



Piedmont  
Natural Gas

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Clerk's Office  
N.C. Utilities Commission

December 4, 2009

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 October 2009.

For billing cycles for the month of October 2009, the calculation results in an amount to be collected from residential customers of \$1,853,515 and an amount to be collected from commercial customers of \$380,867. The total Margin Decoupling Adjustment for October 2009 is \$2,234,382.

The average temperature for the October days included in these billing cycles was warmer than normal. Actual usage for this period was 588,240 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$3,823,560 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr  
Manager Regulatory Reporting

Enclosures

ms  
AG  
7 Comm.  
Bennick  
Kirby  
Watson  
Haver  
Hilburn  
Gilmore  
Burns  
Sessions  
Grabert  
2 Ec/Ra  
2 Legal  
2 Acctg.  
2 Gas

**Piedmont Natural Gas Company, Inc.**  
**Margin Decoupling Deferred Account Activity - a/c # 25332**  
**October 2009 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	\$3,499,031	(\$1,248,305)	\$958,009	\$3,208,735
<b><u>Monthly Activity:</u></b>					
Margin Decoupling Adjustment	Page 2	\$1,853,515	\$378,851	\$2,016	2,234,382
(Increment) Decrement	Page 3	(446,787)	(227,826)	(66,894)	(741,507)
Ending Balance Before Interest		4,905,759	(1,097,280)	893,131	4,701,610
Accrued Interest	Page 4	25,600	(7,144)	5,638	24,094
Total Due From (To) Customers		4,931,359	(\$1,104,424)	\$898,769	\$4,725,704

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**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**October 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. 152	
1	Normal Degree Days /1 <i>Page 2A</i>	84.5	84.5	84.5	
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)	24.4427	175.7699	6,778.5503	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	582,843	63,448	466	
6	Total Normalized Usage (th)	14,246,256.5961	11,152,245.4428	3,158,804.4165	28,557,306
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$5,670,722	\$3,473,032	\$678,701	\$9,822,455
<b>ACTUAL</b>					
9	No. of Customers (Actual)	582,843	63,448	466	
10	Actual Usage (th)	9,589,767	9,935,716	3,149,423	22,674,906
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$3,817,207	\$3,094,181	\$676,685	\$7,588,073
13	Margin Decoupling Adj	\$1,853,515	\$378,851	\$2,016	\$2,234,382
					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**

	<b>Rate Case Normal HDD</b>	<b>Actual HDD 2008-09</b>
Nov	296.7	367.8
Dec	529.1	682.8
Jan	730.2	617.1
Feb	754.7	728.3
Mar	491.3	563.9
Apr	300.0	333.0
May	108.1	60.9
Jun	18.5	0.0
Jul	0.7	0.0
Aug	0.1	0.0
Sep	2.8	15.5
Oct	84.5	75.8
	<b>3,316.7</b>	<b>3,445.1</b>

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**October 2009 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	\$1.26428	\$1.13857	\$1.11719
2nd Block	Winter			\$1.10168
1st Block	Summer	\$1.20583	\$1.10082	\$1.02076
2nd Block	Summer			\$0.98897
<b>BCGC (\$/th)</b>		\$0.65000	\$0.65000	\$0.65000
<b>LUAF (\$/th)</b>		\$0.01235	\$0.01235	\$0.01235
<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	\$0.10499	\$0.08957	\$0.06988
2nd Block	Winter			\$0.05437
1st Block	Summer	\$0.04654	\$0.05182	\$0.07001
2nd Block	Summer			\$0.03822
<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>		\$0.04659	\$0.02293	\$0.02124

**Piedmont Natural Gas Company, Inc.**  
**Computation of Refunds and (Collections) Through Temporaries**  
**October 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	9,589,767	9,935,716	3,149,423
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.04659)</u>	<u>(\$0.02293)</u>	<u>(\$0.02124)</u>
Refunds (Collections)		(\$446,787)	(\$227,826)	(\$66,894)
Margin Decoupling Temporaries effective April 1, 2009 (per therm)		(\$0.04659)	(\$0.02293)	(\$0.02124)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**October 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	\$3,499,031	(\$1,248,305)	\$958,009
Ending Balance Before Interest	Page 1	<u>\$4,905,759</u>	<u>(\$1,097,280)</u>	<u>\$893,131</u>
Average Balance Before Interest		4,202,395	(1,172,793)	925,570
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>\$25,600</u>	<u>(\$7,144)</u>	<u>\$5,638</u>