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Clerk's Office
N.C. Utilities Commission

February 12, 2013

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 December 2012.

For billing cycles for the month of December 2012, the calculation results in an amount to be collected from residential customers of \$3,309,843 and an amount to be collected from commercial customers of \$1,230,630. The total Margin Decoupling Adjustment for December 2012 is \$4,540,473.

Please let me know if there are any questions.

Sincerely,



Jenny Furr
Manager Regulatory Reporting

Enclosures

(GT)
AG
7-Comm
Watson
Green
Hodder
Kite
Hilburn
Gilmore
Burns
Sessions
Gruber
PS-Legal
PS-Accounting
PS-EC/Reg
PS-Gas

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
December 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	\$37,732,444	\$7,900,292	\$1,621,728	47,254,464
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	3,309,843	1,093,881	136,749	4,540,473
(Increment) Decrement	Page 3	(4,539,497)	(909,117)	(197,190)	(5,645,803)
Ending Balance Before Interest		36,502,790	8,085,056	1,561,287	46,149,134
Accrued Interest	Page 4	226,108	48,689	9,695	284,492
Total Due From (To) Customers		36,728,898	8,133,745	1,570,982	46,433,626

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Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
December 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>	529.1	529.1	529.1	
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)	89.710	435.816	10,977.842	
RATE CASE					
5	No. of Customers (Actual)	617,007	66,085	459	
6	Total Normalized Usage (th)	55,351,685.630	28,800,926.133	5,038,829.345	89,191,441
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$22,032,738	\$8,969,184	\$1,569,192	\$32,571,114
ACTUAL					
9	No. of Customers (Actual)	617,007	66,085	459	
10	Actual Usage (th)	47,036,541	25,288,366	4,599,714	76,924,621
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$18,722,895	\$7,875,303	\$1,432,443	\$28,030,641
13	Margin Decoupling Adj	\$3,309,843	\$1,093,881	\$136,749	\$4,540,473
					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		730.2	
Feb	754.7		754.7	
Mar	491.3		491.3	
Apr	300.0		300.0	
May	108.1		108.1	
Jun	18.5		18.5	
Jul	0.7		0.7	
Aug	0.1		0.1	
Sep	2.8		2.8	
Oct	84.5		84.5	
	3,316.7	848.2		

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
December 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	\$1.01760	\$0.84554	\$0.82058
2nd Block	Winter			\$0.79552
1st Block	Summer	\$0.92332	\$0.78461	\$0.72435
2nd Block	Summer			\$0.67285
BCGC (\$/th)		\$0.37500	\$0.37500	\$0.37500
LUAF (\$/th)		\$0.00712	\$0.00712	\$0.00712
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		\$0.09651	\$0.03595	\$0.04287

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
December 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	47,036,541	25,288,366	4,599,714
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.09651)</u>	<u>(\$0.03595)</u>	<u>(\$0.04287)</u>
Refunds (Collections)		<u>(\$4,539,497)</u>	<u>(\$909,117)</u>	<u>(\$197,190)</u>
Margin Decoupling Temporaries effective April 2012 (per therm)		(\$0.09651)	(\$0.03595)	(\$0.04287)

Piedmont Natural Gas Company, Inc.
Accrued Interest
December 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	\$37,732,444	\$7,900,292	\$1,621,728
Ending Balance Before Interest	Page 1	\$36,502,790	\$8,085,056	\$1,561,287
Average Balance Before Interest		37,117,617	7,992,674	1,591,507
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$226,108	\$48,689	\$9,695