



December 13, 2010

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

FILED

DEC 14 2010

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 October 2010.

For billing cycles for the month of October 2010, the calculation results in an amount to be collected from residential customers of \$2,682,047 and an amount to be collected from commercial customers of \$692,923. The total Margin Decoupling Adjustment for October 2010 is \$3,374,970.

The average temperature for the October days included in these billing cycles was warmer than normal. Actual usage for this period was 902,495 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$4,106,353 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr
Manager Regulatory Reporting

Enclosures

AM
AG
7comm
Bennin
Wirby
Watson
Hoover
Milburn
Gilmore
Burns
Sessions

Grober
aPseco
aPSlegal
aPS Accts
aPS Gas

Piedmont Natural Gas Company, Inc.
 Margin Decoupling Deferred Account Activity - a/c # 25332

October 2010 Report

Debit (Credit)

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 N.C. Utilities Commission

<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	(\$6,298,979)	(\$4,858,465)	\$823,083	(10,334,361)
Monthly Activity:					
Margin Decoupling Adjustment	Page 2	\$2,682,047	\$649,999	\$42,924	3,374,970
(Increment) Decrement	Page 3	35,666	81,212	(55,679)	61,199
Ending Balance Before Interest		(3,581,266)	(4,127,254)	810,328	(6,898,192)
Accrued Interest	Page 4	(30,094)	(27,369)	4,975	(52,488)
Total Due From (To) Customers		(3,611,360)	(\$4,154,623)	\$815,303	(\$6,950,680)

Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
October 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>	84.5	84.5	84.5	
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)	24.4427	175.7699	6,778.5503	
RATE CASE					
5	No. of Customers (Actual)	588,118	63,269	452	
6	Total Normalized Usage (th)	14,375,191.8386	11,120,782.6397	3,063,904.7130	28,559,879
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin: (\$)	\$5,722,045	\$3,463,234	\$658,311	\$9,843,590
ACTUAL					
9	No. of Customers (Actual)	588,118	63,269	452	
10	Actual Usage (th)	7,637,227	9,033,572	2,864,128	19,534,927
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues: (\$)	\$3,039,998	\$2,813,235	\$615,387	\$6,468,620
13	Margin Decoupling Adj	\$2,682,047	\$649,999	\$42,924	\$3,374,970
					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 2009-10
Nov	296.7	293.6
Dec	529.1	536.5
Jan	730.2	947.3
Feb	754.7	809.2
Mar	491.3	584.1
Apr	300.0	199.5
May	108.1	79.6
Jun	18.5	0.0
Jul	0.7	0.0
Aug	0.1	0.0
Sep	2.8	0.0
Oct	84.5	60.7
	3,316.7	3,510.5

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
October 2010 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	\$0.99678	\$0.89298	\$0.90504
2nd Block	Winter			\$0.89212
1st Block	Summer	\$0.94808	\$0.86153	\$0.80856
2nd Block	Summer			\$0.78213
BCGC (\$/th)		\$0.45500	\$0.45500	\$0.45500
LUAF (\$/th)		\$0.00864	\$0.00864	\$0.00864
Commodity Cost Increment (\$/th)	Winter	\$0.05230	\$0.05230	\$0.05230
	Summer	\$0.05230	\$0.05230	\$0.05230
Fixed Gas Costs (\$/th)				
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
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		-\$0.00467	-\$0.00899	\$0.01944

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
October 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 - therms2	Page 2	7,637,227	9,033,572	2,864,128
Rate decrement (increment)/therm	Per NCUC	\$0.00467	\$0.00899	(\$0.01944)
Refunds (Collections)		<u>\$35,666</u>	<u>\$81,212</u>	<u>(\$55,679)</u>
Margin Decoupling Temporaries effective April 1, 2010 (per therm)		\$0.00467	\$0.00899	(\$0.01944)

Piedmont Natural Gas Company, Inc.
Accrued Interest
October 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	(\$6,298,979)	(\$4,858,465)	\$823,083
Ending Balance Before Interest	Page 1	(\$3,581,266)	(\$4,127,254)	\$810,328
Average Balance Before Interest		(4,940,122)	(4,492,860)	816,705
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		(\$30,094)	(\$27,369)	\$4,975