



**Piedmont
Natural Gas**

October 9, 2009

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

FILED

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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 August 2009.

For billing cycles for the month of August 2009, the calculation results in an amount to be collected from residential customers of \$363,346 and an amount to be refunded to commercial customers of \$53,370. The total Margin Decoupling Adjustment for August 2009 is \$309,976.

The average temperature for the August days included in these billing cycles was warmer than normal. Actual usage for this period was 80,628 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$524,083 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr
Manager Regulatory Reporting

Enclosures

Clerk
AG
7 Com m
Bennink
Kirby
Watson
Hoover
Hilburn
Gilmore
Burns
Sessions

Gruber
2 PSeco
2 PSlcpal
2 PSACCS
2 PSGAS

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
August 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	\$3,167,376	(\$607,975)	\$1,033,367	\$3,592,768
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	\$363,346	(\$98,301)	\$44,931	309,976
(Increment) Decrement	Page 3	(283,947)	(191,788)	(54,507)	(530,242)
Ending Balance Before Interest		3,246,774	(898,064)	1,023,791	3,372,502
Accrued Interest	Page 4	19,536	(4,587)	6,266	21,215
Total Due From (To) Customers		3,266,310	(\$902,651)	\$1,030,057	\$3,393,717

Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
August 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>	0.1	0.1	0.1	
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)	12.0528	126.4043	5,981.3838	
RATE CASE					
5	No. of Customers (Actual)	581,394	63,672	464	
6	Total Normalized Usage (th)	7,007,413.9753	8,048,413.9529	2,775,362.0878	17,831,190
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$2,789,301	\$2,506,437	\$596,314	\$5,892,052
ACTUAL					
9	No. of Customers (Actual)	581,394	63,672	464	
10	Actual Usage (th)	6,094,598	8,364,067	2,566,243	17,024,908
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$2,425,955	\$2,604,738	\$551,383	\$5,582,076
13	Margin Decoupling Adj	\$363,346	(\$98,301)	\$44,931	\$309,976
					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 2008-09
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	
Oct	84.5	
	3,316.7	3,353.8

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
August 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	\$1.26428	\$1.13857	\$1.11719
2nd Block	Winter			\$1.10168
1st Block	Summer	\$1.20583	\$1.10082	\$1.02076
2nd Block	Summer			\$0.98897
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		\$0.04659	\$0.02293	\$0.02124

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
August 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	6,094,598	8,364,067	2,566,243
Rate decrement (increment)/therm	Per NCUC	(\$0.04659)	(\$0.02293)	(\$0.02124)
Refunds (Collections)		(\$283,947)	(\$191,788)	(\$54,507)
Margin Decoupling Temporaries effective April 1, 2009 (per therm)		(\$0.04659)	(\$0.02293)	(\$0.02124)

Piedmont Natural Gas Company, Inc.
Accrued Interest
August 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	\$3,167,376	(\$607,975)	\$1,033,367
Ending Balance Before Interest	Page 1	\$3,246,774	(\$898,064)	\$1,023,791
Average Balance Before Interest		3,207,075	(753,019)	1,028,579
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$19,536	(\$4,587)	\$6,266