

OFFICIAL COPY

November 12, 2012

Ms. Gail Mount
Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Dobbs Building, Suite 5063
Raleigh, NC 27603-5918

FILED
NOV 13 2012
Clerk's Office
N.C. Utilities Commission

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 September 2012.

For billing cycles for the month of September 2012, the calculation results in an amount to be collected from residential customers of \$486,572 and an amount to be refunded to commercial customers of \$713,353. The total Margin Decoupling Adjustment for September 2012 is a refund of \$226,781.

Please let me know if there are any questions.

Sincerely,



Jenny Furr
Manager Regulatory Reporting

Enclosures

AG
7 Comm
Watson
Green
Hoover
Kite
Hillburn
Gilmore
Burns
Sessions
Gruber
PS Legal - 2
PS Acct - 2
PS Ec Res
PS Gas - 3

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
September 2012 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	\$36,227,496	\$8,213,459	\$2,086,848	46,527,803
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	486,572	(589,291)	(124,062)	(226,781)
(Increment) Decrement	Page 3	(269,953)	(125,697)	(120,194)	(515,845)
Ending Balance Before Interest		36,444,115	7,498,471	1,842,591	45,785,177
Accrued Interest	Page 4	221,346	47,856	11,968	281,170
Total Due From (To) Customers		36,665,461	7,546,327	1,854,559	46,066,347

FILED
 NOV 13 2012
 Clerk's Office
 N.C. Utilities Commission

Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
September 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>	2.8	2.8	2.8	
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)	12.449	127.984	6,006.886	
RATE CASE					
5	No. of Customers (Actual)	600,262	64,740	458	
6	Total Normalized Usage (th)	7,472,745.675	8,285,653.085	2,751,153.596	18,509,552
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$2,974,526	\$2,580,318	\$591,113	\$6,145,957
ACTUAL					
9	No. of Customers (Actual)	600,262	64,740	458	
10	Actual Usage (th)	6,250,356	10,177,923	3,328,561	19,756,840
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$2,487,954	\$3,169,609	\$715,175	\$6,372,738
13	Margin Decoupling Adj	\$486,572	(\$589,291)	(\$124,062)	(\$226,781)
					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	2.9	15.6	warmer
Jul	0.7	0.0	0.7	warmer
Aug	0.1	0.0	0.1	warmer
Sep	2.8	0.4	2.4	warmer
Oct	84.5		84.5	
	3,316.7	2,606.4		

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
September 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
September 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	6,250,356	10,177,923	3,328,561
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.04319)</u>	<u>(\$0.01235)</u>	<u>(\$0.03611)</u>
Refunds (Collections)		<u>(\$269,953)</u>	<u>(\$125,697)</u>	<u>(\$120,194)</u>
Margin Decoupling Temporaries effective April 2012 (per therm)		(\$0.04319)	(\$0.01235)	(\$0.03611)

Piedmont Natural Gas Company, Inc.
Accrued Interest
September 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	\$36,227,496	\$8,213,459	\$2,086,848
Ending Balance Before Interest	Page 1	\$36,444,115	\$7,498,471	\$1,842,591
Average Balance Before Interest		36,335,805	7,855,965	1,964,719
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$221,346	\$47,856	\$11,968