

March 12, 2014

Ms. Gail Mount  
Chief Clerk  
North Carolina Utilities Commission  
430 North Salisbury Street  
Dobbs Building, Suite 5063  
Raleigh, NC 27603-5918

**FILED**  
**MAR 13 2014**  
Clerk's Office  
N.C. Utilities Commission

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 January 2014.

For billing cycles for the month of January 2014, the calculation results in an amount to be refunded to residential customers of (\$3,755,221) and an amount to be refunded to commercial customers of (\$1,918,253). The total Margin Decoupling Adjustment for January 2014 is (\$5,673,474).

Please let me know if there are any questions.

Sincerely,



Jenny Furr  
Manager Regulatory Reporting

Enclosures

Piedmont Natural Gas Company, Inc.  
 Margin Decoupling Deferred Account Activity - a/c # 25332  
 January 2014 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	\$12,432,453	(\$1,570,840)	\$65,304	10,926,917
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	(3,755,221)	(1,801,001)	(117,252)	(5,673,474)
(Increment) Decrement	Page 3	(2,210,333)	227,945	(65,526)	(2,047,915)
Ending Balance Before Interest		6,466,899	(3,143,896)	(117,474)	3,205,528
Accrued Interest	Page 4	51,579	(12,867)	(142)	38,570
Total Due From (To) Customers		6,518,478	(3,156,763)	(117,616)	3,244,098

**FILED**  
 MAR 13 2014  
 Clerk's Office  
 N.C. Utilities Commission

**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**January 2014 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>	724.5	724.5	724.5	
2	Base Load /1 (th/month)	8.62725	130.58655	5868.12934	
3	Heat Sensitivity Factor /1 (th/HDD)	0.14895	0.57639	8.81812	
4	Usage/HDD/Customer (th)	116.542	548.181	12,256.857	
	<b>RATE CASE</b>				
5	No. of Customers (Actual)	629,193	67,165	464	
6	Total Normalized Usage (th)	73,327,111.739	36,818,583.917	5,687,181.778	115,832,877
7	R Factor /1 (\$/th)	\$0.46970	\$0.34902	\$0.32784	
8	Normalized Margin (\$)	\$34,441,744	\$12,850,422	\$1,864,486	\$49,156,652
	<b>ACTUAL</b>				
9	No. of Customers (Actual)	629,193	67,165	464	
10	Actual Usage (th)	81,322,047	41,978,748	6,044,833	129,345,628
11	R Factor /1 (\$/th)	\$0.46970	\$0.34902	\$0.32784	
12	R Factor Margin Revenues (\$)	\$38,196,965	\$14,651,423	\$1,981,738	\$54,830,126
13	Margin Decoupling Adj	(\$3,755,221)	(\$1,801,001)	(\$117,252)	(\$5,673,474)
					Total Owed To Company (Customer)

Note: /1 - Per Docket No. G-9, Sub 631, Stipulation - Exhibit E

Piedmont Natural Gas Company, Inc.  
 Heating Degree Days for Margin Decoupling

	Rate Case Normal HDD	Actual HDD 2013-14	Diff	
Nov	296.7	364.9 *	(68.2)	colder
Dec	529.1	580.3 *	(51.2)	colder
Jan	724.5	706.2	18.3	warmer
Feb	717.7			
Mar	476.5			
Apr	286.3			
May	90.6			
Jun	13.8			
Jul	0.2			
Aug	0.0			
Sep	2.1			
Oct	80.9			
	3,218.4	1,651.4		

Note: Nov - Dec - Per Docket No. G-9, Sub 550, Stipulation - Exhibit D  
 Jan - Oct - Per Docket No. G-9, Sub 631, Stipulation - Exhibit E

\* Revised as of January 31, 2014

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**January 2014 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	\$1.08106	\$0.90288	\$0.87914
2nd Block	Winter			\$0.84308
1st Block	Summer	\$1.01765	\$0.85527	\$0.82172
2nd Block	Summer			\$0.78436
<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	(\$0.00423)	(\$0.00423)	(\$0.00423)
	Summer	(\$0.00423)	(\$0.00423)	(\$0.00423)
<b>Fixed Gas Costs (\$/th)</b>				
1st Block	Winter	\$0.15534	\$0.13045	\$0.11162
2nd Block	Winter			\$0.07556
1st Block	Summer	\$0.09193	\$0.08284	\$0.10605
2nd Block	Summer			\$0.06869
<b>R Factors (\$/th)</b>				
1st Block	Winter	\$0.46970	\$0.34902	\$0.32784
2nd Block	Winter			\$0.32784
1st Block	Summer	\$0.46970	\$0.34902	\$0.27599
2nd Block	Summer			\$0.27599
<b>Margin Decoupling Temporaries</b>		\$0.02718	(\$0.00543)	\$0.01084

**Piedmont Natural Gas Company, Inc.**  
**Computation of Refunds and (Collections) Through Temporaries**  
**January 2014 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	81,322,047	41,978,748	6,044,833
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.02718)</u>	<u>\$0.00543</u>	<u>(\$0.01084)</u>
Refunds (Collections)		<u>(\$2,210,333)</u>	<u>\$227,945</u>	<u>(\$65,526)</u>
Margin Decoupling Temporaries effective November 2013 (per therm)		(\$0.02718)	\$0.00543	(\$0.01084)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**January 2014 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	\$12,432,453	(\$1,570,840)	\$65,304
Ending Balance Before Interest	Page 1	<u>\$6,466,899</u>	<u>(\$3,143,896)</u>	<u>(\$117,474)</u>
Average Balance Before Interest		9,449,676	(2,357,368)	(26,085)
Monthly Interest Accrual Rate	Per NCUC	<u>0.5458%</u>	<u>0.5458%</u>	<u>0.5458%</u>
Current Mo JE to Margin Decoupling Def Acct.		<u>\$51,579</u>	<u>(\$12,867)</u>	<u>(\$142)</u>