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July 11, 2012

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Clerk's Office
N.C. Utilities Commission

Ms. Gail Mount
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

Dear Ms. Mount:

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 May 2012.

For billing cycles for the month of May 2012, the calculation results in an amount to be collected from residential customers of \$1,628,513 and an amount to be collected from commercial customers of \$390,408. The total Margin Decoupling Adjustment for May 2012 is \$2,018,921.

The average temperature for the May days included in these billing cycles was warmer than normal. Actual usage for this period was 545,952 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$1,774,343 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jenny Furr".

Jenny Furr
Manager Regulatory Reporting

Enclosures

clerk's
AL
Comm
Watson
Green
Hoover
Kite
Hilburn
Gilmore
Burns
Ex Dir
3 PB Legal
3 PB Acctg
2 PB Econ
3 PB Gas

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Clerk's Office
N.C. Utilities Commission

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
May 2012 Report
Debit (Credit)

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<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	\$33,496,516	\$8,412,168	\$2,188,994	\$44,097,678
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	1,628,513	310,963	79,445	2,018,921
(Increment) Decrement	Page 3	(558,224)	(141,145)	(102,441)	(801,810)
Ending Balance Before Interest		34,566,805	8,581,986	2,165,998	45,314,789
Accrued Interest	Page 4	207,310	51,761	13,265	272,336
Total Due From (To) Customers		\$34,774,115	\$8,633,747	\$2,179,263	\$45,587,125

Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
May 2012 Report

Based on Cycle Billing

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>	108.1	108.1	108.1	
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)	27.9072	189.5735	7,001.4546	
RATE CASE					
5	No. of Customers (Actual)	609,738	65,554	458	
6	Total Normalized Usage (th)	17,016,068.1188	12,427,300.5635	3,206,666.2114	32,650,035
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$6,773,246	\$3,870,110	\$688,984	\$11,332,340
ACTUAL					
9	No. of Customers (Actual)	609,738	65,554	458	
10	Actual Usage (th)	12,924,840	11,428,768	2,836,911	27,190,519
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$5,144,733	\$3,559,147	\$609,539	\$9,313,419
13	Margin Decoupling Adj	\$1,628,513	\$310,963	\$79,445	\$2,018,921

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 2011-12	Diff	
Nov	296.7	348.9	(52.2)	colder
Dec	529.1	451.5	77.6	warmer
Jan	730.2	612.2	118.0	warmer
Feb	754.7	616.0	138.7	warmer
Mar	491.3	366.6	124.7	warmer
Apr	300.0	121.1	178.9	warmer
May	108.1	86.8	21.3	warmer
Jun	18.5		18.5	
Jul	0.7		0.7	
Aug	0.1		0.1	
Sep	2.8		2.8	
Oct	84.5		84.5	
	3,316.7	2,603.1		

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
May 2012 Report

Description		Residential Service	Small General Service	Medium General Service
		Rate Schedule No. 101	Rate Schedule No. 102	Rate Schedule No. 152
Facilities Charge	Winter	\$10.00	\$22.00	\$75.00
	Summer	\$10.00	\$22.00	\$75.00
Rates (\$/th)				
1st Block	Winter	\$0.91107	\$0.77537	\$0.77582
2nd Block	Winter			\$0.75746
1st Block	Summer	\$0.84196	\$0.73072	\$0.67944
2nd Block	Summer			\$0.64178
BCGC (\$/th)		\$0.32500	\$0.32500	\$0.32500
LUAF (\$/th)		\$0.00617	\$0.00617	\$0.00617
Commodity Cost Increment (\$/th)	Winter	\$0.01449	\$0.01449	\$0.01449
	Summer	\$0.01449	\$0.01449	\$0.01449
Fixed Gas Costs (\$/th)				
1st Block	Winter	\$0.12417	\$0.10594	\$0.08263
2nd Block	Winter			\$0.06427
1st Block	Summer	\$0.05506	\$0.06129	\$0.08281
2nd Block	Summer			\$0.04515
R Factors (\$/th)				
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
Margin Decoupling Temporaries		\$0.04319	\$0.01235	\$0.03611

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
May 2012 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	12,924,840	11,428,768	2,836,911
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.04319)</u>	<u>(\$0.01235)</u>	<u>(\$0.03611)</u>
Refunds (Collections)		<u>(\$558,224)</u>	<u>(\$141,145)</u>	<u>(\$102,441)</u>
Margin Decoupling Temporaries effective April 2012 (per therm)		(\$0.04319)	(\$0.01235)	(\$0.03611)

Piedmont Natural Gas Company, Inc.
Accrued Interest
May 2012 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	\$33,496,516	\$8,412,168	\$2,188,994
Ending Balance Before Interest	Page 1	\$34,566,805	\$8,581,986	\$2,165,998
Average Balance Before Interest		34,031,660	8,497,077	2,177,496
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$207,310	\$51,761	\$13,265