



May 13, 2011

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

FILED
MAY 16 2011
Clerk's Office
N.C. Utilities Commission

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 March 2011.

For billing cycles for the month of March 2011, the calculation results in an amount to be collected from residential customers of \$3,111,254 and an amount to be collected from commercial customers of \$949,465. The total Margin Decoupling Adjustment for March 2011 is \$4,060,719.

The average temperature for the March days included in these billing cycles was warmer than normal. Actual usage for this period was 1,086,506 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$4,617,650 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr
Manager Regulatory Reporting

Enclosures

AM
AG
7comm
Bennink
Watson
vacant
Hoover
Hillman
Sessoms
Gilmore
Burns

Gruber
2PSEC
2PSWFAI
2PSACCS
2PSOAS

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
March 2011 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	(\$9,885,919)	(\$6,414,394)	\$750,339	(15,549,974)
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	\$3,111,254	\$696,131	\$253,334	4,060,719
(Increment) Decrement	Page 3	799,002	519,118	(79,368)	1,238,752
Ending Balance Before Interest		(5,975,663)	(5,199,146)	924,305	(10,250,503)
Accrued Interest	Page 4	(48,312)	(35,373)	5,101	(78,584)
Total Due From (To) Customers		(6,023,975)	(5,234,519)	929,406	(10,329,087)

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Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
March 2011 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>	491.3	491.3	491.3	
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)	84.1609	413.7072	10,620.8169	
RATE CASE					
5	No. of Customers (Actual)	612,508	65,817	461	
6	Total Normalized Usage (th)	51,549,249.0375	27,228,964.8079	4,896,196.6047	83,674,410
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$20,519,179	\$8,479,644	\$1,524,774	\$30,523,597
ACTUAL					
9	No. of Customers (Actual)	612,508	65,817	461	
10	Actual Usage (th)	43,733,011	24,993,621	4,082,719	72,809,351
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$17,407,925	\$7,783,513	\$1,271,440	\$26,462,878
13	Margin Decoupling Adj	\$3,111,254	\$696,131	\$253,334	\$4,060,719
					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	930.9
Feb	754.7	779.7
Mar	491.3	379.2
Apr	300.0	
May	108.1	
Jun	18.5	
Jul	0.7	
Aug	0.1	
Sep	2.8	
Oct	84.5	
	3,316.7	3,105.3

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
March 2011 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	\$0.98589	\$0.88191	\$0.90316
2nd Block	Winter			\$0.88821
1st Block	Summer	\$0.92958	\$0.84554	\$0.80671
2nd Block	Summer			\$0.77610
BCGC (\$/th)		\$0.42500	\$0.42500	\$0.42500
LUAF (\$/th)		\$0.00807	\$0.00807	\$0.00807
Commodity Cost Increment (\$/th)	Winter	\$0.07190	\$0.07190	\$0.07190
	Summer	\$0.07190	\$0.07190	\$0.07190
Fixed Gas Costs (\$/th)				
1st Block	Winter	\$0.10114	\$0.08629	\$0.06733
2nd Block	Winter			\$0.05238
1st Block	Summer	\$0.04483	\$0.04992	\$0.06744
2nd Block	Summer			\$0.03683
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
March 2011 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	43,733,011	24,993,621	4,082,719
Rate decrement (increment)/therm	Per NCUC	<u>\$0.01827</u>	<u>\$0.02077</u>	<u>(\$0.01944)</u>
Refunds (Collections)		<u>\$799,002</u>	<u>\$519,118</u>	<u>(\$79,368)</u>
Margin Decoupling Temporaries effective November 1, 2010 (per therm)		\$0.01827	\$0.02077	(\$0.01944)

Piedmont Natural Gas Company, Inc.
Accrued Interest
March 2011 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	(\$9,885,919)	(\$6,414,394)	\$750,339
Ending Balance Before Interest	Page 1	(\$5,975,663)	(\$5,199,146)	\$924,305
Average Balance Before Interest		(7,930,791)	(5,806,770)	837,322
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		(\$48,312)	(\$35,373)	\$5,101