

January 7, 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

**FILED**  
JAN 10 2011  
Clerk's Office  
N.C. Utilities Commission  
**OFFICIAL COPY**

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 November 2010.

For billing cycles for the month of November 2010, the calculation results in an amount to be collected from residential customers of \$4,740,454 and an amount to be collected from commercial customers of \$2,107,046. The total Margin Decoupling Adjustment for November 2010 is \$6,847,500.

The average temperature for the November days included in these billing cycles was colder than normal. Actual usage for this period was 1,867,512 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$8,497,181 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,



Jenny Furr  
Manager Regulatory Reporting

Enclosures

MM  
AG  
7 COMM  
Bennin  
Wirby  
Watson  
Moore  
Milburn  
Gilmore  
Burns  
Sessions

Gubler  
2 PSECO  
2 PS Legal  
2 PS Acc'ts  
2 PSGUS

**Piedmont Natural Gas Company, Inc.**  
**Margin Decoupling Deferred Account Activity - a/c # 25332**  
**November 2010 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	(\$3,611,360)	(\$4,154,623)	\$815,303	(6,950,680)
<b>Monthly Activity:</b>					
Margin Decoupling Adjustment	Page 2	\$4,740,454	\$1,853,875	\$253,171	6,847,500
(Increment) Decrement	Page 3	243,279	186,915	(61,882)	368,313
Ending Balance Before Interest		1,372,374	(2,113,833)	1,006,592	265,133
Accrued Interest	Page 4	(6,820)	(19,093)	5,549	(20,364)
<b>Total Due From (To) Customers</b>		<b>1,365,554</b>	<b>(\$2,132,926)</b>	<b>\$1,012,141</b>	<b>\$244,769</b>

**FILED**  
**JAN 10 2011**  
 Clerk's Office  
 N.C. Utilities Commission

**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**November 2010 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>	296.7	296.7	296.7	
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)	55.5937	299.8856	8,782.8005	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	594,337	63,747	455	
6	Total Normalized Usage (th)	33,041,369.1034	19,116,809.2556	3,996,174.2139	56,154,353
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$13,152,117	\$5,953,367	\$1,244,489	\$20,349,963
<b>ACTUAL</b>					
9	No. of Customers (Actual)	594,337	63,747	455	
10	Actual Usage (th)	21,132,176	13,163,836	3,183,218	37,479,230
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$8,411,663	\$4,099,482	\$991,318	\$13,502,463
13	Margin Decoupling Adj	\$4,740,454	\$1,853,875	\$253,171	\$6,847,500
					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**

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

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**November 2010 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	\$0.98318	\$0.88120	\$0.90504
2nd Block	Winter			\$0.89212
1st Block	Summer	\$0.93448	\$0.84975	\$0.80856
2nd Block	Summer			\$0.78213
<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	\$0.05230	\$0.05230	\$0.05230
	Summer	\$0.05230	\$0.05230	\$0.05230
<b>Fixed Gas Costs (\$/th)</b>				
1st Block	Winter	\$0.08746	\$0.07461	\$0.05824
2nd Block	Winter			\$0.04532
1st Block	Summer	\$0.03876	\$0.04316	\$0.05832
2nd Block	Summer			\$0.03189
<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**  
**November 2010 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 <sup>1</sup>	Page 5	10,500,406	7,342,764	1,686,482
Rate decrement (increment)/therm	Per NCUC	<u>\$0.00467</u>	<u>\$0.00899</u>	<u>(\$0.01944)</u>
Refunds (Collections)		\$49,037	\$66,011	(\$32,785)
Usage by Rate Class - therms <sup>2</sup>	Page 5	10,631,770	5,821,072	1,496,736
Rate decrement (increment)/therm	Per NCUC	<u>\$0.01827</u>	<u>\$0.02077</u>	<u>(\$0.01944)</u>
Refunds (Collections)		\$194,242	\$120,904	(\$29,097)
Total Refunds (Collections)		<u>\$243,279</u>	<u>\$186,915</u>	<u>(\$61,882)</u>
Margin Decoupling Temporaries effective April 1, 2010 (per therm)		\$0.00467	\$0.00899	(\$0.01944)
Margin Decoupling Temporaries effective November 1, 2010 (per therm)		\$0.01827	\$0.02077	(\$0.01944)

1/ Customer bills rendered in November 2010 include usage that occurred in October 2010, which was accordingly billed at the rates effective during that period. The therms recorded on this line reflect the therms billed in November at the rates effective April 1, 2010.

2/ Customer bills rendered in November 2010 include usage that occurred in November 2010, which was accordingly billed at the rates effective during that period. The therms recorded on this line reflect the therms bills in November at the rates effective November 1, 2010.

**Piedmont Natural Gas Company, Inc.  
Accrued Interest  
November 2010 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	(\$3,611,360)	(\$4,154,623)	\$815,303
Ending Balance Before Interest	Page 1	\$1,372,374	(\$2,113,833)	\$1,006,592
Average Balance Before Interest		(1,119,493)	(3,134,228)	910,948
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		(\$6,820)	(\$19,093)	\$5,549

**Proration of Margin Decoupling Adjustment  
November 2010**

Nov billed Cycles	Cycle Dates	Cycle Length	# Nov Days Prorated	Nov Prorate Percent	Oct Prorate Percent	Residential			Small Commercial			Medium General Service			
						Rate Schedule 101 (1)			Rate Schedule 102 (2)			Rate Schedule 152 (3)			
						therms billed by cycle	Nov prorate therms billed	Oct prorate therms billed	therms billed by cycle	Nov prorate therms billed	Oct prorate therms billed	therms billed by cycle	Nov prorate therms billed	Oct prorate therms billed	
1	9/30/10	10/29/10	29	0	0.00%	100.00%	582,289	0	582,289	524,865	0	524,865	141,748	0	141,748
2	10/1/10	11/1/10	31	1	3.23%	96.77%	587,140	18,965	568,175	605,174	19,547	585,627	104,305	3,369	100,936
3	10/4/10	11/2/10	29	2	6.90%	93.10%	762,439	52,608	709,831	625,923	43,189	582,734	159,766	11,024	148,742
4	10/5/10	11/3/10	29	3	10.34%	89.66%	604,972	62,554	542,418	703,329	72,724	630,605	191,578	19,809	171,769
5	10/6/10	11/4/10	29	4	13.79%	86.21%	439,419	60,596	378,823	340,201	46,914	293,287	36,149	4,985	31,164
6	10/7/10	11/5/10	29	5	17.24%	82.76%	696,954	120,155	576,799	358,471	61,800	296,671	121,096	20,877	100,219
7	10/8/10	11/8/10	31	8	25.81%	74.19%	1,064,799	274,825	789,974	665,685	171,813	493,872	139,644	36,042	103,602
8	10/11/10	11/9/10	29	9	31.03%	68.97%	767,341	238,106	529,235	371,894	115,399	256,495	119,538	37,093	82,445
9	10/12/10	11/10/10	29	10	34.48%	65.52%	1,184,962	408,575	776,387	1,054,384	363,552	690,832	235,138	81,076	154,062
10	10/13/10	11/11/10	29	11	37.93%	62.07%	640,770	243,044	397,726	177,767	67,427	110,340	47,177	17,894	29,283
11	10/14/10	11/12/10	29	12	41.38%	58.62%	1,225,861	507,261	718,600	1,021,294	422,611	598,683	203,797	84,331	119,466
12	10/15/10	11/15/10	31	15	48.39%	51.61%	1,305,245	631,808	673,637	1,076,700	521,015	555,685	168,443	81,510	86,933
13	10/18/10	11/16/10	29	16	55.17%	44.83%	1,648,540	909,500	739,040	1,341,303	739,997	601,306	308,571	170,239	138,332
14	10/19/10	11/17/10	29	17	58.62%	41.38%	1,019,081	597,385	421,696	667,981	391,570	276,411	155,616	91,222	64,394
15	10/20/10	11/18/10	29	18	62.07%	37.93%	1,266,812	786,310	480,502	317,593	197,130	120,463	15,854	9,841	6,013
16	10/21/10	11/19/10	29	19	65.52%	34.48%	1,921,041	1,258,666	662,375	961,142	629,740	331,402	276,180	180,953	95,227
17	10/25/10	11/22/10	28	22	78.57%	21.43%	1,552,836	1,220,063	332,773	700,796	550,615	150,181	220,207	173,017	47,190
18	10/26/10	11/23/10	28	23	82.14%	17.86%	1,912,995	1,571,334	341,661	546,755	449,105	97,650	124,637	102,377	22,260
19	10/27/10	11/24/10	28	24	85.71%	14.29%	1,948,656	1,670,193	278,463	860,651	737,664	122,987	79,776	68,376	11,400
20	10/27/10	11/24/10	28	24	85.71%	14.29%	0	0	0	0	0	0	0	0	0
21	10/28/10	11/29/10	32	29	90.63%	9.37%	24	22	2	241,928	219,259	22,669	333,998	302,702	31,296
21-M	10/31/10	11/30/10	30	30	100.00%	0.00%	0	0	0	0	0	0	0	0	0
						<b>21,132,176</b>	<b>10,631,770</b>	<b>10,500,406</b>	<b>13,163,836</b>	<b>5,821,072</b>	<b>7,342,764</b>	<b>3,183,218</b>	<b>1,496,736</b>	<b>1,686,482</b>	

(1) includes volumes from Rates 101 and 121.  
(2) Includes volumes from Rates 102 and 132.  
(3) Includes volumes from Rates 152 and 162.