



February 10, 2012

FILED

FEB 13 2012

**Clark's Office
N.C. Utilities Commission**

Ms. Gail Mount
Deputy 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

OFFICIAL COPY

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 December 2011.

For billing cycles for the month of December 2011, the calculation results in an amount to be collected from residential customers of \$5,363,115 and an amount to be collected from commercial customers of \$2,310,529. The total Margin Decoupling Adjustment for December 2011 is \$7,673,644.

The average temperature for the December days included in these billing cycles was warmer than normal. Actual usage for this period was 2,089,281 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$8,357,122 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr
Manager Regulatory Reporting

Enclosures

4m
AG
7comm
Watson
Green
Hoover
Hilburn
Sessions
Gilmore
Burns
Gruber
2 PSEO
2 PSACCT
2 PS Legal
3 PS Gas

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
December 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	\$6,048,145	(\$1,575,174)	\$1,384,418	5,857,389
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	\$5,363,115	\$2,010,125	\$300,404	7,673,644
(Increment) Decrement	Page 3	46,079	358,603	(103,566)	301,116
Ending Balance Before Interest		11,457,339	793,554	1,581,256	13,832,148
Accrued Interest	Page 4	53,319	(2,381)	9,033	59,971
Total Due From (To) Customers		11,510,658	791,173	1,590,289	13,892,119

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Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
December 2011 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>	529.1	529.1	529.1	
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)	89.7100	435.8164	10,977.8417	
RATE CASE					
5	No. of Customers (Actual)	608,799	65,291	459	
6	Total Normalized Usage (th)	54,615,346.1140	28,454,887.9195	5,038,829.3449	88,109,063
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$21,739,639	\$8,861,421	\$1,569,192	\$32,170,252
ACTUAL					
9	No. of Customers (Actual)	608,799	65,291	459	
10	Actual Usage (th)	41,141,876	22,000,180	4,074,202	67,216,258
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$16,376,524	\$6,851,296	\$1,268,788	\$24,496,608
13	Margin Decoupling Adj	\$5,363,115	\$2,010,125	\$300,404	\$7,673,644
					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
Nov	296.7	348.9
Dec	529.1	451.5
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	
	3,316.7	800.4

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
December 2011 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	\$0.97756	\$0.86090	\$0.88366
2nd Block	Winter			\$0.86871
1st Block	Summer	\$0.92125	\$0.82453	\$0.78721
2nd Block	Summer			\$0.75660
BCGC (\$/th)		\$0.40000	\$0.40000	\$0.40000
LUAF (\$/th)		\$0.00759	\$0.00759	\$0.00759
Commodity Cost Increment (\$/th)	Winter	\$0.07190	\$0.07190	\$0.07190
	Summer	\$0.07190	\$0.07190	\$0.07190
Fixed Gas Costs (\$/th)				
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
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		-\$0.00112	-\$0.01630	\$0.02542

Piedmont Natural Gas Company, Inc.
 Computation of Refunds and (Collections) Through Temporaries
 December 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	41,141,876	22,000,180	4,074,202
Rate decrement (increment)/therm	Per NCUC	<u>\$0.00112</u>	<u>\$0.01630</u>	<u>(\$0.02542)</u>
Refunds (Collections)		<u>\$46,079</u>	<u>\$358,603</u>	<u>(\$103,566)</u>
Margin Decoupling Temporaries effective November 1, 2011 (per therm)		\$0.00112	\$0.01630	(\$0.02542)

Piedmont Natural Gas Company, Inc.
Accrued Interest
December 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	\$6,048,145	(\$1,575,174)	\$1,384,418
Ending Balance Before Interest	Page 1	\$11,457,339	\$793,554	\$1,581,256
Average Balance Before Interest		8,752,742	(390,810)	1,482,837
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$53,319	(\$2,381)	\$9,033