	0
8	Other Adjustments	(54,200,137)
9	Deductions Recorded on Books Not Deducted for Return	
10	Book Income Tax Expense	120,355,434
11	Amortization of Deferred Expense	7,555,342
12	Cost of Gas	12,741,554
13	Deferred Compensation	(27,409,718)
14	Merger Expense	13,245,921
15	Interest Expense	(246,252)
16	Other Adjustments	(274,883)
17	Income Recorded on Books Not Included in Return	
18	Subsidiaries	97,564,204
19	AFUDC	14,551,641
20	Book Gain in excess of Tax Gain	0
21	Deductions on Return Not Charged Against Book Income	
22	Tax Depreciation in Excess of Book Depreciation	279,637,618
23	Tax Repairs Expense	124,947,501
24	Merger Expense	(20,100,522)
	Tax Gain in excess of Book Gain	(1,012,712)
25	State Income Taxes	(1,978,945)
26	Goodwill Amortization	2,565,228
27	Pension Expense	14,440,950
28	Other Adjustments	37,237,628
29	Federal NOL	206,300,477
30	Federal Tax Net Income	(300,211,851)
31	Show Computation of Tax:	
32	Federal Income Tax at 35%	(105,074,148)
33		
34	Federal Tax Net Income Before NOL	(93,911,374)
35	State Income Taxes Deducted on Federal Tax Return	(1,978,945)
36	State Depreciation in Excess of Federal Depreciation	143,907,947
37	Generation of State NOL	366,481,379
38	State Tax Net Income	222,573,432
39	State Income Tax	(1,978,945)
40	Note: The Company had 2 short tax years which ended on 10/3/16 & 12/31/16 accordingly,	
40	all adjustments are estimates based on latest available information.	

Name of Respondent Piedmont Natural Gas Company	This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year /Period of Report End of Dec. 31, 2016
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Taxes Accrued, Prepaid and Charged During Year, Distribtuion of Taxes Charged (Show utility dept where applicable and acct charged)

- 1) Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
- 2) Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
- 3) Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
- 4) List the aggregate of each kind of tax in such manner that the total tax for each state and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)
1	Federal Income Tax	(11,036,911)	
2	State Income Tax	(10,626,662)	
3	Total Income Taxes	(21,663,573)	
4			
5			
6	FICA	(4,136)	
7	Federal Unemployment	7,004	
8	State Unemployment	0	
9	Total Payroll Taxes	2,868	
10			
11			
12	NC Franchise Tax	1,934,096	
13	Property Taxes	6,083,000	
14	Miscellaneous	0	
15			
16	SC Franchise Taxes	408,399	
17			
18	State Gross Receipts - TN		880,976
19	TN Franchise Taxes	1,761,980	
20			
21			
22	Total General Taxes	10,190,343	880,976
23			
24			
25			
26			
27			
28			
38			
39			
	TOTAL	(11,473,230)	880,976

Name of Respondent Piedmont Natural Gas Company	This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year /Period of Report End of Dec. 31, 2016
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

- 1) Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
- 2) Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
- 3) Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
- 4) List the aggregate of each kind of tax in such manner that the total tax for each state and subdivision can readily be ascertained.

DISTRIBUTION OF TAXES CHARGED (SHOW UTILITY DEPARTMENT WHERE APPLICABLE AND ACCOUNT CHARGED.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Departments Construction (Account 107) (k)	Other Income and Deductions (Account 408.2,409.2) (l)
1	Federal Income Tax	(13,327,438)		(7,891,923)
2	State Income Tax	(1,955,431)		(785,561)
3	Total Income Taxes	(15,282,869)	0	(8,677,484)
4				
5				
6	FICA			
7	Federal Unemployment			
8	State Unemployment			
9	Total Payroll Taxes	9,077,838	2,430,418	193,188
10				
11				
12	NC Franchise	2,102,830		
13	Property Taxes	28,420,889	134,438	(75)
14	Miscellaneous	(449,028)	0	2,152
15				
16	SC Franchise Taxes	490,145		
17				
18	State Gross Receipts - TN	1,754,487		
19	TN Franchise Taxes	1,455,301		
20				
21				
22	Total General Taxes	42,852,462	2,564,856	195,265
23				
24				
25				
26				
27				
28				
38				
39				
		27,569,593	2,564,856	(8,482,219)

Name of Respondent Piedmont Natural Gas Company	This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year /Period of Report End of Dec. 31, 2016
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Taxes Accrued, Prepaid and Charged During Year, Distribtuon of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

- 5) If any tax (exclude Federal and state income taxes) covers more than one year, show the required information separately for each tax year, indentifying the year in column (a).
- 6) Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
- 7) Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority
- 8) Show in columns (l) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
- 9) For an tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
- 10) Items under \$250,000 may be grouped.
- 11) Report in column (g) the applicable effective state tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR	
				Taxes Accrued (Acc. 236) (g)	Prepaid Taxes (Incl. in Acc. 166) (h)
1	(21,219,361)	(614,372)	5,288,448	(26,353,452)	
2	(2,740,992)	2,463,304	9,466,144	(6,364,814)	
3	(23,960,353)	1,848,932	14,754,592	(32,718,266)	
4					
5					
6	11,527,140	11,387,114		135,890	
7	80,937	87,941	0	(0)	
8	296,755	296,755	0	0	
9	11,904,832	11,771,810	0	135,890	
10					
11					
12	2,102,830		(1,295,250)	2,741,676	
13	28,555,252	23,194,919		11,443,333	
14	(449,028)	15	449,043	0	
15					
16	490,145	500,000	(222,544)	176,000	
17					
18	1,754,487	2,096,428			1,222,917
19	1,455,301	0	(1,514,411)	1,702,870	
20					
21					
22	45,813,819	37,563,172	(2,583,162)	16,199,769	1,222,917
23					
24					
25					
26					
27					
28					
38					
39					
	21,853,466	39,412,104	12,171,430	(16,518,497)	1,222,917
	Account 216	116,476			
	Account 143	(10,482,091)			
	Account 253	10,846,257	Account 282	(4,135,816)	
	Account 241	113,094	Due from Subs	(8,273,900)	
	Account 980	(429,340)	Account 190	74,000	

Name of Respondent Piedmont Natural Gas Company	This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year /Period of Report End of Dec. 31, 2016
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

- 5) If any tax (exclude Federal and state income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
- 6) Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
- 7) Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
- 8) Show in columns (l) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
- 9) For an tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
- 10) Items under \$250,000 may be grouped.
- 11) Report in column (q) the applicable effective state tax rate.

DISTRIBUTION OF TAXES CHARGED (SHOW UTILITY DEPARTMENT WHERE APPLICABLE AND ACCOUNT CHARGED.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1,409.1) (n)	Retained Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					5.2675%
3					
4					
5					
6					
7					
8					
9				203,388	
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22	0	0	0	203,388	0
23					
24					
25					
26					
27					
28					
38					
39					
	0	0	0	203,388	0

Name of Respondent	This Report Is:	Date of Report	Year Ending
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/01/17	Dec. 31, 2016

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of the year.
2. Minor items (less than \$250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Underfunded Liability - Dtr Retiree	483,168
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	TOTAL	483,168

Name of Respondent		This Report Is:		Date of Report	Year of Report	
Piedmont Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		04/01/17	Dec. 31, 2016	
OTHER DEFERRED CREDITS (Account 253)						
1. Report below the details called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor items (less than \$250,000) may be grouped by classes.						
Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Incentive compensation plans	2,327,221	920	8,577,067	7,835,364	1,585,518
2						
3	Unclaimed property	561,247	Various	1,396,766	1,701,638	866,119
4						
5	Environmental reserve	1,203,998	18645	549,465	306,710	961,243
6						
7	Accrued gas cost on unbilled revenues	737,148	80401	737,148	1,672,575	1,672,575
8						
9	Conservation programs	306,558	Various	1,660,232	7,032,267	5,678,592
10						
11	Deferred compensation plans	5,189,121	Various	1,822,903	1,271,453	4,637,671
12						
13	Deferred revenue - warranty program	368,994	Various	1,587,584	1,515,844	297,254
14						
15	Deferred prepaid demand charge revenue	14,895,692	Various	0	2,771,659	17,667,351
16						
17	Deferred revenue - non-utility	1,338,957	Various	1,273,015	968,871	1,034,813
18						
19	Miscellaneous	2,331,917	Various	4,258,012	4,448,319	2,522,224
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33	TOTAL	29,260,853		21,862,192	29,524,700	36,923,360

Name of Respondent	This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.

2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited (Account 410.1) (c)	Amounts Credited (Account 411.1) (d)
1	Account 282			
2	Electric			
3	Gas	818,322,973	82,321,323	
3.01				
3.02				
3.03				
4	Other (Define)			
5	TOTAL (Enter Total of lines 2 thru 4)	818,322,973	82,321,323	0
6	Other (Specify)			
6.01				
6.02				
7	TOTAL Acct. 282 (Enter Total of lines 5 thru 6.02)	818,322,973	82,321,323	0
8	Classification of TOTAL			
9	Federal Income Tax	733,589,866	71,852,169	
10	State Income Tax	84,733,107	10,469,154	
11	Local Income Tax			

NOTES

Note: Account 282 includes deferred taxes which have been provided on items other than property.

Name of Respondent	This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Provide in a footnote a summary of the type and amount of deferred taxes reported in the beginning-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

CHANGES DURING YEAR		Adjustments				Balance at End of Year (k)	Line No.
Amounts Debited (Account 410.2) (e)	Amounts Credited (Account 411.2) (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
		236	20,735,602	236	16,599,785	896,508,479	3
							3.01
							3.02
							3.03
							4
			20,735,602		16,599,785	896,508,479	5
							6
							6.01
							6.02
			20,735,602		16,599,785	896,508,479	7
							8
		236			16,599,785	822,041,820	9
		236	20,735,602		0	74,466,659	10
							11

NOTES (Continued)

Name of Respondent		This Report Is:		Date of Report	Year of Report			
Piedmont Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		04/01/17	Dec. 31, 2016			
Other Regulatory Liabilities (Account 254)								
1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).								
2. For regulatory liability being amortized, show period of amortization in column (a).								
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.								
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).								
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning Current of Year (b)		Written Off During Year Account Credited (c)	Written Off During the Year		Credits (A) (f)	Balance at End of Current Year (g)
					Amount Refunded (d)	Amount Deemed Non-Refundable (e)		
1	Actual Cost Adjustment natural gas purchases - Tennessee (TN): the net amount of cash purchases and payments of gas by Piedmont and the amount collected from customers. Includes hedging options.	2,319,079	(1)				(5,746,556)	(3,427,477)
2	Gas cost hedging program - North Carolina (NC): hedging positions, after mark to market adjustments.	1,595,752	(2)				839,967	2,435,719
3	Supply hedging activity - TN: hedging positions, after mark to market adjustments, under Incentive Plan.	260,526	(3)				189,226	449,752
4	Supply hedging activity - South Carolina (SC): hedging positions, after mark to market adjustments, under gas cost hedging plan.	310,522	(4)				165,171	475,693
5	Accrued interest deferred income taxes - NC	419,402	(5)				(261,736)	157,666
6	Deferred accounts all customer classes. Includes hedging options - NC	(17,874,861)	(2)				(3,500,625)	(21,375,486)
7	Deferred account all customer classes. Includes hedging options - SC	1,493,866	(4) & (10)				(4,703,887)	(3,210,021)
8	Deferred taxes	69,119,751					11,071,165	80,190,916
9	Miscellaneous credits - overbilled franchise fees	266,146					(266,146)	0
10	Margin decoupling mechanism - NC: provides for the recovery of our approved margin from residential and commercial customers independent of consumption patterns.	2,447,940	(6)				(34,868,527)	(32,420,587)
11	Integrity management rider deferred account - NC: deferral of cumulative under/over collection of the IMR and corresponding interest due from/to.	(2,827,239)	(7)				(2,533,052)	(5,360,291)
12	Integrity management rider deferred account - TN: deferral of cumulative under/over collection of the IMR and corresponding interest due from/to.	631,370	(8)				(3,483,633)	(2,852,263)
13	Amounts not yet recognized as component of pension and other retirement benefit costs - deferred accounting treatment for defined benefit pension and other postretirement obligations (Statement of Financial Accounting Standards 158).	84,575	(9)				51,323	135,898
14	Excess deferred income tax refunded to customer - TN	0	(11)				(224,908)	(224,908)
Total		58,246,829		0	0	0	(43,272,218)	14,974,611

(A) During the normal course of business due to the nature of the account, a portion of the balance was transferred to another balance sheet account or adjusted/trued-up during the period. This amount reflects the net change in the account for the period, excluding any amount written off during the year.

- (1) TN Regulatory Authority Docket 13-00119 and Docket 14-00150
- (2) NC Utilities Commission Order Docket No. G-9, Sub 673
- (3) TN Regulatory Authority Order 14-00082
- (4) Public Service Commission of SC Docket Nos. 83-126-G and 86-217-G, Order No. 88-294
- (5) NC Utilities Commission Order Docket No. G-9, Sub 351
- (6) NC Utilities Commission Order Docket No. G-9, Sub 499
- (7) NC Utilities Commission Order Docket No. G-9, Sub 631
- (8) TN Regulatory Authority Stipulation Docket 13-00118
- (9) NC Utilities Commission Order Docket No. G-9, Sub 545
- (10) Public Service Commission of SC Docket No. 2015-4-G
- (11) TN Regulatory Authority Docket 14-00017

Name of Respondent Piedmont Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/01/17		Year of Report Dec. 31, 2016	
Gas Operating Revenues						Total Company	
1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.				3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480 - 495.			
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.							
Line No.	Title of Account (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GRI and ACA			
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)		
1	480 Residential Sales						
2	481 Commercial and Industrial Sales						
3	482 Other Sales to Public Authorities						
4	483 Sales for Resale						
5	484 Interdepartmental Sales						
6	485 Intracompany Transfers						
7	487 Forfeited Discounts						
8	488 Miscellaneous Service Revenues						
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities						
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities						
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities						
12	489.4 Revenues from Storing Gas of Others						
13	490 Sales of Prod. Ext. from Natural Gas						
14	491 Rev. from Nat. Gas Proc. by Others						
15	492 Incidental Gasoline and Oil Sales						
16	493 Rent from Gas Property						
17	494 Interdepartmental Rents						
18	495 Other Gas Revenues						
19	Subtotal:	0	0	0	0		
20	496 (Less) Provision for Rate Refunds						
21	TOTAL:	0	0	0	0		

Name of Respondent Piedmont Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016	
Gas Operating Revenues (Continued)					Total Company	
4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.				6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.		
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.						
Line No.	OTHER REVENUES		TOTAL OPERATING REVENUES		DEKATHERMS OF NATURAL GAS	
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1	582,198,729	596,546,455	582,198,729	596,546,455	52,984,219	53,416,528
2	355,712,687	371,269,895	355,712,687	371,269,895	47,343,624	46,498,988
3	1,003,446	1,133,725	1,003,446	1,133,725	92,660	111,873
4	321,737	378,316	321,737	378,316	3,608	15,822
5						
6						
7	3,582,364	4,644,958	3,582,364	4,644,958		
8	3,538,216	2,798,551	3,538,216	2,798,551		
9						
10						
11	167,537,916	165,904,667	167,537,916	165,904,667	394,698,683	365,627,728
12						
13						
14						
15						
16	433,546	406,401	433,546	406,401		
17						
18	1,331,532	3,865,548	1,331,532	3,865,548		
19	1,115,660,173	1,146,948,516	1,115,660,173	1,146,948,516		
20	0	0	0	0		
21	1,115,660,173	1,146,948,516	1,115,660,173	1,146,948,516		

Name of Respondent Piedmont Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/01/17	Year Ending Dec. 31, 2016
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OTHER GAS REVENUES (Account 495)

Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	
10	Revenues from Shipper Supplied Gas	
11	Other revenues (Specify):	
12	Secondary Market Sales	1,331,532
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
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38		
39		
	TOTAL	1,331,532

Name of Respondent Piedmont Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
GAS OPERATION AND MAINTENANCE EXPENSES			Total Company	
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)	95,891	154,661	
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses			
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses			
14	757 Purification Expenses			
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	TOTAL Operation (Total of lines 7 thru 17)	0	0	
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements			
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines			
24	765 Maintenance of Field Compressor Station Equipment			
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment			
26	767 Maintenance of Purification Equipment			
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0	

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Piedmont Natural Gas Company		04/01/17	Dec. 31, 2016
Manufactured Gas Production Expenses			Total Company
Account (a)		Amount For Current Year (b)	Amount For Previous Year (c)
Operation			
71700	Liquefied Petroleum Gas Expense	\$0	\$0
72800	Liquefied Petroleum Gas	0	0
73500	Misc. Production Expenses	93,984	152,187
	Total Operation	93,984	152,187
Maintenance			
74100	Structures and Improvements	0	0
74200	Production Equipment	1,907	2,474
	Undistributed Payroll	0	0
	Total Maintenance	1,907	2,474
	Total Manufactured Gas Production Expenses	\$95,891	\$154,661

Name of Respondent Piedmont Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			Total Company	
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering	0	0	
34	771 Operation Labor	0	0	
35	772 Gas Shrinkage	0	0	
36	773 Fuel	0	0	
37	774 Power	0	0	
38	775 Materials	0	0	
39	776 Operation Supplies and Expenses	0	0	
40	777 Gas Processed by Others	0	0	
41	778 Royalties on Products Extracted	0	0	
42	779 Marketing Expenses	0	0	
43	780 Products Purchased for Resale	0	0	
44	781 Variation in Products Inventory	0	0	
45	(Less) 782 Extracted Products Used by the Utility - Credit	0	0	
46	783 Rents	0	0	
47	TOTAL Operation (Total of lines 33 thru 46)	0	0	
48	Maintenance			
49	784 Maintenance Supervision and Engineering	0	0	
50	785 Maintenance of Structures and Improvements	0	0	
51	786 Maintenance of Extraction and Refining Equipment	0	0	
52	787 Maintenance of Pipe Lines	0	0	
53	788 Maintenance of Extracted Products Storage Equipment	0	0	
54	789 Maintenance of Compressor Equipment	0	0	
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0	
56	791 Maintenance of Other Equipment	0	0	
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0	
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0	

Name of Respondent Piedmont Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			Total Company	
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals	0	0	
62	796 Nonproductive Well Drilling	0	0	
63	797 Abandoned Leases	0	0	
64	798 Other Exploration	0	0	
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0	
66	D. Other Gas Supply Expenses			
67	Operation			
68	800 Natural Gas Well Head Purchases	0	0	
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0	
70	801 Natural Gas Field Line Purchases	0	0	
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0	
72	803 Natural Gas Transmission Line Purchases	0	0	
73	804 Natural Gas City Gate Purchases	353,541,107	464,095,685	
74	804.01 Unbilled Revenues	25,409,309	(41,742,310)	
75	804.1 Liquefied Natural Gas Purchases	0	0	
76	(Less) 805.1 Purchased Gas Cost Adjustments	0	0	
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	378,950,416	422,353,375	
78	806 Exchange Gas	0	0	
79	Purchased Gas Expenses			
80	807.1 Well Expense-Purchased Gas	0	0	
81	807.2 Operation of Purchased Gas Measuring Stations	653,541	845,722	
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0	
83	807.4 Purchased Gas Calculations Expenses	0	0	
84	807.5 Other Purchased Gas Expenses	878,216	650,733	
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	1,531,757	1,496,455	

Name of Respondent Piedmont Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			Total Company	
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
86	808.1 Gas Withdrawn from Storage - Debit	2,856,262	8,250,748	
87	(Less) 808.2 Gas Delivered to Storage -Credit	0	0	
88	809.1 Withdrawal of Liquefied Natural Gas for Processing - Debit	0	0	
89	(Less) 809.2 Deliveries of Natural Gas for Processing - Credit	0	0	
90	Gas used in Utility Operation - Credit			
91	810 Gas Used for Compressor Station Fuel - Credit	0	0	
92	811 Gas Used for Products Extraction - Credit	0	0	
93	812 Gas Used for Other Utility Operations - Credit	0	0	
94	TOTAL Gas Used in Utility Operations - Credit (Total of lines 91 thru 93)	0	0	
95	813 Other Gas Supply Expenses	0	0	
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	383,338,435	432,100,578	
97	TOTAL Production Expenses (Total of lines 3,30,58,65 and 96)	383,434,326	432,255,239	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering	0	0	
102	815 Maps and Records	0	0	
103	816 Wells Expenses	0	0	
104	817 Lines Expense	0	0	
105	818 Compressor Station Expenses	0	0	
106	819 Compressor Station Fuel and Power	0	0	
107	820 Measuring and Regulating Station Expenses	0	0	
108	821 Purification Expenses	0	0	
109	822 Exploration and Development	0	0	
110	823 Gas Losses	0	0	
111	824 Other Expenses	0	0	
112	825 Storage Well Royalties	0	0	
113	826 Rents	0	0	
114	TOTAL Operation (Total of lines 101 thru 113)	0	0	

Name of Respondent Piedmont Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			Total Company	
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
115	Maintenance			
116	830 Maintenance Supervision and Engineering	0	0	
117	831 Maintenance of Structures and Improvements	0	0	
118	832 Maintenance of Reservoirs and Wells	0	0	
119	833 Maintenance of Lines	0	0	
120	834 Maintenance of Compressor Station Equipment	0	0	
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0	
122	836 Maintenance of Purification Equipment	0	0	
123	837 Maintenance of Other Equipment	0	0	
124	TOTAL Maintenance (Total of lines 116 thru 123)	0	0	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	0	0	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering	426,543	430,245	
129	841 Operation Labor and Expenses	1,772,283	1,502,525	
130	842 Rents	0	0	
131	842.1 Fuel	0	0	
132	842.2 Power	135,063	230,807	
133	842.3 Gas Losses	0	0	
134	TOTAL Operation (Total of lines 128 thru 133)	2,333,889	2,163,577	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering	0	0	
137	843.2 Maintenance of Structures	543,841	684,653	
138	843.3 Maintenance of Gas Holders	0	0	
139	843.4 Maintenance of Purification Equipment	1,940	0	
140	843.5 Maintenance of Liquefaction Equipment	15,521	891	
141	843.6 Maintenance of Vaporizing Equipment	9,071	3,212	
142	843.7 Maintenance of Compressor Equipment	248,465	266,638	
143	843.8 Maintenance of Measuring and Regulating Equipment	1,237	0	
144	843.9 Maintenance of Other Equipment	305,403	268,831	
145	TOTAL Maintenance (Total of lines 136 thru 144)	1,125,478	1,224,225	
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	3,459,367	3,387,802	

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			Total Company	
Line No.	Account (a)	Amount for Current Year (b)	Amount for Current Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering	0	0	0
150	844.2 LNG Processing Terminal Labor and Expenses	0	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0	0
154	844.6 Compressor Station Labor and Expenses	0	0	0
155	844.7 Communication System Expenses	0	0	0
156	844.8 System Control and Load Dispatching	0	0	0
157	845.1 Fuel	0	0	0
158	845.2 Power	0	0	0
159	845.3 Rents	0	0	0
160	845.4 Demurrage Charges	0	0	0
161	(Less) 845.5 Wharfage Receipts-Credit	0	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0	0
163	846.1 Gas Losses	0	0	0
164	846.2 Other Expenses	0	0	0
165	TOTAL Operation (Total of lines 149 thru 164)	0	0	0
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering	0	0	0
168	847.2 Maintenance of Structures and Improvements	0	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0	0
173	847.7 Maintenance of Communication Equipment	0	0	0
174	847.8 Maintenance of Other Equipment	0	0	0
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0	0
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 & 175)	0	0	0
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	3,459,367	3,387,802	

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			Total Company	
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering	246,301	270,153	
181	851 System Control and Load Dispatching	0	0	
182	852 Communication System Expenses	0	0	
183	853 Compressor Station Labor and Expenses	1,148,414	1,304,167	
184	854 Gas for Compressor Station Fuel	0	0	
185	855 Other Fuel and Power for Compressor Stations	0	0	
186	856 Mains Expense	82,680	56,866	
187	857 Measuring and Regulating Station Expenses	7,564	29,459	
188	858 Transmission and Compression of Gas by Others	0	0	
189	859 Other Expenses	0	0	
190	860 Rents	0	0	
191	TOTAL Operation (Total of lines 180 thru 190)	1,484,959	1,660,645	
192	Maintenance			
193	861 Maintenance Supervision and Engineering	405,733	455,412	
194	862 Maintenance of Structures and Improvements	0	0	
195	863 Maintenance of Mains	6,253,119	6,987,656	
196	864 Maintenance of Compressor Station Equipment	635,872	363,782	
197	865 Maintenance of Measuring and Regulating Station Equipment	289,891	305,669	
198	866 Maintenance of Communication Equipment	0	0	
199	867 Maintenance of Other Equipment	312,881	311,118	
200	TOTAL Maintenance (Total of lines 193 thru 199)	7,897,496	8,423,637	
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	9,382,455	10,084,282	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	4,054,123	3,993,020	
205	871 Distribution Load Dispatching	0	0	
206	872 Compressor Station Labor and Expenses	0	0	
207	873 Compressor Station Fuel and Power	0	0	

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			Total Company	
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
208	874 Mains and Services Expenses	13,109,568	8,006,382	
209	875 Measuring and Regulating Station Expenses-General	1,438,603	1,519,510	
210	876 Measuring and Regulating Station Expenses-Industrial	159,202	91,574	
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	73,422	45,662	
212	878 Meter and House Regulator Expense	11,671,410	11,499,503	
213	879 Customer Installations Expenses	13,864,562	13,596,620	
214	880 Other Expenses	1,534,840	1,533,112	
215	881 Rents	90,309	67,950	
216	TOTAL Operation (Total of lines 204 thru 215)	45,996,039	40,353,333	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	1,358,000	1,432,494	
219	886 Maintenance of Structures and Improvements	152,007	144,821	
220	887 Maintenance of Mains	10,760,949	9,785,998	
221	888 Maintenance of Compressor Station Equipment	0	0	
222	889 Maintenance of Measuring and Regulating Station Equipment-General	1,220,296	1,307,893	
223	890 Maintenance of Meas. and Regulating Station Equipment-Industrial	2,149,148	1,968,089	
224	891 Maintenance of Meas. and Reg. Station Equip.-City Gate Check Station	274,392	262,152	
225	892 Maintenance of Services	6,437,747	6,420,344	
226	893 Maintenance of Meters and House Regulators	3,190,027	2,509,829	
227	894 Maintenance of Other Equipment	16,745	4,915	
228	TOTAL Maintenance (Total of lines 218 thru 227)	25,559,311	23,836,535	
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	71,555,350	64,189,868	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	764,952	895,280	
233	902 Meter Reading Expenses	1,029,116	1,013,538	
234	903 Customer Records and Collection Expenses	15,363,124	15,282,026	

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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			Total Company	
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	4,219,497	5,015,500	
236	905 Miscellaneous Customer Accounts Expenses	56,162	56,502	
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	21,432,851	22,262,846	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	888,635	1,007,493	
241	908 Customer Assistance Expenses	1,625,000	1,625,000	
242	909 Informational and Instructional Expenses	7,583	20,742	
243	910 Miscellaneous Customer Service and Informational Expenses	8,066	496	
244	TOTAL Customer Service and Informational Expenses (Total lines 240 thru 243)	2,529,284	2,653,731	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	5,734,454	6,068,503	
248	912 Demonstrating and Selling Expenses	10,272	851	
249	913 Advertising Expenses	858,667	1,095,988	
250	916 Miscellaneous Sales Expenses	0	0	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	6,603,393	7,165,342	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	54,277,611	71,677,308	
255	921 Office Supplies and Expenses	19,068,364	16,986,387	
256	(Less) 922 Administrative Expenses Transferred-Credit	(14,794,477)	(16,235,444)	
257	923 Outside Services Employed	25,855,766	26,644,119	
258	924 Property Insurance	314,094	408,482	
259	925 Injuries and Damages	6,986,332	5,893,247	
260	926 Employee Pensions and Benefits	44,147,694	41,606,050	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	9,715,715	10,684,545	
263	(Less) 929 Duplicate Charges-Credit	0	0	
264	930.1 General Advertising Expenses	0	0	
265	930.2 Miscellaneous General Expenses	44,521,784	6,739,096	
266	931 Rents	3,957,246	4,039,965	
267	TOTAL Operation (Enter Total of lines 254 thru 266)	194,050,129	168,443,755	
268	Maintenance			
269	935 Maintenance of General Plant	10,059,837	10,006,474	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	204,109,966	178,450,229	
271	TOTAL Gas O&M Expenses (Total of lines 97, 177, 201, 229, 237, 244, 251, and 270)	702,506,992	720,449,339	

Name of Respondent Piedmont Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/01/17	Year of Report Dec 31, 2016
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Gas Used in Utility Operations

1. Report below details of credits during the year to Accounts 810, 811, and 812.
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expenses or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas		Manufactured Gas	
			Gas Used (Dth) (c)	Amount of Credit (in dollars) (d)	Gas Used (Dth) (e)	Amount of Credit (f)
1	810 Gas used for Compressor Station Fuel - Credit					
2	811 Gas used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, Etc. for Respdt's Gas Processed by Others					
5	812 Gas used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
6	804 Cost of Gas		755,392			
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	TOTAL		755,392			

Name of Respondent	This Report Is:	Date of Report	Year of Report
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MISCELLANEOUS GENERAL EXPENSES (Account 930.2)

1. Provide the information requested below on miscellaneous general expenses. 2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.

Line. No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues	1,063,987
2	Regulatory Amortization	0
3	Risk Insurance	782,363
4	Publishing and distributing information and reports to stockholders, trustee, registrar and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	428,341
5	Other expenses :	
6	Directors' fees and expenses	1,918,481
7	Environmental costs	460,970
8	Miscellaneous general expenses	1,380,506
9	Cost to achieve (CTA) - Merger	38,487,136
10		
11		
12		
13		
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23		
24		
25	Total	44,521,784

Name of Respondent	This Report Is:	Date of Report	Year of Report
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2, 404.3, 405) **Total Company**
(Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.

2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are obtained. If average balances are used, state the method of averaging used. For

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant	0			
2	Production plant, manufactured gas	0			
3	Production and gathering plant, natural gas	0			
4	Products extraction plant	0			
5	Underground gas storage plant	0			
6	Other storage plant	3,874,938			
7	Base load LNG terminaling and processing plant	0			
8	Transmission plant	37,815,256			
9	Distribution plant	75,510,630			
10	General plant	18,765,443	0		
11	Common plant - gas	0			
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	TOTAL	135,966,267	0	0	0

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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2, 404.3, 405) Total Company
(Except Amortization of Acquisition Adjustments) (Continued)

column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to f) (h)	Functional Classification (a)	Line No.
0		0	Intangible plant	1
		0	Production plant, manufactured gas	2
		0	Production and gathering plant, natural gas	3
		0	Products extraction plant	4
		0	Underground gas storage plant	5
		3,874,938	Other storage plant	6
		0	Base load LNG terminaling and processing plant	7
		37,815,256	Transmission plant	8
0		75,510,630	Distribution plant	9
2,338,843		21,104,286	General plant	10
		0	Common plant - gas	11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
2,338,843	0	138,305,110	TOTAL	25

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Name of Respondent	This Report Is:	Date of Report	Year of Report
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)

Total Company

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore		
3	Production Plant, Manufactured Gas	0	Various
4	Underground Gas Storage Plant	180,939	Various
5	Transmission Plant		
6	Transmission Plant	2,219,707	Various
7	Distribution Plant	2,830,282	Various
8	General Plant	379,951	Various
9			
10	Total	5,610,879	Various

Notes to Depreciation, Depletion and Amortization of Gas Plant

Depreciation expense is computed monthly using the straight-line method applied to end of the month depreciable costs. Rates are approved by the state regulatory commissions.

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Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) Miscellaneous Amortization (Account 425) - Describe the nature of item included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts.

Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1		
2	41040 - Federal Def. Inc Tax-Merger NU	\$ 1,145,902
3	41041 - State Def Inc Tax-Merger NU	\$ 155,799
4	42600 - Charitable Contributions	\$ 1,593,440
5	42610 - Misc. Income Deductions	\$ 1,622,629
6	42630 - Penalties	\$ -
7	42640 - Lobbying	\$ 455,327
8	42650 - Abandoned Plant Costs	\$ -
9	42651 - PNG and Duke Merger Costs	\$ 21,859,034
10	42655 - PNG and Duke Transition Costs	\$ (65)
11		\$ 26,832,065
12		
13	43100 - Refunds due customers and others	\$ (2,404,189)
14	43110 - Short-term borrowings	\$ 4,542
15	43115 - Commercial Paper	\$ 2,159,580
16	43120 - Customers' deposits	\$ 1,211,048
17		\$ 970,981
18		
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Name of Respondent Piedmont Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
Regulatory Commission Expenses (Account 928)					
1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.					
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.					
Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1	Legal fees		511,775	511,775	
2					
3	Public Service Commission of South Carolina	331,005			
4					
5	Tennessee inspection fee	953,101			
6					
7	Tennessee - Rate Case 2011 (amortize 8 years 3/1/12 - 2/28/20) - acct 18666				284,948
8	Unrecovered Cost - Robeson Project (amortize thru 2/28/17) - acct 18644				63,609
9	Tennessee - Nashville Flood 2010 (amortize 8 years 3/1/12 - 2/28/20) - acct 18640				379,882
10	North Carolina - Rate Case 2013 (amortized over 5 years beginning January 1, 2014) - acct 18669				464,611
11	TN Environmental Expense - acct 18612				779,251
12	SC Environmental Expense - acct 18611				868,196
13	NC Environmental Expense - acct 18610				3,195,118
14	Amortization of PIM - 18634				(15,310,063)
15					
16	Eastern NC deferred O&M - accts 18210				0
17	Other Expenses		(6,014)	(6,014)	
18					
19					
20	Regulatory Commission Fee required by				
21	North Carolina Utilities Commission:	1,118,398			
22					
23					
24					
25					
26	TOTAL	2,402,504	505,761	505,761	(9,274,448)

Name of Respondent	This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016

Regulatory Commission Expenses (Account 928)

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
6. Minor items (less than \$250,000) may be grouped.

Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 186 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 186 End of Year (l)	Line No.
	92800	511,775					1
							2
	92800	331,005					3
							4
	92800	953,101					5
							6
				92800	89,984	194,964	7
		318,046		92800	63,609	0	8
				92800	119,963	259,919	9
		(149,439)	149,439	92800	232,306	381,744	10
				92800	243,760	535,491	11
		11,585	(8,710)	92800	0	859,486	12
			30,825	92800	1,269,328	1,956,614	13
	93000			92800	3,469,719	(18,779,782)	14
							15
				92800	1,138,589	0	16
	92800	(6,014)					17
							18
							19
							20
	92800	1,118,398					21
							22
							23
							24
							25
		3,088,457	171,554		6,627,258	(14,591,564)	26

Name of Respondent	This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/1/2017	Dec. 31, 2016

Employee Pensions and Benefits (Account 926)

1. Report below the items contained in Account 926, Employee Pensions and Benefits.

Line No.	Expense	Amount
1	Pensions - defined benefit plan	3,960,789
2	Pensions - defined contribution plan	163,721
3	Post-retirement benefits other than pensions (PBOP)	88,416
4	Post-employment benefit plans	0
5	Pensions - nonqualified plans	3,165
6	Expenses of plans	(54,806)
7	Deferred pension funding in Tennessee	(18,000)
8	Pension - supplemental for executive officers	(95,092)
9	Insurance	1,258,572
10	401-K contributions and expenses	12,386
11	Training	801,631
12	Service awards	257,495
13	Employee relocation expenses	208,608
14		
15		
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Total		6,586,885

Name of Respondent	This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016

Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production				
4	Transmission				
5	Distribution				
6	Customer Accounts				
7	Customer Service and Informational				
8	Sales				
9	Administrative and General				
10	TOTAL Operation (Total of lines 3 thru 9)	-	-	-	-
11	Maintenance				
12	Production				
13	Transmission				
14	Distribution				
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)	-	-	-	-
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)				
19	Transmission (Total of lines 4 and 13)				
20	Distribution (Total of lines 5 and 14)				
21	Customer Accounts (line 6)				
22	Customer Service and Informational (line 7)				
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)				
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	-	-	-	-
26	Gas				
27	Operation				
28	Production - Manufactured Gas	27,928	-	-	27,928
29	Production - Natural Gas (Including Exploration and Development)		-	-	-
30	Other Gas Supply	647,503	-	-	647,503
31	Storage, LNG Terminaling and Processing	1,333,694	-	-	1,333,694
32	Transmission	639,368	-	-	639,368
33	Distribution	27,242,076	-	-	27,242,076
34	Customer Accounts	12,648,380	-	-	12,648,380
35	Customer Service and Informational	878,028	-	-	878,028
36	Sales	4,786,728	-	-	4,786,728
37	Administrative and General	41,064,435	-	-	41,064,435
38	TOTAL Operation (Total of lines 28 thru 37)	89,268,138	-	-	89,268,138
39	Maintenance				
40	Production - Manufactured Gas	-	-	-	-
41	Production - Natural Gas (including Exploration and Development)	-	-	-	-
42	Other Gas Supply	-	-	-	-
43	Storage, LNG Terminaling and Processing	983,126	-	-	983,126
44	Transmission	2,688,918	-	-	2,688,918
45	Distribution	17,059,220	-	-	17,059,220

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Distribution of Salaries and Wages (continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General	1,231,253	-	-	1,231,253
47	TOTAL Maintenance (Total of lines 40 thru 46)	21,962,516	-	-	21,962,516
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Lines 28 and 40)	27,928	-	-	27,928
51	Production - Natural Gas (Including Expl. and Dev.) (Lines 29 and 41)	-	-	-	-
52	Other Gas Supply (Total of lines 30 and 42)	647,503	-	-	647,503
53	Storage, LNG Terminaling and Processing (Lines 31 and 43)	2,316,820	-	-	2,316,820
54	Transmission (Total of lines 32 and 44)	3,328,285	-	-	3,328,285
55	Distribution (Total of lines 33 and 45)	44,301,295	-	-	44,301,295
56	Customer Accounts (Line 34)	12,648,380	-	-	12,648,380
57	Customer Service and Informational (Line 35)	878,028	-	-	878,028
58	Sales (Line 36)	4,786,728	-	-	4,786,728
59	Administrative and General (Total of lines 37 and 46)	42,295,687	-	-	42,295,687
60	TOTAL Operation and Maintenance (Total of lines 50 thru 59)	111,230,654	-	665,520	111,896,174
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL All Utility Dept. (Total of lines 25, 60, and 62)	111,230,654	-	665,520	111,896,174
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	-	-	-	-
67	Gas Plant	32,057,197	-	196,441	32,253,638
68	Other	-	-	-	-
69	TOTAL Construction (Total of lines 66 thru 68)	32,057,197	-	196,441	32,253,638
70	Plant Removal (By Utility Departments)				
71	Electric Plant	-	-	-	-
72	Gas Plant	2,009,408	-	28,268	2,037,676
73	Other	-	-	-	-
74	TOTAL Plant Removal (Total of lines 71 thru 73)	2,009,408	-	28,268	2,037,676
73	Other Accounts (Specify):				
73.01	Non-Regulated Business Income	2,596,588	-	15,829	2,612,417
73.02	Non-Utility Subsidiaries and Divisions	-	-	-	-
73.03	CNG	536,847	-	-	536,847
73.04	Other	120,356	-	(79)	120,277
73.05	Clearing Accounts	393,055	-	(905,978)	(512,923)
73.06					
73.07					
73.08					
73.09					
73.10					
73.11					
73.12					
73.13					
73.14					
73.15					
73.16					
73.17					
76	TOTAL Other Accounts	3,646,847	-	(890,229)	2,756,618
77	TOTAL SALARIES AND WAGES	148,944,106	-	-	148,944,106

Name of Respondent Piedmont Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
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Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.

(a) Name of person or organization rendering services.

(b) Total charges for the year.

2. Sum under a description "Other", all of the aforementioned services amounting to \$250,000 or less.

3. Total under a description "Total", the total of all of the aforementioned services.

4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (b)
1	ADM SECURITY SYSTEMS INC Total	2,215,800
2	AEROTEK INC Total	802,759
3	APPALACHIAN PIPELINE CONTRACTORS LP LLP Total	95,268,899
4	APPLING BORING CO INC Total	409,947
5	ARK ENGINEERING & TECHNICAL SERVICES INC Total	267,360
6	ASPHALT & CONCRETE REPAIR INC Total	1,143,826
7	ASSOCIATE STAFFING LLC Total	775,983
8	AUTOMOTIVE RENTALS INC Total	836,716
9	B & G PIPELINE COMPANY Total	21,430,254
10	B H HOLMES CONSTRUCTION COMPANY INC Total	4,179,517
11	BAC PAVING COMPANY INC Total	1,462,151
12	BAKER HUGHES PROCESS AND PIPELINE Total	596,004
13	BENTON-GEORGIA LLC Total	3,312,256
14	BLACKHAWK ENGAGEMENT SOLUTIONS Total	774,180
15	BUSHHOG AMERICA INC Total	691,256
16	C DESIGN INC Total	713,079
17	C J HUGHES CONSTRUCTION CO INC Total	1,108,154
18	CACTX CORPORATION Total	267,507
19	CAPTECH VENTURES LLC Total	703,830
20	CARDINAL SOLUTIONS GROUP INC Total	1,073,446
21	CARDNO, INC Total	967,260
22	CHI ENGINEERING SERVICES INC Total	4,057,919
23	CLEVELAND INTEGRITY SERVICES INC Total	8,714,333
24	CONSTANGY BROOKS & SMITH LLP Total	438,757
25	CROFT & ASSOCIATES LLC Total	398,011
26	CRONLAND LUMBER COMPANY Total	276,400
27	CSC CONSULTING INC Total	16,905,000
28	DANFORTH CONSTRUCTION GROUP LLC Total	390,275
29	DELOITTE & TOUCHE LLP Total	1,537,200
30	DISTRIBUTION CONSTRUCTION LLC Total	11,095,931
31	DIVERSIFIED ENERGY SERVICES INC Total	2,392,312
32	E COMMERCE GROUP PRODUCTS INC Total	975,196
33	EAST COAST RIGHT OF WAY MAINTENANCE INC Total	1,401,630
34	ELECTRICAL & INSTRUMENTATION UNLIMITED Total	278,941
35	ENERGY LAND & INFRASTRUCTURE LLC Total	6,621,838

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Charges for Outside Professional and Other Consultative Services			
Line No.	Description (a)	Amount (b)	
36	ENVIROTRAC LTD Total	600,866	
37	ERNST & YOUNG, LLP Total	307,476	
38	FARNSWORTH GROUP INC Total	918,262	
39	FILESOLVE Total	528,766	
40	FIRSTPOINT COLLECTION RESOURCES INC Total	3,069,451	
41	G CAMPBELL CONSTRUCTION CO INC Total	1,058,690	
42	GAS TRANSMISSION SYSTEMS, INC Total	724,684	
43	GLEEDS USA INC Total	1,215,050	
44	GOLDMAN SACHS & CO Total	18,398,316	
45	GREENE'S ENERGY GROUP LLC Total	2,507,834	
46	HEATH CONSULTANTS INC Total	2,482,572	
47	HIGHWAYS INC Total	959,479	
48	HOLLINGSWORTH FUNDS INC Total	638,480	
49	IBM CORPORATION Total	4,636,337	
50	IMA INC Total	974,045	
51	INFRA SOURCE CONSTRUCTION SERVICES LLC Total	1,231,699	
52	IRTH SOLUTIONS Total	262,054	
53	J B GIBBS & SON CONSTRUCTION CO INC Total	1,736,716	
54	JACKSON BUILDERS INC Total	7,326,869	
55	JM BEST ENTERTAINMENT Total	330,887	
56	KESTREL ENGINEERING INC Total	795,640	
57	KIEFNER & ASSOCIATES INC Total	323,210	
58	KIRKLAND & ELLIS LLP Total	2,737,676	
59	KLEINFELDER INC Total	5,206,885	
60	M A ENGINEERING CONSULTANTS INC Total	571,735	
61	MAGNOLIA RIVER OF NC PLLC Total	699,921	
62	MCKIM & CREED INC Total	527,215	
63	MEARS CONSTRUCTION LLC Total	611,055	
64	MEARS/CPG LLC INC Total	15,559,266	
65	MEDIA POWER ADVERTISING INC Total	391,403	
66	MERIDIAN CONSTRUCTION CONSULTANTS Total	11,508,771	
67	MESA PRODUCTS INC Total	660,965	
68	METROLINA SERVICES INC Total	515,942	
69	MID-OHIO PIPELINE SERVICES LLC Total	1,024,321	
70	MILLER PIPELINE CORPORATION Total	7,474,398	

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Charges for Outside Professional and Other Consultative Services				
Line No.	Description (a)	Amount (b)		
71	MISTRAS GROUP INC Total	3,930,440		
72	MOORE & VAN ALLEN PLLC Total	1,029,043		
73	MOSS WELDING LLC Total	1,477,102		
74	N C 811 INC Total	261,071		
75	NETTEL USA INC Total	374,189		
76	NORTHSTAR ENERGY SERVICES INC Total	52,123,920		
77	PALMETTO ASPHALT DIV Total	331,659		
78	PARKER POE ADAMS & BERNSTEIN LLP Total	2,970,901		
79	PARKER STOCKSTILL CONSTRUCTION INC Total	6,099,502		
80	PCUBED, INC Total	315,430		
81	PERCHERON FIELD SERVICES, LLC Total	6,663,241		
82	PRICEWATERHOUSECOOPERS LLP Total	4,024,872		
83	PRIMORIS PIPELINE SERVICES CORPORATION Total	816,640		
84	PROFESSIONAL PROPERTY SERVICES INC Total	288,617		
85	QUEENS TREE SURGERY, INC Total	1,214,615		
86	RBC CAPITAL MARKETS LLC Total	502,954		
87	REGIONAL LAND SURVEYORS INC Total	1,642,219		
88	REGULUS INTEGRATED SOLUTIONS LLC Total	3,071,090		
89	ROSEN USA INC Total	440,271		
90	SIGNATURE COMMERCIAL SOLUTIONS LLC Total	618,280		
91	SIGNATURE CONSULTANTS LLC Total	1,188,533		
92	SMITH ANDERSON BLOUNT DORSETT Total	534,786		
93	SMITH EXCAVATING LLC Total	1,177,570		
94	SOUTHEAST CONNECTIONS LLC Total	7,260,283		
95	STANDARD & POOR'S INC Total	253,750		
96	STRUCTURAL INTEGRITY ASSOCIATES INC Total	1,314,477		
97	SYSTEM ONE HOLDINGS LLC Total	1,167,482		
98	TDW SERVICES / TD WILLIAMSON Total	2,289,579		
99	TEAM CONSTRUCTION LLC Total	4,307,012		
100	TEKSYSTEMS INC Total	1,216,561		
101	TENNESSEE TECH CONSULTANTS Total	369,806		
102	TROY CONSTRUCTION LLC Total	55,608,966		
103	TULSA INSPECTION RESOURCES -PUC LLC Total	3,726,111		
104	U S DEPT OF TRANSPORTATION Total	932,954		
105	UNIVERSAL ENSCO, INC. Total	1,589,970		

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Charges for Outside Professional and Other Consultative Services

Line No.	Description (a)	Amount (b)
106	URS CORPORATION Total	5,365,009
107	URS GROUP Total	491,965
108	USIC LOCATING SERVICES INC Total	9,068,250
109	UTILLIGENT LLC Total	2,988,930
110	WALLER LANSDEN DORTCH & DAVIS Total	300,578
111	WIPRO LLC Total	8,797,231
112		
113	Other	21,344,026
114		
115		
116	TOTAL	512,490,750
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Name of Respondent		This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/2017	Dec. 31, 2016
Transactions with Associated (Affiliated) Companies				
1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.				
2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.				
3. Total under a description "Total", the total of all of the aforementioned goods and services.				
4. Where amounts billed or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.				
Line No.	Description of the Good or Service	Name of Associated/Affiliated Company	Account(s) Charged or Credited	Amount Charged or Credited
	(a)	(b)	(c)	(d)
1	Goods or Services Provided by Affiliated Company			
2				
3	Fixed Storage Costs:			
4	Pine Needle LNG Company, LLC	Piedmont Interstate Pipeline Company	80400	10,478,002
5				
6	Gas Cost Demand Charges:			
7	Cardinal Pipeline Company	Piedmont Intrastate Pipeline Company	80400	8,742,659
8	Hardy Storage Company, LLC	Piedmont Hardy Storage Company	80400	9,289,819
9				
10	Cash Sweep from Subsidiaries to Parent, including			
11	Accrued Interest:	Piedmont Energy Partners	12421, 12422	273,635
12		Piedmont Interstate Pipeline Company	12421, 12422	4,742,516
13		Piedmont Intrastate Pipeline Company	12421, 12422	2,649,558
14		Piedmont Energy Company	12421, 12422	194,906,331
15		Piedmont Hardy Storage Company	12424, 12425	2,216,060
16				
17				
18	Total			233,298,581
19				
20	Goods or Services Provided for Affiliated Company			
21				
22	Gas Sold at Market Rates:			
23	SouthStar Energy Services LLC	Piedmont Energy Company	Various	290,601
24				
25	Payroll, Related Taxes and Benefits - allocated based	Piedmont Interstate Pipeline Company		10,115
26	on estimate of time spent on joint venture of subsidiary	Piedmont Intrastate Pipeline Company		10,115
27	by certain employees	Piedmont Energy Company		17,836
28		Piedmont Hardy Storage Company		10,115
29		Piedmont Constitution Pipeline Company		8,103
30		Piedmont ACP Company LLC		19,697
31				
32	Other	Piedmont Propane Company, Piedmont Interstate	Various	11,609
33		Pipeline Company, Piedmont Intrastate Pipeline		
34		Company, Piedmont Energy Company, Piedmont		
35		Energy Partners, Piedmont ENCNG Company,		
36		Piedmont Constitution		
37				
38				
39				
40				
41				
42				
43				
44				
45	Total			378,190

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Compressor Stations

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.

2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)	Expenses (except depreciation and taxes) Fuel (e) *
1	Cabarrus, NC	5	23,675	44,117,003	
2					
3	Pembroke, NC	2	2,592	1,995,062	
4					
5	Battleboro, NC	2	2,678	1,513,616	
6					
7	Monroe, NC	3	4,045	11,858,009	
8					
9	Clayton, NC	3	10,500	37,413,482	
10					
11	Wadesboro/Anson NC	4	18,940	42,400,574	
12					
13	Lumberton/Robeson NC	2	4,750	24,008,265	
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

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Compressor Stations

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation.

3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used. Show separate entries for natural gas and for the other fuel or power.

Line No.	Expenses (except depreciation and taxes)		Gas for Compressor Fuel in Dth (h)	Operational Data		Date of Station Peak (l)
	Power (f) *	Other (g) *		Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	
1			253,149.0	9,040	2	2/26/2016
2						
3			6,389.0	477	1	1/19/2016
4						
5			14,262.0	589	1	1/18/2016
6						
7			4,486.0	467	2	2/15/2016
8						
9			N/A - Electric	3,976	1	11/10/2016
10						
11			246,518.0	8,973	3	2/26/2016
12						
13			41,325.0	3,534	1	1/12/2016
16						
17						
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GAS STORAGE PROJECTS

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (b)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January	368,935		368,935
3	February	318,218		318,218
4	March	434,030		434,030
5	April	2,351,871		2,351,871
6	May	1,949,896		1,949,896
7	June	2,078,149		2,078,149
8	July	3,388,417		3,388,417
9	August	2,954,518		2,954,518
10	September	2,580,589		2,580,589
11	October	1,842,204		1,842,204
12	November	750,705		750,705
13	December	937,151		937,151
14	TOTAL (Total of Lines 2 thru 13)	19,954,683		19,954,683
15	Gas Withdrawn from Storage (net of fuel to Citygate)			
16	January	7,239,308		7,239,308
17	February	5,751,899		5,751,899
18	March	2,781,329		2,781,329
19	April	342,129		342,129
20	May	303,417		303,417
21	June	130,276		130,276
22	July	136,459		136,459
23	August	75,118		75,118
24	September	52,748		52,748
25	October	216,448		216,448
26	November	1,845,099		1,845,099
27	December	2,762,728		2,762,728
28	TOTAL (Total of Lines 16 thru 27)	21,636,958		21,636,958

Name of Respondent Piedmont Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/2017	Year of Report Dec. 31, 2016
GAS STORAGE PROJECTS (continued)				
1. On line 4, enter the total storage capacity certificated by FERC. 2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.				
Line No.	Item (a)	Total Amounts (b)		
STORAGE OPERATIONS				
1	Top or Working Gas End of Year	0		
2	Cushion Gas (Including Native Gas)	0		
3	Total Gas in Reservoir (Total of Line 1 and Line 2)	0		
4	Certificated Storage Capacity	N/A		
5	Number of Injection - Withdrawal Wells	N/A		
6	Number of Observation Wells	N/A		
7	Maximum Days' Withdrawal from Storage	116,015		
8	Date of Maximum Days' Withdrawal	12/16/16		
9	LNG Terminal Companies (In Dth)	N/A		
10	Number of Tanks	3		
11	Capacity of Tanks	870,000 BARRELS		
12	LNG Volume			
13	Received at "Ship Rail"	N/A		
14	Transferred to Tanks	N/A		
15	Withdrawn from Tanks	N/A		
16	"Boil Off" Vaporization Loss	N/A		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Piedmont Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/01/17	Dec. 31, 2016

TRANSMISSION LINES

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owed.
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)			*	Total Miles of Pipe (c)
	(b)	(b)	(b)		
1	<u>Distribution</u>				
2		<u>NC</u>	<u>SC</u>		
3	Other	10.9	0.3		12.4
4	2" and less	10,645.3	2,464.8		15,611.8
5	Over 2" through 4"	3,016.2	712.4		4,301.3
6	Over 4" through 8"	2,038.6	450.2		2,749.3
7	Over 8" through 12"	168.4	62.4		298.6
8	Over 12"	4.1	0.0		12.5
9	TOTAL	15,883.5	3,690.1		22,985.9
10					
11		<u>Transmission</u>			
12		<u>NC</u>	<u>SC</u>		
13					
14	4" and less	398.5	14.4		413.3
15	6"	483.0	32.1		515.4
16	8"	357.3	18.1		393.6
17	10"	358.9	3.8		362.7
18	12"	703.5	37.9		764.2
19	14"	0.0	0.0		0.0
20	16"	178.4	0.0		184.3
21	18"	1.1	0.0		1.1
22	20"	168.5	0.0		185.6
23	22"	0.0	0.0		0.0
24	24"	12.9	0.0		13.0
25	26"	0.0	0.0		0.0
26	28"	0.0	0.0		0.0
27	30"	103.1	0.0		103.1
28	Over 30"	0.0	0.0		0.0
29	TOTAL	2,765.2	106.3		2,936.3
30					
31					
32	TOTAL	18,648.7	3,796.4		25,922.2

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year of Report
Piedmont Natural Gas Company		04/01/17	Dec. 31, 2016

AUXILIARY PEAKING FACILITIES

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.

2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.

3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility, Dt at 14.73 psia at 60 degrees (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1	Charlotte, NC & Bentonville, NC	LNG	190,000	125,652,955	No
2					
3	Nashville, TN	LNG	80,000	63,559,522	No
4					
5					
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Name of Respondent Piedmont Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year/Period of Report Dec 31, 2016
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Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
5. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
6. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were to transported through any interstate portion of the reporting pipeline
7. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
8. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportations and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
9. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

01 NAME OF SYSTEM:

Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (c)
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805)		171,488,803
4	Gas of Others Received for Gathering (Account 489.1)	303	
5	Gas of Others Received for Transmission (Account 489.2)	305	
6	Gas of Others Received for Distribution (Account 489.3)	301	394,698,655
7	Gas of Others Received for Contract Storage (Account 489.4)	307	
8	Exchange Gas Received from Others (Account 806)	328	
9	Gas Received as Imbalances (Account 806)	328	(4,781)
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	
11	Other Gas Withdrawn from Storage (Explain)		21,636,958
12	Gas Received from Shippers as Compressor Station Fuel		
13	Gas Received from Shippers as Loss and Unaccounted for		
14			
15	Total Receipts (Total of lines 3 thru 14)		587,819,635
16	GAS DELIVERED		
17	Gas Sales (Accounts 480-484)		172,220,696
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	
19	Deliveries of Gas Transported for Others (Account 489.2)	305	394,698,655
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	
21	Deliveries of Contract Storage Gas (Account 489.4)	307	
22	Exchange Gas Delivered to Others (Account 806)	328	
23	Gas Delivered as Imbalances (Account 806)	328	
24	Deliveries of Gas to Others for Transportation (Account 858)	332	
25	Other Gas Delivered to Storage (Explain)		19,954,683
26	Gas Used for Compressor Station Fuel	509	
27	Other Deliveries (Specify) (Company Usage)		755,392
28	Total Deliveries (Total of lines 17 thru 27)		587,629,426
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		190,209
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted For (Total of lines 30 thru 35)		190,209
37	Total Deliveries & Unaccounted For Total of lines 28 and 36)		587,819,635

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/01/17	Year of Report Dec. 31, 2016
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SYSTEM MAPS

1. Furnish 5 copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.

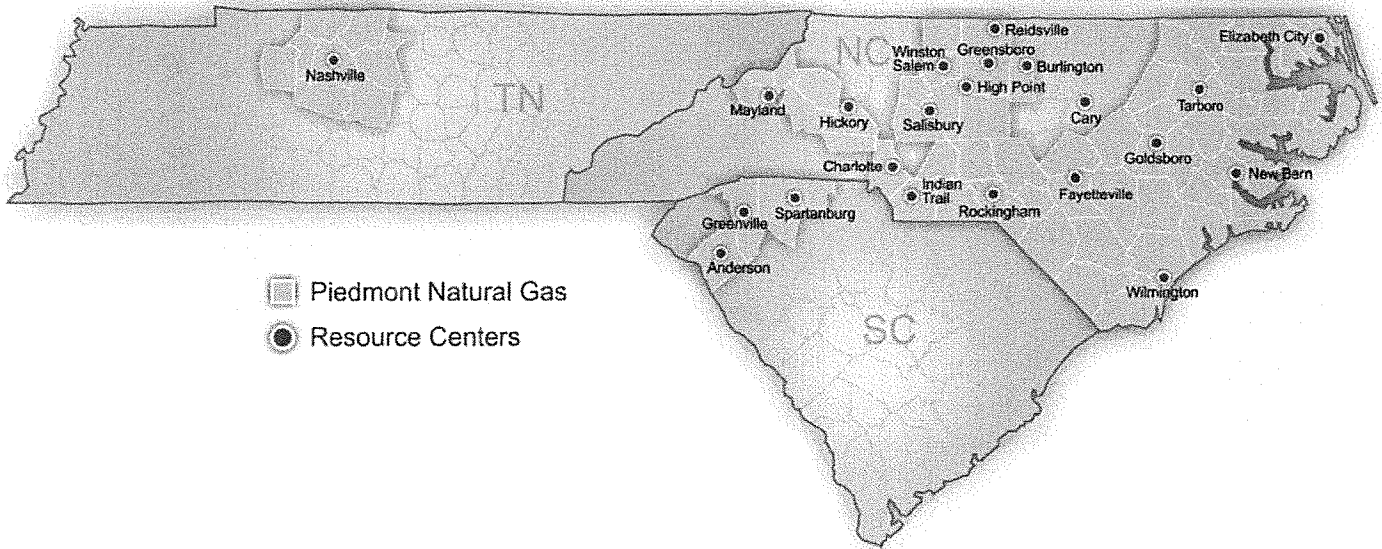
2. Indicated the following information on the maps:

- (a) Transmission lines.
- (b) Incremental facilities.
- (c) Location of gathering areas.
- (d) Location of zones and rate areas.
- (e) Location of storage fields.
- (f) Location of natural gas fields.

- (g) Location of compressor stations.
- (h) Normal direction of gas flow (indicated by arrows).
- (i) Size of pipe.
- (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
- (k) Principal communities receiving service through the respondent's pipeline.

3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.

4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.



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