

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2012</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</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 <u>RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.</u>	1b	Three-digit plan number (PN) ▶ <u>001</u>
		1c	Effective date of plan <u>05/01/1951</u>
2a	Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>PIEDMONT NATURAL GAS COMPANY, INC.</u> <u>4720 PIEDMONT ROW DRIVE</u> <u>CHARLOTTE, NC 28210</u>	2b	Employer Identification Number (EIN) <u>56-0556998</u>
		2c	Sponsor's telephone number <u>704-364-3120</u>
		2d	Business code (see instructions) <u>221210</u>

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.	10/14/2013	RENEE H. 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
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		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 2254
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	1471
b Retired or separated participants receiving benefits.....	6b	304
c Other retired or separated participants entitled to future benefits.....	6c	275
d Subtotal. Add lines 6a , 6b , and 6c	6d	2050
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	85
f Total. Add lines 6d and 6e	6f	2135
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
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 Characteristics Codes in the instructions: 1A 1E 1G 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics 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)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>PIEDMONT NATURAL GAS COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>56-0556998</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>	
2 Assets:	
a Market value	2a <u>255719198</u>
b Actuarial value	2b <u>250721948</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>374</u> <u>36390708</u>
b For terminated vested participants.....	3b <u>327</u> <u>14493562</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>9530740</u>
(2) Vested benefits.....	3c(2) <u>115739841</u>
(3) Total active	3c(3) <u>1554</u> <u>125270581</u>
d Total	3d <u>2255</u> <u>176154851</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>7.02 %</u>
6 Target normal cost.....	6 <u>6015270</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>10/08/2013</u>
Signature of actuary		Date
<u>GARO AGHJAYAN</u>		<u>11-06816</u>
Type or print name of actuary		Most recent enrollment number
<u>MERCER</u>		<u>704-805-7500</u>
Firm name		Telephone number (including area code)
<u>100 N. TRYON STREET, SUITE 3600</u> <u>CHARLOTTE, NC 28202-4023</u>		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	17392342	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	17392342	0
10 Interest on line 9 using prior year's actual return of 6.50%	1130502	
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b Interest on (a) using prior year's effective interest rate of 6.05% except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	18522844	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	131.81 %
15 Adjusted funding target attainment percentage	15	142.33 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	122.84 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
11/01/2012	20000000				
			Totals ►	18(b)	20000000 18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	18900612
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 0
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	6015270	
b Excess assets, if applicable, but not greater than line 31a	31b	6015270	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	18900612	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	18900612	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

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
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.</u>	B Three-digit plan number (PN) ▶ <u>001</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)

THOMPSON, SIEGEL & WALMSLEY, LLC

54-0854396

(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	INVT MGR	271331	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PACIFIC INVESTMENT MANAGEMENT

13-2834414

(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	INVT MGR	241013	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MERCER

13-2834414

(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?
11	ACTUARY	240725	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)

NEBCO AMWINS

05-0461576

(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?
13	GROUP BEN ADMIN	194961	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FISHER INVESTMENTS, INC

02-0432775

(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	INVST MGR	180070	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

HEWITT ENNISKNUPP, INC

36-3109431

(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	INVST ADVSR	179900	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)

DODGE & COX

94-1441976

(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	INVST MGR	30026	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

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 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.</u>	B Three-digit plan number (PN) ►	<u>001</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 NAT. GAS COMP 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>0</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: THORNBURG INTERNATIONAL EQUITY FUND

b Name of sponsor of entity listed in (a): SEI TRUST COMPANY

c EIN-PN <u>26-3668211-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>21769066</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):

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
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
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
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
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
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
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
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
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
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
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**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 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 PIEDMONT NATURAL GAS COMPANY, INC.		D Employer Identification Number (EIN) 56-0556998

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)		3875638
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		11891536
(2) U.S. Government securities.....	1c(2)		26605326
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		24043874
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		141368
(B) Common	1c(4)(B)		62233835
(5) Partnership/joint venture interests	1c(5)		15655547
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		1489324
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		21769066
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	260985215	
(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)		144175267
(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)		
(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	260985215	311880781

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	231968	11062309
k Total liabilities (add all amounts in lines 1g through 1j)	1k	231968	11062309

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	260753247	300818472
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	20464000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		20464000
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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(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
(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

		(a) Amount	(b) Total
(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)		38256741
(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		58720741

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	16904512	
(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)		16904512
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)	240725	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	867304	
(4) Other	2i(4)	194961	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1302990
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		18207502

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		40513239
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		448014

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

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.).....

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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
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	
4c			
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	
4d			
e Was this plan covered by a fidelity bond?	X		5000000
4e			
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	
4f			
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	
4g			
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	
4h			
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		
4i			
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	
4j			
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	
4k			
l Has the plan failed to provide any benefit when due under the plan?		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
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.			
4n			

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)

PIEDMONT NATURAL GAS COMPANY GROUP BENEFITS PLAN

5b(2) EIN(s)	5b(3) PN(s)
56-0556998	501

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

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 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.</u>	B Three-digit plan number (PN) ▶ <u>001</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
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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	<u>107</u>

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)
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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
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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
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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.
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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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 39% Investment-Grade Debt: 42% High-Yield Debt: 5% Real Estate: 6% Other: 8%

- 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 line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Retirement Plan of Piedmont Natural Gas Company, Inc.

Statements of Net Assets Available for Benefits as of December 31, 2012 and 2011 and Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2012 and 2011

Supplemental Schedule as of December 31, 2012 and Independent Auditor's Report

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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 the
Retirement Plan of Piedmont Natural Gas Company, Inc.
Charlotte, North Carolina

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Retirement Plan of Piedmont Natural Gas Company, Inc. (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified or provided by Wells Fargo Bank, N.A, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at end of year) as of December 31, 2012, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. This supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified or provided by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in cursive script that reads "McGladrey LLP".

Charlotte, North Carolina
October 10, 2013

Retirement Plan of Piedmont Natural Gas Company, Inc.

Statements of Net Assets Available for Benefits December 31, 2012 and 2011

	2012	2011
Assets		
Investments at fair value (Notes 5, 7, 8 and 9):		
Cash equivalents	\$ 11,576,738	\$ -
Government and agency bonds	26,265,839	-
Corporate bonds	24,080,981	-
Collateralized mortgage obligations	1,489,324	-
Municipals	339,486	-
Corporate stocks - common	42,650,923	-
Mutual funds - equity	43,827,429	-
Mutual funds -fixed income bonds	77,555,832	-
Common trust fund -international	41,683,136	-
Derivatives	(37,106)	-
Hedge fund of funds	17,192,274	-
Private equity fund of funds	3,820,204	-
Commodities fund	11,835,343	-
Plan interest in the Master Trust (Notes 5, 6, 7, 8 and 9)	-	255,746,012
Total investments	302,280,403	255,746,012
Net assets held in 401(h) account	5,738,377	-
Receivables:		
Due from banker for securities purchased	3,466,552	-
Accrued interest and dividends	395,448	-
Total receivables	3,862,000	-
Total assets	311,880,780	255,746,012
Liabilities		
Amounts related to obligation of 401(h) account	5,738,377	-
Due to broker for securities purchased	10,771,400	-
Accrued administrative expenses	290,909	231,968
Total liabilities	16,800,686	231,968
Net assets available for benefits	\$ 295,080,094	\$ 255,514,044

See Notes to Financial Statements

Retirement Plan of Piedmont Natural Gas Company, Inc.

**Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2012 and 2011**

	2012	2011
Additions to net assets attributed to:		
Investment income in Master Trust:		
Net appreciation (depreciation) in fair value of investments (Notes 5, 6 and 7)	\$ 25,512,683	\$ (1,630,311)
Interest	4,511,479	10,083,723
Dividends and other	7,669,280	8,201,741
Total investment income in Master Trust	37,693,442	16,655,153
 Employer contributions (Note 3)	 20,000,000	 -
Total additions	57,693,442	16,655,153
 Deductions from net assets attributed to:		
Benefits paid directly to participants	16,904,512	11,385,207
Administrative expenses	1,222,880	1,078,333
Total deductions	18,127,392	12,463,540
 Net increase	 39,566,050	 4,191,613
 Net assets available for benefits:		
Beginning of year	255,514,044	251,322,431
End of year	\$ 295,080,094	\$ 255,514,044

See Notes to Financial Statements.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 1. Description of the Plan

The following brief description of the Retirement Plan of Piedmont Natural Gas Company, Inc. (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 benefit pension plan covering most employees of Piedmont Natural Gas Company, Inc. (the "Company" and "Plan Sponsor"). The Benefits Committee of the Board of Directors of the Company controls and manages the operation and administration of the Plan. The Benefits Committee establishes an organizational structure with respect to the management, administration and investments of the Plan including the designation of a Benefit Plan Committee to serve as the named fiduciary of the Plan and to manage the day-to-day operational and administrative aspects of the Plan. The Benefit Plan Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Benefits Committee. Wells Fargo Bank, N.A. ("Wells Fargo") serves as the trustee of the Plan, and together with the Benefits Committee manages the Plan's investments. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective January 1, 2008, the Plan was amended for all employees not covered by the bargaining unit contract in Nashville, Tennessee to close the Plan to employees hired after December 31, 2007 and to modify how benefits are accrued in the future for existing employees. Employees hired prior to January 1, 2008 will continue to participate in the amended traditional defined benefit pension plan. These same amendments were effective on January 1, 2009 for employees covered by the bargaining unit contract in Nashville, Tennessee.

Employees hired or rehired after December 31, 2007 (or December 31, 2008 for employees covered by the bargaining unit contract in Nashville, Tennessee) will not participate in the amended traditional pension plan but will be participants in the Piedmont Natural Gas Company, Inc. Money Purchase Pension Plan, a defined contribution pension plan that allows the employee to direct the investments.

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 included the investment assets of each of the benefit plans maintained by the Company as further described in more detail in Note 6. Effective, December 31, 2012, the Master Trust was terminated. Accordingly, the Plan's investment assets were no longer included in the Master Trust as of that date. Wells Fargo is responsible for the custody and management of the Plan's assets.

Pension benefits: In general, monthly retirement benefits begin at age 65 and are determined based on a participant's year of birth, final average compensation, social security taxable wage base and years of service. The Plan also provides for early retirement and late retirement.

For service earned after December 31, 2007, a consistent rate will be applied to each year of service so that employees accrue benefits more evenly. For service earned prior to January 1, 2008, the rate used in the formula to calculate an employee's pension benefit is greater for the first twenty years of service than it is for the next fifteen years of service. Employees can be credited with up to a total of 35 years of service. When an employee leaves the Company, his benefit payment will be calculated as the greater of the accrued benefit as of December 31, 2007 under the old formula plus the accrued benefit under the new formula for years of service after December 31, 2007, or the benefit for all years of service up to 35 years under the new formula.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 1. Description of the Plan (Continued)

Vesting: The Plan provides for full vesting of benefits after five years of service.

Payment of benefits: Benefits to participants are paid as a straight life annuity, joint and 50%/75%/100% survivor annuity, as 5, 10, and 15-year certain and life options, or as a lump-sum payment. Straight life annuity, period certain options and lump-sum options require the spouse's consent.

Death and disability benefits: The Plan contains provisions for the payment of early retirement benefits, disability benefits, and vested benefits at termination for reasons other than retirement or disability.

401(h) account: A separate account was established and maintained in the Plan for the net assets related to the medical-benefit component ("401(h) account"). In accordance with IRC Section 401(h), the Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Any assets transferred to the 401(h) account from the defined benefit pension plan in a qualified transfer of excess pension plan assets (and any income allocable thereto) that are not used during the Plan year must be transferred out of the account to the pension plan. The related obligations for health benefits are not included in this Plan's obligations in the statement of accumulated plan benefits but are reflected as obligations in the financial statements of the health and welfare benefit plan. Plan participants do not contribute to the 401(h) account. Employer contributions or qualified transfers to the 401(h) account are determined annually and are at the discretion of the Company. Certain of the Plan's net assets are restricted to fund a portion of postretirement health benefits for retirees and their beneficiaries in accordance with IRC Section 401(h).

Note 2. Summary of Accounting Policies

Accounting records: The accounting records of the Plan are maintained by the trustee, Wells Fargo. Annual financial statements and supplemental schedule are furnished to the Plan by the trustee.

Basis of accounting: The accompanying financial statements of the Plan are maintained on the accrual basis of accounting.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and net assets available for benefits, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements and changes therein. Actual results could differ from those estimates.

Investment valuation and income recognition: The Plan's investments are stated 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.

The Plan Sponsor utilizes 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. The Plan Sponsor primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Plan Sponsor uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Plan Sponsor is 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.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 2. Summary of Accounting Policies (Continued)

Following is a description of the valuation methodologies used for the investment assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

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

Common stock: 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 at year-end.

Long duration mutual bond fund: Valued using pricing models that consider various observable inputs, such as benchmark yields, reported trades, broker quotes and issuer spreads.

Derivatives: Valued using broker quotes on a non-active market.

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

Private equity fund of funds: Valued based on a quarterly compilation of the financial statements from the underlying partnerships in which the fund invests. The investment is still being funded through capital calls; \$8.2 million of the original \$12 million subscription remained unfunded at December 31, 2012. The investment is in various funds that invests in North American companies; allocate capital to private equity funds; invest in venture capital partnerships; and private equity partnerships in emerging markets.

Corporate bonds, collateralized mortgage obligations, government and agency bonds, and municipal bonds: Valued based on a compilation of primarily 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, 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, long duration mutual bond funds, various fixed income investment types, hedge fund of funds, commodities funds, derivatives, and a common collective trust fund. 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 private equity fund of funds.

Retirement Plan of Piedmont Natural Gas Company, Inc.

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.

The Plan's Benefit Plan Committee determines the Plan's valuation policies utilizing information provided by its investment advisors and custodians.

Purchases and sales of investments are recorded on a trade-date 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.

Risks and uncertainties: The Plan utilizes various investment instruments including U.S. government securities, corporate debt instruments, mutual funds, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits are prepared based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

Payment of benefits: Benefit payments to participants are recorded upon distribution.

Expenses: Administrative expenses of the Plan are paid by the Plan, as provided by the Plan document.

Subsequent events: The Plan Administrator has evaluated subsequent events (events occurring after December 31, 2012) through October 10, 2013, the date the financial statements were available to be issued.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 2. Summary of Accounting Policies (Continued)

Accounting pronouncements adopted: In May 2011, the FASB issued Accounting Standards Update (ASU) 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs, (ASU 2011-04)*. ASU 2011-04 amended ASC 820, Fair Value Measurement. This update changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011, and have been adopted with minimal impact on these financial statements.

Accounting pronouncements not yet effective: In October 2012, the FASB issued ASU 2012-04, *Technical Corrections and Improvements*. The amendments in this update cover a wide range of Topics in the Accounting Standards Codification, including plan accounting. These amendments include technical corrections and improvements to the Accounting Standards Codification and conforming amendments related to fair value measurements. The amendments in this update will generally be effective for fiscal periods beginning after December 15, 2013, for non-public entities, except for amendments in this update where there was no transition guidance which were immediately effective upon issuance. The adoption of immediately effective amendments was not significant to these financials. The effect of adopting ASU 2012-04 on subsequent periods has not yet been determined.

Note 3. Funding Policy

Contributions to provide benefits under the Plan are made solely by the Company. The Company's funding policy is to make cash contributions to the Plan that at least meet the minimum funding requirements but do not exceed the tax deductible limits as determined by the Plan's independent actuary. The Company met the minimum funding requirements of ERISA in 2012 and 2011.

Note 4. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries.

Benefits under the Plan are based on employees' highest 60 consecutive months of compensation during their last ten years of service. Benefits payable under all circumstances--retirement, death, disability, and termination of employment--are included to the extent they are deemed attributable to employee service rendered to the valuation date.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 4. Actuarial Present Value of Accumulated Plan Benefits (Continued)

The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The effect of Plan amendments on accumulated plan benefits is recognized during the year in which such amendments become effective.

The actuarial present value of accumulated plan benefits as of December 31, 2012 and 2011 is as follows:

	2012	2011
Vested benefits:		
Participants currently receiving payments	\$ 35,443,240	\$ 33,430,591
Active participants	130,175,614	114,409,980
Inactive participants with deferred benefits	12,220,979	12,829,097
Total vested benefits	177,839,833	160,669,668
Nonvested benefits	-	961,342
Total actuarial present value of accumulated benefits	<u>\$ 177,839,833</u>	<u>\$ 161,631,010</u>

The changes in actuarial present value of the Plan's accumulated plan benefits for the years ended December 31, 2012 and 2011 are as follows:

	2012	2011
Actuarial present value of accumulated plan benefits, beginning of year	<u>\$ 161,631,010</u>	<u>\$ 153,270,230</u>
Increase (decrease) during year attributable to:		
Interest due to decrease in discount period	12,197,952	11,768,259
Benefits accumulated and (gains) losses	9,261,986	7,321,148
Benefit payments	(16,904,512)	(11,385,207)
Change in actuarial assumptions	11,653,397	656,580
Net increase	<u>16,208,823</u>	<u>8,360,780</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 177,839,833</u>	<u>\$ 161,631,010</u>

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 4. Actuarial Present Value of Accumulated Plan Benefits (Continued)

The significant actuarial assumptions utilized in the December 31, 2012 and 2011 valuations of the actuarial present value of accumulated plan benefits were as follows:

Actuarial Cost Method:	Projected Unit Credit Method
Interest Rate:	8% compounded annually.
Lump Sum Interest Rate Conversion Basis:	The basis was updated to 2.50% for the first five years; 5.50% for the next 15 years, and 6.50% thereafter (previously the lump sum interest basis was 5.00% for the first 5 years; 6.75% for the next 15 years, and 7.00% thereafter).
Mortality Rate:	Section 430(h)(3) prescribed separate generational annuitant and non-annuitant mortality tables. These tables are based on the RP 2000 mortality tables projected with continual mortality improvement. Revenue ruling 96-7 table for participants who became disabled before 1995. Revenue ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disabled benefits.
Normal Retirement Age	Attainment of age 62.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 5. Investments

The Plan's investments that represent 5% or more of net assets available for benefits as of December 31, 2012 are as follows:

	<u>2012</u>
Paps Long Duration Corporate Bond Fund - 5,077,511 shares	\$ 63,519,665
Fisher Investments - 18,077,363 units	19,914,070
Thornburg International Equity Fund - 2,023,147 units	21,769,066
Harbor Capital Appreciation Fund - 388,657 shares	16,525,717
Prudential Global Real Estate Fund - 787,683 shares	17,092,728

The Master Trust's investments that represent 5% or more of net assets available for benefits as of December 31, 2011 are as follows:

	<u>2011</u>
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

* Represents fully benefit-responsive investment contracts.

As of December 31, 2011, the Plan held 5,650,385 shares of Paps Long Duration Corporate Bond Fund with a fair value of \$65,487,958, which represented 5% or more of the Master Trust's net assets available for benefits.

The Master Trust invested in fully benefit-responsive investment contracts through a collective trust in the Wells Fargo Stable Return Fund (G) in 2012 and 2011. 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.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 6. Plan Interest in Master Trust

Effective January 1, 2011, the Plan's assets were held in a Master Trust. On December 31, 2012, the Master Trust was terminated and the Plan's assets were no longer included in the Master Trust as of that date. However, all investment activity during the year was through the Master Trust. The Master Trust held 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 Plans' record keeper maintained 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 was allocated by the record keeper to each Plan and to each participant's account based on the investment held in participant directed balances. Wells Fargo Bank, N.A., the trustee and recordkeeper of the Plan, has certified these assets (see Note 7).

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

	<u>2011</u>
Assets	
Investments at fair value	
Participant-directed investments	\$ 153,139,333
Non-participant-directed investments	<u>268,641,197</u>
	421,780,530
Receivables	
Due from broker for securities sold	4,376,381
Participant loans	<u>6,680,260</u>
	11,056,641
Other assets	
Cash	1,385
Accrued interest and dividends	482,759
Net assets held in 401(h)	<u>5,239,203</u>
	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	<u>5,239,203</u>
	22,994,159
Net assets available for benefits at fair value	415,566,359
Adjustment from fair value to contract value for interest in common collective trust relating to fully benefit-responsive investment contracts	<u>(872,470)</u>
Net assets available for benefits	<u><u>\$ 414,693,889</u></u>

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 6. Plan Interest in Master Trust (Continued)

	<u>2011</u>
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, 2012 and 2011 consists of the following:

	<u>2012</u>	<u>2011</u>
Investment income		
Interest and dividends	<u>\$ 14,407,958</u>	<u>\$ 20,297,598</u>
Net appreciation/(depreciation) in fair value of investments		
Cash equivalents	69	20,468
Fixed income	651,435	(14,323)
Hedging instruments	172,461	196,034
Mutual funds	27,385,866	(434,707)
Common stock	5,701,887	(2,234,457)
Common trust funds	6,649,704	(913,987)
Stable return fund	709,225	203,142
Common stock fund	(615,472)	1,401,786
Other types	483,216	(1,105,931)
Total net investment appreciation/(depreciation)	<u>41,138,391</u>	<u>(2,881,975)</u>
Net investment income	<u>\$ 55,546,349</u>	<u>\$ 17,415,623</u>
Net investment income from Master Trust - by Plan		
Piedmont Natural Gas Company, Inc. 401(k) Plan	\$ 17,708,083	\$ 782,552
Piedmont Natural Gas Company, Inc. Money Purchase Pension Plan	144,824	(22,082)
Retirement Plan of Piedmont Natural Gas Company, Inc.	<u>37,693,442</u>	<u>16,655,153</u>
	<u>\$ 55,546,349</u>	<u>\$ 17,415,623</u>

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 7. Information Certified by Wells Fargo Bank, N.A. (the "Trustee")

The following is a summary of the Plan's asset information as of and for the years ended December 31, 2012 and 2011 included in the Plan's financial statements and the supplemental schedule, that was prepared by or derived from information provided by the trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the trustee that information provided to the Plan Administrator by the trustee related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information which appears throughout the financial statements and supplemental schedule related to the following assets:

	December 31, 2012	December 31, 2011
Investments:		
Cash equivalents	\$ 11,576,738	\$ -
Government and agency bonds	26,265,839	-
Corporate bonds	24,080,981	-
Collateralized mortgage obligations	339,486	
Municipals	1,489,324	
Corporate stocks - common	42,650,923	-
Mutual funds - equity	43,827,429	-
Mutual funds -fixed income bonds	77,555,832	
Common trust fund -international	41,683,136	-
Derivatives	(37,106)	
Hedge fund of funds	17,192,274	-
Private equity fund of funds	3,820,204	-
Commodities fund	11,835,343	-
	\$ 302,280,403	\$ -
Plan interest in the Master Trust	\$ -	\$ 255,746,012
Net assets held in 401(h) account	\$ 5,738,377	\$ -

Wells Fargo Bank, N.A. also certified for the years ended December 31, 2012 and 2011, to the best of their knowledge, to the completeness and accuracy of \$25,512,683 and (\$1,630,311) of net appreciation (depreciation) in fair value of investments and \$12,180,759 and \$18,285,464 of interest, dividends and other income related to the aforementioned investments for the years ended December 31, 2012 and 2011, respectively.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 7. Information Certified by Wells Fargo Bank, N.A. (the "Trustee") (Continued)

During 2012 and 2011, the Plan's investments held in Master Trust (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2012	2011
Cash and cash equivalent	\$ 69	\$ 20,468
Fixed Income	651,435	(14,323)
Hedging instruments	172,461	196,034
Mutual funds	14,525,159	2,891,530
Common stock	5,701,887	(2,234,457)
Common trust funds	3,978,455	(1,383,632)
Other types	483,216	(1,105,931)
	<u>\$ 25,512,683</u>	<u>\$ (1,630,311)</u>

Note 8. Fair Value of Financial Instruments

The investments reported in the Statement of Net Assets Available for Benefits, including participant-directed investments and investments held in Master Trust, are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Plan's 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, 2012 and 2011:

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 8. Fair Value of Financial Instruments (Continued)

	December 31, 2012			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 11,576,738	\$ -	\$ -	\$ 11,576,738
Mutual funds:				
High yield bond	14,036,168	-	-	14,036,168
Long duration bonds	-	63,519,665	-	63,519,665
Equity	10,208,984	-	-	10,208,984
Global real estate	17,092,728	-	-	17,092,728
Large Cap	16,525,717	-	-	16,525,717
Fixed income:				
Government and agencies	-	26,265,839	-	26,265,839
Corporate bonds	-	24,080,981	-	24,080,981
Municipal bonds	-	339,486	-	339,486
Collateralized Mortgage-Backed	-	1,489,324	-	1,489,324
Common stock:				
Health care	3,167,204	-	-	3,167,204
Utilities	1,193,973	-	-	1,193,973
Financials	10,156,936	-	-	10,156,936
Consumer staples	1,154,195	-	-	1,154,195
Consumer discretionary	7,843,694	-	-	7,843,694
Materials	1,855,088	-	-	1,855,088
Energy	1,784,328	-	-	1,784,328
Information technology	5,364,456	-	-	5,364,456
Industrials	4,899,264	-	-	4,899,264
Telecommunication service	442,260	-	-	442,260
Miscellaneous	4,789,524	-	-	4,789,524
Common trust funds- International	-	41,683,136	-	41,683,136
Other types of instruments:				
Derivatives	-	(37,106)	-	(37,106)
Hedge fund of funds	-	17,192,274	-	17,192,274
Private equity fund of funds	-	-	3,820,204	3,820,204
Commodities funds	-	11,835,343	-	11,835,343
	<u>\$ 112,091,257</u>	<u>\$ 186,368,942</u>	<u>\$ 3,820,204</u>	<u>\$ 302,280,403</u>
Net assets held in 401(h) accounts	\$ 5,738,377	\$ -	\$ -	\$ 5,738,377

Retirement Plan of Piedmont Natural Gas Company, Inc.

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:				
Derivatives	-	124,246	-	124,246
Hedge fund of funds	-	16,296,961	-	16,296,961
Private equity fund of funds	-	-	2,353,300	2,353,300
Commodities funds	-	11,667,822	-	11,667,822
	\$ 207,935,654	\$ 211,491,576	\$ 2,353,300	\$ 421,780,530
Net assets held in 401(h) accounts	\$ 5,239,203	\$ -	\$ -	\$ 5,239,203

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 8. Fair Value of Financial Instruments (Continued)

Long duration bond mutual fund and derivatives were reclassified from Level 1 to Level 2 investments as of December 31, 2011 due to the fact that these investments were not traded on an active exchange. This reclassification had no effect on the prior year net assets available for benefits.

As of December 31, 2011, the fair value of the Plan's portion of investments held in the Master Trust was \$268,641,197. See Note 6 for further discussion on the Master Trust.

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

	Private Equity Fund of Funds
Balance, beginning of year	\$ 2,353,300
Purchases	1,548,000
Sales	(149,454)
Realized gains	180,095
Unrealized gains	(111,737)
Transfer out of Master Trust	(3,820,204)
Transfer in to Plan	3,820,204
Balance, end of year	<u>\$ 3,820,204</u>

There are significant unobservable inputs used in the fair value measurements of the Plan's investment in the private equity fund of funds' limited partnerships. The Plan is subject to the business risks inherent in the markets in which the partnerships are invested. The success or failure of the underlying businesses of the various partnerships that have been funded would result in a higher or lower fair value measurement.

Retirement Plan of Piedmont Natural Gas Company, Inc.

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, 2012 for the Plan and as of December 31, 2011 for the Master Trust:

Fair Value Estimated Using Net Asset Value per Share December 31, 2012					
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Common trust fund International (c)	\$ 19,914,070	-	Monthly	None	30 days
Common trust fund International (j)	21,769,066	-	Daily	None	5 days
Hedge fund of funds (d)	17,192,274	-	Quarterly	None	65 days
Private equity fund of funds US (e)	2,065,257	3,996,000	Limited	**	(1)
Global (f)	920,877	2,611,800	Limited	**	(1)
Direct (g)	617,894	631,200	Limited	**	(1)
Emerging (h)	216,176	950,400	Limited	**	(1)
Commodities fund (i)	11,835,343	-	Monthly	*	35 days
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	12 months 30 days
Common trust fund Enhanced Stock (b)	16,766,149	-	Daily	None	None
International (c)	17,021,779	-	Monthly	None	30 days
Hedge fund of funds (d)	16,296,961	-	Quarterly	None	65 days
Private equity fund of funds US (e)	1,293,083	-	Limited	**	(1)
Global (f)	561,255	-	Limited	**	(1)
Direct (g)	419,028	-	Limited	**	(1)
Emerging (h)	79,934	-	Limited	**	(1)
Commodities fund (i)	11,667,822	-	Monthly	*	35 days

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 9. Net Asset Value Per Share (Continued)

- (1) The investment cannot be redeemed. Distributions are received only through the liquidation of the underlying assets. The assets are expected to be liquidated over the next 10 to 12 years.
- * 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.
- (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 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) The Fund seeks to produce attractive long-term risk adjusted returns in excess of traditional commodity index exposure.
- (j) The Fund seeks long-term capital appreciation by investing in equity securities of all types.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 10. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan, in certain circumstances, to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, the net assets of the Plan will be allocated for payment of Plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations thereunder, and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits, should the Plan be terminated at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid and the level and type of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

Note 11. Federal Income Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated December 10, 2009, that the Plan and related trust were designed in accordance with the applicable regulations of the Internal Revenue Code. The Company and the Plan Administrator believe that the Plan is currently designed and operated in compliance with the applicable requirements of the Internal Revenue Code and that the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

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 2009.

Note 12. Exempt Party-in-Interest Transactions

Certain plan investments are shares of a money market 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.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

Note 13. 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 as of December 31, 2012 and 2011:

	December 31	
	2012	2011
Net assets available for benefits as presented in these financial statements	\$ 295,080,094	\$ 255,514,044
Net assets held in 401(h) account included as assets in Form 5500	5,738,377	5,239,203
Net assets available for benefits per the Form 5500	<u>\$ 300,818,471</u>	<u>\$ 260,753,247</u>

The net assets of the 401(h) account included in Form 5500 are not available to pay pension benefits but can only be used to pay retiree health benefits.

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31, 2012:

	Financial Statements	401(h) Account	Reclassifications	Amounts per Form 5500
Appreciation in fair value of investments	\$ 25,512,683	\$ 521,028	\$ (26,033,711)	\$ -
Interest	4,511,479	112	(4,511,591)	-
Dividends and other	7,669,280	130,320	(7,799,600)	-
Investment gain from master trust	-	-	38,256,741	38,256,741
Employer contributions	20,000,000	464,000	-	20,464,000
Administrative expense	(1,222,880)	-	(80,110)	(1,302,990)
Premium expense	-	(168,272)	168,272	-
Transfer to other plans	-	(448,014)	-	(448,014)

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31, 2011:

	Amounts Per Financial Statements	401(h) Account	Reclassifications	Amounts per Form 5500
Depreciation in fair value of investments	\$ (1,630,311)	\$ (85,005)	\$ 1,715,316	\$ -
Interest	10,083,723	105	(10,083,828)	-
Dividends and other	8,201,741	137,373	(8,339,114)	-
Investment gain from master trust	-	-	16,633,090	16,633,090
Employer contributions	-	423,000	-	423,000
Administrative expense	(1,078,333)	-	(112,505)	(1,190,838)
Premium expense	-	(187,041)	187,041	-
Transfer to other plans	-	(439,366)	-	(439,366)

Retirement Plan of Piedmont Natural Gas Company, Inc.

**Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2012**

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Cash			
Cash Equivalents:			
Repurchase Agreements			
JP Morgan Repo DTD 12/31/12 .25% due 1/2/13	1,500,000 units	\$ 1,500,000	\$ 1,500,000
Short Term Funds:			
Wells Fargo Advantage Cash Investment Fund Institutional Class - #451*	10,076,738 units	10,076,738	10,076,738
		<u>11,576,738</u>	<u>11,576,738</u>
Fixed Income:			
Government and Agencies			
US Treasury Bonds & NTS			
US SEC Stripped DTD 5/15/12 5/15/2042	3,800,000 units	1,489,942	1,512,324
US Treas SEC Stripped Zero CPN DTD 2/15/12 2/15/2042	9,000,000 units	3,689,637	3,619,350
US Treasury Bond DTD 8/16/10 0.000 8/15/2040	3,500,000 units	1,481,433	1,501,045
US Treasury Bond DTD 2/15/01 5.375 2/15/2031	500,000 units	727,256	713,750
US Treasury Bond DTD 8/15/08 4.500 5/15/2038	600,000 units	792,131	793,128
US Treasury Bond DTD 5/16/11 4.375 5/15/2041	100,000 units	132,609	130,281
US Treasury Bond DTD 8/15/07 0.000 5/15/2037	4,200,000 units	1,975,440	2,012,976
		<u>10,288,448</u>	<u>10,282,854</u>

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Govt Strip & Zero CPN			
Fed Natl Mtg Assn Zero CPN DTD 5/5/00 5/15/2030	2,600,000 units	\$ 1,210,124	\$ 1,466,452
RFCSP Strip Principal Zero CPN DTD 1/30/91 1/15/2030	5,600,000 units	2,773,778	3,387,272
RFCSP Strip Principal Zero CPN DTD 7/15/90 7/15/2020	1,200,000 units	896,321	1,060,656
Tenn Val Auth CPN Strip Zero CPN DTD 1/15/98 7/15/2030	1,000,000 units	331,380	550,770
TVA Prin Strip Zero CPN DTD 11/3/95 11/1/2025	500,000 units	313,830	337,520
US Treasury Sec stripped DTD 5/15/09 5/15/2039	1,100,000 units	457,600	495,946
US Treasury Sec stripped DTD 2/15/11 2/15/2041	13,920,000 units	5,930,358	5,863,661
US Treasury Bond/Note Stripped Zero DTD 11/15/10 11/15/2040	1,100,000 units	485,245	467,071
		<u>12,398,636</u>	<u>13,629,348</u>
Agency Bonds			
Fed Natl Mtg Assn DTD 1/15/00 7.125 1/15/2030	300,000 units	465,165	471,339
Fed Natl Mtg Assn DTD 5/5/00 7.250 5/15/2030	200,000 units	315,450	318,614
Fed Natl Mtg Assn DTD 11/3/00 6.625 11/15/2030	500,000 units	706,702	761,500
Tenn Valley Auth DTD 6/30/00 7.125 5/1/2030	200,000 units	265,150	306,718
Tenn Valley Auth DTD 4/1/06 5.375 4/1/2056	100,000 units	104,467	136,154
Tenn Valley Auth DTD 09/25/10 4.625 09/15/2060	300,000 units	296,079	359,312
		<u>2,153,013</u>	<u>2,353,637</u>

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Bond Funds			
Mutual Bond Funds			
Harbor High-Yield Bond Institutional Bond Fund #2024	1,263,381 shares	\$ 13,319,242	\$ 14,036,168
Paps Long Duration Corporate Bond #1830	5,077,511 shares	53,935,984	63,519,665
		<u>67,255,226</u>	<u>77,555,833</u>
Municipal Bonds			
Municipal Tax Exempt			
New York NY City MUN WTR FIN 2nd Gen DTD 3/31/11 5.000 6/15/2043	300,000 units	290,646	339,486
		<u>290,646</u>	<u>339,486</u>
Private Placements			
AT&T Inc			
144A Priv Plcmnt 4.300 2/15/2042	26,000 units	20,329	26,113
Cox Communications Inc			
144A Priv Plcmnt 8.375 03/01/2039	250,000 units	312,303	383,663
CVS Pass Through Trust			
144A Priv Plcmnt 7.507 10/01/2032	565,239 units	616,961	745,109
		<u>949,593</u>	<u>1,154,885</u>

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Financials			
American Intl Group Inc DTD 04/20/06 6.250 5/1/2036	700,000 units	\$ 717,773	\$ 900,459
Capital One Bank USA NA DTD 06/25/09 8.800 07/15/2019	400,000 units	485,076	541,640
Citigroup Inc DTD 07/23/09 8.125 07/15/2039	500,000 units	555,700	748,560
General Elec Cap Corp DTD 01/14/08 5.875 01/14/2038	500,000 units	490,055	603,125
Goldman Sachs Group Inc DTD 10/03/07 6.750 10/01/2037	900,000 units	885,933	1,019,997
JP Morgan Chase & Co DTD 12/22/11 5.400 1/6/2042	200,000 units	203,454	241,020
Morgan Stanley DTD 1/26/10 5.500 1/26/2020	200,000 units	201,834	224,358
NA Development Bank DTD 2/11/10 4.375 2/11/2020	700,000 units	725,326	787,997
Private Export Funding DTD 11/24/09 4.300 12/15/2021	500,000 units	517,000	603,895
Prudential Financial Inc DTD 11/18/10 6.200 11/15/2040	100,000 units	99,408	120,960
		<u>4,881,559</u>	<u>5,792,011</u>

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Industrials			
AMGEN Inc			
DTD 9/16/10 4.950 10/1/2041	500,000 units	\$ 463,425	\$ 551,190
Anadarko Petroleum Corp			
DTD 3/16/10 6.200 3/15/2040	500,000 units	516,905	616,740
AT&T Inc			
DTD 3/1/11 5.350 9/1/2040	972,000 units	905,554	1,131,943
Burlington North Santa Fe			
DTD 5/17/10 5.750 5/1/2040	400,000 units	405,588	493,128
Comcast Corp			
DTD 03/14/03 7.050 03/15/2033	400,000 units	440,228	532,832
Devon Energy Corporation			
DTD 3/25/02 7.950 4/15/2032	500,000 units	656,110	739,730
Dow Chemical Co/The			
DTD 5/13/09 9.400 5/15/2039	200,000 units	306,460	329,286
Duke Energy Carolinas			
DTD 12/8/11 4.250 12/15/2041	200,000 units	199,662	209,440
Ecolab Inc			
DTD 12/8/11 5.500 12/8/2041	500,000 units	494,855	596,520
Kraft Foods Group Inc			
DTD 7/18/12 6.500 2/9/2040	500,000 units	561,405	657,180
Newmont Mining Corp			
DTD 9/18/09 6.250 10/1/2039	400,000 units	425,096	481,736
Pacific Gas & Electric			
DTD 11/18/09 5.400 1/15/2040	300,000 units	292,497	359,268
Pfizer Inc			
DTD 03/24/09 7.200 03/15/2039	500,000 units	641,320	766,585
Time Warner Inc.			
DTD 07/14/10 6.100 07/15/2040	1,000,000 units	1,016,990	1,210,720
UnitedHealth Group Inc			
DTD 2/7/08 6.875 2/15/2038	500,000 units	676,240	686,575
UnitedHealth Group Inc			
DTD 11/10/11 4.625 11/15/2041	300,000 units	296,256	320,280
Verizon Communications			
DTD 4/4/08 6.900 4/15/2038	200,000 units	287,964	284,638
Verizon Communications			
DTD 11/7/2012 3.850 11/1/2042	400,000 units	404,736	393,428
Wal-Mart Stores Inc			
DTD 04/15/08 6.200 04/15/2038	900,000 units	1,013,781	1,222,965
		10,005,072	11,584,184

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Other Global Corp Bonds			
America Movil Sab DE CV DTD 7/16/12 4.375 7/16/2042	200,000 units	\$ 196,488	\$ 207,826
Arcelormittal DTD 3/7/11 6.750 3/1/2041	400,000 units	399,968	371,000
Barrick Gold Corp DTD 4/3/12 5.250 4/1/2042	500,000 units	499,100	549,875
Canadian Natl Resources DTD 3/19/07 6.250 3/15/2038	400,000 units	444,060	515,320
Canadian Pacific Railway DTD 12/1/11 5.750 1/15/2042	200,000 units	195,168	243,866
Deutsche Telekom Int Fin DTD 7/6/00 8.750 6/15/2030	400,000 units	540,092	599,296
Encana Corp DTD 11/14/11 5.150 11/15/2041	200,000 units	198,578	214,990
HSBC Holdings PLC DTD 9/12/2007 6.500 9/15/2037	500,000 units	529,765	624,095
HSBC Holdings PLC DTD 4/5/11 5.100 4/5/2021	1,000,000 units	1,088,790	1,180,880
Statoil ASA DTD 11/23/11 4.250 11/23/2041	500,000 units	500,000	537,950
Telefonica Emisiones SAU DTD 06/20/06 7.045 06/20/2036	100,000 units	107,840	108,000
Vodafone Group PLC DTD 2/27/07 6.150 2/27/2037	300,000 units	334,752	396,803
		<u>5,034,601</u>	<u>5,549,901</u>
Asset Backed Securities			
Private Placement Asset - B			
Deutsche Alt-A Securities NIM 144A Priv Plcmt 6.500 2/25/2047	15,816 units	316	-
		<u>316</u>	<u>-</u>
Collateralized MTG - Backed			
LB-UBS Commercial Mortgage Tru DTD 11/11/07 5.866 9/15/2045	1,000,000 units	1,078,672	1,192,230
NCUA Guaranteed Notes DTD 11/17/10 11/6/2017	296,445 units	292,327	297,094
		<u>1,370,999</u>	<u>1,489,324</u>

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Other Assets			
Contracts and Swaps			
Call Options			
Call Wr. Opt IRO USD 5Y Strike 0.75 exp 2/19/2013	(4,600,000) shares	\$ (4,020)	\$ (3,574)
Call Wr. Opt IRO USD 5Y Strike 0.80 exp 3/18/2013	(600,000) shares	(600)	(1,046)
Call Wr. Opt IRO USD 5Y Strike 0.75 exp 3/18/2013	(12,000,000) shares	(18,278)	(12,146)
Call Wr. Opt IRO USD 7Y Strike 1.20 exp 3/18/2013	(400,000) shares	(1,025)	(1,160)
Put Options			
Put Wr. Opt IRO USD 1Y Strike 1.20 exp 3/18/13	(3,800,000) shares	(15,153)	(3,254)
Put Wr. Opt IRO USD 1Y Strike 1.40 exp 3/18/13	(2,600,000) shares	(55,510)	(811)
Put Wr. Opt IRO USD 5Y Strike 1.20 exp 2/19/13	(1,700,000) shares	(4,803)	(568)
Put Wr. Opt IRO USD 5Y Strike 1.20 exp 3/18/13	(600,000) shares	(870)	(514)
Put Wr. Opt IRO USD 5Y Strike 1.40 exp 6/17/13	(400,000) shares	(880)	(737)
Put Wr. Opt IRO USD 5Y Strike 1.20 exp 3/18/13	(5,600,000) shares	(20,580)	(4,795)
Put Wr. Opt IRO USD 5Y Strike 2.00 exp 3/18/13	(1,800,000) shares	(16,935)	(14)
Put Wr. Opt IRO USD 5Y Strike 1.20 exp 2/19/13	(2,900,000) shares	(7,975)	(969)
Put Wr. Opt IRO USD 7Y Strike 1.65 exp 3/18/13	(300,000) shares	(900)	(638)
Put Wr. Opt IRO USD 7Y Strike 1.65 exp 3/18/13	(400,000) shares	(1,075)	(850)
Put Wr. Opt on Inflation Index Strike 216.687 exp 4/7/20	(1,800,000) shares	(16,200)	(3,493)
Swaps			
USD R 3ML Pay 1.5% 1st pmt 07-05			
EFFDT 1/4/2016 MATD 1/4/2018	(1,200,000) par	-	(2,537)
		(164,804)	(37,106)

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Other Limited Partnership			
Adams Street Partnership Fund			
2010 US Fund LP	1,896,834 units	\$ 1,896,834	\$ 2,065,257
Adams Street Partnership Fund			
2010 Emerging Markets Fund	249,600 units	249,600	216,176
Adams Street Partnership Fund			
2010 Direct Fund LP	568,800 units	568,800	617,894
Adams Street Partnership Fund			
2010 Non- US Developed Markets Fund	945,912 units	945,912	920,877
Blackstone Resources Select Fund, LP			
IRT Mirrored Holding	11,267 units	12,800,000	11,835,343
		16,461,146	15,655,547
Common Stocks:			
Acacia Research Corp - Acacia Tech	13,500 shares	266,417	346,399
Actuant Corp-CI A	11,900 shares	268,799	332,129
Aegon N.V. ADR	22,198 shares	159,667	142,955
American Equity Invst Life Hldg Co Com	37,400 shares	398,508	456,654
Andersons Inc Com	7,900 shares	286,352	338,910
Aol Inc	1,596 shares	31,879	47,258
Atlas Air Worldwide Hlldgs Inc Com New	5,400 shares	173,805	239,328
Baker Hughes Inc Com	6,000 shares	246,370	245,086
Bank New York Mellon Corp Com	13,500 shares	348,024	346,950
BB&T Corp Com	4,350 shares	95,753	126,629
BMC Software Inc	2,700 shares	78,005	106,974
Boston Scientific Corp Com	23,500 shares	197,896	134,655
Brandywine rltY Tr Bd	18,700 shares	214,152	227,953
Cadence Design Systems Inc	3,700 shares	32,830	49,987
Capital One Financial Corp	11,000 shares	518,669	637,230
Capstead Mortgage Corp	27,600 shares	359,479	316,572
Cardtronics Inc	16,700 shares	251,683	396,458
Carmax Inc	2,200 shares	48,076	82,588
Cash America International Inc	7,300 shares	255,386	289,591
Chevron Corp	1,407 shares	98,667	152,153
City Hldg Co	5,300 shares	166,288	184,705
Coinstar Inc Com	8,550 shares	455,379	444,686
Columbia Banking System Inc	18,800 shares	385,431	337,272
Comcast Corp Class A	16,849 shares	401,385	629,479
Computer Sciences Corp	3,500 shares	136,305	140,175
Compuware Corp Com	3,300 shares	25,057	35,871
Dish Network Corp	2,800 shares	79,294	101,920

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Dow Chemicals Co	5,400 shares	\$ 173,150	\$ 174,579
Ebay Inc	4,300 shares	134,736	219,290
Fedex Corporation	4,000 shares	317,792	366,880
First Cash Financial Services, Inc	8,300 shares	187,574	411,846
General Electric Co	24,000 shares	529,480	503,760
Genworth Finl Inc	7,000 shares	68,225	52,570
GlaxoSmithKline PLC - ADR	10,500 shares	475,363	456,435
Goldman Sachs Group Inc	2,600 shares	304,814	331,656
Hawaiian Holdings Inc	37,700 shares	279,383	247,689
Hewlett Packard Co	26,121 shares	606,888	372,224
Horace Mann Educators Corp New	12,200 shares	143,804	243,512
HSBC - ADR	2,085 shares	121,228	110,651
Iberiabank Corp	10,000 shares	490,448	491,200
Lasalle Hotel Properties Com	10,000 shares	186,846	253,900
Liberty Global Inc	300 shares	15,835	18,888
Liberty Global Inc Com Ser C	300 shares	14,828	17,625
Liberty Interactive Corporation	6,425 shares	80,486	126,444
McGraw-Hill Companies Inc	2,000 shares	85,239	109,340
Medtronic Inc	2,500 shares	96,206	102,550
Merck & Co Inc New	13,200 shares	424,402	540,408
Molex Inc CL A	3,500 shares	81,672	78,120
Newpark Res Inc Com	33,400 shares	254,990	262,190
News Corp CL A	14,200 shares	236,570	362,242
Nokia Corporation - ADR	26,900 shares	155,499	106,255
Novartis AG- ADR	8,000 shares	466,236	506,400
Occidental Pete Corp	3,500 shares	181,132	268,135
Omega Healthcare Invs Inc Com	8,500 shares	148,632	202,725
Panasonic Corporation	13,000 shares	114,258	78,910
Pfizer Inc	18,100 shares	384,800	453,935
PS Business Parks Inc/Ca	4,000 shares	190,987	259,920
Rent-a-Center Inc	12,800 shares	396,522	439,808
Sanofi - Aventis - ADR	11,340 shares	470,357	537,289
Schulmberger LTD	5,300 shares	305,996	367,283
Schweitzer - Maudit Intl Inc Com	8,870 shares	207,303	346,196
Shutterfly Inc	13,600 shares	354,528	406,232
Silicon Image Inc	71,800 shares	480,307	356,128
Sprint Nextel Corp	78,000 shares	497,305	442,260
Suntrust Banks Inc	4,500 shares	97,195	127,575
SVB Finl Group	6,700 shares	255,386	374,999
Symantec Corp	12,500 shares	200,997	235,250

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Synopsys Inc Com	2,900 shares	\$ 65,353	\$ 92,323
Tennant Co	8,850 shares	314,056	388,958
Time Warner Cable Inc	3,250 shares	179,325	315,868
Time Warner Inc	9,966 shares	355,565	476,674
Tower Group Inc	14,500 shares	352,091	257,949
Tyco International Ltd New	2,075 shares	47,043	60,694
Vodafone Group PLC New	5,300 shares	109,477	133,507
Vulcan Matls Co	2,600 shares	112,822	135,330
Wal-Mart Stores Inc	3,250 shares	180,377	221,748
Wells Fargo & Co*	16,833 shares	711,772	575,352
Wintrust Finl Corp	12,900 shares	458,796	473,430
Xerox Inc	26,000 shares	212,954	177,320
Acadia Healthcare Co Inc	18,000 shares	393,730	420,300
Acco Brands Corp	36,000 shares	358,169	264,240
Adobe Sys Inc	5,500 shares	169,932	207,240
ADT Corp/The	787 shares	21,415	36,588
Air Methods Corp Com	9,900 shares	272,709	365,409
Amdocs Limited Com	2,500 shares	76,742	84,975
American Vanguard Corp	8,700 shares	152,641	270,309
Amsurg Corp	8,700 shares	224,384	261,087
Aspen insurance Holding LTDSHS	8,800 shares	258,941	282,304
Astoria Finl Corp Com	20,800 shares	275,113	194,688
Avis Budget Group	14,200 shares	200,655	281,444
Bank of America Corp	30,000 shares	303,680	348,300
Barnes & Noble, Inc.	27,300 shares	402,778	411,957
Brinks Co	12,600 shares	338,217	359,478
Celanese Corp	4,000 shares	173,414	178,120
Cigna Corp	1,400 shares	74,535	74,844
Con-Way Inc	10,000 shares	327,020	278,200
Cooper Tire & Rubber Co	20,500 shares	434,179	519,880
Corning Inc	7,300 shares	91,973	92,126
Dealertrack Technology	13,300 shares	365,402	381,976
Dell Inc	5,900 shares	68,283	59,826
DFC Global Corporation	19,900 shares	345,691	368,542
DigitalGlobe Inc	12,100 shares	238,399	295,724
DXP Enterprises Inc	6,900 shares	303,545	338,583
Ebix, Inc	12,400 shares	203,898	199,888
Emulex Corp	36,400 shares	342,718	265,720
Encore Cap Group Inc	16,600 shares	411,580	508,292
Energy XXI (Bermuda) LTD	10,100 shares	301,532	324,917
Finish Line Inc CL A	18,200 shares	401,568	344,526
First Commonwealth Finl Corp Com	36,600 shares	169,992	249,612

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Generac Holdings Inc	12,500 shares	\$ 314,352	\$ 428,875
Gentherm Inc	23,100 shares	341,754	307,232
G-III Apparel Group Ltd	6,000 shares	199,236	205,380
Glatfelter	15,200 shares	224,103	265,696
Google Inc	200 shares	141,791	141,476
GT Advanced Technologies, Inc	33,300 shares	335,219	100,899
Helix Energy Solutions Inc	23,100 shares	408,805	476,784
Hexcel Corp New Com	15,000 shares	343,965	404,400
Jack in the Box, Inc	14,900 shares	401,852	426,140
JP Morgan Chase & Co	3,300 shares	130,890	145,098
Kelly Svcs Inc CL A	19,000 shares	331,280	299,060
Koninklijke Philips Electronic - ADR	5,000 shares	109,648	132,700
Krispy Kreme Doughnuts Inc	29,600 shares	207,317	277,648
Kulicke & Soffa Inds Inc	29,750 shares	338,356	356,703
Logitech International S.A.	37,600 shares	372,527	283,504
MagicJack Vacaltec Ltd	20,850 shares	365,525	379,470
Maxim Integrated Prods Inc	4,100 shares	69,376	120,540
Medifast Inc	11,900 shares	257,722	314,041
Mens Wearhouse Inc Com	14,400 shares	500,898	448,704
Metlife Inc	4,000 shares	132,176	131,760
Microsoft Corp	14,850 shares	399,277	396,639
Moneygram international, Inc	17,800 shares	318,567	236,562
Multimedia Games Holding Co Inc	24,500 shares	297,146	360,395
Netapp Inc	5,500 shares	178,982	184,525
Netscout Systems Inc	13,800 shares	285,706	358,662
Netspend Holdings Inc	29,600 shares	324,370	349,872
Noranda Aluminum Holding Corp	45,600 shares	291,862	278,616
Northwestern Corp	15,800 shares	535,234	548,734
Penney J C Inc	3,300 shares	84,243	65,043
PNM Res Inc	14,500 shares	269,576	297,395
Polyone Corp	10,100 shares	193,781	206,242
Questcor Pharmaceuticals Inc	10,400 shares	189,180	277,888
Santarus Inc	28,800 shares	185,413	316,224
Schwab Charles Corp New	23,000 shares	338,629	330,280
SHFL Entertainment, Inc.	19,800 shares	209,490	287,100
Sykes Enterprises Inc Com	6,450 shares	93,068	98,169
TE Connectivity Ltd	5,275 shares	176,992	195,808
Texas Cap Bancshares Inc	7,000 shares	166,946	313,740
Tivo Inc	28,700 shares	309,515	353,297
Transglobe Energy Corp Com	11,950 shares	172,367	112,211
Tyler Technologies Inc	5,500 shares	200,110	266,420

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Unilever PLC - ADR	2,500 shares	\$ 84,403	\$ 96,800
Universal American Corp	25,600 shares	248,205	219,904
Universal Corp	5,600 shares	284,360	279,496
UNS Energy Corporation	8,200 shares	278,518	347,844
Voxx International Corp	17,200 shares	218,286	115,756
Western Refng Inc	9,900 shares	182,996	279,076
		<u>39,043,435</u>	<u>42,650,922</u>
Equity Funds:			
Collective Equity Funds			
Fisher Investments Foreign Equity Fund	18,077,363 units	18,077,363	19,914,070
JP Morgan Mult- Strategy fund II LTD	13,998 shares	15,331,694	17,192,274
Thornburg International Equity Fund	2,023,147 shares	21,546,520	21,769,066
		<u>54,955,577</u>	<u>58,875,410</u>
Mutual Funds			
Harbor Capital Appreciation Fund Class	388,658 units	13,565,234	16,525,717
Prudential Global Real Estate Fund Class Z	787,683 units	12,816,335	17,092,728
Vanguard Institutional Index Fund	78,218 units	7,959,356	10,208,984
		<u>34,340,925</u>	<u>43,827,429</u>
		<u>\$ 270,841,126</u>	<u>\$ 302,280,403</u>

The above information has been certified by Wells Fargo Bank, N.A., the trustee, as complete and accurate.

*Represents a party-in-interest.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire each potential retirement age is shown below. The average retirement age is 61.

(A) Retirement age	(B) Retirement Rates	(C) Assumed Number of Survivors	(D) Number of employees expected to retire (B) x (C)	(E) Number of Retirements times Age (A) x (D)
55	5.0%	10,000	500.00	27,500
56	5.0%	9,500	475.00	26,600
57	5.0%	9,025	451.25	25,721
58	5.0%	8,574	428.69	24,864
59	5.0%	8,145	407.25	24,028
60	10.0%	7,738	773.78	46,427
61	10.0%	6,964	696.40	42,480
62	75.0%	6,268	4,700.72	291,445
63	75.0%	1,567	1,175.18	74,036
64	75.0%	392	293.79	18,803
65	100.0%	98	97.94	6,366
Total			10,000.00	608,270
Average				60.83

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions**

Discount rate sponsor elections		
▪ Segment rates or full yield curve	Segment rates	
▪ Look-back months	0	
	Stabilized rates	Non-stabilized rates
▪ First 5 years	5.54%	1.98%
▪ Next 15 years	6.85%	5.07%
▪ Over 20 years	7.52%	6.19%
Mortality sponsor elections		
▪ Healthy participants	Section 430(h)(3) prescribed separate generational annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA	
▪ Pre-1995 disabilities	Revenue Ruling 96-7 table for participants who became disabled before 1995	
▪ Post-1994 disabilities	Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits	
417(e) lump sums	Liabilities are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and current year 417(e) unisex mortality.	
Non-417(e) lump sums		
▪ Mortality table	UP84	
▪ Interest rate	6.00%	
Cash balance plans		
▪ Interest accumulation rate	4.00%	
▪ Whipsaw calculations	No	
▪ Annuity conversion		
– Mortality table	2011 PPA unisex mortality	
– Interest rate basis	Funding segment rates	

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Other economic assumptions**

▪ Salary increases	3.87% weighted average increase, see table of sample rates
▪ Social Security wage base	3.50% per year
▪ Inflation	2.50% per year
▪ Expected investment return	7.50% per year for years 2010 through 2012
▪ Expenses	Administrative expenses are assumed to be equal to previous year's actual administrative expenses (\$400,947 for current year).

Demographic assumptions

Withdrawal See table of sample rates.

Disability incidence 1985 Disability Table – Class 1

Retirement age	Attained age	Percentage
	Under 55	0%
	55	5%
	56	5%
	57	5%
	58	5%
	59	5%
	60	10%
	61	10%
	62	75%
	63	75%
	64	75%
	65 and above	100%

Benefit commencement age for

▪ Future vested deferred	62
▪ Current vested deferred	62

Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
▪ Percentage married	80%	60%
▪ Spouse age difference	3 years younger	3 years older

Form of payment	<u>Lump sum</u>	<u>Single life*</u>
▪ Active retirements	90%	10%
▪ Future vested deferred	90%	10%
▪ Future disabilities	90%	10%
▪ Future deaths	90%	10%
▪ Current vested deferred	0%	100%

* For married participants with a Progress Energy cash balance benefit, the assumed form of payment is J&S 50% due to no reduction from the single life annuity.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Unpredictable contingent event assumptions	Not applicable
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Table of sample rates

Attained Age	Percentage			
	Disability		Withdrawal ¹	
	Males	Females	Males	Females
20	.0290%	.0300%	2.9000%	5.8000%
25	.0380%	.0470%	2.3500%	4.7000%
30	.0480%	.0800%	1.8500%	3.7000%
35	.0690%	.1360%	1.4000%	2.8000%
40	.1170%	.2110%	1.1000%	2.2000%
45	.2020%	.3230%	.9000%	1.8000%
50	.3580%	.5330%	.6500%	1.3000%
55	.7220%	.9520%	.0000%	.0000%
60	1.2560%	1.1590%	.0000%	.0000%
65	.0000%	.0000%	.0000%	.0000%

Attained Age	Percentage	
	Earnings Progression	
	Attained Age	Increase at Attained Age
	20	9.0%
	25	9.0%
	30	8.0%
	35	7.0%
	40	6.0%
	45	5.0%
	50	4.0%
	55	3.0%
	60	3.0%

¹ 10% turnover for the first two years of employment and the ultimate withdrawal rates thereafter

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial methods

Asset methods

The asset valuation method is an average of the adjusted market value for each year during the last two years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- The plan provides disability benefits which are not based on service at disability. These benefits are attributed to service using the ratio of service on the valuation date to service at first eligibility.
- This plan provides benefits that are not a function of a participant's accrued benefit or years of service. This benefit is allocated to funding target based on the ratio of the participant's service at the beginning of the plan year to their service at each decrement age and is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service and compensation during the plan year.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Schedule SB, Part V — Summary of Plan Provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated January 1, 2008, are included in this valuation.

- **Plan amendments excluded:** None
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* None.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Late retirement increases:**
 - *Active participants:* Late retirement actuarial increases apply to active participants who defer retirement beyond normal retirement. This valuation includes increases for current participants over age 65.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions**Summary of major plan provisions*****Piedmont***

Effective date and plan year	Original plan: January 1, 1968 Restated plan: January 1, 2008 Plan year: Calendar year
Status of the plan	The plan has ongoing benefit accruals for current participants but is closed to new entrants as of January 1, 2009.
Significant events that occurred during the year	None
Definitions	
▪ Covered employees	Individuals employed by Piedmont Natural Gas Company, Inc. or any adopting member of a related group.
▪ Participation	Each employee hired prior to January 1, 2008 shall become a participant on the January 1 or July 1 coinciding with or next following the date on which he either: (a.) attains age 21 and completes 1,000 hours of service during the 12-month period commencing on his employment date (or completes 1,000 hours of service during a calendar year following his employment date), or (b.) attains age 30. All participants in the Nashville Gas Company Pension Plan became participants on January 1, 1987. Former NCNG participants of the Progress Energy Pension Plan became participants on October 1, 2003.
▪ Employee contributions	None
▪ Vesting service	Plan years during which the employee completes 1,000 or more hours of service, including service with Nashville Gas Company prior to January 1, 1987, and service with Progress Energy prior to October 1, 2003, but excluding years prior to attaining age 22 (age 18 beginning 1985) and years prior to the effective date of the plan.

Schedule SB, Part V — Summary of Plan Provisions

▪ Credited service	<p>Plan years after the employee satisfies eligibility requirements for each full month and any partial calendar month ending on his employment termination date during which he was a participant.</p> <p>Nashville Gas Company Pension participants shall be credited with all benefit accrual service under that plan prior to January 1, 1987.</p> <p>Progress Energy Pension Plan participants shall begin accruing benefit accrual service at October 1, 2003.</p>
▪ Pensionable earnings	Annual W-2 compensation, plus any amounts contributed to a 401(k) plan, plus any Section 125 premiums. For plan years beginning after December 31, 2001, the compensation limit of Code Section 401(a)(17) is increased to \$200,000 and is applied retroactively to the extent permitted by the Code. The compensation limit is indexed annually.
▪ Final average earnings	Average of compensation for the sixty (60) consecutive months of highest earnings during the last ten years of employment immediately preceding the determination date.
▪ Covered compensation	The 35-year average of F.I.C.A. Wage Bases ending in the year before an employee attains his social security retirement age.
▪ Accrued benefit	Amount payable to a participant as a single life annuity beginning at age 65.
Normal retirement	
▪ Eligibility	Attainment of age 65
▪ Benefit	<p>A lifetime benefit commencing at normal retirement equal to the greater of (a) plus (b) or (c):</p> <p>(a.) the accrued benefit under the plan in effect December 31, 2007 (December 31, 2008 for Nashville union).</p> <p>(b.) (1.2% of final average earnings plus 0.5% of final average earnings in excess of covered compensation) times credited service earned after 2007 (2008 for Nashville union) up to 35. (Note the 35 year cap is reduced by the number of years used in the calculation of (a)).</p> <p>(c.) (1.2% of final average earnings plus 0.5% of final average earnings in excess of covered compensation) times credited service up to 35 years.</p>

Schedule SB, Part V — Summary of Plan Provisions

Early retirement

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Eligibility | <p>A participant may retire prior to normal retirement, provided he has attained age 55 and has completed 10 years of service.</p> <p>(A Nashville participant may retire after age 50 with 15 years of service and receive only the early retirement benefit accrued as of December 31, 1986, under the Nashville Plan, with the Piedmont Plan portion of the early retirement benefit payable after age 55.)</p> |
| <ul style="list-style-type: none"> ▪ Benefit | <p>For benefits earned prior to 2008 (2009 for Nashville union) a lifetime benefit commencing at early retirement equal to the actuarial equivalent of the accrued benefit, with the actuarial factors being 0.35% per month by which benefit commencement date precedes normal retirement date. The early retirement reduction factor for the excess portion of the benefit equals 5/9 of 1% for the first 60 months which retirement precedes age 65 and 5/18 of 1% for the next 60 months which retirement precedes age 60.</p> <p>For benefits earned after 2007 (2008 for Nashville union), a lifetime benefit commencing at early retirement reduced by 0.35% for each month that benefit commencement precedes age 65.</p> |

Late retirement

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Eligibility | A participant remains in employment past his Normal Retirement Date. |
| <ul style="list-style-type: none"> ▪ Benefit | A lifetime benefit calculated in the same manner as the normal retirement benefit using final average earnings and credited service at late retirement. |

Deferred vested

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Eligibility | The participant terminates employment for reasons other than death or retirement after completing at least 5 years of service. |
|---|--|
-

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit	He shall be entitled to receive a monthly benefit commencing at normal retirement and continuing for the remainder of his lifetime. The amount of benefit shall be 100% of the accrued benefit provided the participant has completed 5 years of service. The participant who has completed 5 years of service may elect to receive a reduced benefit commencing on the first day of any month following his termination of employment.
Disability	
▪ Eligibility	A participant who has 5 years of service when his leave of absence that results in a long-term disability begins.
▪ Benefit	The participant will continue to accrue pension benefits based on their base rate of pay.
Pre-retirement death	
▪ Eligibility	Death of a participant who has completed 5 years of service.
▪ Benefit prior to normal retirement	The death benefit will be equal to what the beneficiary would have received had he elected a 50% J&S annuity prior to death. The death benefit can be paid as a lump sum.
▪ Benefit after normal retirement	Beneficiary shall be entitled to any remaining benefit due under an elected alternate form of payment.
Form of benefits	
▪ Automatic form for unmarried participants	The normal form of payment is a life annuity.
▪ Automatic form for married participants	Benefits to married participants will be paid in the form of an actuarially reduced 50% joint & survivor annuity unless the participant and spouse properly elect to receive another form of payment.
▪ Optional forms	Optional forms of payment include 75% and 100% joint and survivor options; 5, 10 and 15-year certain and life options; and a lump-sum option.

Schedule SB, Part V — Summary of Plan Provisions

<ul style="list-style-type: none"> Optional form conversion factors 	<u>Optional form conversion except lump sums</u> Mortality: 1984 Unisex Pension Mortality Interest: 6% per annum <u>Lump sums</u> - the greater of above or Mortality: 417(e) mortality Interest: PPA lump sum segment rates for the month of November prior to plan year
Miscellaneous	
<ul style="list-style-type: none"> Cost-of-living benefit increases after retirement 	Retirement benefits are increased or decreased on January 1 each year by an amount equal to the original retirement benefit multiplied by the ratio of the cost-of-living index figure on the preceding November 30 to the cost-of-living index figure at retirement. Changes from one year to the next of less than 1% are ignored and the adjusted benefit will not decrease below the original benefit nor increase above the original benefit increased by compound interest of 3% per year. These cost-of-living increases do not apply to terminated/vested employees or to benefits accrued by non-union employees after December 31, 1992, NC/SC union employees after June 30, 1998, and Nashville union employees after July 31, 1999.
<ul style="list-style-type: none"> Maximum compensation 	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2012, the limit is \$250,000.
<ul style="list-style-type: none"> Maximum benefits 	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2012, the limit is \$200,000.

Schedule SB, Part V — Summary of Plan Provisions**NCNG**

Effective date	The effective date is February 13, 2004.
Definitions	
▪ Covered employees	All participating employees who, as of September 30, 2003, had an accrued benefit under The Progress Energy Pension Plan became participants on February 13, 2004. No other individuals are or may become eligible to participate in the Plan on or after February 13, 2004.
▪ Participation	Participation is limited to persons who, as of September 30, 2003, had an accrued benefit under The Progress Energy Pension Plan which includes: (a.) "continuing employees" as defined in the Stock Purchase Agreement; (b.) certain former employees of The Progress Energy Pension Plan who, as of September 30, 2003, were deferred vested participants; and (c.) certain retired employees as defined in the Stock Purchase Agreement.
▪ Employee contributions	None
▪ Vesting service	Years of vesting service under The Progress Energy Pension Plan as of September 30, 2003; plus one year of service if credited with at least one hour of service during the period beginning October 1, 2003 and ending December 31, 2003; plus one year of service for each calendar year on or after January 1, 2004 during which the participant is credited with at least 1,000 hours.
▪ Credited service	Plan years after the employee satisfies eligibility requirements for each full month and any partial calendar month ending on his employment termination date during which he was a participant. Progress Energy Pension Plan participants shall begin accruing benefit accrual service at October 1, 2003.

Schedule SB, Part V — Summary of Plan Provisions

▪ Pensionable earnings	<p>Annual W-2 compensation, plus any amounts contributed to a 401(k) plan, plus any Section 125 premiums. For plan years beginning after December 31, 2001, the compensation limit of Code Section 401(a)(17) is increased to \$200,000 and is applied retroactively to the extent permitted by the Code. The compensation limit is indexed annually.</p> <p><u>For LTD employees with Progress Energy:</u></p> <p>For purposes of calculating pay credits and transition credits, members on approved disability shall be imputed with compensation at the annual rate they were earning immediately prior to their cessation of active service.</p>
▪ Benefit	<p>A participant's cash balance account as of September 30, 2003 under The Progress Energy Pension Plan as adjusted for interest credits.</p> <p>Interest credits shall be credited to the cash balance account on December 31, or retirement date if earlier, at an annual rate of 6% for 2004 and 4% thereafter.</p>
▪ Accrued benefit	<p>The sum of</p> <p>(a.) Frozen NCNG accrued benefit</p> <p>(b.) Frozen Progress Energy accrued benefit</p> <p>(c.) The benefit earned under this plan for final average compensation and benefit service for the period of active participation through December 31, 2007.</p>
Normal retirement	
Eligibility	Attainment of age 65
Benefit	<p>All retirement benefits are 100% vested at all times. A lifetime benefit commencing at normal retirement equal to the sum of (a) and (b) below:</p> <p>(a.) participant's frozen NCNG accrued benefit as of December 31, 1999, if any, and;</p> <p>(b.) the participant's frozen Progress Energy accrued benefit equal to the greater of (i) and (ii) below:</p> <p style="padding-left: 40px;">the participant's frozen cash balance account pension benefit as of September 30, 2003; and</p> <p style="padding-left: 40px;">the participant's frozen progress final average pay benefit determined as of September 30, 2003.</p>
Early retirement	

Schedule SB, Part V — Summary of Plan Provisions

▪ Eligibility	A participant may retire prior to normal retirement, provided he has attained age 55 and has been credited with 10 or more years of service.																																	
▪ Benefit	<p>A lifetime benefit commencing at early retirement equal to (1) plus the greater of (2) or (3), where:</p> <p>(1.) is the participant's frozen NCNG accrued benefit, reduced by 1/15 for the first 5 years which retirement precedes age 65 and by 1/30 for the next 5 years which retirement precedes age 60.</p> <p>(2.) is the participant's frozen Progress Energy final average pay benefit, multiplied by a percentage in accordance with the following table of factors:</p> <table><tr><th>Age at Commencement of Retirement Benefit</th><th>At Least 10 years but less than 20 Years of Service</th><th>20 or More Years of Service</th></tr><tr><td>55</td><td>75.5</td><td>75.0</td></tr><tr><td>56</td><td>77.5</td><td>77.5</td></tr><tr><td>57</td><td>80.0</td><td>80.0</td></tr><tr><td>58</td><td>82.5</td><td>82.5</td></tr><tr><td>59</td><td>85.0</td><td>85.0</td></tr><tr><td>60</td><td>87.5</td><td>87.5</td></tr><tr><td>61</td><td>90.0</td><td>90.0</td></tr><tr><td>62</td><td>92.5</td><td>100.0</td></tr><tr><td>63</td><td>95.0</td><td>100.0</td></tr><tr><td>64</td><td>97.5</td><td>100.0</td></tr></table> <p>(3.) is the participant's cash balance account pension benefit, multiplied by an adjustment factor in accordance with the plan.</p>	Age at Commencement of Retirement Benefit	At Least 10 years but less than 20 Years of Service	20 or More Years of Service	55	75.5	75.0	56	77.5	77.5	57	80.0	80.0	58	82.5	82.5	59	85.0	85.0	60	87.5	87.5	61	90.0	90.0	62	92.5	100.0	63	95.0	100.0	64	97.5	100.0
Age at Commencement of Retirement Benefit	At Least 10 years but less than 20 Years of Service	20 or More Years of Service																																
55	75.5	75.0																																
56	77.5	77.5																																
57	80.0	80.0																																
58	82.5	82.5																																
59	85.0	85.0																																
60	87.5	87.5																																
61	90.0	90.0																																
62	92.5	100.0																																
63	95.0	100.0																																
64	97.5	100.0																																
Late retirement																																		
▪ Eligibility	A participant is employed past his Normal Retirement Date.																																	
▪ Benefit	A lifetime benefit calculated in the same manner as the normal retirement benefit as of the participant's late retirement date.																																	
Deferred vested																																		
▪ Eligibility	A participant terminates employment.																																	

Schedule SB, Part V — Summary of Plan Provisions

-
- | | |
|-----------|---|
| ▪ Benefit | All termination benefits are 100% vested at all times. If the participant terminates employment, he shall be entitled to receive a monthly benefit commencing at normal retirement and continuing for the remainder of his lifetime. The participant may elect to receive a reduced benefit commencing on the first day of any month following his 55th birthday, provided he had 10 years of service at termination of employment. |
|-----------|---|
-

Disability

-
- | | |
|---------------|---|
| ▪ Eligibility | A participant who, as of September 30, 2003, was eligible to receive disability benefits from a long-term disability program of Progress Energy, Inc. and its predecessors. |
|---------------|---|
-

- | | |
|-----------|--|
| ▪ Benefit | For LTD employees with Progress Energy:
Pay credits shall be credited to the cash balance account on December 31. This is determined by multiplying the percentage factor by the member's compensation. See table of pay credits. |
|-----------|--|

Age at Beginning of Year	Basic Annual Credits	Additional Annual Credit*
Less than 34	3.00%	3.00%
35-39	3.50%	3.50%
40-44	4.25%	4.25%
45-49	5.00%	5.00%
50-54	6.00%	6.00%
55 and Over	7.00%	7.00%

*Additional Credit for pay in excess of 80% of Social Security Taxable Wage Base

Schedule SB, Part V — Summary of Plan Provisions

For LTD employees with Progress Energy:

Transition credits shall be credited to the cash balance account on December 31. This is determined by multiplying the percentage factor by the member's compensation. See table of transition credits.

**NCNG Transition Credits Made at
End of each Plan Year
Commencing on or after January
1, 2000**

Attained age at beginning of year of Credit	Based on Age of Supplement A Participant on January 1, 2000			
	Less than 35	35-44	45-54	55-65
Less than 29	0.5%			
29-33	1.0			
34-38	1.5	2.5%		
39-43	2.0	3.5		
44-48	2.5	4.5	6.0%	
49-53	3.0	5.5	8.0	
54	3.5	6.5	11.0	9.5%
55	3.5	6.5	11.0	10.5
56	3.5	6.5	11.0	11.5
57	3.5	6.5	11.0	12.5
58	3.5	6.5	11.0	13.5
59	4.0	6.5	13.5	14.5
60	4.0	7.5	13.5	15.5
61	4.0	7.5	13.5	16.5
62	4.0	7.5	13.5	17.5
63	4.0	7.5	13.5	18.5
64-65	4.0	7.5	13.5	19.5

Pre-retirement death**Eligibility**

Upon the death of a married vested participant who has not yet begun receiving benefits, the participant's surviving spouse will receive the survivor portion of a 50% joint & survivor annuity.

Schedule SB, Part V — Summary of Plan Provisions

Benefit prior to early retirement	For participants dying on or before the earliest retirement age the annuity is calculated as if the participant had separated from service on the day of his death, and had died the day after attaining the earliest retirement age.
Benefit after early retirement	For participants dying after the earliest retirement age, the annuity is calculated as if the participant had begun receiving the annuity the day before he died.
Form of benefits	
Automatic form for unmarried participants	The normal form of payment is a life annuity.
<ul style="list-style-type: none"> Automatic form for married participants 	Benefits to married participants will be paid in the form of an actuarially reduced 50% joint & survivor annuity unless the participant and spouse properly elect to receive another form of payment.
<ul style="list-style-type: none"> Optional forms 	<u>NCNG and Progress Energy benefit:</u> Optional forms of payment include 50%, 75% and 100% joint and survivor options; 10 year certain and life option; lump-sum; <u>Progress Energy benefit only:</u> unreduced 50% joint and survivor annuity, Social Security leveling form; refund annuity and 100% survivor annuity with life reversion option.
<ul style="list-style-type: none"> Optional form conversion factors 	<u>Optional form conversion except lump sums</u> Mortality: 1984 Unisex Pension Mortality Interest: 6% per annum <u>Lump sums</u> - the greater of above or Mortality: 417(e) mortality table Interest: PPA lump sum segment rates for the month of November prior to the plan year
Miscellaneous	
<ul style="list-style-type: none"> Maximum compensation 	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2012, the limit is \$250,000.
<ul style="list-style-type: none"> Maximum benefits 	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2012, the limit is \$200,000.

Schedule SB, Part V — Summary of Plan Provisions

Plan provision changes since prior valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2011 to 2012.

Schedule SB, Line 26 — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & up	Total
Under 25											
25-29		8	9								17
30-34		12	62 60,176	14							88
35-39		11	92 65,939	44 68,091	23 66,583						170
40-44		14	82 68,936	71 64,039	53 71,955	29 72,306	1				250
45-49		7	83 80,328	42 68,323	51 74,318	45 74,116	31 67,620				259
50-54		8	113 72,653	33 78,931	31 69,877	63 75,337	99 78,243	6	1		354
55-59		3	77 66,325	25 71,088	16	25 84,347	42 86,442	52 76,571	13		253
60-64		2	42 70,575	9	8	9	12	25 69,235	23 76,556	3	133
65-69			4	6	3	2	1	2	1	5	24
70 & up			2	1	1			1		1	6
Total		65	566	245	186	173	186	86	38	9	1,554

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2011 limited to \$245,000. Average pay is not shown for cells with fewer than 20 participants.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2012**This Form is Open to Public
Inspection**For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012► **Round off amounts to nearest dollar.**► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.**A** Name of plan

Retirement Plan of Piedmont Natural Gas Company, Inc.

B Three-digit
plan number (PN) ►

001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Piedmont Natural Gas Company, Inc.

D Employer Identification Number (EIN)

56-0556998

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 1 Day 1 Year 2012**2** Assets:**a** Market value **2a** 255,719,198**b** Actuarial value **2b** 250,721,948**3** Funding target/participant count breakdown:**a** For retired participants and beneficiaries receiving payment **3a** (1) Number of participants 374 (2) Funding Target 36,390,708**b** For terminated vested participants **3b** 327 14,493,562**c** For active participants:(1) Non-vested benefits **3c(1)** 9,530,740(2) Vested benefits **3c(2)** 115,739,841(3) Total active **3c(3)** 1,554 125,270,581**d** Total **3d** 2,255 176,154,851**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐**a** Funding target disregarding prescribed at-risk assumptions **4a****b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor **4b****5** Effective interest rate **5** 7.02 %**6** Target normal cost **6** 6,015,270**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

GA

Signature of actuary

GARO AGHJAYAN

Type or print name of actuary

MERCER

Firm name

100 N. TRYON STREET, SUITE 3600

CHARLOTTE

NC 28202-4023

Address of the firm

10/08/2013

Date

11-06816

Most recent enrollment number

(704) 805-7500

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	17,392,342	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	17,392,342	0
10 Interest on line 9 using prior year's actual return of <u>6.50</u> %	1,130,502	
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b Interest on (a) using prior year's effective interest rate of <u>6.05</u> % except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	18,522,844	0

Part III Funding Percentages

14 Funding target attainment percentage	14	131.81 %
15 Adjusted funding target attainment percentage	15	142.33 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	122.84 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
11/01/2012	20,000,000				
Totals ▶			18(b)	20,000,000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 18,900,612

20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
5.54 %2nd segment:
6.85 %3rd segment:
7.52 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

0

22 Weighted average retirement age**22**

61

23 Mortality table(s) (see instructions)☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Part VI Miscellaneous Items**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.☐

Yes

☒

No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.☐

Yes

☒

No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.☒

Yes

☐

No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....**29**

0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)**30**

0

Part VIII Minimum Required Contribution For Current Year**31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6).....**31a**

6,015,270

b Excess assets, if applicable, but not greater than line 31a**31b**

6,015,270

32 Amortization installments:**a** Net shortfall amortization installment.....

Outstanding Balance

Installment

0

0

b Waiver amortization installment

0

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)**34**

0

Carryover balance

Prefunding balance

Total balance

35 Balances elected for use to offset funding requirement.....

0

0

0

36 Additional cash requirement (line 34 minus line 35).....**36**

0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....**37**

18,900,612

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

18,900,612

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances**38b**

0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)**39**

0

40 Unpaid minimum required contributions for all years**40**

0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected☐ 2 plus 7 years☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made☐ 2008☐ 2009☐ 2010☐ 2011**42** Amount of acceleration adjustment**42****43** Excess installment acceleration amount to be carried over to future plan years**43**

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire each potential retirement age is shown below. The average retirement age is 61.

(A) Retirement age	(B) Retirement Rates	(C) Assumed Number of Survivors	(D) Number of employees expected to retire (B) x (C)	(E) Number of Retirements times Age (A) x (D)
55	5.0%	10,000	500.00	27,500
56	5.0%	9,500	475.00	26,600
57	5.0%	9,025	451.25	25,721
58	5.0%	8,574	428.69	24,864
59	5.0%	8,145	407.25	24,028
60	10.0%	7,738	773.78	46,427
61	10.0%	6,964	696.40	42,480
62	75.0%	6,268	4,700.72	291,445
63	75.0%	1,567	1,175.18	74,036
64	75.0%	392	293.79	18,803
65	100.0%	98	97.94	6,366
Total			10,000.00	608,270
Average				60.83

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions****Discount rate sponsor elections**

▪ Segment rates or full yield curve	Segment rates	
▪ Look-back months	0	
	Stabilized rates	Non-stabilized rates
▪ First 5 years	5.54%	1.98%
▪ Next 15 years	6.85%	5.07%
▪ Over 20 years	7.52%	6.19%

Mortality sponsor elections

▪ Healthy participants	Section 430(h)(3) prescribed separate generational annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA
▪ Pre-1995 disabilities	Revenue Ruling 96-7 table for participants who became disabled before 1995
▪ Post-1994 disabilities	Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits

417(e) lump sums

Liabilities are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and current year 417(e) unisex mortality.

Non-417(e) lump sums

▪ Mortality table	UP84
▪ Interest rate	6.00%

Cash balance plans

▪ Interest accumulation rate	4.00%
▪ Whipsaw calculations	No
▪ Annuity conversion	
– Mortality table	2011 PPA unisex mortality
– Interest rate basis	Funding segment rates

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Other economic assumptions**

▪ Salary increases	3.87% weighted average increase, see table of sample rates
▪ Social Security wage base	3.50% per year
▪ Inflation	2.50% per year
▪ Expected investment return	7.50% per year for years 2010 through 2012
▪ Expenses	Administrative expenses are assumed to be equal to previous year's actual administrative expenses (\$400,947 for current year).

Demographic assumptions

Withdrawal See table of sample rates.

Disability incidence 1985 Disability Table – Class 1

Retirement age	Attained age	Percentage
	Under 55	0%
	55	5%
	56	5%
	57	5%
	58	5%
	59	5%
	60	10%
	61	10%
	62	75%
	63	75%
	64	75%
	65 and above	100%

Benefit commencement age for

▪ Future vested deferred	62
▪ Current vested deferred	62

Spouse assumptions	Male participants	Female participants
▪ Percentage married	80%	60%
▪ Spouse age difference	3 years younger	3 years older

Form of payment	Lump sum	Single life*
▪ Active retirements	90%	10%
▪ Future vested deferred	90%	10%
▪ Future disabilities	90%	10%
▪ Future deaths	90%	10%
▪ Current vested deferred	0%	100%

* For married participants with a Progress Energy cash balance benefit, the assumed form of payment is J&S 50% due to no reduction from the single life annuity.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Unpredictable contingent event assumptions	Not applicable
--	----------------

Table of sample rates

Attained Age	Percentage			
	Disability		Withdrawal ¹	
	Males	Females	Males	Females
20	.0290%	.0300%	2.9000%	5.8000%
25	.0380%	.0470%	2.3500%	4.7000%
30	.0480%	.0800%	1.8500%	3.7000%
35	.0690%	.1360%	1.4000%	2.8000%
40	.1170%	.2110%	1.1000%	2.2000%
45	.2020%	.3230%	.9000%	1.8000%
50	.3580%	.5330%	.6500%	1.3000%
55	.7220%	.9520%	.0000%	.0000%
60	1.2560%	1.1590%	.0000%	.0000%
65	.0000%	.0000%	.0000%	.0000%

Attained Age	Percentage	
	Earnings Progression	
	Increase at Attained Age	
20	9.0%	
25	9.0%	
30	8.0%	
35	7.0%	
40	6.0%	
45	5.0%	
50	4.0%	
55	3.0%	
60	3.0%	

¹ 10% turnover for the first two years of employment and the ultimate withdrawal rates thereafter

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial methods

Asset methods

The asset valuation method is an average of the adjusted market value for each year during the last two years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- The plan provides disability benefits which are not based on service at disability. These benefits are attributed to service using the ratio of service on the valuation date to service at first eligibility.
- This plan provides benefits that are not a function of a participant's accrued benefit or years of service. This benefit is allocated to funding target based on the ratio of the participant's service at the beginning of the plan year to their service at each decrement age and is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service and compensation during the plan year.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Schedule SB, Part V — Summary of Plan Provisions**Benefits included or excluded**

Unless noted below, all benefits provided by the plan, as restated January 1, 2008, are included in this valuation.

- **Plan amendments excluded:** None
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* None.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Late retirement increases:**
 - *Active participants:* Late retirement actuarial increases apply to active participants who defer retirement beyond normal retirement. This valuation includes increases for current participants over age 65.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions**Summary of major plan provisions*****Piedmont***

Effective date and plan year	Original plan: January 1, 1968 Restated plan: January 1, 2008 Plan year: Calendar year
Status of the plan	The plan has ongoing benefit accruals for current participants but is closed to new entrants as of January 1, 2009.
Significant events that occurred during the year	None
Definitions	
▪ Covered employees	Individuals employed by Piedmont Natural Gas Company, Inc. or any adopting member of a related group.
▪ Participation	Each employee hired prior to January 1, 2008 shall become a participant on the January 1 or July 1 coinciding with or next following the date on which he either: (a.) attains age 21 and completes 1,000 hours of service during the 12-month period commencing on his employment date (or completes 1,000 hours of service during a calendar year following his employment date), or (b.) attains age 30. All participants in the Nashville Gas Company Pension Plan became participants on January 1, 1987. Former NCNG participants of the Progress Energy Pension Plan became participants on October 1, 2003.
▪ Employee contributions	None
▪ Vesting service	Plan years during which the employee completes 1,000 or more hours of service, including service with Nashville Gas Company prior to January 1, 1987, and service with Progress Energy prior to October 1, 2003, but excluding years prior to attaining age 22 (age 18 beginning 1985) and years prior to the effective date of the plan.

Schedule SB, Part V — Summary of Plan Provisions

▪ Credited service	<p>Plan years after the employee satisfies eligibility requirements for each full month and any partial calendar month ending on his employment termination date during which he was a participant.</p> <p>Nashville Gas Company Pension participants shall be credited with all benefit accrual service under that plan prior to January 1, 1987.</p> <p>Progress Energy Pension Plan participants shall begin accruing benefit accrual service at October 1, 2003.</p>
▪ Pensionable earnings	<p>Annual W-2 compensation, plus any amounts contributed to a 401(k) plan, plus any Section 125 premiums. For plan years beginning after December 31, 2001, the compensation limit of Code Section 401(a)(17) is increased to \$200,000 and is applied retroactively to the extent permitted by the Code. The compensation limit is indexed annually.</p>
▪ Final average earnings	<p>Average of compensation for the sixty (60) consecutive months of highest earnings during the last ten years of employment immediately preceding the determination date.</p>
▪ Covered compensation	<p>The 35-year average of F.I.C.A. Wage Bases ending in the year before an employee attains his social security retirement age.</p>
▪ Accrued benefit	<p>Amount payable to a participant as a single life annuity beginning at age 65.</p>
Normal retirement	
▪ Eligibility	<p>Attainment of age 65</p>
▪ Benefit	<p>A lifetime benefit commencing at normal retirement equal to the greater of (a) plus (b) or (c):</p> <p>(a.) the accrued benefit under the plan in effect December 31, 2007 (December 31, 2008 for Nashville union).</p> <p>(b.) (1.2% of final average earnings plus 0.5% of final average earnings in excess of covered compensation) times credited service earned after 2007 (2008 for Nashville union) up to 35. (Note the 35 year cap is reduced by the number of years used in the calculation of (a)).</p> <p>(c.) (1.2% of final average earnings plus 0.5% of final average earnings in excess of covered compensation) times credited service up to 35 years.</p>

Schedule SB, Part V — Summary of Plan Provisions

Early retirement

- | | |
|---------------|---|
| ▪ Eligibility | <p>A participant may retire prior to normal retirement, provided he has attained age 55 and has completed 10 years of service.</p> <p>(A Nashville participant may retire after age 50 with 15 years of service and receive only the early retirement benefit accrued as of December 31, 1986, under the Nashville Plan, with the Piedmont Plan portion of the early retirement benefit payable after age 55.)</p> |
| ▪ Benefit | <p>For benefits earned prior to 2008 (2009 for Nashville union) a lifetime benefit commencing at early retirement equal to the actuarial equivalent of the accrued benefit, with the actuarial factors being 0.35% per month by which benefit commencement date precedes normal retirement date. The early retirement reduction factor for the excess portion of the benefit equals 5/9 of 1% for the first 60 months which retirement precedes age 65 and 5/18 of 1% for the next 60 months which retirement precedes age 60.</p> <p>For benefits earned after 2007 (2008 for Nashville union), a lifetime benefit commencing at early retirement reduced by 0.35% for each month that benefit commencement precedes age 65.</p> |

Late retirement

- | | |
|---------------|---|
| ▪ Eligibility | A participant remains in employment past his Normal Retirement Date. |
| ▪ Benefit | A lifetime benefit calculated in the same manner as the normal retirement benefit using final average earnings and credited service at late retirement. |

Deferred vested

- | | |
|---------------|--|
| ▪ Eligibility | The participant terminates employment for reasons other than death or retirement after completing at least 5 years of service. |
|---------------|--|
-

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit	He shall be entitled to receive a monthly benefit commencing at normal retirement and continuing for the remainder of his lifetime. The amount of benefit shall be 100% of the accrued benefit provided the participant has completed 5 years of service. The participant who has completed 5 years of service may elect to receive a reduced benefit commencing on the first day of any month following his termination of employment.
Disability	
▪ Eligibility	A participant who has 5 years of service when his leave of absence that results in a long-term disability begins.
▪ Benefit	The participant will continue to accrue pension benefits based on their base rate of pay.
Pre-retirement death	
▪ Eligibility	Death of a participant who has completed 5 years of service.
▪ Benefit prior to normal retirement	The death benefit will be equal to what the beneficiary would have received had he elected a 50% J&S annuity prior to death. The death benefit can be paid as a lump sum.
▪ Benefit after normal retirement	Beneficiary shall be entitled to any remaining benefit due under an elected alternate form of payment.
Form of benefits	
▪ Automatic form for unmarried participants	The normal form of payment is a life annuity.
▪ Automatic form for married participants	Benefits to married participants will be paid in the form of an actuarially reduced 50% joint & survivor annuity unless the participant and spouse properly elect to receive another form of payment.
▪ Optional forms	Optional forms of payment include 75% and 100% joint and survivor options; 5, 10 and 15-year certain and life options; and a lump-sum option.

Schedule SB, Part V — Summary of Plan Provisions

<ul style="list-style-type: none"> Optional form conversion factors 	<u>Optional form conversion except lump sums</u> Mortality: 1984 Unisex Pension Mortality Interest: 6% per annum <u>Lump sums</u> - the greater of above or Mortality: 417(e) mortality Interest: PPA lump sum segment rates for the month of November prior to plan year
Miscellaneous	
<ul style="list-style-type: none"> Cost-of-living benefit increases after retirement 	Retirement benefits are increased or decreased on January 1 each year by an amount equal to the original retirement benefit multiplied by the ratio of the cost-of-living index figure on the preceding November 30 to the cost-of-living index figure at retirement. Changes from one year to the next of less than 1% are ignored and the adjusted benefit will not decrease below the original benefit nor increase above the original benefit increased by compound interest of 3% per year. These cost-of-living increases do not apply to terminated/vested employees or to benefits accrued by non-union employees after December 31, 1992, NC/SC union employees after June 30, 1998, and Nashville union employees after July 31, 1999.
<ul style="list-style-type: none"> Maximum compensation 	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2012, the limit is \$250,000.
<ul style="list-style-type: none"> Maximum benefits 	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2012, the limit is \$200,000.

Schedule SB, Part V — Summary of Plan Provisions**NCNG**

Effective date	The effective date is February 13, 2004.
Definitions	
▪ Covered employees	All participating employees who, as of September 30, 2003, had an accrued benefit under The Progress Energy Pension Plan became participants on February 13, 2004. No other individuals are or may become eligible to participate in the Plan on or after February 13, 2004.
▪ Participation	Participation is limited to persons who, as of September 30, 2003, had an accrued benefit under The Progress Energy Pension Plan which includes: (a.) "continuing employees" as defined in the Stock Purchase Agreement; (b.) certain former employees of The Progress Energy Pension Plan who, as of September 30, 2003, were deferred vested participants; and (c.) certain retired employees as defined in the Stock Purchase Agreement.
▪ Employee contributions	None
▪ Vesting service	Years of vesting service under The Progress Energy Pension Plan as of September 30, 2003; plus one year of service if credited with at least one hour of service during the period beginning October 1, 2003 and ending December 31, 2003; plus one year of service for each calendar year on or after January 1, 2004 during which the participant is credited with at least 1,000 hours.
▪ Credited service	Plan years after the employee satisfies eligibility requirements for each full month and any partial calendar month ending on his employment termination date during which he was a participant. Progress Energy Pension Plan participants shall begin accruing benefit accrual service at October 1, 2003.

Schedule SB, Part V — Summary of Plan Provisions

▪ Pensionable earnings	<p>Annual W-2 compensation, plus any amounts contributed to a 401(k) plan, plus any Section 125 premiums. For plan years beginning after December 31, 2001, the compensation limit of Code Section 401(a)(17) is increased to \$200,000 and is applied retroactively to the extent permitted by the Code. The compensation limit is indexed annually.</p> <p><u>For LTD employees with Progress Energy:</u></p> <p>For purposes of calculating pay credits and transition credits, members on approved disability shall be imputed with compensation at the annual rate they were earning immediately prior to their cessation of active service.</p>
▪ Benefit	<p>A participant's cash balance account as of September 30, 2003 under The Progress Energy Pension Plan as adjusted for interest credits.</p> <p>Interest credits shall be credited to the cash balance account on December 31, or retirement date if earlier, at an annual rate of 6% for 2004 and 4% thereafter.</p>
▪ Accrued benefit	<p>The sum of</p> <p>(a.) Frozen NCNG accrued benefit</p> <p>(b.) Frozen Progress Energy accrued benefit</p> <p>(c.) The benefit earned under this plan for final average compensation and benefit service for the period of active participation through December 31, 2007.</p>
Normal retirement	
Eligibility	Attainment of age 65
Benefit	<p>All retirement benefits are 100% vested at all times. A lifetime benefit commencing at normal retirement equal to the sum of (a) and (b) below:</p> <p>(a.) participant's frozen NCNG accrued benefit as of December 31, 1999, if any, and;</p> <p>(b.) the participant's frozen Progress Energy accrued benefit equal to the greater of (i) and (ii) below:</p> <p style="padding-left: 40px;">the participant's frozen cash balance account pension benefit as of September 30, 2003; and</p> <p style="padding-left: 40px;">the participant's frozen progress final average pay benefit determined as of September 30, 2003.</p>
Early retirement	

Schedule SB, Part V — Summary of Plan Provisions

▪ Eligibility	A participant may retire prior to normal retirement, provided he has attained age 55 and has been credited with 10 or more years of service.																																			
▪ Benefit	<p>A lifetime benefit commencing at early retirement equal to (1) plus the greater of (2) or (3), where:</p> <p>(1.) is the participant's frozen NCNG accrued benefit, reduced by 1/15 for the first 5 years which retirement precedes age 65 and by 1/30 for the next 5 years which retirement precedes age 60.</p> <p>(2.) is the participant's frozen Progress Energy final average pay benefit, multiplied by a percentage in accordance with the following table of factors:</p> <table><tr><th>Age at Commencement of Retirement Benefit</th><th>At Least 10 years but less than 20 Years of Service</th><th>20 or More Years of Service</th></tr><tr><td>55</td><td>75.5</td><td>75.0</td></tr><tr><td>56</td><td>77.5</td><td>77.5</td></tr><tr><td>57</td><td>80.0</td><td>80.0</td></tr><tr><td>58</td><td>82.5</td><td>82.5</td></tr><tr><td>59</td><td>85.0</td><td>85.0</td></tr><tr><td>60</td><td>87.5</td><td>87.5</td></tr><tr><td>61</td><td>90.0</td><td>90.0</td></tr><tr><td>62</td><td>92.5</td><td>100.0</td></tr><tr><td>63</td><td>95.0</td><td>100.0</td></tr><tr><td>64</td><td>97.5</td><td>100.0</td></tr></table> <p>(3.) is the participant's cash balance account pension benefit, multiplied by an adjustment factor in accordance with the plan.</p>			Age at Commencement of Retirement Benefit	At Least 10 years but less than 20 Years of Service	20 or More Years of Service	55	75.5	75.0	56	77.5	77.5	57	80.0	80.0	58	82.5	82.5	59	85.0	85.0	60	87.5	87.5	61	90.0	90.0	62	92.5	100.0	63	95.0	100.0	64	97.5	100.0
Age at Commencement of Retirement Benefit	At Least 10 years but less than 20 Years of Service	20 or More Years of Service																																		
55	75.5	75.0																																		
56	77.5	77.5																																		
57	80.0	80.0																																		
58	82.5	82.5																																		
59	85.0	85.0																																		
60	87.5	87.5																																		
61	90.0	90.0																																		
62	92.5	100.0																																		
63	95.0	100.0																																		
64	97.5	100.0																																		
Late retirement																																				
▪ Eligibility	A participant is employed past his Normal Retirement Date.																																			
▪ Benefit	A lifetime benefit calculated in the same manner as the normal retirement benefit as of the participant's late retirement date.																																			
Deferred vested																																				
▪ Eligibility	A participant terminates employment.																																			

Schedule SB, Part V — Summary of Plan Provisions

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|--|--|
| <ul style="list-style-type: none"> ▪ Benefit | <p>All termination benefits are 100% vested at all times. If the participant terminates employment, he shall be entitled to receive a monthly benefit commencing at normal retirement and continuing for the remainder of his lifetime. The participant may elect to receive a reduced benefit commencing on the first day of any month following his 55th birthday, provided he had 10 years of service at termination of employment.</p> |
|--|--|

Disability

- | | |
|--|--|
| <ul style="list-style-type: none"> ▪ Eligibility | <p>A participant who, as of September 30, 2003, was eligible to receive disability benefits from a long-term disability program of Progress Energy, Inc. and its predecessors.</p> |
|--|--|

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Benefit | <p>For LTD employees with Progress Energy:</p> <p>Pay credits shall be credited to the cash balance account on December 31. This is determined by multiplying the percentage factor by the member's compensation. See table of pay credits.</p> |
|--|---|

Age at Beginning of Year	Basic Annual Credits	Additional Annual Credit*
Less than 34	3.00%	3.00%
35-39	3.50%	3.50%
40-44	4.25%	4.25%
45-49	5.00%	5.00%
50-54	6.00%	6.00%
55 and Over	7.00%	7.00%

*Additional Credit for pay in excess of 80% of Social Security Taxable Wage Base

Schedule SB, Part V — Summary of Plan Provisions

For LTD employees with Progress Energy:

Transition credits shall be credited to the cash balance account on December 31. This is determined by multiplying the percentage factor by the member's compensation. See table of transition credits.

**NCNG Transition Credits Made at
End of each Plan Year
Commencing on or after January
1, 2000**

Attained age at beginning of year of Credit	Based on Age of Supplement A Participant on January 1, 2000			
	Less than 35	35-44	45-54	55-65
Less than 29	0.5%			
29-33	1.0			
34-38	1.5	2.5%		
39-43	2.0	3.5		
44-48	2.5	4.5	6.0%	
49-53	3.0	5.5	8.0	
54	3.5	6.5	11.0	9.5%
55	3.5	6.5	11.0	10.5
56	3.5	6.5	11.0	11.5
57	3.5	6.5	11.0	12.5
58	3.5	6.5	11.0	13.5
59	4.0	6.5	13.5	14.5
60	4.0	7.5	13.5	15.5
61	4.0	7.5	13.5	16.5
62	4.0	7.5	13.5	17.5
63	4.0	7.5	13.5	18.5
64-65	4.0	7.5	13.5	19.5

Pre-retirement death**Eligibility**

Upon the death of a married vested participant who has not yet begun receiving benefits, the participant's surviving spouse will receive the survivor portion of a 50% joint & survivor annuity.

Schedule SB, Part V — Summary of Plan Provisions

Benefit prior to early retirement	For participants dying on or before the earliest retirement age the annuity is calculated as if the participant had separated from service on the day of his death, and had died the day after attaining the earliest retirement age.
Benefit after early retirement	For participants dying after the earliest retirement age, the annuity is calculated as if the participant had begun receiving the annuity the day before he died.
Form of benefits	
Automatic form for unmarried participants	The normal form of payment is a life annuity.
▪ Automatic form for married participants	Benefits to married participants will be paid in the form of an actuarially reduced 50% joint & survivor annuity unless the participant and spouse properly elect to receive another form of payment.
▪ Optional forms	<u>NCNG and Progress Energy benefit:</u> Optional forms of payment include 50%, 75% and 100% joint and survivor options; 10 year certain and life option; lump-sum; <u>Progress Energy benefit only:</u> unreduced 50% joint and survivor annuity, Social Security leveling form; refund annuity and 100% survivor annuity with life reversion option.
▪ Optional form conversion factors	<u>Optional form conversion except lump sums</u> Mortality: 1984 Unisex Pension Mortality Interest: 6% per annum <u>Lump sums</u> - the greater of above or Mortality: 417(e) mortality table Interest: PPA lump sum segment rates for the month of November prior to the plan year
Miscellaneous	
▪ Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2012, the limit is \$250,000.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2012, the limit is \$200,000.

Schedule SB, Part V — Summary of Plan Provisions

Plan provision changes since prior valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2011 to 2012.

Schedule SB, Line 26 — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & up	Total
Under 25											
25-29		8	9								17
30-34		12	62 60,176	14							88
35-39		11	92 65,939	44 68,091	23 66,583						170
40-44		14	82 68,936	71 64,039	53 71,955	29 72,306	1				250
45-49		7	83 80,328	42 68,323	51 74,318	45 74,116	31 67,620				259
50-54		8	113 72,653	33 78,931	31 69,877	63 75,337	99 78,243	6	1		354
55-59		3	77 66,325	25 71,088	16	25 84,347	42 86,442	52 76,571	13		253
60-64		2	42 70,575	9	8	9	12	25 69,235	23 76,556	3	133
65-69			4	6	3	2	1	2	1	5	24
70 & up			2	1	1			1		1	6
Total		65	566	245	186	173	186	86	38	9	1,554

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2011 limited to \$245,000. Average pay is not shown for cells with fewer than 20 participants.

Retirement Plan of Piedmont Natural Gas Company, Inc.

**Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2012**

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Cash			
Cash Equivalents:			
Repurchase Agreements			
JP Morgan Repo DTD 12/31/12 .25% due 1/2/13	1,500,000 units	\$ 1,500,000	\$ 1,500,000
Short Term Funds:			
Wells Fargo Advantage Cash Investment Fund Institutional Class - #451*	10,076,738 units	10,076,738	10,076,738
		<u>11,576,738</u>	<u>11,576,738</u>
Fixed Income:			
Government and Agencies			
US Treasury Bonds & NTS			
US SEC Stripped DTD 5/15/12 5/15/2042	3,800,000 units	1,489,942	1,512,324
US Treas SEC Stripped Zero CPN DTD 2/15/12 2/15/2042	9,000,000 units	3,689,637	3,619,350
US Treasury Bond DTD 8/16/10 0.000 8/15/2040	3,500,000 units	1,481,433	1,501,045
US Treasury Bond DTD 2/15/01 5.375 2/15/2031	500,000 units	727,256	713,750
US Treasury Bond DTD 8/15/08 4.500 5/15/2038	600,000 units	792,131	793,128
US Treasury Bond DTD 5/16/11 4.375 5/15/2041	100,000 units	132,609	130,281
US Treasury Bond DTD 8/15/07 0.000 5/15/2037	4,200,000 units	1,975,440	2,012,976
		<u>10,288,448</u>	<u>10,282,854</u>

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Govt Strip & Zero CPN			
Fed Natl Mtg Assn Zero CPN DTD 5/5/00 5/15/2030	2,600,000 units	\$ 1,210,124	\$ 1,466,452
RFCSP Strip Principal Zero CPN DTD 1/30/91 1/15/2030	5,600,000 units	2,773,778	3,387,272
RFCSP Strip Principal Zero CPN DTD 7/15/90 7/15/2020	1,200,000 units	896,321	1,060,656
Tenn Val Auth CPN Strip Zero CPN DTD 1/15/98 7/15/2030	1,000,000 units	331,380	550,770
TVA Prin Strip Zero CPN DTD 11/3/95 11/1/2025	500,000 units	313,830	337,520
US Treasury Sec stripped DTD 5/15/09 5/15/2039	1,100,000 units	457,600	495,946
US Treasury Sec stripped DTD 2/15/11 2/15/2041	13,920,000 units	5,930,358	5,863,661
US Treasury Bond/Note Stripped Zero DTD 11/15/10 11/15/2040	1,100,000 units	485,245	467,071
		<u>12,398,636</u>	<u>13,629,348</u>
Agency Bonds			
Fed Natl Mtg Assn DTD 1/15/00 7.125 1/15/2030	300,000 units	465,165	471,339
Fed Natl Mtg Assn DTD 5/5/00 7.250 5/15/2030	200,000 units	315,450	318,614
Fed Natl Mtg Assn DTD 11/3/00 6.625 11/15/2030	500,000 units	706,702	761,500
Tenn Valley Auth DTD 6/30/00 7.125 5/1/2030	200,000 units	265,150	306,718
Tenn Valley Auth DTD 4/1/06 5.375 4/1/2056	100,000 units	104,467	136,154
Tenn Valley Auth DTD 09/25/10 4.625 09/15/2060	300,000 units	296,079	359,312
		<u>2,153,013</u>	<u>2,353,637</u>

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Bond Funds			
Mutual Bond Funds			
Harbor High-Yield Bond Institutional Bond Fund #2024	1,263,381 shares	\$ 13,319,242	\$ 14,036,168
Paps Long Duration Corporate Bond #1830	5,077,511 shares	53,935,984	63,519,665
		<u>67,255,226</u>	<u>77,555,833</u>
Municipal Bonds			
Municipal Tax Exempt			
New York NY City MUN WTR FIN 2nd Gen DTD 3/31/11 5.000 6/15/2043	300,000 units	290,646	339,486
		<u>290,646</u>	<u>339,486</u>
Private Placements			
AT&T Inc			
144A Priv Plcmnt 4.300 2/15/2042	26,000 units	20,329	26,113
Cox Communications Inc			
144A Priv Plcmnt 8.375 03/01/2039	250,000 units	312,303	383,663
CVS Pass Through Trust			
144A Priv Plcmnt 7.507 10/01/2032	565,239 units	616,961	745,109
		<u>949,593</u>	<u>1,154,885</u>

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Financials			
American Intl Group Inc DTD 04/20/06 6.250 5/1/2036	700,000 units	\$ 717,773	\$ 900,459
Capital One Bank USA NA DTD 06/25/09 8.800 07/15/2019	400,000 units	485,076	541,640
Citigroup Inc DTD 07/23/09 8.125 07/15/2039	500,000 units	555,700	748,560
General Elec Cap Corp DTD 01/14/08 5.875 01/14/2038	500,000 units	490,055	603,125
Goldman Sachs Group Inc DTD 10/03/07 6.750 10/01/2037	900,000 units	885,933	1,019,997
JP Morgan Chase & Co DTD 12/22/11 5.400 1/6/2042	200,000 units	203,454	241,020
Morgan Stanley DTD 1/26/10 5.500 1/26/2020	200,000 units	201,834	224,358
NA Development Bank DTD 2/11/10 4.375 2/11/2020	700,000 units	725,326	787,997
Private Export Funding DTD 11/24/09 4.300 12/15/2021	500,000 units	517,000	603,895
Prudential Financial Inc DTD 11/18/10 6.200 11/15/2040	100,000 units	99,408	120,960
		<u>4,881,559</u>	<u>5,792,011</u>

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Industrials			
AMGEN Inc			
DTD 9/16/10 4.950 10/1/2041	500,000 units	\$ 463,425	\$ 551,190
Anadarko Petroleum Corp			
DTD 3/16/10 6.200 3/15/2040	500,000 units	516,905	616,740
AT&T Inc			
DTD 3/1/11 5.350 9/1/2040	972,000 units	905,554	1,131,943
Burlington North Santa Fe			
DTD 5/17/10 5.750 5/1/2040	400,000 units	405,588	493,128
Comcast Corp			
DTD 03/14/03 7.050 03/15/2033	400,000 units	440,228	532,832
Devon Energy Corporation			
DTD 3/25/02 7.950 4/15/2032	500,000 units	656,110	739,730
Dow Chemical Co/The			
DTD 5/13/09 9.400 5/15/2039	200,000 units	306,460	329,286
Duke Energy Carolinas			
DTD 12/8/11 4.250 12/15/2041	200,000 units	199,662	209,440
Ecolab Inc			
DTD 12/8/11 5.500 12/8/2041	500,000 units	494,855	596,520
Kraft Foods Group Inc			
DTD 7/18/12 6.500 2/9/2040	500,000 units	561,405	657,180
Newmont Mining Corp			
DTD 9/18/09 6.250 10/1/2039	400,000 units	425,096	481,736
Pacific Gas & Electric			
DTD 11/18/09 5.400 1/15/2040	300,000 units	292,497	359,268
Pfizer Inc			
DTD 03/24/09 7.200 03/15/2039	500,000 units	641,320	766,585
Time Warner Inc.			
DTD 07/14/10 6.100 07/15/2040	1,000,000 units	1,016,990	1,210,720
UnitedHealth Group Inc			
DTD 2/7/08 6.875 2/15/2038	500,000 units	676,240	686,575
UnitedHealth Group Inc			
DTD 11/10/11 4.625 11/15/2041	300,000 units	296,256	320,280
Verizon Communications			
DTD 4/4/08 6.900 4/15/2038	200,000 units	287,964	284,638
Verizon Communications			
DTD 11/7/2012 3.850 11/1/2042	400,000 units	404,736	393,428
Wal-Mart Stores Inc			
DTD 04/15/08 6.200 04/15/2038	900,000 units	1,013,781	1,222,965
		10,005,072	11,584,184

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Other Global Corp Bonds			
America Movil Sab DE CV DTD 7/16/12 4.375 7/16/2042	200,000 units	\$ 196,488	\$ 207,826
Arcelormittal DTD 3/7/11 6.750 3/1/2041	400,000 units	399,968	371,000
Barrick Gold Corp DTD 4/3/12 5.250 4/1/2042	500,000 units	499,100	549,875
Canadian Natl Resources DTD 3/19/07 6.250 3/15/2038	400,000 units	444,060	515,320
Canadian Pacific Railway DTD 12/1/11 5.750 1/15/2042	200,000 units	195,168	243,866
Deutsche Telekom Int Fin DTD 7/6/00 8.750 6/15/2030	400,000 units	540,092	599,296
Encana Corp DTD 11/14/11 5.150 11/15/2041	200,000 units	198,578	214,990
HSBC Holdings PLC DTD 9/12/2007 6.500 9/15/2037	500,000 units	529,765	624,095
HSBC Holdings PLC DTD 4/5/11 5.100 4/5/2021	1,000,000 units	1,088,790	1,180,880
Statoil ASA DTD 11/23/11 4.250 11/23/2041	500,000 units	500,000	537,950
Telefonica Emisiones SAU DTD 06/20/06 7.045 06/20/2036	100,000 units	107,840	108,000
Vodafone Group PLC DTD 2/27/07 6.150 2/27/2037	300,000 units	334,752	396,803
		<u>5,034,601</u>	<u>5,549,901</u>
Asset Backed Securities			
Private Placement Asset - B			
Deutsche Alt-A Securities NIM 144A Priv Plcmt 6.500 2/25/2047	15,816 units	316	-
		<u>316</u>	<u>-</u>
Collateralized MTG - Backed			
LB-UBS Commercial Mortgage Tru DTD 11/11/07 5.866 9/15/2045	1,000,000 units	1,078,672	1,192,230
NCUA Guaranteed Notes DTD 11/17/10 11/6/2017	296,445 units	292,327	297,094
		<u>1,370,999</u>	<u>1,489,324</u>

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Other Assets			
Contracts and Swaps			
Call Options			
Call Wr. Opt IRO USD 5Y Strike 0.75 exp 2/19/2013	(4,600,000) shares	\$ (4,020)	\$ (3,574)
Call Wr. Opt IRO USD 5Y Strike 0.80 exp 3/18/2013	(600,000) shares	(600)	(1,046)
Call Wr. Opt IRO USD 5Y Strike 0.75 exp 3/18/2013	(12,000,000) shares	(18,278)	(12,146)
Call Wr. Opt IRO USD 7Y Strike 1.20 exp 3/18/2013	(400,000) shares	(1,025)	(1,160)
Put Options			
Put Wr. Opt IRO USD 1Y Strike 1.20 exp 3/18/13	(3,800,000) shares	(15,153)	(3,254)
Put Wr. Opt IRO USD 1Y Strike 1.40 exp 3/18/13	(2,600,000) shares	(55,510)	(811)
Put Wr. Opt IRO USD 5Y Strike 1.20 exp 2/19/13	(1,700,000) shares	(4,803)	(568)
Put Wr. Opt IRO USD 5Y Strike 1.20 exp 3/18/13	(600,000) shares	(870)	(514)
Put Wr. Opt IRO USD 5Y Strike 1.40 exp 6/17/13	(400,000) shares	(880)	(737)
Put Wr. Opt IRO USD 5Y Strike 1.20 exp 3/18/13	(5,600,000) shares	(20,580)	(4,795)
Put Wr. Opt IRO USD 5Y Strike 2.00 exp 3/18/13	(1,800,000) shares	(16,935)	(14)
Put Wr. Opt IRO USD 5Y Strike 1.20 exp 2/19/13	(2,900,000) shares	(7,975)	(969)
Put Wr. Opt IRO USD 7Y Strike 1.65 exp 3/18/13	(300,000) shares	(900)	(638)
Put Wr. Opt IRO USD 7Y Strike 1.65 exp 3/18/13	(400,000) shares	(1,075)	(850)
Put Wr. Opt on Inflation Index Strike 216.687 exp 4/7/20	(1,800,000) shares	(16,200)	(3,493)
Swaps			
USD R 3ML Pay 1.5% 1st pmt 07-05			
EFFDT 1/4/2016 MATD 1/4/2018	(1,200,000) par	-	(2,537)
		(164,804)	(37,106)

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Other Limited Partnership			
Adams Street Partnership Fund			
2010 US Fund LP	1,896,834 units	\$ 1,896,834	\$ 2,065,257
Adams Street Partnership Fund			
2010 Emerging Markets Fund	249,600 units	249,600	216,176
Adams Street Partnership Fund			
2010 Direct Fund LP	568,800 units	568,800	617,894
Adams Street Partnership Fund			
2010 Non- US Developed Markets Fund	945,912 units	945,912	920,877
Blackstone Resources Select Fund, LP			
IRT Mirrored Holding	11,267 units	12,800,000	11,835,343
		16,461,146	15,655,547
Common Stocks:			
Acacia Research Corp - Acacia Tech	13,500 shares	266,417	346,399
Actuant Corp-CI A	11,900 shares	268,799	332,129
Aegon N.V. ADR	22,198 shares	159,667	142,955
American Equity Invst Life Hldg Co Com	37,400 shares	398,508	456,654
Andersons Inc Com	7,900 shares	286,352	338,910
Aol Inc	1,596 shares	31,879	47,258
Atlas Air Worldwide Hlldgs Inc Com New	5,400 shares	173,805	239,328
Baker Hughes Inc Com	6,000 shares	246,370	245,086
Bank New York Mellon Corp Com	13,500 shares	348,024	346,950
BB&T Corp Com	4,350 shares	95,753	126,629
BMC Software Inc	2,700 shares	78,005	106,974
Boston Scientific Corp Com	23,500 shares	197,896	134,655
Brandywine rltY Tr Bd	18,700 shares	214,152	227,953
Cadence Design Systems Inc	3,700 shares	32,830	49,987
Capital One Financial Corp	11,000 shares	518,669	637,230
Capstead Mortgage Corp	27,600 shares	359,479	316,572
Cardtronics Inc	16,700 shares	251,683	396,458
Carmax Inc	2,200 shares	48,076	82,588
Cash America International Inc	7,300 shares	255,386	289,591
Chevron Corp	1,407 shares	98,667	152,153
City Hldg Co	5,300 shares	166,288	184,705
Coinstar Inc Com	8,550 shares	455,379	444,686
Columbia Banking System Inc	18,800 shares	385,431	337,272
Comcast Corp Class A	16,849 shares	401,385	629,479
Computer Sciences Corp	3,500 shares	136,305	140,175
Compuware Corp Com	3,300 shares	25,057	35,871
Dish Network Corp	2,800 shares	79,294	101,920

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Dow Chemicals Co	5,400 shares	\$ 173,150	\$ 174,579
Ebay Inc	4,300 shares	134,736	219,290
Fedex Corporation	4,000 shares	317,792	366,880
First Cash Financial Services, Inc	8,300 shares	187,574	411,846
General Electric Co	24,000 shares	529,480	503,760
Genworth Finl Inc	7,000 shares	68,225	52,570
GlaxoSmithKline PLC - ADR	10,500 shares	475,363	456,435
Goldman Sachs Group Inc	2,600 shares	304,814	331,656
Hawaiian Holdings Inc	37,700 shares	279,383	247,689
Hewlett Packard Co	26,121 shares	606,888	372,224
Horace Mann Educators Corp New	12,200 shares	143,804	243,512
HSBC - ADR	2,085 shares	121,228	110,651
Iberiabank Corp	10,000 shares	490,448	491,200
Lasalle Hotel Properties Com	10,000 shares	186,846	253,900
Liberty Global Inc	300 shares	15,835	18,888
Liberty Global Inc Com Ser C	300 shares	14,828	17,625
Liberty Interactive Corporation	6,425 shares	80,486	126,444
McGraw-Hill Companies Inc	2,000 shares	85,239	109,340
Medtronic Inc	2,500 shares	96,206	102,550
Merck & Co Inc New	13,200 shares	424,402	540,408
Molex Inc CL A	3,500 shares	81,672	78,120
Newpark Res Inc Com	33,400 shares	254,990	262,190
News Corp CL A	14,200 shares	236,570	362,242
Nokia Corporation - ADR	26,900 shares	155,499	106,255
Novartis AG- ADR	8,000 shares	466,236	506,400
Occidental Pete Corp	3,500 shares	181,132	268,135
Omega Healthcare Invs Inc Com	8,500 shares	148,632	202,725
Panasonic Corporation	13,000 shares	114,258	78,910
Pfizer Inc	18,100 shares	384,800	453,935
PS Business Parks Inc/Ca	4,000 shares	190,987	259,920
Rent-a-Center Inc	12,800 shares	396,522	439,808
Sanofi - Aventis - ADR	11,340 shares	470,357	537,289
Schulmberger LTD	5,300 shares	305,996	367,283
Schweitzer - Maudit Intl Inc Com	8,870 shares	207,303	346,196
Shutterfly Inc	13,600 shares	354,528	406,232
Silicon Image Inc	71,800 shares	480,307	356,128
Sprint Nextel Corp	78,000 shares	497,305	442,260
Suntrust Banks Inc	4,500 shares	97,195	127,575
SVB Finl Group	6,700 shares	255,386	374,999
Symantec Corp	12,500 shares	200,997	235,250

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Synopsys Inc Com	2,900 shares	\$ 65,353	\$ 92,323
Tennant Co	8,850 shares	314,056	388,958
Time Warner Cable Inc	3,250 shares	179,325	315,868
Time Warner Inc	9,966 shares	355,565	476,674
Tower Group Inc	14,500 shares	352,091	257,949
Tyco International Ltd New	2,075 shares	47,043	60,694
Vodafone Group PLC New	5,300 shares	109,477	133,507
Vulcan Matls Co	2,600 shares	112,822	135,330
Wal-Mart Stores Inc	3,250 shares	180,377	221,748
Wells Fargo & Co*	16,833 shares	711,772	575,352
Wintrust Finl Corp	12,900 shares	458,796	473,430
Xerox Inc	26,000 shares	212,954	177,320
Acadia Healthcare Co Inc	18,000 shares	393,730	420,300
Acco Brands Corp	36,000 shares	358,169	264,240
Adobe Sys Inc	5,500 shares	169,932	207,240
ADT Corp/The	787 shares	21,415	36,588
Air Methods Corp Com	9,900 shares	272,709	365,409
Amdocs Limited Com	2,500 shares	76,742	84,975
American Vanguard Corp	8,700 shares	152,641	270,309
Amsurg Corp	8,700 shares	224,384	261,087
Aspen insurance Holding LTDSHS	8,800 shares	258,941	282,304
Astoria Finl Corp Com	20,800 shares	275,113	194,688
Avis Budget Group	14,200 shares	200,655	281,444
Bank of America Corp	30,000 shares	303,680	348,300
Barnes & Noble, Inc.	27,300 shares	402,778	411,957
Brinks Co	12,600 shares	338,217	359,478
Celanese Corp	4,000 shares	173,414	178,120
Cigna Corp	1,400 shares	74,535	74,844
Con-Way Inc	10,000 shares	327,020	278,200
Cooper Tire & Rubber Co	20,500 shares	434,179	519,880
Corning Inc	7,300 shares	91,973	92,126
Dealertrack Technology	13,300 shares	365,402	381,976
Dell Inc	5,900 shares	68,283	59,826
DFC Global Corporation	19,900 shares	345,691	368,542
DigitalGlobe Inc	12,100 shares	238,399	295,724
DXP Enterprises Inc	6,900 shares	303,545	338,583
Ebix, Inc	12,400 shares	203,898	199,888
Emulex Corp	36,400 shares	342,718	265,720
Encore Cap Group Inc	16,600 shares	411,580	508,292
Energy XXI (Bermuda) LTD	10,100 shares	301,532	324,917
Finish Line Inc CL A	18,200 shares	401,568	344,526
First Commonwealth Finl Corp Com	36,600 shares	169,992	249,612

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Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Generac Holdings Inc	12,500 shares	\$ 314,352	\$ 428,875
Gentherm Inc	23,100 shares	341,754	307,232
G-III Apparel Group Ltd	6,000 shares	199,236	205,380
Glatfelter	15,200 shares	224,103	265,696
Google Inc	200 shares	141,791	141,476
GT Advanced Technologies, Inc	33,300 shares	335,219	100,899
Helix Energy Solutions Inc	23,100 shares	408,805	476,784
Hexcel Corp New Com	15,000 shares	343,965	404,400
Jack in the Box, Inc	14,900 shares	401,852	426,140
JP Morgan Chase & Co	3,300 shares	130,890	145,098
Kelly Svcs Inc CL A	19,000 shares	331,280	299,060
Koninklijke Philips Electronic - ADR	5,000 shares	109,648	132,700
Krispy Kreme Doughnuts Inc	29,600 shares	207,317	277,648
Kulicke & Soffa Inds Inc	29,750 shares	338,356	356,703
Logitech International S.A.	37,600 shares	372,527	283,504
MagicJack Vacaltec Ltd	20,850 shares	365,525	379,470
Maxim Integrated Prods Inc	4,100 shares	69,376	120,540
Medifast Inc	11,900 shares	257,722	314,041
Mens Wearhouse Inc Com	14,400 shares	500,898	448,704
Metlife Inc	4,000 shares	132,176	131,760
Microsoft Corp	14,850 shares	399,277	396,639
Moneygram international, Inc	17,800 shares	318,567	236,562
Multimedia Games Holding Co Inc	24,500 shares	297,146	360,395
Netapp Inc	5,500 shares	178,982	184,525
Netscout Systems Inc	13,800 shares	285,706	358,662
Netspend Holdings Inc	29,600 shares	324,370	349,872
Noranda Aluminum Holding Corp	45,600 shares	291,862	278,616
Northwestern Corp	15,800 shares	535,234	548,734
Penney J C Inc	3,300 shares	84,243	65,043
PNM Res Inc	14,500 shares	269,576	297,395
Polyone Corp	10,100 shares	193,781	206,242
Questcor Pharmaceuticals Inc	10,400 shares	189,180	277,888
Santarus Inc	28,800 shares	185,413	316,224
Schwab Charles Corp New	23,000 shares	338,629	330,280
SHFL Entertainment, Inc.	19,800 shares	209,490	287,100
Sykes Enterprises Inc Com	6,450 shares	93,068	98,169
TE Connectivity Ltd	5,275 shares	176,992	195,808
Texas Cap Bancshares Inc	7,000 shares	166,946	313,740
Tivo Inc	28,700 shares	309,515	353,297
Transglobe Energy Corp Com	11,950 shares	172,367	112,211
Tyler Technologies Inc	5,500 shares	200,110	266,420

(Continued)

Retirement Plan of Piedmont Natural Gas Company, Inc.

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
Unilever PLC - ADR	2,500 shares	\$ 84,403	\$ 96,800
Universal American Corp	25,600 shares	248,205	219,904
Universal Corp	5,600 shares	284,360	279,496
UNS Energy Corporation	8,200 shares	278,518	347,844
Voxx International Corp	17,200 shares	218,286	115,756
Western Refng Inc	9,900 shares	182,996	279,076
		<u>39,043,435</u>	<u>42,650,922</u>
Equity Funds:			
Collective Equity Funds			
Fisher Investments Foreign Equity Fund	18,077,363 units	18,077,363	19,914,070
JP Morgan Mult- Strategy fund II LTD	13,998 shares	15,331,694	17,192,274
Thornburg International Equity Fund	2,023,147 shares	21,546,520	21,769,066
		<u>54,955,577</u>	<u>58,875,410</u>
Mutual Funds			
Harbor Capital Appreciation Fund Class	388,658 units	13,565,234	16,525,717
Prudential Global Real Estate Fund Class Z	787,683 units	12,816,335	17,092,728
Vanguard Institutional Index Fund	78,218 units	7,959,356	10,208,984
		<u>34,340,925</u>	<u>43,827,429</u>
		<u>\$ 270,841,126</u>	<u>\$ 302,280,403</u>

The above information has been certified by Wells Fargo Bank, N.A., the trustee, as complete and accurate.

*Represents a party-in-interest.