



March 11, 2011

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

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

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

**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 January 2011.

For billing cycles for the month of January 2011, the calculation results in an amount to be refunded to residential customers of \$11,091,313 and an amount to be refunded to commercial customers of \$4,782,288. The total Margin Decoupling Adjustment for January 2011 is \$15,873,601.

The average temperature for the January days included in these billing cycles was colder than normal. Actual usage for this period was 4,322,052 DT's more than the projected normal.

Please let me know if there are any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jenny Furr".

Jenny Furr  
Manager Regulatory Reporting

Enclosures

4m  
AG  
17 Comm  
Bennin  
Watson  
Vacant  
Hoover  
Hilburn  
Sessions  
Gilmore  
Burns

Gruber  
2 PSeco  
2 PS Legal  
2 PS ACCT  
2 PS GAS

**Piedmont Natural Gas Company, Inc.**  
**Margin Decoupling Deferred Account Activity - a/c # 25332**  
**January 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	(\$53,252)	(\$1,979,704)	\$1,041,041	(991,915)
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	(\$11,091,313)	(\$4,632,665)	(\$149,623)	(15,873,601)
(Increment) Decrement	Page 3	1,838,129	1,064,766	(124,243)	2,778,652
Ending Balance Before Interest		(9,306,436)	(5,547,603)	767,175	(14,086,864)
Accrued Interest	Page 4	(28,508)	(22,927)	5,508	(45,927)
Total Due From (To) Customers		<u>(9,334,944)</u>	<u>(\$5,570,530)</u>	<u>\$772,683</u>	<u>(\$14,132,791)</u>

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**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**January 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>	730.2	730.2	730.2	
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)	119.2315	553.4398	12,877.2513	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	610,116	65,750	459	
6	Total Normalized Usage (th)	72,745,021.4494	36,388,665.5350	5,910,658.3559	115,044,345
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$28,956,156	\$11,332,158	\$1,840,697	\$42,129,011
<b>ACTUAL</b>					
9	No. of Customers (Actual)	610,116	65,750	459	
10	Actual Usage (th)	100,609,143	51,264,605	6,391,113	158,264,861
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$40,047,469	\$15,964,823	\$1,990,320	\$58,002,612
13	Margin Decoupling Adj	(\$11,091,313)	(\$4,632,665)	(\$149,623)	(\$15,873,601)
					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	708.1
Jan	730.2	930.9
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>1,946.4</b>

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**January 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	\$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**  
**January 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	100,609,143	51,264,605	6,391,113
Rate decrement (increment)/therm	Per NCUC	<u>\$0.01827</u>	<u>\$0.02077</u>	<u>(\$0.01944)</u>
Refunds (Collections)		<u>\$1,838,129</u>	<u>\$1,064,766</u>	<u>(\$124,243)</u>
Margin Decoupling Temporaries effective November 1, 2010 (per therm)		\$0.01827	\$0.02077	(\$0.01944)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**January 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	(\$53,252)	(\$1,979,704)	\$1,041,041
Ending Balance Before Interest	Page 1	(\$9,306,436)	(\$5,547,603)	\$767,175
Average Balance Before Interest		(4,679,844)	(3,763,653)	904,108
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		(\$28,508)	(\$22,927)	\$5,508