

AGA Financial Forum

Piedmont Natural Gas
May 18, 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>.

Company Representatives

Tom Skains – *Chairman, President & CEO*

David Dzuricky – *SVP & Chief Financial Officer*

Karl Newlin – *SVP, Corporate Planning & Business Development*

Rob Pritchard – *VP, Treasurer & Chief Risk Officer*

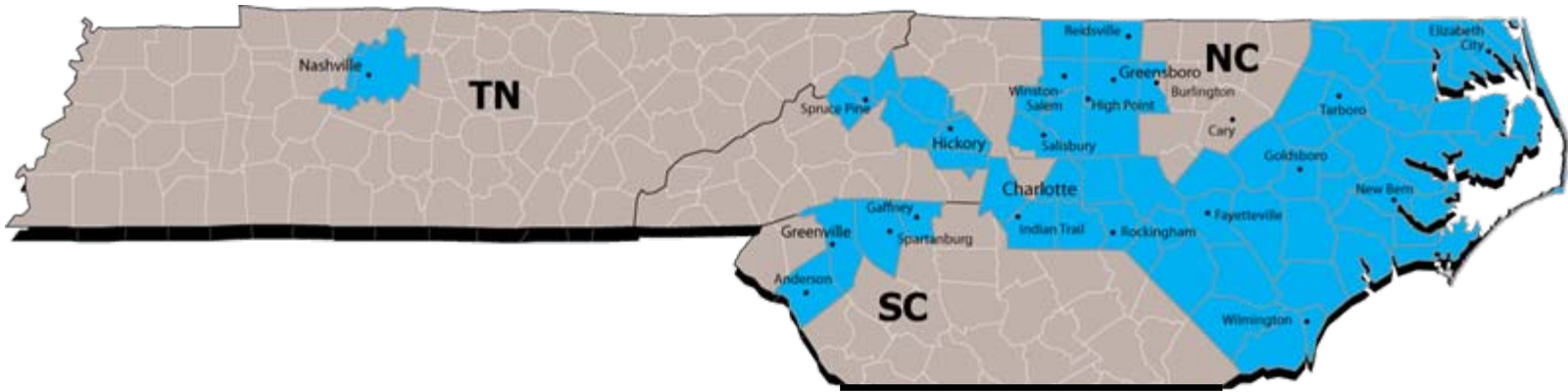
Jane Lewis-Raymond – *VP, General Counsel, Corporate Secretary
& Chief Compliance Officer*

Nick Giaimo – *Investor Relations*

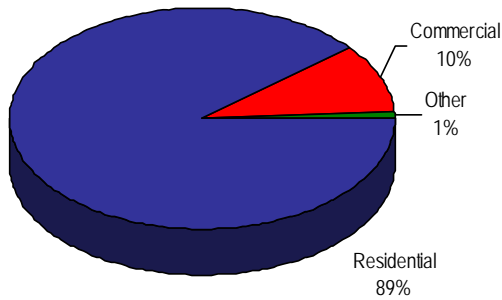
Our Company

- Pure-Play LDC in the southeastern United States
- Favorable regulatory mechanisms align interests of customers and shareholders
- Strategic joint ventures complement core business
- Financial strength leads to investment grade ratings of A and A3
- Shareholders rewarded with a consistent and growing dividend and attractive shareholder returns

Natural Gas Utility Service Area

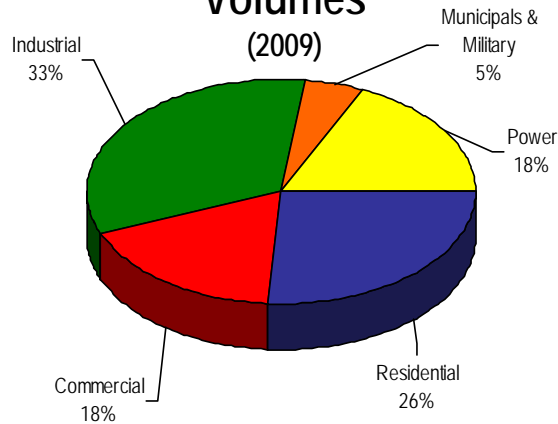


**Customers
(2009)**



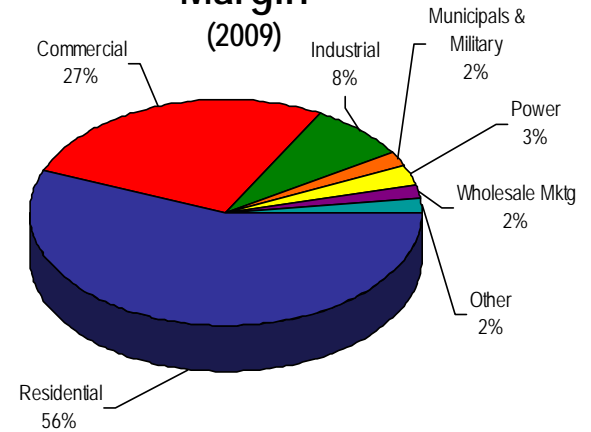
1.03 million

**Volumes
(2009)**



217 MMDt

**Margin
(2009)**



\$562 Million

Natural Gas Utility Statistics

FY 2009	NC	SC	TN	Total
Retail Customers * (thousands)	648 (69%)	129 (14%)	162 (17%)	938
Net Plant (\$MM)	1,669 (72%)	238 (10%)	397 (17%)	2,304
Volumes (MMdt)	165 (76%)	22 (10%)	29 (13%)	217
Margin (\$MM)	394 (70%)	71 (13%)	97 (17%)	562

* Retail customers billed at October 31, 2009

Natural Gas Utility Assets



Pipeline Assets

- 2,600 miles of transmission pipeline
- 28,400 miles of distribution pipeline
- No cast iron pipe – All pipe cathodically protected



Compressor Stations

- Sixteen units at eight locations
- 32,355 Horsepower



LNG Facilities

- Three 1.04 MMdt facilities at Charlotte, NC; Nashville, TN; and Goldsboro, NC
- 2.69 MMdt under contract with Pine Needle



M&R Assets *

- 54 wholesale city gate stations
- Automated meter reading fully deployed throughout service territory

* Measurement & Regulating

Joint Ventures



- **Hardy Storage**

- 12.4 MMdt below-ground storage facility regulated by FERC
- PNY has 50% equity ownership and 40% capacity subscription



- **Pine Needle LNG**

- 4.14 MMdt above-ground storage facility regulated by FERC
- PNY has 40% equity ownership and 64% capacity subscription



- **Cardinal Pipeline**

- 104 miles of 270 Mdt/d intrastate pipeline regulated by the NCUC
- PNY has 21% equity ownership and 37% capacity subscription



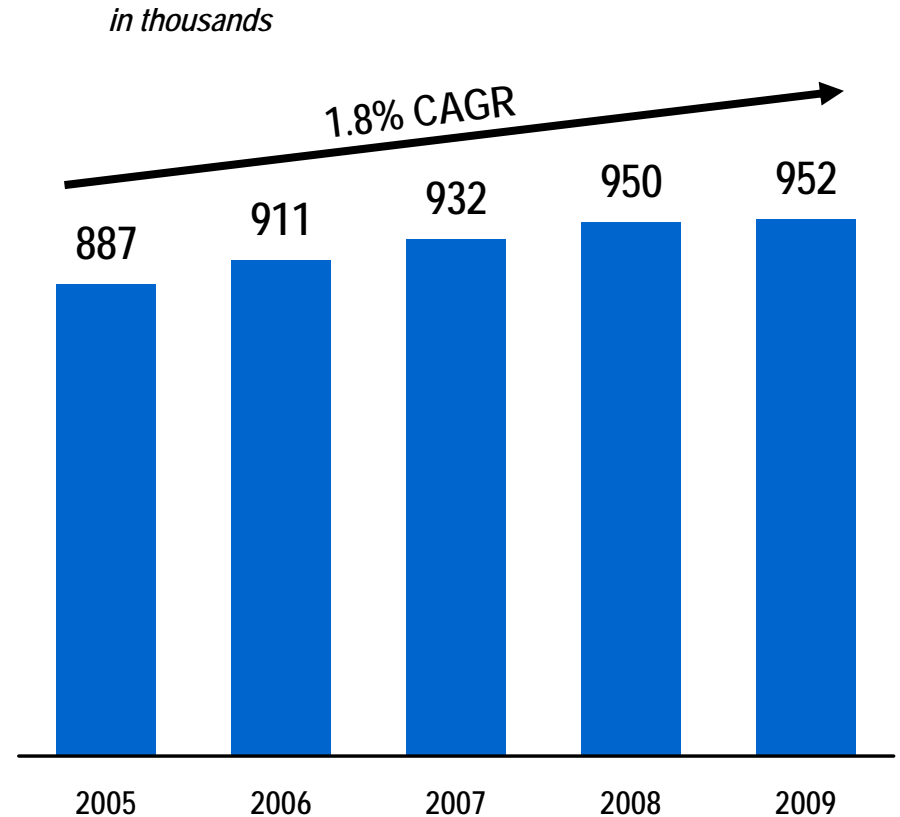
- **SouthStar Energy Services**

- Unregulated retail energy services company
- Operates in GA, NC, SC, TN, FL and OH
- PNY has 15% equity ownership

Customer Growth

- Gross customer additions of 13K (1.3%) in 2009 despite weaker new construction housing market
- Focus on conversions and power generation opportunities
- 3,018 residential conversions in 2009 increased 62% from 2008
- 1.0% - 1.2% gross customer growth projected for 2010

Retail Customers*



* 12-month average customers billed (excludes municipal customers)

Power Generation Project Portfolio

Project	CapEx (\$MM)	In-Service
Duke Buck	\$23	January 2011
Progress Richmond Expansion	\$23	January 2011
Duke Dan River	\$7	November 2011
Progress Wayne County	\$88	July 2012
Progress Sutton	\$217	June 2013

- Total capital expenditures of ~\$360 million between 2010 and 2013
- Long-term transportation service contracts
- Straight fixed variable rate design
- Regulated utility returns
- Corporate financing to maintain targeted cap structure

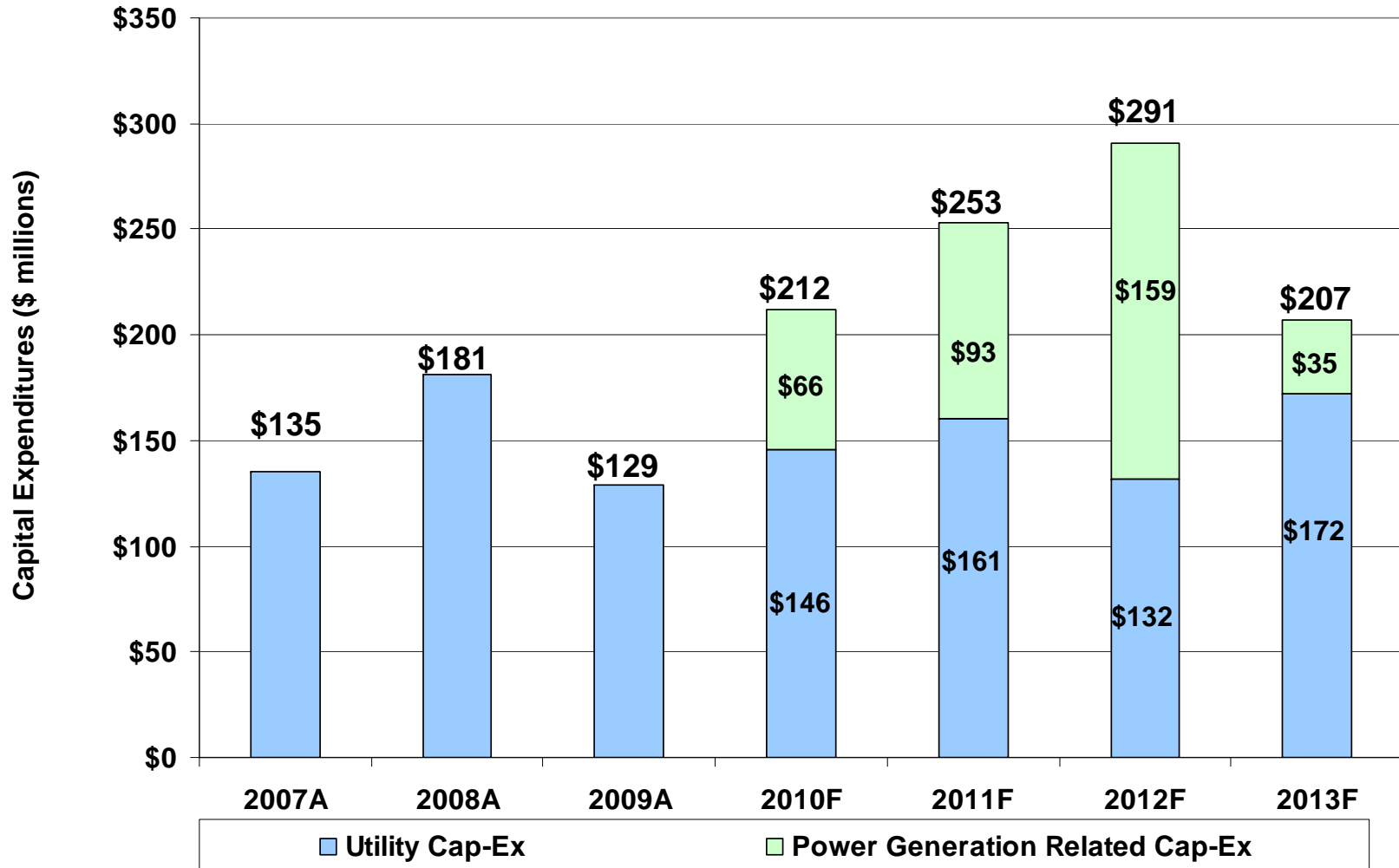
Natural Gas Expansion to Progress Energy

	Progress Wayne County	Progress Sutton
Project Scope	38 miles of pipeline and 4,000 hp compression facilities	133 miles of pipeline and 23,000 hp compression facilities
Capital Exp	\$88 million	\$217 million
Contract	Long-term straight-fixed variable rate design	Long-term straight-fixed variable rate design
Construction Begins	2011	2011
Estimated In-Service	July 2012	June 2013
Other	<ul style="list-style-type: none"> • Additional investment of \$39 million for Cardinal Pipeline (\$8.4 million Piedmont) 	<ul style="list-style-type: none"> • Portion of CapEx to serve system capacity requirements • Robeson LNG storage project suspended indefinitely

Natural Gas Expansion to Progress Energy

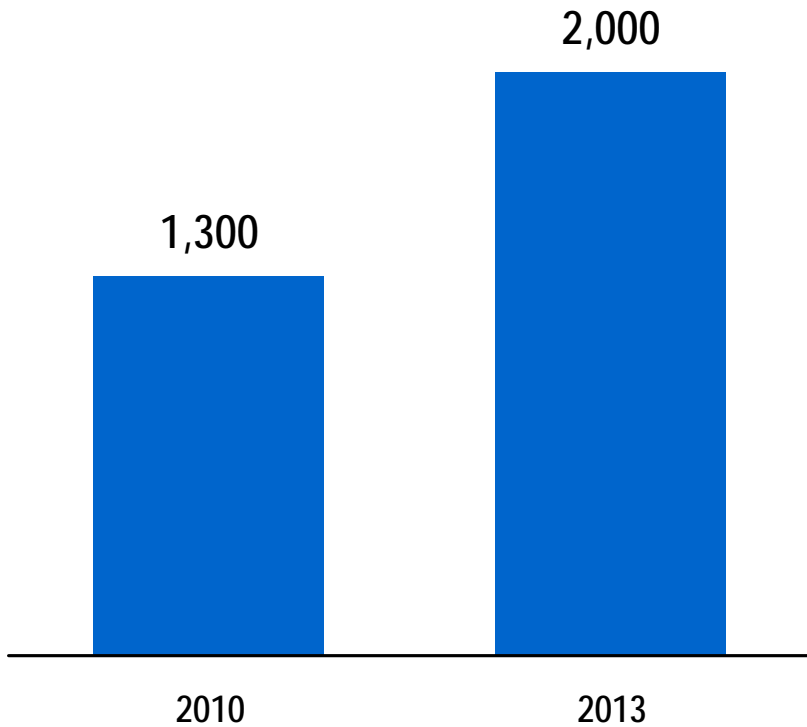


Capital Expenditure Forecast

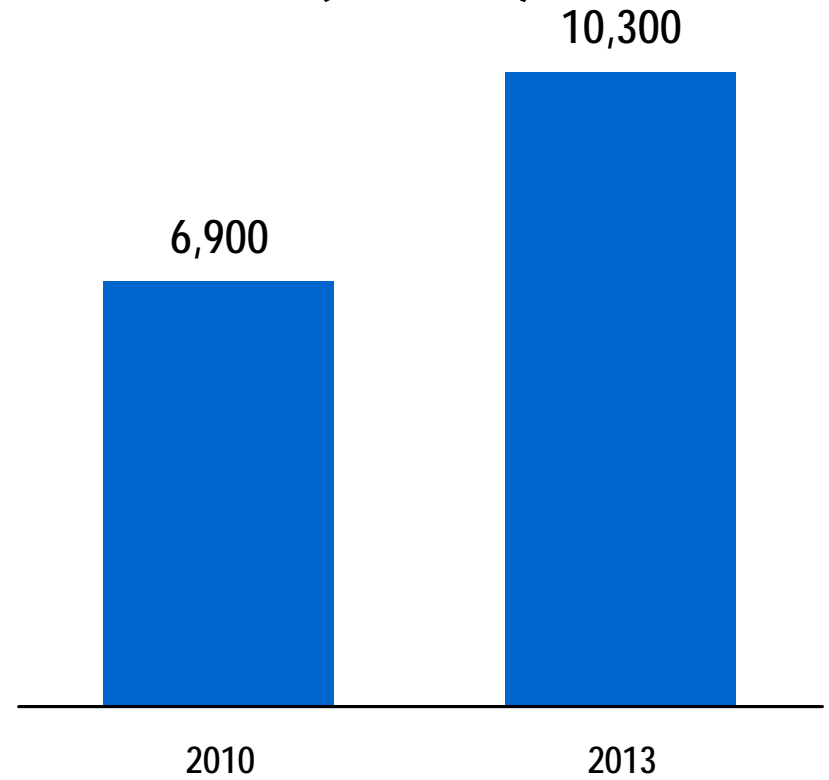


Piedmont Power Generation Markets

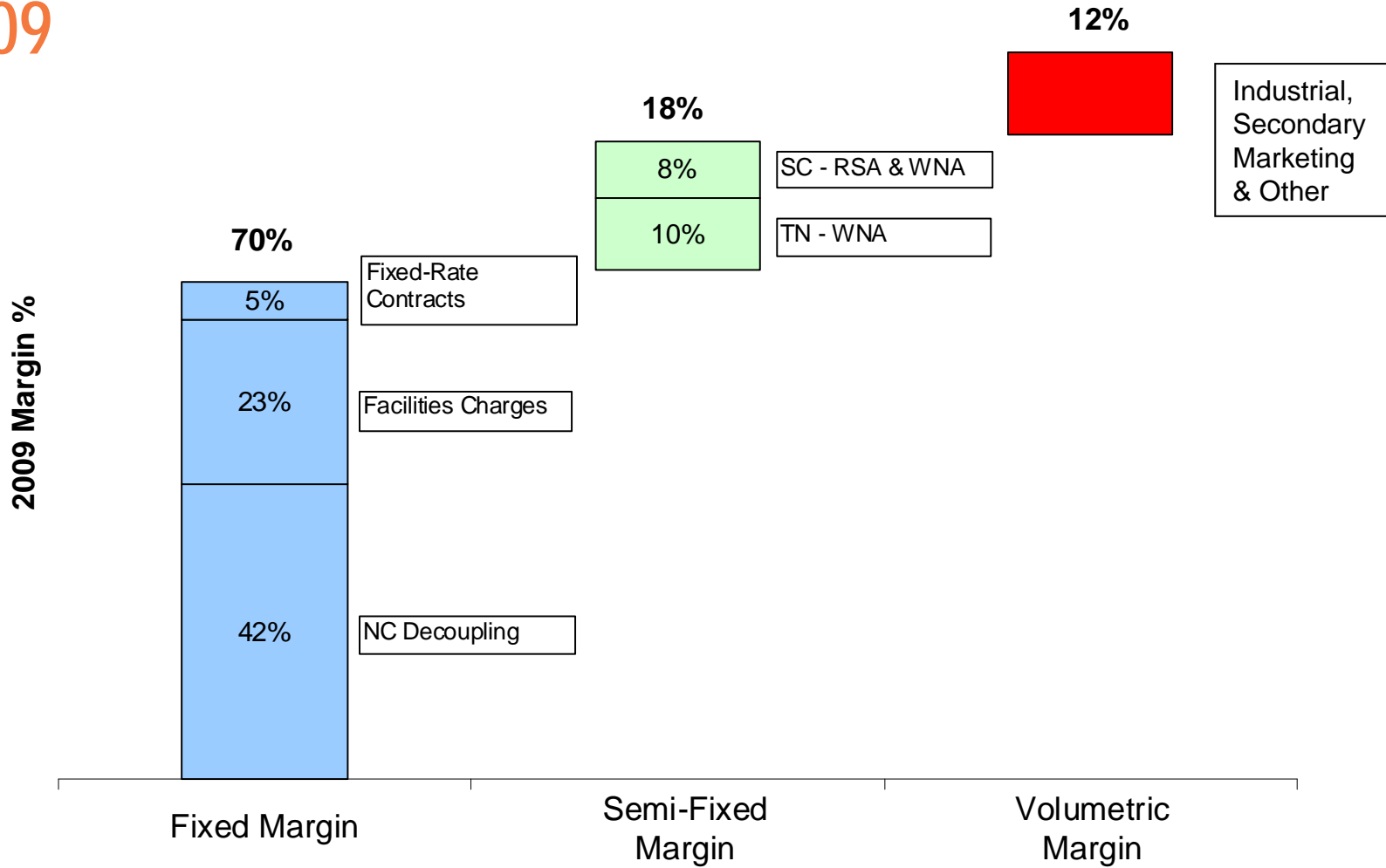
FT Contracts (Mdt/d)



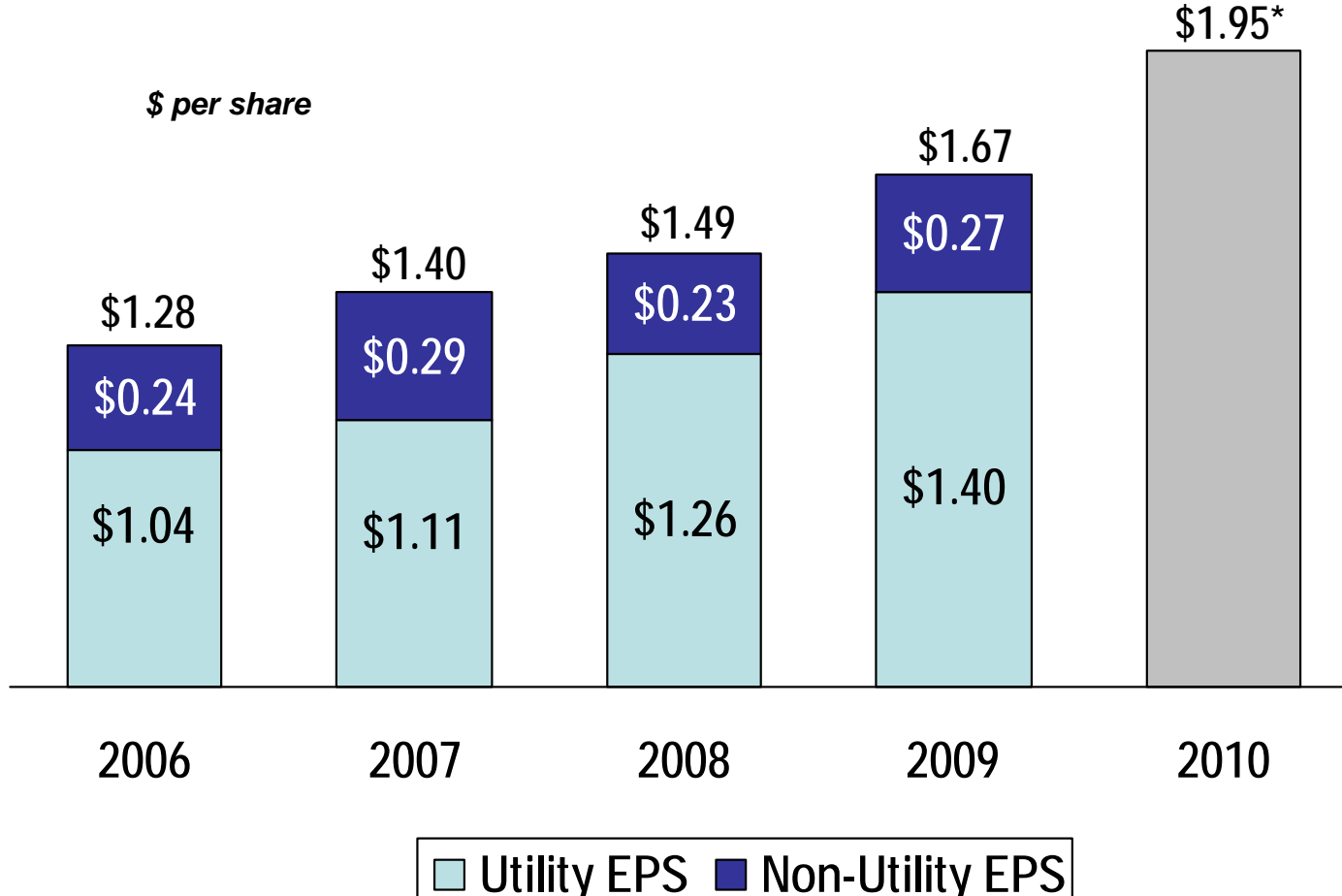
Megawatt Capacity (FT & IT)



Stability of Gas Utility Margin 2009

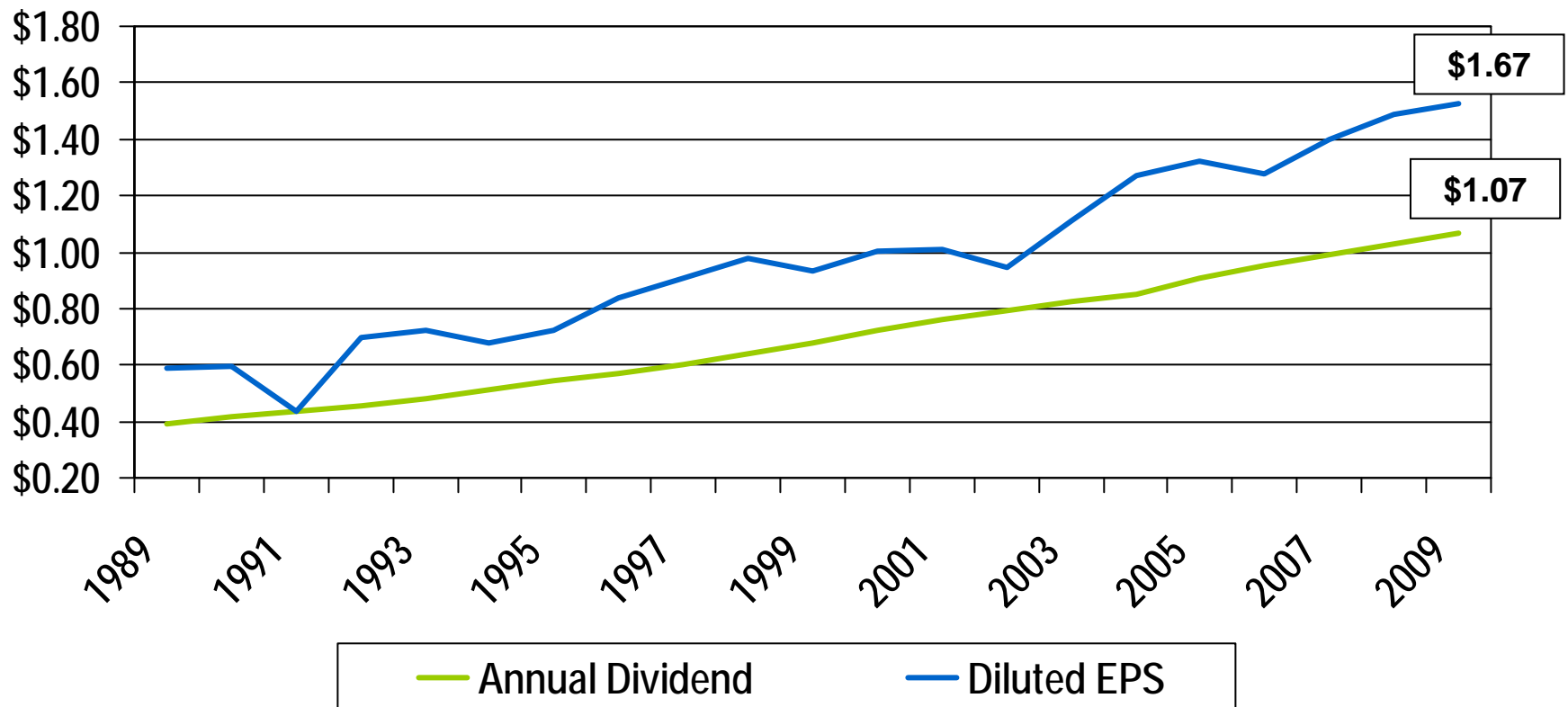


Utility EPS v. Non-Utility EPS



* Represents the mid-point of Piedmont's FY10 guidance range of \$1.90-\$2.00 issued November 2, 2009 and reaffirmed March 11, 2010. Includes \$0.42 for gain on sale of 15% equity interest in SouthStar.

Growing EPS & Dividend





Questions?

