

March 12, 2012

**FILED**

**MAR 13 2012**

Clerk's Office  
N.C. Utilities Commission

Ms. Gail Mount  
Deputy 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. Mount:

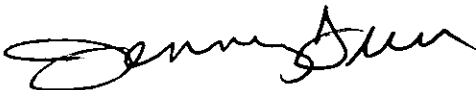
In accordance with provisions set forth in Appendix C of the Company's Service Regulations as approved by the Commission in the above referenced docket, Piedmont Natural Gas Company files the enclosed original and 25 copies of the computation of the Margin Decoupling Deferred Account Adjustment by rate schedule for January 2012.

For billing cycles for the month of January 2012, the calculation results in an amount to be collected from residential customers of \$4,547,668 and an amount to be collected from commercial customers of \$1,788,455. The total Margin Decoupling Adjustment for January 2012 is \$6,336,123.

The average temperature for the January days included in these billing cycles was warmer than normal. Actual usage for this period was 1,716,777 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$6,437,913 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,



Jenny Furr  
Manager Regulatory Reporting

Enclosures

4m  
A6  
7com  
Watson  
Green  
Hoover  
Hilburn  
Sessions  
Gilmore  
Burns  
Gubler  
2Psero  
2PACIS  
2PSlogal  
3PSGAS

**Piedmont Natural Gas Company, Inc.**  
**Margin Decoupling Deferred Account Activity - a/c # 25332**  
**January 2012 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	\$11,510,658	\$791,173	\$1,590,289	\$13,892,119
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	4,547,668	1,504,625	283,830	6,336,123
(Increment) Decrement	Page 3	68,971	514,941	(126,426)	457,486
Ending Balance Before Interest		16,127,297	2,810,739	1,747,692	20,685,728
Accrued Interest	Page 4	84,181	10,971	10,167	105,319
Total Due From (To) Customers		\$16,211,478	\$2,821,710	\$1,757,859	\$20,791,047

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**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**January 2012 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)	119.2315	553.4398	12,877.2513	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	612,305	65,812	457	
6	Total Normalized Usage (th)	73,006,019.1153	36,422,978.8014	5,884,903.8532	115,313,902
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$29,060,046	\$11,342,844	\$1,832,677	\$42,235,567
<b>ACTUAL</b>					
9	No. of Customers (Actual)	612,305	65,812	457	
10	Actual Usage (th)	61,581,154	31,591,481	4,973,500	98,146,135
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$24,512,378	\$9,838,219	\$1,548,847	\$35,899,444
13	Margin Decoupling Adj	\$4,547,668	\$1,504,625	\$283,830	\$6,336,123
					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	451.5
Jan	730.2	612.2
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	1,412.6

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**January 2012 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	\$0.95208	\$0.83542	\$0.85818
2nd Block	Winter			\$0.84323
1st Block	Summer	\$0.89577	\$0.79905	\$0.76173
2nd Block	Summer			\$0.73112
<b>BCGC (\$/th)</b>		\$0.37500	\$0.37500	\$0.37500
<b>LUAF (\$/th)</b>		\$0.00711	\$0.00711	\$0.00711
<b>Commodity Cost Increment (\$/th)</b>	Winter	\$0.07190	\$0.07190	\$0.07190
	Summer	\$0.07190	\$0.07190	\$0.07190
<b>Fixed Gas Costs (\$/th)</b>				
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
<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>		-\$0.00112	-\$0.01630	\$0.02542

**Piedmont Natural Gas Company, Inc.**  
**Computation of Refunds and (Collections) Through Temporaries**  
**January 2012 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	61,581,154	31,591,481	4,973,500
Rate decrement (increment)/therm	Per NCUC	\$0.00112	\$0.01630	(\$0.02542)
Refunds (Collections)		<u>\$68,971</u>	<u>\$514,941</u>	<u>(\$126,426)</u>
Margin Decoupling Temporaries effective November 1, 2011 (per therm)		\$0.00112	\$0.01630	(\$0.02542)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**January 2012 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	\$11,510,658	\$791,173	\$1,590,289
Ending Balance Before Interest	Page 1	\$16,127,297	\$2,810,739	\$1,747,692
Average Balance Before Interest		13,818,977	1,800,956	1,668,990
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$84,181	\$10,971	\$10,167