

➔ Second Quarter 2010 Results

Piedmont Natural Gas

June 9, 2010



Forward-Looking Statements

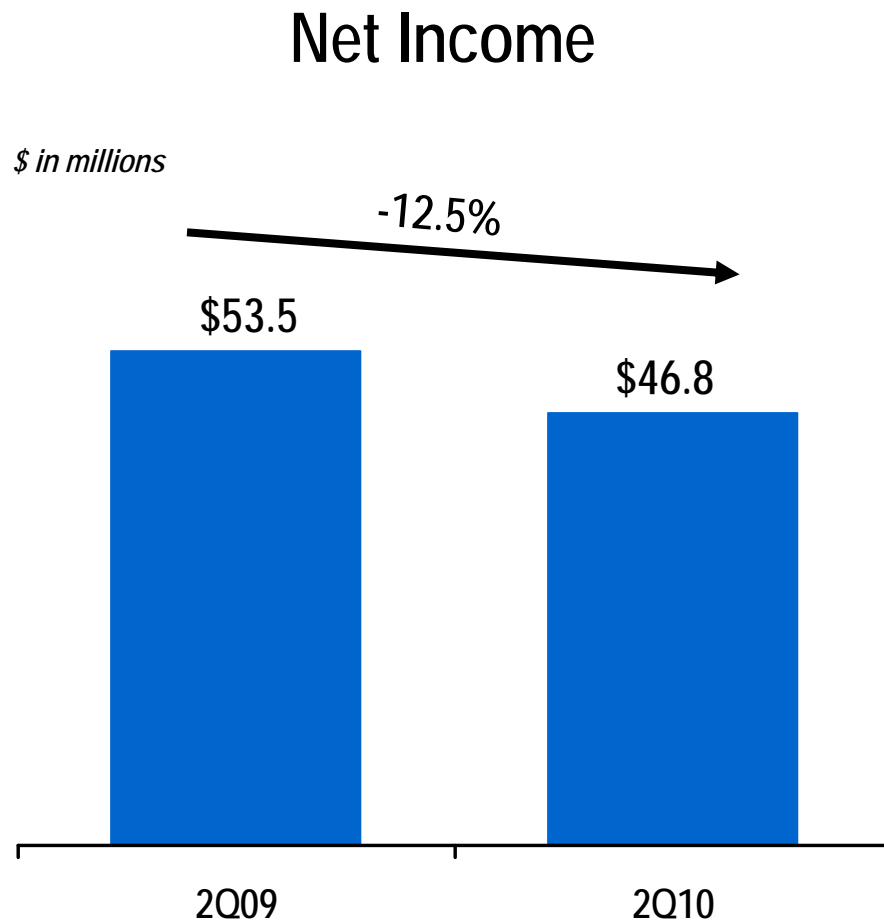
Under the Private Securities Litigation Reform Act of 1995

This presentation contains forward-looking statements. These statements are based on management's current expectations and information currently available and are believed to be reasonable and are made in good faith. However, the forward-looking statements are subject to future events, risks, uncertainties and other factors that could cause actual results to differ materially from those projected in the statements. Factors that may make the actual results differ from anticipated results include, but are not limited to, weather conditions, rate of customer growth, the cost and availability of natural gas, competition from other energy providers, new legislation and regulation and application of existing laws and regulations, economic and capital market conditions, the cost and availability of labor and materials, and other uncertainties, all of which are difficult to predict and some of which are beyond our control. For these reasons, you should not rely on these forward-looking statements when making investment decisions. The words "expect," "believe," "project," "anticipate," "intend," "should," "could," "will," "assume," "can," "estimate," "forecast," "future," "indicate," "outlook," "plan," "predict," "seek," "target," "would," and variations of such words and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only as of the date they are made and we do not undertake any obligation to update publicly any forward-looking statement, either as a result of new information, future events or otherwise. More information about the risks and uncertainties relating to these forward-looking statements may be found in Piedmont's most recent Form 10-K or Form 10-Q, which are available on the SEC's website at <http://www.sec.gov>.

Second Quarter 2010

- Achieved net income of \$46.8 million and diluted EPS of \$0.65
- Added 2,362 new customers in 2Q10 and 5,428 year to date (+1.1% annualized)
- Announced Progress Energy Sutton project
- Reaffirmed 2010 guidance of \$1.90 - \$2.00, including SouthStar gain

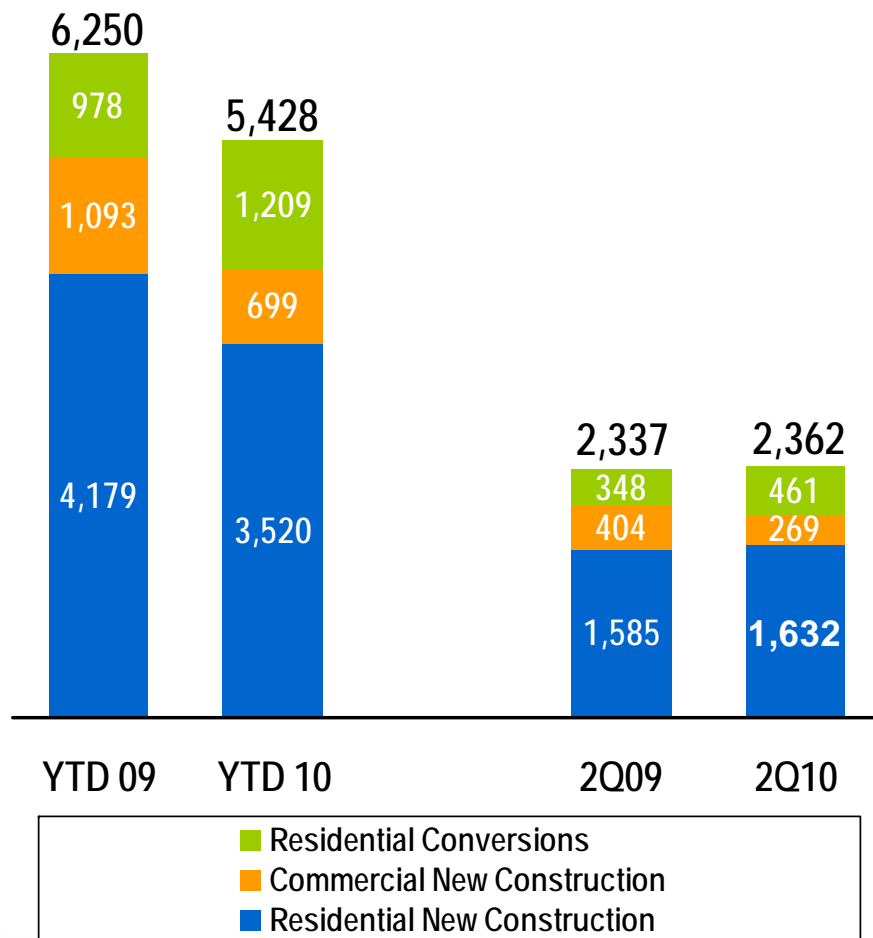
Net Income



Pre-Tax Contributions:

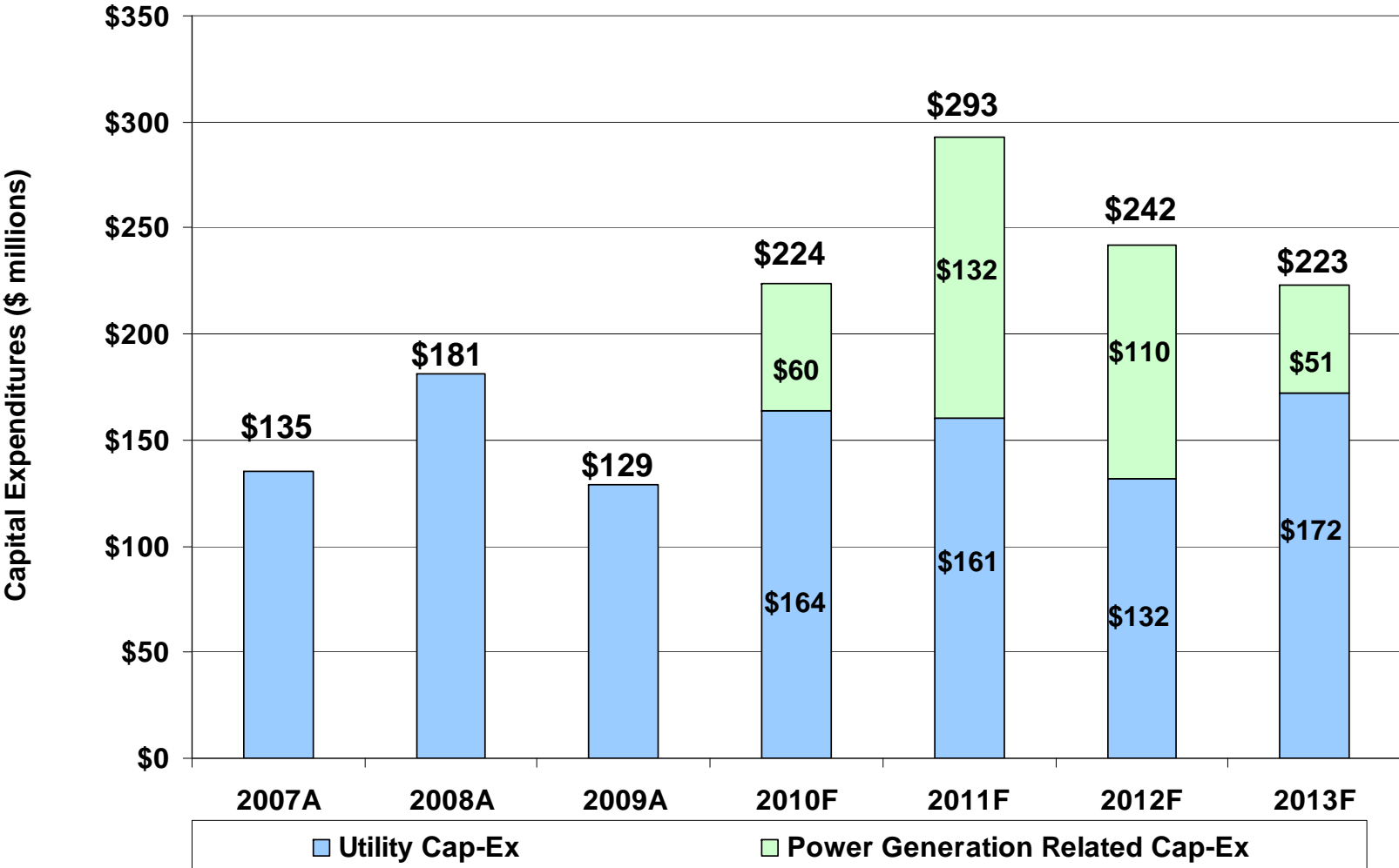
- Margin decreased \$1.3 million (-0.8%)
- O&M expense increased \$4.2 million (+7.8%)
- Joint venture earnings from operations decreased \$4.5 million (-25.4%)
- Interest expense increased \$1.1 million (+9.2%)

New Customer Additions



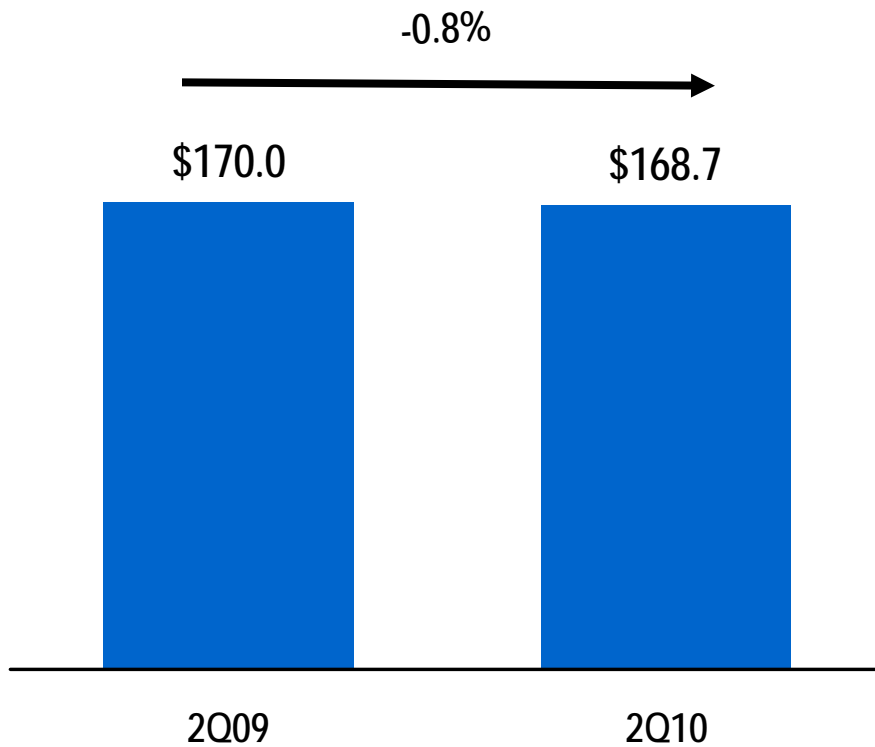
- Gross customer growth rate of 1.1% year to date
- Stabilization of residential construction markets in 2Q10
- Residential conversions higher in both comparison periods
- Forecast gross customer growth rate of 1.0-1.2% for 2010.

Capital Expenditure Forecast



Margin

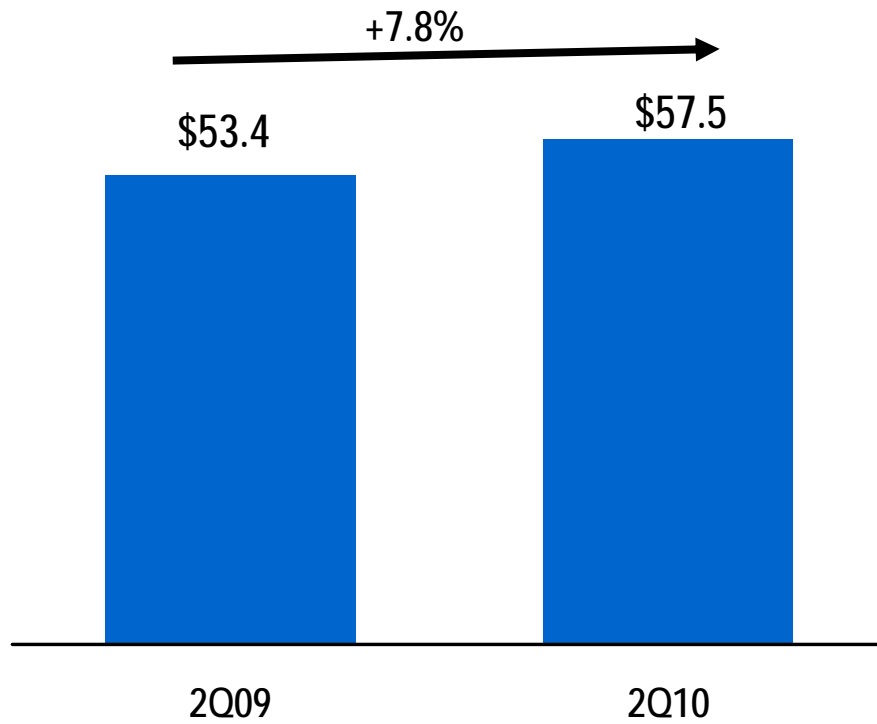
\$ in millions



- Lower margin due to net gas cost adjustments, partially offset by higher volumes from industrial customers.

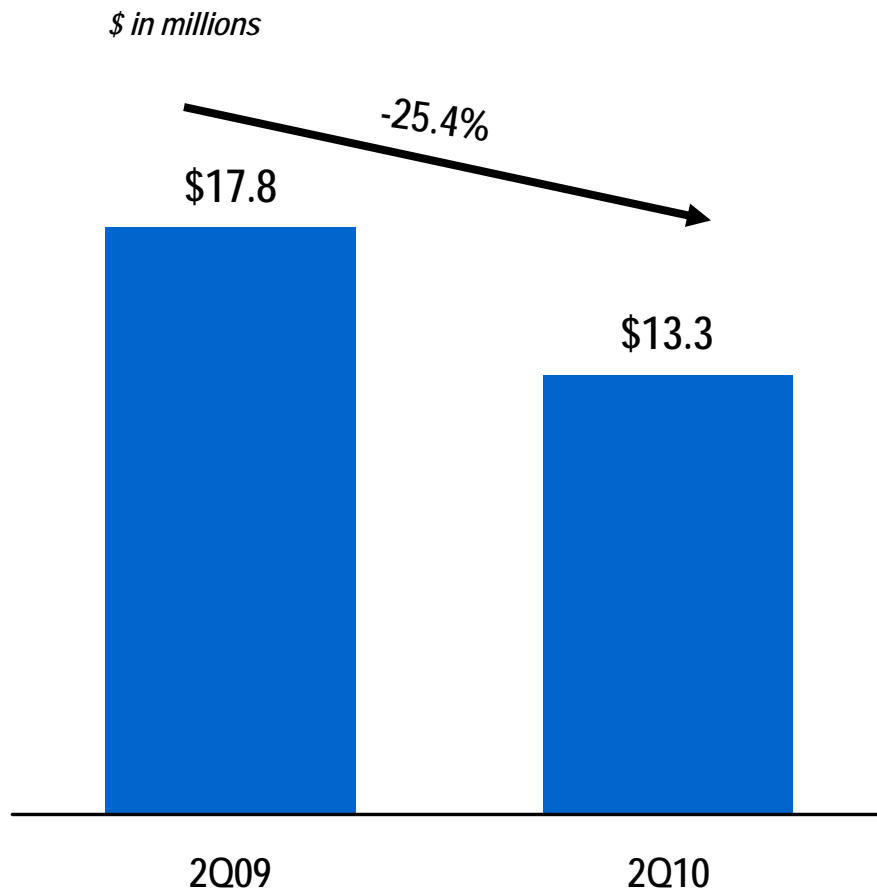
O&M Expense

\$ in millions



- Higher expenses due to increased payroll and pension expense.

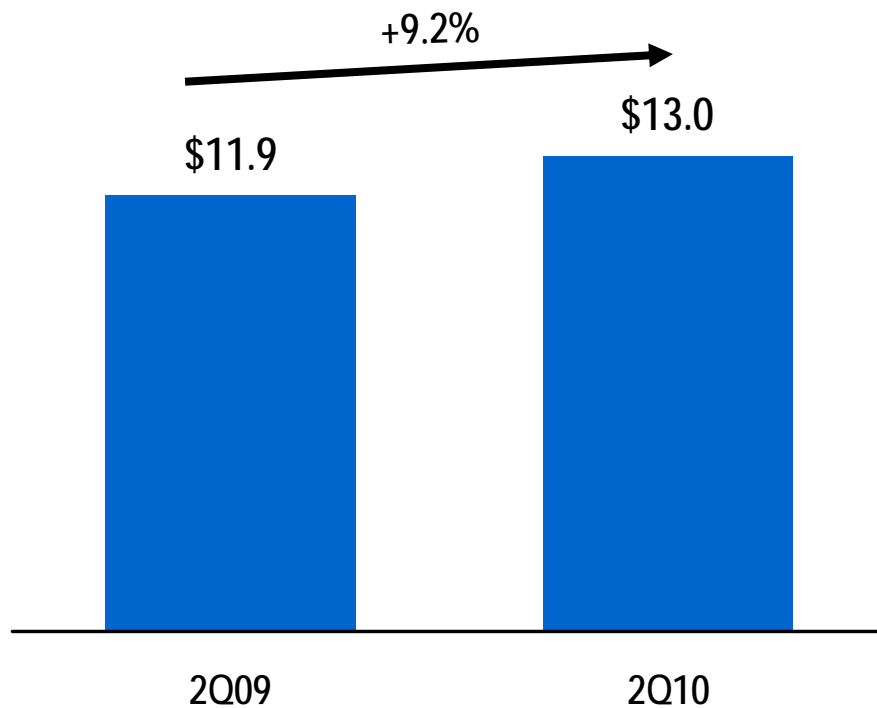
Joint Ventures



- Lower income from joint ventures due to the sale of one half of SouthStar ownership interest to AGL Resources on January 1, 2010.

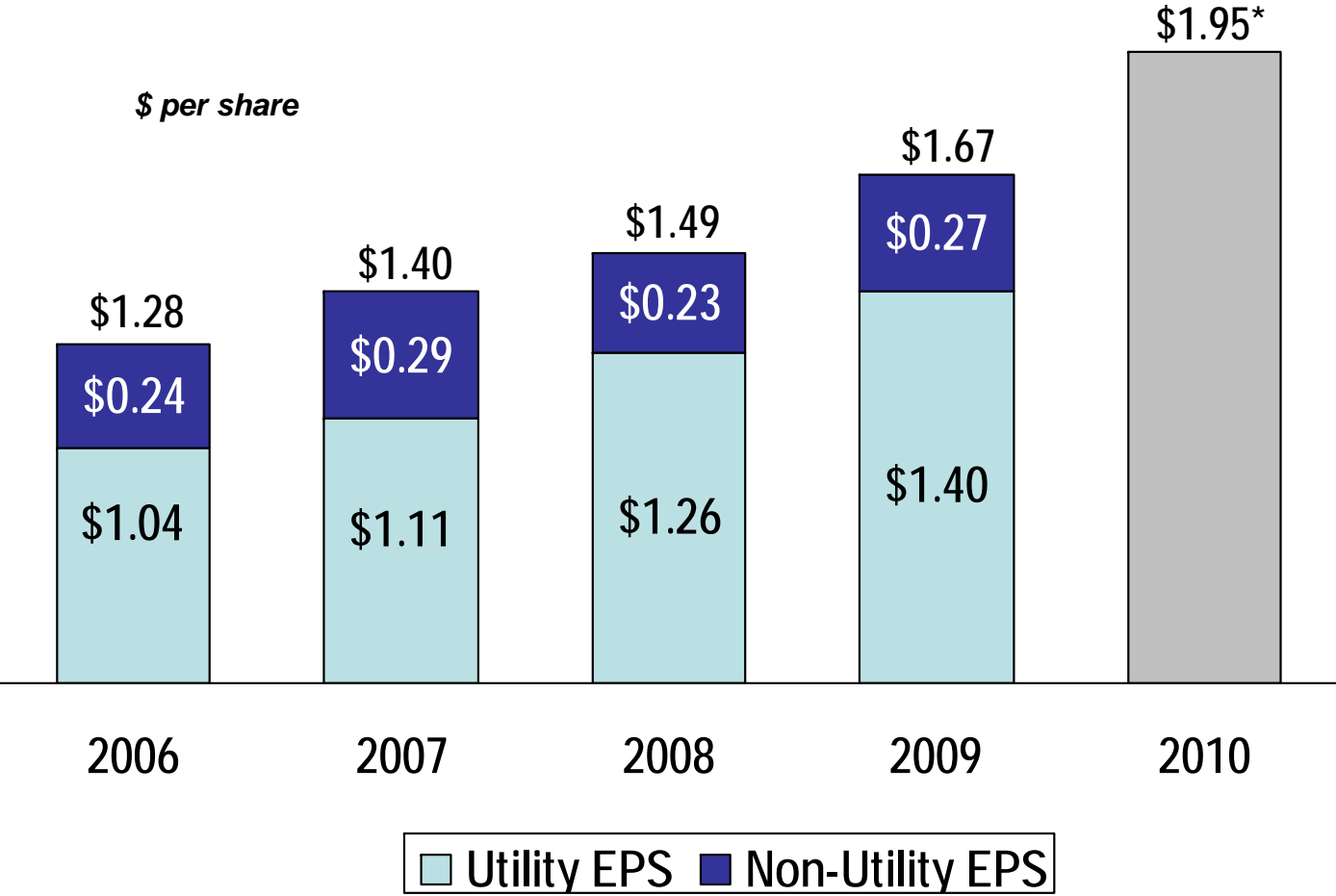
Utility Interest Charges

\$ in millions



- Higher net interest expense due to a decrease in interest income due to lower amounts due from customers
- Partially offset by lower interest on long-term debt due to lower amounts outstanding and lower interest on short-term debt due to lower borrowings and a lower average rate

Utility EPS v. Non-Utility EPS



* Represents the mid-point of Piedmont's FY10 guidance range of \$1.90-\$2.00 issued November 2, 2009 and reaffirmed June 9, 2010. Includes \$0.42 for gain on sale of 15% equity interest in SouthStar.



Questions?

