



**Piedmont
Natural Gas**

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Clerk's Office
N.C. Utilities Commission

February 5, 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 December 2009.

For billing cycles for the month of December 2009, the calculation results in an amount to be collected from residential customers of \$967,483 and an amount to be collected from commercial customers of \$1,144,064. The total Margin Decoupling Adjustment for December 2009 is \$2,111,547.

The average temperature for the December days included in these billing cycles was colder than normal. Actual usage for this period was 610,426 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$3,967,768 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr
Manager Regulatory Reporting

Enclosures

Clerk's
A.C.
J Comm
Bennink
Kirby
Watson
Hoover
Hilburn
Sessoms
C. Moore
Burns
Ex Dir
2 PS Legal
2 PS Acctg
2 PS Ec/Reg
2 PS G & S

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Docket No. G-9, Sub 550B

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
December 2009 Report
Debit (Credit)

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Clerk's Office
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	\$7,637,098	\$140,059	\$1,041,691	\$8,818,849
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	\$967,483	\$908,217	\$235,847	2,111,547
(Increment) Decrement	Page 3	(444,463)	99,904	(91,526)	(436,084)
Ending Balance Before Interest		8,160,118	1,148,181	1,186,013	10,494,311
Accrued Interest	Page 4	48,116	3,924	6,785	58,825
Total Due From (To) Customers		8,208,234	\$1,152,105	\$1,192,798	\$10,553,136

Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
December 2009 Report

Line No.	Description	Residential Service	Small General Service	Medium General Service	Total
		Rate Schedule No. 101	Rate Schedule No. 102	Rate Schedule No. 102	
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)	596,570	64,726	463	
6	Total Normalized Usage (th)	53,518,282.7686	28,208,651.6591	5,082,740.7117	86,809,675
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$21,302,952	\$8,784,738	\$1,582,867	\$31,670,557
ACTUAL					
9	No. of Customers (Actual)	596,570	64,726	463	
10	Actual Usage (th)	51,087,726	25,292,277	4,325,413	80,705,416
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$20,335,469	\$7,876,521	\$1,347,020	\$29,559,010
13	Margin Decoupling Adj	\$967,483	\$908,217	\$235,847	\$2,111,547

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	
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	830.1

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
December 2009 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	\$1.22639	\$1.11169	\$1.11711
2nd Block	Winter			\$1.10160
1st Block	Summer	\$1.16794	\$1.07394	\$1.02068
2nd Block	Summer			\$0.98889
BCGC (\$/th)		\$0.65000	\$0.65000	\$0.65000
LUAF (\$/th)		\$0.01235	\$0.01235	\$0.01235
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	\$0.10499	\$0.08957	\$0.06988
2nd Block	Winter			\$0.05437
1st Block	Summer	\$0.04654	\$0.05182	\$0.07001
2nd Block	Summer			\$0.03822
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		\$0.00870	-\$0.00395	\$0.02116

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
December 2009 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	51,087,726	25,292,277	4,325,413
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.00870)</u>	<u>\$0.00395</u>	<u>(\$0.02116)</u>
Refunds (Collections)		<u>(\$444,463)</u>	<u>\$99,904</u>	<u>(\$91,526)</u>
Margin Decoupling Temporaries effective November 1, 2009 (per therm)		(\$0.00870)	\$0.00395	(\$0.02116)

Piedmont Natural Gas Company, Inc.
Accrued Interest
December 2009 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	\$7,637,098	\$140,059	\$1,041,691
Ending Balance Before Interest	Page 1	\$8,160,118	\$1,148,181	\$1,186,013
Average Balance Before Interest		7,898,608	644,120	1,113,852
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$48,116	\$3,924	\$6,785