

4m
AG
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Watson
Green
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Gubax
2P500
2P5ACK
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3P5GAS

April 12, 2012

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

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 February 2012.

For billing cycles for the month of February 2012, the calculation results in an amount to be collected from residential customers of \$6,699,660 and an amount to be collected from commercial customers of \$2,264,323. The total Margin Decoupling Adjustment for February 2012 is \$8,963,983.

The average temperature for the February days included in these billing cycles was warmer than normal. Actual usage for this period was 2,410,217 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$7,833,204 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,



Jenny Furr
Manager Regulatory Reporting

Enclosures

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Clerk's Office
N.C. Utilities Commission

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Piedmont Natural Gas Company, Inc.
 Margin Decoupling Deferred Account Activity - a/c # 25332
 February 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	\$16,211,478	\$2,821,710	\$1,757,859	\$20,791,047
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	6,699,660	1,921,840	342,483	8,963,983
(Increment) Decrement	Page 3	65,726	511,003	(124,993)	451,735
Ending Balance Before Interest		22,976,863	5,254,553	1,975,349	30,206,765
Accrued Interest	Page 4	119,361	24,599	11,371	155,331
Total Due From (To) Customers		\$23,096,224	\$5,279,152	\$1,986,720	\$30,362,096

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Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
February 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>	754.7	754.7	754.7	
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)	122.8281	567.7698	13,108.6563	
RATE CASE					
5	No. of Customers (Actual)	614,802	66,085	459	
6	Total Normalized Usage (th)	75,514,936.9441	37,521,069.2156	6,016,873.2279	119,052,879
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$30,058,721	\$11,684,811	\$1,873,775	\$43,617,307
ACTUAL					
9	No. of Customers (Actual)	614,802	66,085	459	
10	Actual Usage (th)	58,683,736	31,349,851	4,917,127	94,950,714
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$23,359,061	\$9,762,971	\$1,531,292	\$34,653,324
13	Margin Decoupling Adj	\$6,699,660	\$1,921,840	\$342,483	\$8,963,983
					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	616.0
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	2,028.6

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
February 2012 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	\$0.86676	\$0.74672	\$0.76513
2nd Block	Winter			\$0.74677
1st Block	Summer	\$0.79765	\$0.70207	\$0.66875
2nd Block	Summer			\$0.63109
BCGC (\$/th)		\$0.32500	\$0.32500	\$0.32500
LUAF (\$/th)		\$0.00617	\$0.00617	\$0.00617
Commodity Cost Increment (\$/th)	Winter	\$0.01449	\$0.01449	\$0.01449
	Summer	\$0.01449	\$0.01449	\$0.01449
Fixed Gas Costs (\$/th)				
1st Block	Winter	\$0.12417	\$0.10594	\$0.08263
2nd Block	Winter			\$0.06427
1st Block	Summer	\$0.05506	\$0.06129	\$0.08281
2nd Block	Summer			\$0.04515
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
February 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	58,683,736	31,349,851	4,917,127
Rate decrement (increment)/therm	Per NCUC	\$0.00112	\$0.01630	(\$0.02542)
Refunds (Collections)		<u>\$65,726</u>	<u>\$511,003</u>	<u>(\$124,993)</u>
Margin Decoupling Temporaries effective November 1, 2011 (per therm)		\$0.00112	\$0.01630	(\$0.02542)

Piedmont Natural Gas Company, Inc.
Accrued Interest
February 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	\$16,211,478	\$2,821,710	\$1,757,859
Ending Balance Before Interest	Page 1	\$22,976,863	\$5,254,553	\$1,975,349
Average Balance Before Interest		19,594,170	4,038,131	1,866,604
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$119,361	\$24,599	\$11,371