

April 13, 2011

Ms. Renne Vance  
Chief Clerk  
North Carolina Utilities Commission  
430 North Salisbury Street, Dobbs Building  
Raleigh, NC 27603-5918

Re: Docket No. G-9, Sub 550B  
Margin Decoupling Deferred Account Adjustment

**OFFICIAL COPY**

**FILED**

**APR 14 2011**

Clerk's Office  
N.C. Utilities Commission

Dear Ms. Vance:

In accordance with provisions set forth in Appendix C of the Company's Service Regulations as approved by the Commission in the above referenced docket, Piedmont Natural Gas Company files the enclosed original and 25 copies of the computation of the Margin Decoupling Deferred Account Adjustment by rate schedule for February 2011.

For billing cycles for the month of February 2011, the calculation results in an amount to be refunded to residential customers of \$1,955,708 and an amount to be refunded to commercial customers of \$1,612,597. The total Margin Decoupling Adjustment for February 2011 is \$3,568,305.

The average temperature for the February days included in these billing cycles was colder than normal. Actual usage for this period was 1,009,143 DT's more than the projected normal.

Please let me know if there are any questions.

Sincerely,



Jenny Furr  
Manager Regulatory Reporting

Enclosures

4m  
AG  
17 comm  
Bennin  
Watson  
Vacant  
Hoover  
Wilbur  
Sessoms  
Gilmore  
Burns

Gruber  
2 PSECO  
2 PS Legal  
2 PS Accts  
2 PS OAS

**Piedmont Natural Gas Company, Inc.**  
**Margin Decoupling Deferred Account Activity - a/c # 25332**  
**February 2011 Report**  
**Debit (Credit)**

<u>Description</u>	<u>Reference</u>	<u>Residential</u>	<u>Small Commercial</u>	<u>Medium General Service</u>	<u>Total</u>
Beginning Balance	Prior Mo Report	(\$9,334,944)	(\$5,570,530)	\$772,683	(14,132,791)
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	(\$1,955,708)	(\$1,697,788)	\$85,191	(3,568,305)
(Increment) Decrement	Page 3	1,463,099	890,317	(112,160)	2,241,256
Ending Balance Before Interest		(9,827,553)	(6,378,001)	745,714	(15,459,840)
Accrued Interest	Page 4	(58,366)	(36,393)	4,625	(90,134)
Total Due From (To) Customers		(9,885,919)	(\$6,414,394)	\$750,339	(\$15,549,974)

**FILED**  
**APR 14 2011**  
 Clerk's Office  
 N.C. Utilities Commission

**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**February 2011 Report**

Line No.	Description	Residential Service	Small General Service	Medium General Service	Total
		Rate Schedule No. 101	Rate Schedule No. 102	Rate Schedule No. 152	
1	Normal Degree Days /1 <i>Page 2A</i>	754.7	754.7	754.7	
2	Base Load /1 (th/month)	12.0381	126.3458	5980.4393	
3	Heat Sensitivity Factor /1 (th/HDD)	0.1468	0.5849	9.4451	
4	Usage/HDD/Customer (th)	122.8281	567.7698	13,108.6563	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	611,984	65,896	461	
6	Total Normalized Usage (th)	75,168,807.4710	37,413,760.7177	6,043,090.5405	118,625,659
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$29,920,944	\$11,651,393	\$1,881,939	\$43,454,276
<b>ACTUAL</b>					
9	No. of Customers (Actual)	611,984	65,896	461	
10	Actual Usage (th)	80,082,030	42,865,524	5,769,533	128,717,087
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$31,876,652	\$13,349,181	\$1,796,748	\$47,022,581
13	Margin Decoupling Adj	(\$1,955,708)	(\$1,697,788)	\$85,191	(\$3,568,305)
					Total Owed To Company (Customer)

Note: /1 - Per Docket No. G-9, Sub 550, Stipulation - Exhibit D

Piedmont Natural Gas Company, Inc.  
Heating Degree Days for Margin Decoupling

	Rate Case Normal HDD	Actual HDD 2010-11
Nov	296.7	307.4
Dec	529.1	708.1
Jan	730.2	930.9
Feb	754.7	779.7
Mar	491.3	
Apr	300.0	
May	108.1	
Jun	18.5	
Jul	0.7	
Aug	0.1	
Sep	2.8	
Oct	84.5	
	3,316.7	2,726.1

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**February 2011 Report**

Description		Residential Service	Small General Service	Medium General Service
		Rate Schedule No. 101	Rate Schedule No. 102	Rate Schedule No. 152
<b>Facilities Charge</b>	Winter	\$10.00	\$22.00	\$75.00
	Summer	\$10.00	\$22.00	\$75.00
<b>Rates (\$/th)</b>				
1st Block	Winter	\$1.01646	\$0.91248	\$0.93373
2nd Block	Winter			\$0.91878
1st Block	Summer	\$0.96015	\$0.87611	\$0.83728
2nd Block	Summer			\$0.80667
<b>BCGC (\$/th)</b>		\$0.45500	\$0.45500	\$0.45500
<b>LUAF (\$/th)</b>		\$0.00864	\$0.00864	\$0.00864
<b>Commodity Cost Increment (\$/th)</b>	Winter	\$0.07190	\$0.07190	\$0.07190
	Summer	\$0.07190	\$0.07190	\$0.07190
<b>Fixed Gas Costs (\$/th)</b>				
1st Block	Winter	\$0.10114	\$0.08629	\$0.06733
2nd Block	Winter			\$0.05238
1st Block	Summer	\$0.04483	\$0.04992	\$0.06744
2nd Block	Summer			\$0.03683
<b>R Factors (\$/th)</b>				
1st Block	Winter	\$0.39805	\$0.31142	\$0.31142
2nd Block	Winter			\$0.31142
1st Block	Summer	\$0.39805	\$0.31142	\$0.21486
2nd Block	Summer			\$0.21486
<b>Margin Decoupling Temporaries</b>		-\$0.01827	-\$0.02077	\$0.01944

**Piedmont Natural Gas Company, Inc.**  
**Computation of Refunds and (Collections) Through Temporaries**  
**February 2011 Report**  
**Debit (Credit)**

<u>Item</u>	<u>Reference</u>	<u>Residential</u>	<u>Small Commercial</u>	<u>Medium General Service</u>
Usage by Rate Class - therms	Page 2	80,082,030	42,865,524	5,769,533
Rate decrement (increment)/therm	Per NCUC	\$0.01827	\$0.02077	(\$0.01944)
Refunds (Collections)		<u>\$1,463,099</u>	<u>\$890,317</u>	<u>(\$112,160)</u>
Margin Decoupling Temporaries effective November 1, 2010 (per therm)		\$0.01827	\$0.02077	(\$0.01944)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**February 2011 Report**  
**Debit (Credit)**

<u>Item</u>	<u>Reference</u>	<u>Residential</u>	<u>Small Commercial</u>	<u>Medium General Service</u>
Beginning Balance	Page 1	(\$9,334,944)	(\$5,570,530)	\$772,683
Ending Balance Before Interest	Page 1	(\$9,827,553)	(\$6,378,001)	\$745,714
Average Balance Before Interest		(9,581,249)	(5,974,266)	759,199
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		(\$58,366)	(\$36,393)	\$4,625