

March 13, 2013

FILED

MAR 14 2013

Clerk's Office
N.C. Utilities Commission

Ms. Gail Mount
Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Dobbs Building, Suite 5063
Raleigh, NC 27603-5918

Re: Docket No. G-9, Sub 550B
Margin Decoupling Deferred Account Adjustment

Dear Ms. Mount:

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 January 2013.

For billing cycles for the month of January 2013, the calculation results in an amount to be collected from residential customers of \$4,866,095 and an amount to be collected from commercial customers of \$2,044,285. The total Margin Decoupling Adjustment for January 2013 is \$6,910,380.

Please let me know if there are any questions.

Sincerely,



Jenny Furr
Manager Regulatory Reporting

Enclosures

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Docket No. G-9, Sub 550B

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
January 2013 Report
Debit (Credit)

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N.C. Utilities Commission

| <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 | \$36,728,898 | \$8,133,745 | \$1,570,982 | 46,433,626 |
| <u>Monthly Activity:</u> | | | | | |
| Margin Decoupling Adjustment | Page 2 | 4,866,095 | 1,752,058 | 292,227 | 6,910,380 |
| (Increment) Decrement | Page 3 | (5,957,945) | (1,119,605) | (213,714) | (7,291,264) |
| Ending Balance Before Interest | | 35,637,049 | 8,766,198 | 1,649,495 | 46,052,741 |
| Accrued Interest | Page 4 | 220,415 | 51,474 | 9,809 | 281,698 |
| Total Due From (To) Customers | | 35,857,464 | 8,817,672 | 1,659,304 | 46,334,439 |

Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
January 2013 Report

Based on Cycle Billing

| 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> | 730.2 | 730.2 | 730.2 | |
| 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) | 119.231 | 553.440 | 12,877.251 | |
| RATE CASE | | | | | |
| 5 | No. of Customers (Actual) | 620,296 | 66,438 | 460 | |
| 6 | Total Normalized Usage (th) | 73,958,797.712 | 36,769,432.104 | 5,923,535.607 | 116,651,765 |
| 7 | R Factor /1 (\$/th) | \$0.39805 | \$0.31142 | \$0.31142 | |
| 8 | Normalized Margin (\$) | \$29,439,299 | \$11,450,737 | \$1,844,707 | \$42,734,743 |
| ACTUAL | | | | | |
| 9 | No. of Customers (Actual) | 620,296 | 66,438 | 460 | |
| 10 | Actual Usage (th) | 61,733,963 | 31,143,406 | 4,985,166 | 97,862,535 |
| 11 | R Factor /1 (\$/th) | \$0.39805 | \$0.31142 | \$0.31142 | |
| 12 | R Factor Margin Revenues (\$) | \$24,573,204 | \$9,698,679 | \$1,552,480 | \$35,824,363 |
| 13 | Margin Decoupling Adj | \$4,866,095 | \$1,752,058 | \$292,227 | \$6,910,380 |
| | | | | | 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 2012-13 | Diff. | |
|-----|-------------------------|-----------------------|--------|--------|
| Nov | 296.7 | 372.6 | (75.9) | colder |
| Dec | 529.1 | 475.6 | 53.5 | warmer |
| Jan | 730.2 | 583.4 | 146.8 | warmer |
| Feb | 754.7 | | 754.7 | |
| Mar | 491.3 | | 491.3 | |
| Apr | 300.0 | | 300.0 | |
| May | 108.1 | | 108.1 | |
| Jun | 18.5 | | 18.5 | |
| Jul | 0.7 | | 0.7 | |
| Aug | 0.1 | | 0.1 | |
| Sep | 2.8 | | 2.8 | |
| Oct | 84.5 | | 84.5 | |
| | 3,316.7 | 1,431.6 | | |

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
January 2013 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 | \$1.01760 | \$0.84554 | \$0.82058 |
| 2nd Block | Winter | | | \$0.79552 |
| 1st Block | Summer | \$0.92332 | \$0.78461 | \$0.72435 |
| 2nd Block | Summer | | | \$0.67285 |
| BCGC (\$/th) | | \$0.37500 | \$0.37500 | \$0.37500 |
| LUAF (\$/th) | | \$0.00712 | \$0.00712 | \$0.00712 |
| Commodity Cost Increment (\$/th) | Winter | (\$0.02851) | (\$0.02851) | (\$0.02851) |
| | Summer | (\$0.02851) | (\$0.02851) | (\$0.02851) |
| Fixed Gas Costs (\$/th) | | | | |
| 1st Block | Winter | \$0.16943 | \$0.14456 | \$0.11268 |
| 2nd Block | Winter | | | \$0.08762 |
| 1st Block | Summer | \$0.07515 | \$0.08363 | \$0.11301 |
| 2nd Block | Summer | | | \$0.06151 |
| 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 | | \$0.09651 | \$0.03595 | \$0.04287 |

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
January 2013 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 | 61,733,963 | 31,143,406 | 4,985,166 |
| Rate decrement (increment)/therm | Per NCUC | <u>(\$0.09651)</u> | <u>(\$0.03595)</u> | <u>(\$0.04287)</u> |
| Refunds (Collections) | | <u>(\$5,957,945)</u> | <u>(\$1,119,605)</u> | <u>(\$213,714)</u> |
| Margin Decoupling Temporaries effective April 2012 (per therm) | | (\$0.09651) | (\$0.03595) | (\$0.04287) |

Piedmont Natural Gas Company, Inc.
Accrued Interest
January 2013 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 | \$36,728,898 | \$8,133,745 | \$1,570,982 |
| Ending Balance Before Interest | Page 1 | \$35,637,049 | \$8,766,198 | \$1,649,495 |
| Average Balance Before Interest | | 36,182,973 | 8,449,972 | 1,610,238 |
| Monthly Interest Accrual Rate | Per NCUC | 0.6092% | 0.6092% | 0.6092% |
| Current Mo JE to Margin Decoupling Def Acct. | | \$220,415 | \$51,474 | \$9,809 |