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Piedmont
Natural Gas

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OCT 12 2012

Clerk's Office
N.C. Utilities Commission

October 11, 2012

Ms. Gail Mount
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. 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 August 2012.

For billing cycles for the month of August 2012, the calculation results in an amount to be collected from residential customers of \$664,537 and an amount to be refunded to commercial customers of \$57,404. The total Margin Decoupling Adjustment for August 2012 is \$607,133.

The average temperature for the August days included in these billing cycles was warmer than normal. Actual usage for this period was 150,708 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$489,800 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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Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
August 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	\$35,585,948	\$8,339,991	\$2,154,282	\$46,080,221
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	664,537	(72,596)	15,192	607,133
(Increment) Decrement	Page 3	(241,057)	(104,202)	(95,505)	(440,764)
Ending Balance Before Interest		36,009,428	8,163,193	2,073,969	46,246,590
Accrued Interest	Page 4	218,068	50,266	12,879	281,213
Total Due From (To) Customers		\$36,227,496	\$8,213,459	\$2,086,848	\$46,527,803

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Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
August 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>	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)	12.053	126.404	5,981.384	
RATE CASE					
5	No. of Customers (Actual)	601,588	64,905	454	
6	Total Normalized Usage (th)	7,250,807.815	8,204,270.442	2,715,548.250	18,170,627
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$2,886,184	\$2,554,974	\$583,463	\$6,024,621
ACTUAL					
9	No. of Customers (Actual)	601,588	64,905	454	
10	Actual Usage (th)	5,581,326	8,437,382	2,644,842	16,663,550
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$2,221,647	\$2,627,570	\$568,271	\$5,417,488
13	Margin Decoupling Adj	\$664,537	(\$72,596)	\$15,192	\$607,133
					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	Diff	
Nov	296.7	348.9	(52.2)	colder
Dec	529.1	451.5	77.6	warmer
Jan	730.2	612.2	118.0	warmer
Feb	754.7	616.0	138.7	warmer
Mar	491.3	366.6	124.7	warmer
Apr	300.0	121.1	178.9	warmer
May	108.1	86.8	21.3	warmer
Jun	18.5	2.9	15.6	warmer
Jul	0.7	0.0	0.7	warmer
Aug	0.1	0.0	0.1	warmer
Sep	2.8		2.8	
Oct	84.5		84.5	
	3,316.7	2,606.0		

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
August 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	\$0.91107	\$0.77537	\$0.77582
2nd Block	Winter			\$0.75746
1st Block	Summer	\$0.84196	\$0.73072	\$0.67944
2nd Block	Summer			\$0.64178
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		\$0.04319	\$0.01235	\$0.03611

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
August 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	5,581,326	8,437,382	2,644,842
Rate decrement (increment)/therm	Per NCUC	(\$0.04319)	(\$0.01235)	(\$0.03611)
Refunds (Collections)		<u>(\$241,057)</u>	<u>(\$104,202)</u>	<u>(\$95,505)</u>
Margin Decoupling Temporaries effective April 2012 (per therm)		(\$0.04319)	(\$0.01235)	(\$0.03611)

Piedmont Natural Gas Company, Inc.
Accrued Interest
August 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	\$35,585,948	\$8,339,991	\$2,154,282
Ending Balance Before Interest	Page 1	\$36,009,428	\$8,163,193	\$2,073,969
Average Balance Before Interest		35,797,688	8,251,592	2,114,125
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$218,068	\$50,266	\$12,879