

January 11, 2012

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Clerk's Office
N.C. Utilities Commission

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

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 November 2011.

For billing cycles for the month of November 2011, the calculation results in an amount to be collected from residential customers of \$3,029,069 and an amount to be collected from commercial customers of \$1,512,886. The total Margin Decoupling Adjustment for November 2011 is \$4,541,955.

The average temperature for the November days included in these billing cycles was colder than normal. Actual usage for this period was 1,246,779 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$4,987,117 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,



Jenny Furr
Manager Regulatory Reporting

Enclosures

AM
AG
ncomm
Watson
Green
Hoover
Hilburn
Sessions
Gilmore
Burns
Gubba
2PSC0
2PSAC05
2PSLOGAL
3PSGAS

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Piedmont Natural Gas Company, Inc.
 Margin Decoupling Deferred Account Activity - a/c # 25332
 November 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	\$2,673,755	(\$3,182,739)	\$1,243,803	734,819
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	\$3,029,069	\$1,311,036	\$201,850	4,541,955
(Increment) Decrement	Page 3	318,835	310,977	(69,216)	560,596
Ending Balance Before Interest		6,021,660	(1,560,726)	1,376,437	5,837,371
Accrued Interest	Page 4	26,485	(14,448)	7,981	20,018
Total Due From (To) Customers		6,048,145	(1,575,174)	1,384,418	5,857,389

Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
November 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>	296.7	296.7	296.7	
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)	55.5937	299.8856	8,782.8005	
RATE CASE					
5	No. of Customers (Actual)	602,440	64,599	457	
6	Total Normalized Usage (th)	33,491,844.5304	19,372,311.8124	4,013,739.8148	56,877,896
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$13,331,429	\$6,032,925	\$1,249,959	\$20,614,313
ACTUAL					
9	No. of Customers (Actual)	602,440	64,599	457	
10	Actual Usage (th)	25,882,076	15,162,446	3,365,581	44,410,103
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$10,302,360	\$4,721,889	\$1,048,109	\$16,072,358
13	Margin Decoupling Adj	\$3,029,069	\$1,311,036	\$201,850	\$4,541,955
					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 2011-12
Nov	296.7	348.9
Dec	529.1	
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	348.9

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
November 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	\$0.97756	\$0.86090	\$0.88366
2nd Block	Winter			\$0.86871
1st Block	Summer	\$0.92125	\$0.82453	\$0.78721
2nd Block	Summer			\$0.75660
BCGC (\$/th)		\$0.40000	\$0.40000	\$0.40000
LUAF (\$/th)		\$0.00759	\$0.00759	\$0.00759
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		-\$0.00112	-\$0.01630	\$0.02542

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
November 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 ¹	Page 5	12,204,100	7,899,628	1,710,698
Rate decrement (increment)/therm	Per NCUC	<u>\$0.02487</u>	<u>\$0.02438</u>	<u>(\$0.01587)</u>
Refunds (Collections)		\$303,516	\$192,593	(\$27,149)
Usage by Rate Class - therms ²	Page 5	13,677,976	7,262,818	1,654,883
Rate decrement (increment)/therm	Per NCUC	<u>\$0.00112</u>	<u>\$0.01630</u>	<u>(\$0.02542)</u>
Refunds (Collections)		\$15,319	\$118,384	(\$42,067)
Total Refunds (Collections)		<u>\$318,835</u>	<u>\$310,977</u>	<u>(\$69,216)</u>
Margin Decoupling Temporaries effective April 1, 2011 (per therm)		\$0.02487	\$0.02438	(\$0.01587)
Margin Decoupling Temporaries effective November 1, 2011 (per therm)		\$0.00112	\$0.01630	(\$0.02542)

1/ Customer bills rendered in November 2011 include usage that occurred in October 2011, which was accordingly billed at the rates effective during that period. The therms recorded on this line reflect the therms billed in November at the rates effective April 1, 2011.

2/ Customer bills rendered in November 2011 include usage that occurred in November 2011, which was accordingly billed at the rates effective during that period. The therms recorded on this line reflect the therms bills in November at the rates effective November 1, 2011.

Piedmont Natural Gas Company, Inc.
Accrued Interest
November 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	\$2,673,755	(\$3,182,739)	\$1,243,803
Ending Balance Before Interest	Page 1	<u>\$6,021,660</u>	<u>(\$1,560,726)</u>	<u>\$1,376,437</u>
Average Balance Before Interest		4,347,708	(2,371,732)	1,310,120
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>\$26,485</u>	<u>(\$14,448)</u>	<u>\$7,981</u>

Proration of Margin Decoupling Adjustment
November 2011

Nov billed Cycles	Cycle Dates		Cycle Length	# Nov Days Prorated	Nov Prorate Percent	Oct Prorate Percent	Residential			Small Commercial			Medium General Service		
							Rate Schedule 101 (1)			Rate Schedule 102 (2)			Rate Schedule 152 (3)		
							therms billed by cycle	Nov prorated therms billed	Oct prorated therms billed	therms billed by cycle	Nov prorated therms billed	Oct prorated therms billed	therms billed by cycle	Nov prorated therms billed	Oct prorated therms billed
1	9/29/11	10/31/11	32	0	0.00%	100.00%	700,094	0	700,094	451,388	0	451,388	115,080	0	115,080
2	10/3/11	11/1/11	29	1	3.45%	96.55%	999,228	34,473	964,755	786,398	27,131	759,267	110,307	3,806	106,501
3	10/4/11	11/2/11	29	2	6.90%	93.10%	995,025	68,657	926,368	732,305	50,529	681,776	159,364	10,996	148,368
4	10/5/11	11/3/11	29	3	10.34%	89.66%	722,378	74,694	647,684	785,747	81,246	704,501	299,395	30,957	268,438
5	10/6/11	11/4/11	29	4	13.79%	86.21%	706,286	97,397	608,889	571,913	78,867	493,046	101,532	14,001	87,531
6	10/7/11	11/7/11	31	7	22.58%	77.42%	1,472,173	332,417	1,139,756	696,214	157,205	539,009	129,808	29,311	100,497
7	10/10/11	11/8/11	29	8	27.59%	72.41%	1,082,036	298,534	783,502	467,954	129,109	338,845	87,240	24,070	63,170
8	10/11/11	11/9/11	29	9	31.03%	68.97%	1,207,255	374,611	832,644	443,129	137,503	305,626	135,596	42,075	93,521
9	10/12/11	11/10/11	29	10	34.48%	65.52%	1,137,851	392,331	745,520	1,070,053	368,954	701,099	211,947	73,079	138,868
10	10/13/11	11/11/11	29	11	37.93%	62.07%	933,784	354,184	579,600	362,621	137,542	225,079	62,629	23,755	38,874
11	10/17/11	11/14/11	28	14	50.00%	50.00%	1,441,420	720,710	720,710	1,003,722	501,861	501,861	236,364	118,182	118,182
12	10/18/11	11/15/11	28	15	53.57%	46.43%	1,379,740	739,127	640,613	1,378,092	738,244	639,848	217,446	116,486	100,960
13	10/19/11	11/16/11	28	16	57.14%	42.86%	1,695,261	968,672	726,589	1,333,169	761,773	571,396	269,561	154,027	115,534
14	10/20/11	11/17/11	28	17	60.71%	39.29%	1,321,811	802,471	519,340	739,942	449,219	290,723	148,309	90,038	58,271
15	10/24/11	11/21/11	28	21	75.00%	25.00%	1,493,932	1,120,449	373,483	354,218	265,664	88,555	53,523	40,142	13,381
16	10/25/11	11/22/11	28	22	78.57%	21.43%	2,225,107	1,748,267	476,840	1,129,208	887,219	241,989	225,087	176,851	48,236
17	10/26/11	11/23/11	28	23	82.14%	17.86%	1,443,721	1,185,872	257,849	840,223	690,159	150,064	189,902	155,986	33,916
18	10/27/11	11/28/11	32	28	87.50%	12.50%	3,143,565	2,750,619	392,946	851,206	744,805	106,401	127,162	111,267	15,895
19	10/27/11	11/28/11	32	28	87.50%	12.50%	0	0	0	0	0	0	0	0	0
20	10/27/11	11/28/11	32	28	87.50%	12.50%	0	0	0	0	0	0	0	0	0
21	10/28/11	11/29/11	32	29	90.63%	9.37%	1,781,409	1,614,491	166,918	1,164,944	1,055,789	109,155	485,329	439,854	45,475
21-M	10/31/11	11/30/11	30	30	100.00%	0.00%	0	0	0	0	0	0	0	0	0
							25,882,076	13,677,976	12,204,100	15,162,446	7,262,818	7,899,628	3,365,581	1,654,883	1,710,698

10/31/2011

- (1) Includes volumes from Rates 101 and 121.
(2) Includes volumes from Rates 102 and 132.
(3) Includes volumes from Rates 152 and 162.