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December 12, 2013

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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 October 2013.

For billing cycles for the month of October 2013, the calculation results in an amount to be collected from residential customers of \$2,760,874 and an amount to be collected from commercial customers of \$386,415. The total Margin Decoupling Adjustment for October 2013 is \$3,147,289.

Please let me know if there are any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Thornton".

Robert L. Thornton
Director – Gas and Regulatory Accounting
704-731-4148

Enclosures

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Clark's Office
N.C. Utilities Commission

Piedmont Natural Gas Company, Inc.
 Margin Decoupling Deferred Account Activity - a/c # 25332
 October 2013 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	\$10,150,745	(\$2,263,969)	\$241,277	8,128,054
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	2,760,874	403,528	(17,113)	3,147,289
(Increment) Decrement	Page 3	(760,295)	(392,550)	(109,904)	(1,262,749)
Ending Balance Before Interest		12,151,325	(2,252,992)	114,260	10,012,593
Accrued Interest	Page 4	67,928	(13,758)	1,083	55,253
Total Due From (To) Customers		12,219,253	(2,266,750)	115,343	10,067,846

Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
October 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>	84.5	84.5	84.5	
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)	24.443	175.770	6,778.550	
RATE CASE					
5	No. of Customers (Actual)	609,372	65,245	464	
6	Total Normalized Usage (th)	14,894,696.984	11,468,103.863	3,145,247.316	29,508,048
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$5,928,834	\$3,571,397	\$675,788	\$10,176,019
ACTUAL					
9	No. of Customers (Actual)	609,372	65,245	464	
10	Actual Usage (th)	7,958,699	10,172,336	3,224,893	21,355,928
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$3,167,960	\$3,167,869	\$692,901	\$7,028,730
13	Margin Decoupling Adj	\$2,760,874	\$403,528	(\$17,113)	\$3,147,289
					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	708.6	46.1	warmer
Mar	491.3	624.5	(133.2)	colder
Apr	300.0	394.0	(94.0)	colder
May	108.1	147.6	(39.5)	colder
Jun	18.5	8.7	9.8	warmer
Jul	0.7	0.0	0.7	warmer
Aug	0.1	0.0	0.1	warmer
Sep	2.8	0.0	2.8	warmer
Oct	84.5	27.4	57.1	warmer
	3,316.7	3,342.4		

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
October 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	\$1.09304	\$0.92460	\$0.88821
2nd Block	Winter			\$0.86315
1st Block	Summer	\$0.99876	\$0.86367	\$0.79198
2nd Block	Summer			\$0.74048
BCGC (\$/th)		\$0.45000	\$0.45000	\$0.45000
LUAF (\$/th)		\$0.00854	\$0.00854	\$0.00854
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		\$0.09553	\$0.03859	\$0.03408

Piedmont Natural Gas Company, Inc.
 Computation of Refunds and (Collections) Through Temporaries
 October 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	7,958,699	10,172,336	3,224,893
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.09553)</u>	<u>(\$0.03859)</u>	<u>(\$0.03408)</u>
Refunds (Collections)		<u>(\$760,295)</u>	<u>(\$392,550)</u>	<u>(\$109,904)</u>
Margin Decoupling Temporaries effective April 2013 (per therm)		(\$0.09553)	(\$0.03859)	(\$0.03408)

Piedmont Natural Gas Company, Inc.
Accrued Interest
October 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	\$10,150,745	(\$2,263,969)	\$241,277
Ending Balance Before Interest	Page 1	\$12,151,325	(\$2,252,992)	\$114,260
Average Balance Before Interest		11,151,035	(2,258,480)	177,769
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$67,928	(\$13,758)	\$1,083