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**Piedmont  
Natural Gas**

**FILED**

**SEP 07 2010**

Clerk's Office  
N.C. Utilities Commission

September 3, 2010

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

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 July 2010.

For billing cycles for the month of July 2010, the calculation results in an amount to be collected from residential customers of \$414,032 and an amount to be collected from commercial customers of \$96,724. The total Margin Decoupling Adjustment for July 2010 is \$510,756.

The average temperature for the July days included in these billing cycles was warmer than normal. Actual usage for this period was 149,099 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$834,953 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr  
Manager Regulatory Reporting

Enclosures

*Clerk's  
AL  
7 Comm  
Bennink  
Kirby  
Hoover  
Kite  
Hilburn  
Sessions  
Gilmore  
Burns  
Ex Dir  
3/3 Legal  
3/3 Acctg  
2/3 Ec/Res  
3/3 Gas*

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Docket No. G-9, Sub 550B

Piedmont Natural Gas Company, Inc.  
Margin Decoupling Deferred Account Activity - a/c # 25332  
July 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	(\$7,893,987)	(\$4,928,597)	\$863,897	(\$11,958,686)
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	\$414,032	(\$458)	\$97,182	510,756
(Increment) Decrement	Page 3	28,778	72,854	(43,582)	58,050
Ending Balance Before Interest		(7,451,177)	(4,856,201)	917,497	(11,389,880)
Accrued Interest	Page 4	(46,739)	(29,803)	5,426	(71,116)
Total Due From (To) Customers		(7,497,916)	(\$4,886,004)	\$922,923	(\$11,460,996)

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**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**July 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>	0.7	0.7	0.7	
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)	12.1409	126.7552	5,987.0509	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	593,239	63,922	450	
6	Total Normalized Usage (th)	7,202,431.6455	8,102,447.8121	2,694,172.8915	17,999,052
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$2,866,928	\$2,523,264	\$578,870	\$5,969,062
<b>ACTUAL</b>					
9	No. of Customers (Actual)	593,239	63,922	450	
10	Actual Usage (th)	6,162,281	8,103,916	2,241,867	16,508,064
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$2,452,896	\$2,523,722	\$481,688	\$5,458,306
13	Margin Decoupling Adj	\$414,032	(\$458)	\$97,182	\$510,756
					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	
Sep	2.8	
Oct	84.5	
	3,316.7	3,449.8

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**July 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	\$1.10377	\$0.99997	\$1.01203
2nd Block	Winter			\$0.99911
1st Block	Summer	\$1.05507	\$0.96852	\$0.91555
2nd Block	Summer			\$0.88912
<b>BCGC (\$/th)</b>		\$0.56000	\$0.56000	\$0.56000
<b>LUAF (\$/th)</b>		\$0.01063	\$0.01063	\$0.01063
<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>		-\$0.00467	-\$0.00899	\$0.01944

**Piedmont Natural Gas Company, Inc.**  
**Computation of Refunds and (Collections) Through Temporaries**  
**July 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	6,162,281	8,103,916	2,241,867
Rate decrement (increment)/therm	Per NCUC	\$0.00467	\$0.00899	(\$0.01944)
Refunds (Collections)		<u>\$28,778</u>	<u>\$72,854</u>	<u>(\$43,582)</u>
Margin Decoupling Temporaries effective April 1, 2010 (per therm)		\$0.00467	\$0.00899	(\$0.01944)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**July 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	(\$7,893,987)	(\$4,928,597)	\$863,897
Ending Balance Before Interest	Page 1	(\$7,451,177)	(\$4,856,201)	\$917,497
Average Balance Before Interest		(7,672,582)	(4,892,399)	890,697
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		(\$46,739)	(\$29,803)	\$5,426