

February 11, 2011

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

FILED
FEB 14 2011
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 December 2010.

For billing cycles for the month of December 2010, the calculation results in an amount to be refunded to residential customers of \$2,527,805 and an amount to be refunded to commercial customers of \$338,078. The total Margin Decoupling Adjustment for December 2010 is \$2,865,883.

The average temperature for the December days included in these billing cycles was colder than normal. Actual usage for this period was 743,608 DT's more than the projected normal.

Please let me know if there are any questions.

Sincerely,



Jenny Furr
Manager Regulatory Reporting

Enclosures

HM
AG
NCOMM
Bennett
vacant
Watson
Hoover
Hilbom
Sessions
Gilmore
Burns

Gruber
2 PSECO
2 PS Local
2 PS ACCIS
2 PS GAS

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
December 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	\$1,365,554	(\$2,132,926)	\$1,012,141	244,769
Monthly Activity:					
Margin Decoupling Adjustment	Page 2	(\$2,527,805)	(\$451,209)	\$113,131	(2,865,883)
(Increment) Decrement	Page 3	1,105,015	616,919	(90,466)	1,631,468
Ending Balance Before Interest		(57,237)	(1,967,216)	1,034,806	(989,647)
Accrued Interest	Page 4	3,985	(12,488)	6,235	(2,268)
Total Due From (To) Customers		(53,252)	(\$1,979,704)	\$1,041,041	(\$991,915)

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Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
December 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>	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)	603,411	64,829	457	
6	Total Normalized Usage (th)	54,131,988.7418	28,253,540.7473	5,016,873.6615	87,402,403
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$) :	\$21,547,238	\$8,798,718	\$1,562,355	\$31,908,311
ACTUAL					
9	No. of Customers (Actual)	603,411	64,829	457	
10	Actual Usage (th)	60,482,460	29,702,419	4,653,600	94,838,479
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$) :	\$24,075,043	\$9,249,927	\$1,449,224	\$34,774,194
13	Margin-Decoupling Adj :	(\$2,527,805)	(\$451,209)	\$113,131	(\$2,865,883)
					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 2010-11
Nov	296.7	307.4
Dec	529.1	708.1
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	1,015.5

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
December 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	\$0.98318	\$0.88120	\$0.90504
2nd Block	Winter			\$0.89212
1st Block	Summer	\$0.93448	\$0.84975	\$0.80856
2nd Block	Summer			\$0.78213
BCGC (\$/th)		\$0.45500	\$0.45500	\$0.45500
LUAF (\$/th)		\$0.00864	\$0.00864	\$0.00864
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		-\$0.01827	-\$0.02077	\$0.01944

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
December 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 - therms	Page 2	60,482,460	29,702,419	4,653,600
Rate decrement (increment)/therm	Per NCUC	<u>\$0.01827</u>	<u>\$0.02077</u>	<u>(\$0.01944)</u>
Refunds (Collections)		<u>\$1,105,015</u>	<u>\$616,919</u>	<u>(\$90,466)</u>
Margin Decoupling Temporaries effective November 1, 2010 (per therm)		\$0.01827	\$0.02077	(\$0.01944)

Piedmont Natural Gas Company, Inc.
Accrued Interest
December 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	\$1,365,554	(\$2,132,926)	\$1,012,141
Ending Balance Before Interest	Page 1	<u>(\$57,237)</u>	<u>(\$1,967,216)</u>	<u>\$1,034,806</u>
Average Balance Before Interest		654,158	(2,050,071)	1,023,474
Monthly Interest Accrual Rate	Per NCUC	<u>0.6092%</u>	<u>0.6092%</u>	<u>0.6092%</u>
Current Mo JE to Margin Decoupling Def Acct.		<u>\$3,985</u>	<u>(\$12,488)</u>	<u>\$6,235</u>