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Clerk's Office
N.C. Utilities Commission

November 6, 2009

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

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 September 2009.

For billing cycles for the month of September 2009, the calculation results in an amount to be collected from residential customers of \$491,396 and an amount to be refunded to commercial customers of \$159,110. The total Margin Decoupling Adjustment for September 2009 is \$332,286.

The average temperature for the September days included in these billing cycles was colder than normal. Actual usage for this period was 69,896 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$454,323 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr
Manager Regulatory Reporting

Enclosures

PH
RG
7 Comm
Bennick
Kisby
Watson
Hawer
Hibbert
Gilmore
Burtz
Slemons
Gruber
2 Ec/Rm.
2 Legal
2 Acctg.
2 Gas

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
September 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	\$3,266,310	(\$902,651)	\$1,030,057	\$3,393,717
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	\$491,396	(\$142,040)	(\$17,070)	332,286
(Increment) Decrement	Page 3	(279,219)	(197,083)	(61,015)	(537,317)
Ending Balance Before Interest		3,478,487	(1,241,773)	951,972	3,188,686
Accrued Interest	Page 4	20,544	(6,532)	6,037	20,049
Total Due From (To) Customers		3,499,031	(\$1,248,305)	\$958,009	\$3,208,735

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Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
September 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>	2.8	2.8	2.8	
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)	12.4491	127.9835	6,006.8856	
RATE CASE					
5	No. of Customers (Actual)	580,572	63,593	465	
6	Total Normalized Usage (th)	7,227,622.1081	8,138,855.9874	2,793,201.7947	18,159,680
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$2,876,955	\$2,534,603	\$600,147	\$6,011,705
ACTUAL					
9	No. of Customers (Actual)	580,572	63,593	465	
10	Actual Usage (th)	5,993,113	8,594,963	2,872,646	17,460,722
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$2,385,559	\$2,676,643	\$617,217	\$5,679,419
13	Margin Decoupling Adj	\$491,396	(\$142,040)	(\$17,070)	\$332,286
					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	15.5
Oct	84.5	
	3,316.7	3,369.3

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
September 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
September 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	5,993,113	8,594,963	2,872,646
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.04659)</u>	<u>(\$0.02293)</u>	<u>(\$0.02124)</u>
Refunds (Collections)		<u>(\$279,219)</u>	<u>(\$197,083)</u>	<u>(\$61,015)</u>
Margin Decoupling Temporaries effective April 1, 2009 (per therm)		(\$0.04659)	(\$0.02293)	(\$0.02124)

Piedmont Natural Gas Company, Inc.
Accrued Interest
September 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	\$3,266,310	(\$902,651)	\$1,030,057
Ending Balance Before Interest	Page 1	\$3,478,487	(\$1,241,773)	\$951,972
Average Balance Before Interest		3,372,399	(1,072,212)	991,014
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$20,544	(\$6,532)	\$6,037