



August 15, 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**  
AUG 16 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 June 2011.

For billing cycles for the month of June 2011, the calculation results in an amount to be collected from residential customers of \$536,114 and an amount to be collected from commercial customers of \$93,475. The total Margin Decoupling Adjustment for June 2011 is \$629,589.

The average temperature for the June days included in these billing cycles was warmer than normal. Actual usage for this period was 179,756 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$763,964 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr  
Manager Regulatory Reporting

Enclosures

Am  
AG  
17comm  
Watson  
Hoover  
Hilburn  
Sessions  
Gilmore  
Burns

Gruber  
2PSECO  
2PS Local  
2PS ACCT3  
4PS GAS

**Piedmont Natural Gas Company, Inc.**  
**Margin Decoupling Deferred Account Activity - a/c # 25332**  
**June 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	(\$2,552,549)	(\$4,287,919)	\$1,031,467	(5,809,001)
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	\$536,114	(\$10,851)	\$104,326	629,589
(Increment) Decrement	Page 3	187,190	216,990	(36,642)	367,538
Ending Balance Before Interest		(1,829,244)	(4,081,780)	1,099,151	(4,811,874)
Accrued Interest	Page 4	(13,346)	(25,493)	6,490	(32,349)
Total Due From (To) Customers		(1,842,590)	(4,107,273)	1,105,641	(4,844,223)

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 Clerk's Office  
 N.C. Utilities Commission

**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**June 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>	18.5	18.5	18.5	
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)	14.7539	137.1665	6,155.1737	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	601,441	64,633	454	
6	Total Normalized Usage (th)	8,873,600.3699	8,865,479.1629	2,794,448.8371	20,533,528
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$3,532,137	\$2,760,888	\$600,415	\$6,893,440
<b>ACTUAL</b>					
9	No. of Customers (Actual)	601,441	64,633	454	
10	Actual Usage (th)	7,526,750	8,900,324	2,308,893	18,735,967
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$2,996,023	\$2,771,739	\$496,089	\$6,263,851
13	Margin Decoupling Adj	\$536,114	(\$10,851)	\$104,326	\$629,589
					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	379.2
Apr	300.0	290.8
May	108.1	69.0
Jun	18.5	0.0
Jul	0.7	
Aug	0.1	
Sep	2.8	
Oct	84.5	
	3,316.7	3,465.1

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**June 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	\$0.97929	\$0.87830	\$0.89959
2nd Block	Winter			\$0.88464
1st Block	Summer	\$0.92298	\$0.84193	\$0.80314
2nd Block	Summer			\$0.77253
<b>BCGC (\$/th)</b>		\$0.42500	\$0.42500	\$0.42500
<b>LUAF (\$/th)</b>		\$0.00807	\$0.00807	\$0.00807
<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>		-\$0.02487	-\$0.02438	\$0.01587

**Piedmont Natural Gas Company, Inc.**  
**Computation of Refunds and (Collections) Through Temporaries**  
**June 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	7,526,750	8,900,324	2,308,893
Rate decrement (increment)/therm	Per NCUC	<u>\$0.02487</u>	<u>\$0.02438</u>	<u>(\$0.01587)</u>
Refunds (Collections)		<u>\$187,190</u>	<u>\$216,990</u>	<u>(\$36,642)</u>
Margin Decoupling Temporaries effective April 1, 2011 (per therm)		\$0.02487	\$0.02438	(\$0.01587)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**June 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	(\$2,552,549)	(\$4,287,919)	\$1,031,467
Ending Balance Before Interest	Page 1	(\$1,829,244)	(\$4,081,780)	\$1,099,151
Average Balance Before Interest	.	(2,190,897)	(4,184,850)	1,065,309
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		(\$13,346)	(\$25,493)	\$6,490