



October 8, 2010

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

FILED

OCT 11 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 August 2010.

For billing cycles for the month of August 2010, the calculation results in an amount to be collected from residential customers of \$657,211 and an amount to be collected from commercial customers of \$164,055. The total Margin Decoupling Adjustment for August 2010 is \$821,266.

The average temperature for the August days included in these billing cycles was warmer than normal. Actual usage for this period was 227,052 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$1,271,489 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr
Manager Regulatory Reporting

Enclosures

HM
clerk
AG
7comm
Benning
Wibby
Watson
Hoober
Hilburn
Gilmore
Bums
Sessions

Gruber
2 PSECO
2 PS Legal
2 PSACCTS
2 PSGLS

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
August 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	(\$7,497,916)	(\$4,886,004)	\$922,923	(\$11,460,996)
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	\$657,211	\$99,858	\$64,197	821,266
(Increment) Decrement	Page 3	25,467	69,327	(46,400)	48,394
Ending Balance Before Interest		(6,815,237)	(4,716,819)	940,720	(10,591,336)
Accrued Interest	Page 4	(43,595)	(29,249)	5,676	(67,168)
Total Due From (To) Customers		<u>(6,858,832)</u>	<u>(\$4,746,068)</u>	<u>\$946,396</u>	<u>(\$10,658,504)</u>

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Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
August 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>	0.1	0.1	0.1	
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)	12.0528	126.4043	5,981.3838	
RATE CASE					
5	No. of Customers (Actual)	589,445	63,544	449	
6	Total Normalized Usage (th)	7,104,450.9071	8,032,234.2038	2,685,641.3307	17,822,326
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$) 100	\$2,827,927	\$2,501,398	\$577,037	\$5,906,362
ACTUAL					
9	No. of Customers (Actual)	589,445	63,544	449	
10	Actual Usage (th)	5,453,376	7,711,579	2,386,855	15,551,810
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$) 100	\$2,170,716	\$2,401,540	\$512,840	\$5,085,096
13	Margin Decoupling Adj 100	\$657,211	\$99,858	\$64,197	\$821,266
					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	
Oct	84.5	
	3,316.7	3,449.8

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
August 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	\$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
BCGC (\$/th)		\$0.56000	\$0.56000	\$0.56000
LUAF (\$/th)		\$0.01063	\$0.01063	\$0.01063
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
August 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	5,453,376	7,711,579	2,386,855
Rate decrement (increment)/therm	Per NCUC	\$0.00467	\$0.00899	(\$0.01944)
Refunds (Collections)		<u>\$25,467</u>	<u>\$69,327</u>	<u>(\$46,400)</u>
Margin Decoupling Temporaries effective April 1, 2010 (per therm)		\$0.00467	\$0.00899	(\$0.01944)

Piedmont Natural Gas Company, Inc.
Accrued Interest
August 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	(\$7,497,916)	(\$4,886,004)	\$922,923
Ending Balance Before Interest	Page 1	(\$6,815,237)	(\$4,716,819)	\$940,720
Average Balance Before Interest		(7,156,577)	(4,801,411)	931,822
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		(\$43,595)	(\$29,249)	\$5,676