

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information						
1a Name of plan PIEDMONT NATURAL GAS COMPANY, INC. 401(K) PLAN	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td>007</td> </tr> <tr> <td>1c Effective date of plan</td> <td>11/01/1989</td> </tr> </table>	1b Three-digit plan number (PN) ►	007	1c Effective date of plan	11/01/1989		
1b Three-digit plan number (PN) ►	007						
1c Effective date of plan	11/01/1989						
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) PIEDMONT NATURAL GAS COMPANY, INC. 4720 PIEDMONT ROW DRIVE CHARLOTTE, NC 28210	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td>56-0556998</td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td>704-364-3120</td> </tr> <tr> <td>2d Business code (see instructions)</td> <td>221210</td> </tr> </table>	2b Employer Identification Number (EIN)	56-0556998	2c Sponsor's telephone number	704-364-3120	2d Business code (see instructions)	221210
2b Employer Identification Number (EIN)	56-0556998						
2c Sponsor's telephone number	704-364-3120						
2d Business code (see instructions)	221210						

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2012	RENEE METZLER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
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3a Plan administrator's name and address (if same as plan sponsor, enter "Same") PIEDMONT NATURAL GAS COMPANY, INC. 4720 PIEDMONT ROW DRIVE CHARLOTTE, NC 28210	3b Administrator's EIN 56-0556998 3c Administrator's telephone number 704-364-3120
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	1974
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	1801
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	156
d Subtotal. Add lines 6a , 6b , and 6c	6d	1957
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	21
f Total. Add lines 6d and 6e	6f	1978
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	1951
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	2

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2O 2S 2T 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>PIEDMONT NATURAL GAS COMPANY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>007</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PIEDMONT NATURAL GAS COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>56-0556998</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

CAPTRUST FINANCIAL PARTNERS, LLC

26-0058143

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	306175	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2011 <hr/> This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>PIEDMONT NATURAL GAS COMPANY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN)	<u>007</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>PIEDMONT NATURAL GAS COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>56-0556998</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: PIEDMONT NATURAL GAS MASTER TRUST

b Name of sponsor of entity listed in (a): PIEDMONT NATURAL GAS COMPANY, INC.

c EIN-PN <u>56-6039828-010</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>152451234</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>PIEDMONT NATURAL GAS COMPANY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>007</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PIEDMONT NATURAL GAS COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>56-0556998</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	99905	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	6287258	6680260
(9) Value of interest in common/collective trusts.....	1c(9)	49708370	
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		152451234
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	93269216	
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	6674950	
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	156039699	159131494

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	99905	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	99905	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	155939794	159131494
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	5276999	
(B) Participants	2a(1)(B)	8104616	
(C) Others (including rollovers)	2a(1)(C)	387395	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		13769010

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	431470	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		431470

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		864632
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		15065112

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	11567237	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		11567237
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	306175	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		306175
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		11873412

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		3191700
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MCGLADREY LLP

(2) EIN: 42-0714325

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	X		

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>PIEDMONT NATURAL GAS COMPANY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>007</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PIEDMONT NATURAL GAS COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>56-0556998</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>56-1354495</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____



Independent Auditor's Report

To the Benefits Committee and Participants in
Piedmont Natural Gas Company, Inc. 401(k) Plan
Charlotte, North Carolina

We have audited the accompanying statements of net assets available for benefits of Piedmont Natural Gas Company, Inc. 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Piedmont Natural Gas Company, Inc. 401(k) Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2011, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McGladrey LLP

Charlotte, North Carolina
June 27, 2012

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

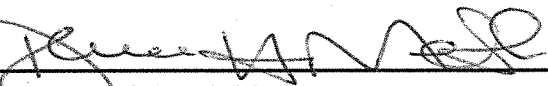
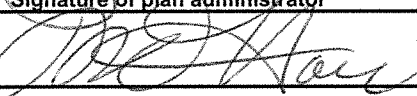
This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**OMB Nos. 1210-0110
1210-0089**2011****This Form is Open to Public Inspection****Part I Annual Report Identification Information**For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

- A** This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan; or
☒ a single-employer plan; ☐ a DFE (specify) _____
- B** This return/report is: ☐ the first return/report; ☐ the final return/report;
☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
- C** If the plan is a collectively-bargained plan, check here. ☐
- D** Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program;
☐ special extension (enter description) _____

Part II Basic Plan Information—enter all requested information**1a** Name of plan PIEDMONT NATURAL GAS COMPANY, INC. 401(k) PLAN**1b** Three-digit plan number (PN) ▶ 00711/01/1989**2a** Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)PIEDMONT NATURAL GAS COMPANY, INC.4720 PIEDMONT ROW DRIVECHARLOTTENC 28210**2b** Employer Identification Number (EIN)
56-0556998**2c** Sponsor's telephone number
(704) 364-3120**2d** Business code (see instructions)
221210**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		<u>10-10-12</u>	RENEE METZLER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		<u>10.10.12</u>	KEVIN O'HARA
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SAME		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5	1,974
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a, 6b, 6c, and 6d).		
a Active participants	6a	1,801
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits	6c	156
d Subtotal. Add lines 6a, 6b, and 6c.	6d	1,957
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	21
f Total. Add lines 6d and 6e.....	6f	1,978
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	1,951
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	2
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 2E 2F 2G 2J 2K 2O 2S 2T 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:		

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information - Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Piedmont Natural Gas Company, Inc. 401(k) Plan

Statements of Net Assets Available for Benefits as of December 31,
2011 and 2010 and Statement of Changes in Net Assets Available
for Benefits for the Year Ended December 31, 2011

Supplemental Schedule as of December 31, 2011 and Independent
Auditor's Report

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Supplemental Schedule as of December 31, 2011	
Form 5500, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year)	19

NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



Independent Auditor's Report

To the Benefits Committee and Participants in
Piedmont Natural Gas Company, Inc. 401(k) Plan
Charlotte, North Carolina

We have audited the accompanying statements of net assets available for benefits of Piedmont Natural Gas Company, Inc. 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Piedmont Natural Gas Company, Inc. 401(k) Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2011, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McGladrey LLP

Charlotte, North Carolina
June 27, 2012

Piedmont Natural Gas Company, Inc. 401(k) Plan

**Statements of Net Assets Available for Benefits
December 31, 2011 and 2010**

	2011	2010
Assets		
Plan interest in the Master Trust (Notes 3, 4, 7, 8, and 9)	\$ 159,131,494	\$ -
Participant-directed investments (Notes 3, 7, 8 and 9)	-	149,652,536
Receivable - due from broker for securities sold	-	99,905
Receivable - participant loans	-	6,287,258
	<hr/>	<hr/>
Total assets	159,131,494	156,039,699
Liabilities		
Due to broker for securities purchased	-	90,405
Other	-	9,500
	<hr/>	<hr/>
Net assets available for benefits at fair value	159,131,494	155,939,794
Adjustment from fair value to contract value for interest in common collective trust relating to fully benefit-responsive investment contracts	 (871,579)	 (626,268)
	<hr/>	<hr/>
Net assets available for benefits	\$ 158,259,915	\$ 155,313,526
	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements.

Piedmont Natural Gas Company, Inc. 401(k) Plan

**Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2011**

Additions to net assets attributed to:	
Investment income in Master Trust:	
Net depreciation in fair value of investments (Note 3)	\$ (1,214,453)
Interest, dividends and other	<u>1,997,005</u>
Total investment income in Master Trust	<u>782,552</u>
Interest income on participant loans receivable	<u>431,470</u>
Contributions:	
Employer	5,276,999
Participant	8,104,616
Participant rollovers	<u>387,395</u>
Total contributions	<u>13,769,010</u>
Total additions	<u>14,983,032</u>
Deductions from net assets attributed to:	
Benefits paid to participants	11,567,237
Expenses (Note 7)	<u>469,406</u>
Total deductions	<u>12,036,643</u>
Net increase	2,946,389
Net assets available for benefits:	
Beginning of year	<u>155,313,526</u>
End of year	<u><u>\$ 158,259,915</u></u>

See Notes to Financial Statements.

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 1. Description of the Plan

The following description of Piedmont Natural Gas Company, Inc. (the "Company") 401(k) Plan ("the Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General: The Plan is a defined contribution plan providing benefits to participating employees or their beneficiaries upon retirement, death or termination of employment (following a break in service, as defined in the Plan). As a result of a plan merger effective on October 1, 2001, participants' accounts in the Company's employee stock ownership plan (ESOP) were transferred into the Plan. Former ESOP participants may remain invested in Piedmont Natural Gas Company, Inc. ("Piedmont") common stock in the Plan or may sell the common stock at any time and reinvest the proceeds in other available investment options.

Employees become eligible to participate in the Plan on the first day of any pay period after they have completed thirty days of continuous service with the Company and attained age 18. The Benefits Committee of the Board of Directors of the Company controls and manages the operation and administration of the Plan. Wells Fargo Bank, N.A. ("Wells Fargo") serves as the trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Plan administration: The Plan is administered by the Benefits Committee. Effective January 1, 2011, the Company entered into an agreement with Wells Fargo to create the Piedmont Natural Gas Company, Inc. Master Trust (the "Master Trust"). The Master Trust includes the investment assets of each of the benefit plans maintained by the Company as further described in more detail in Note 4. Wells Fargo is responsible for the custody and management of the Plan's assets.

Contributions: Employees are able to contribute up to 50% of eligible pay to the Plan on a pre-tax basis, up to the Tax Code annual contribution limit. Employees are able to receive a company match of 100% up to the first 5% of eligible pay contributed. The Company automatically enrolls all newly eligible employees in the Plan at a 2% contribution rate unless the employee chooses not to participate by notifying the Plan trustee. For employees who are automatically enrolled in the Plan, the Company will 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 the trustee. If the employee does not make an investment election, employee contributions and matches are automatically invested in a diversified portfolio of stocks and bonds. Participants may invest in Piedmont common stock up to a maximum of 20% of their account. Employees may change their contribution rate and investments at any time. Additional amounts may be contributed by the Company at the discretion of the Company's Board of Directors. There were no discretionary Company contributions during the year ended December 31, 2011. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Participant accounts: Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the Company's matching contribution, and allocations of Company discretionary contributions, if applicable, and Plan earnings, and charged with any benefit payments and allocations of plan losses and expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 1. Description of the Plan (Continued)

Investments: Participants direct the investment of their contributions into various investment options offered by the Plan. Currently, the Plan offers eleven mutual funds, one common trust fund, one common collective trust fund, and one common stock fund as investment options for participants.

Vesting: All participant contributions and earnings thereon are fully vested and nonforfeitable upon allocation to the participants' accounts. A participant will become 100% vested in his employer matching contributions after the participant completes six months of service.

Participant loans: Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their account balances, whichever is less. Loans must be entirely repaid within 5 years unless the loan is for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at the average yield of five-year U.S. Treasury notes. Principal and interest are paid ratably through payroll deductions. Interest rates on loans range from 6.77% to 7.00% at December 31, 2011.

Payment of benefits: Upon termination of service, the vested balance of a participant's account will be paid to the participant, or, in the case of death, to the spouse or beneficiary, if any, in a single, lump sum of cash or common stock as permitted by the Plan.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The accompanying financial statements of the Plan are prepared under the accrual method of accounting.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment contracts: As described in the authoritative guidance, fully benefit-responsive investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan.

The Plan invests in investment contracts through a collective trust in the Wells Fargo Stable Return Fund (G) for 2011 and the Union Bond & Trust Company in 2010. As required by the guidance, the statements of net assets available for benefits presents the fair value of the investments in the collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 2. Summary of Accounting Policies (Continued)

Investment valuation and income recognition: Investments are reported at fair value. 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. See Note 8 for disclosure of our fair value measurements.

We utilize market data or assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally observable. We primarily apply the market approach for recurring fair value measurements and endeavor to utilize the best available information. Accordingly, we use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. We are able to 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.

Following is a description of the valuation methodologies used for our investment assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Cash equivalents: Valued at the net asset value ("NAV") of the funds in which it participates at year-end.

Common stock and hedging instruments: Valued at the closing price reported on the active market on which individual securities are traded.

Common stock fund: Calculated based on the closing price reported on the active market on which the securities in the fund are traded.

Mutual funds and net assets held in 401(h) account: Valued at the NAV of shares held by the Master Trust at year-end.

Common trust fund, commodities fund, and multi-strategy hedge fund: Valued at the NAV of the funds in which it participates at year-end.

Hedge fund of funds: Valued based on a quarterly compilation of the financial statements from the underlying partnerships in which the fund invests.

Corporate bonds, collateralized mortgage obligations, government and agency bonds, municipal bonds, and mortgage-backed pass-throughs: Valued based on a compilation of primary observable market information or a broker quote in a non-active market.

Common collective trust fund: Valued at NAV based on information provided by the trustee and using the audited financial statements of the common collective trust at year-end.

Level 1 inputs are quoted prices (unadjusted) or NAVs in active markets that we have the ability to access as of the reporting date and consist of investments in cash equivalents, common stock, a common stock fund, hedging instruments, and mutual funds. Level 2 inputs are inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly corroborated or observable as of the reporting date and generally use valuation methodologies, and consist of common trust funds, various fixed income investment types, multi-strategy hedge funds, commodities funds, and a common collective trust fund as discussed in "Investment contracts" above. These investments are classified as Level 2 as their fair value is estimated using pricing models and discounted cash flows that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, and credit spreads. Level 3 inputs include significant pricing inputs that are generally less observable from objective sources and consist of hedge fund of funds.

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 2. Summary of Accounting Policies (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Management fees and operating expenses charged to the Plan for investments in the mutual funds and common trust fund are deducted from income earned on a daily basis and are not separately reflected.

Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Contributions: Contributions from employees of the Plan Sponsor and matching contributions from the Plan Sponsor are recorded in the year in which the employee contributions are withheld along with the applicable matching contribution. All employee and employer contributions are participant-directed.

Payment of benefits: Benefit payments to participants are recorded when paid.

Expenses: As provided by the plan document, administrative expenses (excluding certain trustee and fund management expenses) of the Plan are paid by the Company.

Subsequent events: We monitor significant events occurring after the balance sheet date and prior to the issuance of the financial statements to determine the impacts, if any, of events on the financial statements to be issued. All subsequent events of which we are aware were evaluated through the filing date of this Form 11-K.

Accounting pronouncements: In January 2010, the FASB released Accounting Standards Update No. 2010-06 ("ASU 2010-06"), *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurement*. The update requires the Company to (a) disclose transfers in and out of Levels One and Two, in addition to transfers in and out of Level Three and (b) separately disclose purchases, sales, issuances, and settlements of Level Three securities. Additionally, ASU 2010-06 clarifies the information the Company currently discloses regarding valuation techniques, inputs used in those valuation models, and at what level of detail fair value disclosures should be provided. ASU 2010-06 was effective for interim and annual reporting periods beginning after December 15, 2009, except for the disaggregation of the Level Three activity, which was effective for interim and annual periods beginning after December 15, 2010. ASU 2010-06 did not materially impact the Plan's fair value disclosures.

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

In September 2010, the FASB issued an amendment ("ASU 2010-25"), *Plan Accounting – Defined Contribution Pension Plans (Topic 962): Reporting Loans to Participants by Defined Contribution Plans*, which provides guidance on how loans to participants should be classified and measured by defined contribution pension plans. This amendment requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their principal balance plus any accrued but unpaid interest. This amendment was effective for periods ending after December 15, 2010, with early adoption permitted. This amendment requires retrospective application to all periods presented. This amendment was adopted for the year ended December 31, 2010.

In May 2011, the FASB issued an amendment ("ASU 2011-04"), *Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*, which provides guidance to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and International Financial Reporting Standards (IFRS). The amendments are not intended to change the application of the current fair value requirements, but to clarify the application of existing requirements. The guidance does change particular principles or requirements for measuring fair value or disclosing information about fair value measurements. To improve consistency, language has been changed to ensure that U.S. GAAP and IFRS fair value measurement and disclosure requirements are described in the same way. The guidance will be effective for annual periods beginning after December 15, 2011. The guidance will primarily impact the Plan's disclosures but otherwise is not expected to have a material impact on the Plan's financial statements.

Note 3. Investments

The Master Trust's investments that represent 5% or more of net assets available for benefits as of December 31, 2011, which includes the fully benefit-responsive contracts as described in Note 2, are as follows:

Wells Fargo Stable Return Fund (G) ** - 695,298 shares	\$ 34,941,345
Paps Long Duration Corporate Bond Fund - 5,650,385 shares	65,487,958

As of December 31, 2011, the Plan holds 694,588 shares of the Wells Fargo Stable Return Fund (G) with a fair value of \$34,905,675, which represents 5% or more of the Master Trust's net assets available for benefits.

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 3. Investments (Continued)

The Plan's investments that represent 5% or more of net assets available for benefits as of December 31, 2010, which includes the fully benefit-responsive contracts as described in Note 2, are as follows:

Wells Fargo Enhanced Stock Market Fund - 173,894 units	\$ 16,809,633
American Funds The Growth Fund of America (A) - 514,173 shares	15,651,424
Union Bond & Trust Company Stable Value Fund **- 1,396,073 units	32,898,737
Dodge & Cox Income Fund - 1,288,476 shares	17,046,533
Dodge & Cox Stock Fund - 118,118 shares	12,728,358
Munder Mid Cap Core Growth Fund (A) - 331,514 shares	9,245,922
American Europacific Growth Fund (A) - 255,795 shares	10,582,250

** Represents fully benefit-responsive investment contracts.

The Plan invests in a fully benefit-responsive investment contract through the Wells Fargo Stable Return Fund (G) in 2011 and invested in the Union Bond & Trust Company Stable Value Fund in 2010 (the "Fund"). The accounts are maintained in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The objective of the Fund is to protect principal while providing a higher rate of return than shorter maturity investments, such as money market funds or certificates of deposit. To achieve this, the Fund invests in instruments which are not expected to experience significant price fluctuation in most economic or interest rate environments. However, there is no assurance that this objective can be achieved.

Market value events may limit the ability of the Funds to transact at contract value with the issuer. Such events may include but are not limited to: Fund administration is amended or changed, merger or consolidation of investors, group terminations or layoffs, implementation of an early retirement program, termination or partial termination of the Fund, and failure to meet certain tax qualifications. The Plan does not believe that such events are likely to occur.

The fair value of the investment contract at December 31, 2011 was \$34,941,345 in the Master Trust and at December 31, 2010 was \$32,898,737 in the Plan. The average yield earned based on actual earnings was 0.6% for 2011.

The Plan's participants invest in various investment securities offered by the Plan. These investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 4. Plan Interest in Master Trust

Effective January 1, 2011, the Plan's assets are held in a Master Trust. The Master Trust holds the assets of the Piedmont Natural Gas Company, Inc. 401(k) Plan, the Piedmont Natural Gas Company, Inc. Money Purchase Pension Plan, and the Retirement Plan of Piedmont Natural Gas Company, Inc. (collectively the "Plans"). The investment in the Piedmont Natural Gas Stock Fund represents a specific interest to the Plan, as the Plan is the sole owner of this investment. The Plans' record keeper maintains supporting records for the purpose of allocating net assets and net gains or losses of the investments to each of the Plans and to each participant's account, as necessary. The net investment income or loss of the investment assets is allocated by the record keeper to each Plan and to each participant's account based on the investment held in participant directed balances.

The net assets of the Master Trust at December 31, 2011 consist of the following:

Assets

Investments at fair value	
Participant-directed investments	\$ 153,139,333
Non-participant-directed investments	268,641,197
	<hr/> 421,780,530
Receivables	
Due from broker for securities sold	4,376,381
Participant loans	6,680,260
	<hr/> 11,056,641
Other assets	
Cash	1,385
Accrued interest and dividends	482,759
Net assets held in 401(h)	5,239,203
	<hr/> 5,723,347
Total assets	438,560,518

Liabilities

Due to broker for securities purchased	17,754,956
Amounts related to obligation of 401(h) account	5,239,203
	<hr/> 22,994,159

Net assets available for benefits at fair value	415,566,359
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Adjustment from fair value to contract value for interest in common collective trust relating to fully benefit-responsive investment contracts	<hr/> (872,470)
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Net assets available for benefits	<u>\$ 414,693,889</u>
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Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 4. Plan Interest in Master Trust (Continued)

Net investment in Master Trust - by Plan

Piedmont Natural Gas Company, Inc. 401(k) Plan

Investment in Master Trust	\$ 158,259,915
Plan's percentage interest in net assets of the Master Trust	38.2%

Piedmont Natural Gas Company, Inc. Money Purchase

Pension Plan

Investment in Master Trust	\$ 687,962
Plan's percentage interest in net assets of the Master Trust	0.2%

Retirement Plan of Piedmont Natural Gas Company, Inc.

Investment in Master Trust	\$ 255,746,012
Plan's percentage interest in net assets of the Master Trust	61.6%

Investment income of the Master Trust for the year ended December 31, 2011 consists of the following:

Investment income

Interest and dividends	<u>\$ 20,297,598</u>
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Net appreciation/(depreciation) in fair value of investments

Cash equivalents	20,468
Fixed income	(14,323)
Hedging instruments	196,034
Mutual funds	(434,707)
Common stock	(2,234,457)
Common trust funds	(913,987)
Stable return fund	203,142
Common stock fund	1,401,786
Other types	<u>(1,105,931)</u>
Total net investment depreciation	<u>(2,881,975)</u>
Net investment income	<u><u>\$ 17,415,623</u></u>

Net investment income from Master Trust - by Plan

Piedmont Natural Gas Company, Inc. 401(k) Plan	\$ 782,552
Piedmont Natural Gas Company, Inc. Money Purchase Pension Plan	(22,082)
Retirement Plan of Piedmont Natural Gas Company, Inc.	<u>16,655,153</u>
	<u><u>\$ 17,415,623</u></u>

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 5. Federal Income Tax Status

The Plan has filed for a determination letter from the Internal Revenue Service regarding the Plan's qualification under Section 401(a) and the related trust's tax-exempt status under the provisions of Section 501(a) of the Internal Revenue Code ("IRC"). The Benefits Committee believes the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC. The Benefits Committee will make any changes deemed necessary to ensure that the Plan is granted tax-exempt status.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2008.

Note 6. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

Note 7. Exempt Party-in-Interest Transactions

Certain plan investments are shares of mutual funds and units of participation in a common trust fund managed by Wells Fargo. Wells Fargo is the trustee as defined by the Plan, and therefore, these transactions qualify as exempt party-in-interest transactions. Fees paid by the Plan to Wells Fargo for investment management services amounted to \$128,165 for the year ended December 31, 2011 and are included in the expenses line item in the Statement of Changes in Net Assets Available for Benefits. Additional expenses not paid to Wells Fargo include investment advisory fees and other various expenses.

At December 31, 2011 and 2010, the Plan held 369,628 and 361,246 units, respectively, of common stock of the Company, the sponsoring employer, with a cost basis of \$6,083,657 and \$5,683,100, respectively, and fair value of \$8,248,132 and \$6,674,950, respectively. During the year ended December 31, 2011, the Plan recorded dividend income on the common stock of the Company of \$252,445.

Note 8. Fair Value of Financial Instruments

The investments reported in the Statement of Net Assets Available for Benefits, including investments held in Master Trust and participant-directed investments, 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 their consideration within the fair value hierarchy levels. The following tables set forth, by level within the fair value hierarchy, the assets measured at fair value as of December 31, 2011 and 2010:

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 8. Fair Value of Financial Instruments (Continued)

	December 31, 2011			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 8,130,894	\$ -	\$ -	\$ 8,130,894
Mutual funds:				
High yield bond	12,588,545	-	-	12,588,545
Long duration bonds	65,487,958	-	-	65,487,958
Equity	10,870,261	-	-	10,870,261
Global real estate	14,325,093	-	-	14,325,093
International	26,817,557	-	-	26,817,557
Small Cap	12,628,834	-	-	12,628,834
Mid Cap	12,052,473	-	-	12,052,473
Large Cap	42,401,103	-	-	42,401,103
Moderate Allocation	7,582,506	-	-	7,582,506
Bond funds - intermediate and inflation adjusted	19,985,505	-	-	19,985,505
Fixed income:				
Government and agencies	-	21,329,268	-	21,329,268
Corporate bonds	-	26,065,787	-	26,065,787
Municipal bonds	-	321,960	-	321,960
Collateralized Mortgage-Backed	-	1,468,301	-	1,468,301
Common stock:				
Health care	2,863,296	-	-	2,863,296
Utilities	1,977,277	-	-	1,977,277
Financials	8,351,526	-	-	8,351,526
Consumer staples	990,413	-	-	990,413
Consumer discretionary	5,111,481	-	-	5,111,481
Materials	1,212,363	-	-	1,212,363
Energy	2,027,051	-	-	2,027,051
Information technology	2,676,271	-	-	2,676,271
Industrials	3,850,871	-	-	3,850,871
Telecommunication service	72,306	-	-	72,306
Miscellaneous	3,171,896	-	-	3,171,896
Common trust funds:				
International	-	17,021,779	-	17,021,779
Enhanced stock	-	16,766,149	-	16,766,149
Common stock fund - energy	8,248,132	-	-	8,248,132
Common collective trust fund - Stable Return	-	34,941,345	-	34,941,345
Other types of instruments:				
Hedging instruments	124,246	-	-	124,246
Multi-strategy hedge funds	-	16,296,961	-	16,296,961
Hedge fund of funds	-	-	2,353,300	2,353,300
Commodities funds	-	11,667,822	-	11,667,822
	<u>\$ 273,547,858</u>	<u>\$ 145,879,372</u>	<u>\$ 2,353,300</u>	<u>\$ 421,780,530</u>
Net assets held in 401(h) accounts	\$ 5,239,203	\$ -	\$ -	\$ 5,239,203

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 8. Fair Value of Financial Instruments (Continued)

Included in the preceding table are the following assets and corresponding fair values that represent a 100% specific interest to the Plan: Wells Fargo Enhanced Stock Market Fund \$16,766,149, Piedmont Natural Gas Stock Fund \$8,248,132, American Funds Balanced Fund (A) \$7,582,506, and American Century Inflation Adjustment Bond Fund Advisor \$1,805,237.

As of December 31, 2011, the fair value of the Plan's portion of investments held in the Master Trust was \$152,450,480. See Note 4 for further discussion on the Master Trust.

The Company reassessed the inputs of the enhanced stock common trust fund and determined that Level 2 is the appropriate fair value level as of December 31, 2011 and is reflected as such in the above table.

	December 31, 2010			Total
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Mutual funds:				
Small cap	\$ 12,345,577	\$ -	\$ -	\$ 12,345,577
Mid cap	12,124,532	-	-	12,124,532
Large cap	28,379,782	-	-	28,379,782
Foreign	14,850,457	-	-	14,850,457
Moderate allocation	7,055,773	-	-	7,055,773
Bond funds - intermediate and inflation adjusted	18,513,095	-	-	18,513,095
Common stock fund - energy	6,674,950	-	-	6,674,950
Common trust fund - enhanced stock	16,809,633	-	-	16,809,633
Common collective trust fund - stable value	-	32,898,737	-	32,898,737
Total assets at fair value	\$ 116,753,799	\$ 32,898,737	\$ -	\$ 149,652,536

The changes in the Master Trust's Level 3 assets measured at fair value are summaries as follows:

	Hedge Fund of Funds
Balance, beginning of year	\$ -
Transfer in to Master Trust	982,215
Purchases	1,285,800
Unrealized gain	85,285
Balance, end of year	\$ 2,353,300

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 9. Net Asset Value Per Share

The following table sets forth additional disclosures of the investments whose fair value is estimated using net asset value per share (or its equivalent) as of December 31, 2011 for the Master Trust and December 31, 2010 for the Plan:

Fair Value Estimated Using Net Asset Value per Share December 31, 2011					
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Common collective trust fund (a)	\$ 34,941,345	\$ -	Daily	Written notice	30 days
Common trust fund Enhanced Stock (c)	16,766,149	-	Daily	None	None
International (d)	17,021,779	-	Monthly	None	10 days
Multi-strategy hedge fund (e)	16,296,961	-	Quarterly	None	65 days
Hedge fund of funds US (f)	1,293,083	-	Limited	**	Limited
Global (g)	561,255	-	Limited	**	Limited
Direct (h)	419,028	-	Limited	**	Limited
Emerging (i)	79,934	-	Limited	**	Limited
Commodities fund (j)	11,667,822	-	Monthly	*	35 days

Fair Value Estimated Using Net Asset Value per Share December 31, 2010					
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Common collective trust fund (b)	\$ 32,898,737	\$ -	Daily	Written notice	30 days

* If 95% or more of the balance is requested, 95% of the balance will be paid within 30 days. Any outstanding balance or interest owed will be paid after the annual audit is complete.

** Investors will have only very limited withdrawal rights for specific legal or regulatory reasons, and any transfer of an interest will be subject to approval.

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 9. Net Asset Value Per Share (Continued)

- (a) The objective of the Fund is to protect principal while providing a higher rate of return than shorter maturity investments, such as money market funds or certificates of deposit. To achieve this, the Fund invests in instruments which are not expected to experience significant price fluctuation in most economic or interest rate environments. However, there is no assurance that this objective can be achieved.
- (b) The objective of the Fund is to provide a diversified group of investments offering competitive levels of yield consistent with stable fixed-income methodology and the careful and prudent assumption of investment risk providing for preservation of capital, stability, and predictability of returns, liquidity to pay plan benefits, and high credit quality.
- (c) The objective of the Fund is to achieve long-term total return greater than the return on the S&P 500 Index while maintaining risk characteristics similar to the risk characteristics of the stocks in the S&P 500 Index.
- (d) The Fund seeks to outperform the MSCI EAFE Index on average by 2-7% per annum over a full market cycle by investing in securities of issuers domiciled outside the United States.
- (e) The Fund seeks to generate capital appreciation over the long term through a portfolio having a diversified risk profile with relatively low volatility and a low correlation with traditional equity and fixed income markets.
- (f) The Fund seeks global and regional strategies. Over a three to four-year period, the US strategy typically invests in 60-75 total funds that invest a substantial portion of their assets in North American companies.
- (g) The Fund's strategy allocates capital to private equity investments that invest a substantial portion of their assets in companies primarily located in Western Europe with a primary focus on buyout and growth equity.
- (h) The Fund's strategy is to leverage relationships with venture, growth, and equity, and buyout general partners around the globe to generate differentiated deal flow.
- (i) The Fund's strategy is to invest in a diversified portfolio of private equity partnerships that in turn will invest principally in companies based in emerging markets.
- (j) The fund seeks to produce attractive long-term risk adjusted returns in excess of traditional commodity index exposure.

Piedmont Natural Gas Company, Inc. 401(k) Plan

Notes to Financial Statements

Note 10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31	
	2011	2010
Net assets available for benefits as presented in these financial statements	\$ 158,259,915	\$ 155,313,526
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	871,579	626,268
Differences in:		
Receivable-participant loans held in Master Trust	(6,680,260)	-
Investment in participant loans	6,680,260	-
Net assets available for benefits per the Form 5500	<u>\$ 159,131,494</u>	<u>\$ 155,939,794</u>

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500:

	Year Ended December 31, 2011
Total net increase per the financial statements	\$ 2,946,389
Change in adjustment from fair value to contract value for fully benefit-responsive investment contracts	245,311
Total net income per the Form 5500	<u>\$ 3,191,700</u>

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Piedmont Natural Gas Company, Inc. 401(k) Plan

**Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2011**

Identity of issuer, borrower, lessor, or similar party	Description of investment	Current value
* Plan interest in investment held in Master Trust	Piedmont Natural Gas Company, Inc. Master Trust	\$ 152,451,234
* Participants	Loans to participants, at interest rates from 6.77% to 7.00% with maturities ranging from 2012 to 2026	<u>6,680,260</u>
		<u><u>\$ 159,131,494</u></u>

* Represents a party-in-interest.

Piedmont Natural Gas Company, Inc. 401(k) Plan

**Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2011**

Identity of issuer, borrower, lessor, or similar party	Description of investment	Current value
* Plan interest in investment held in Master Trust	Piedmont Natural Gas Company, Inc. Master Trust	\$ 152,451,234
* Participants	Loans to participants, at interest rates from 6.77% to 7.00% with maturities ranging from 2012 to 2026	<u>6,680,260</u>
		<u><u>\$ 159,131,494</u></u>

* Represents a party-in-interest.