



**Piedmont  
Natural Gas**

**OFFICIAL COPY**

**FILED**

**AUG 16 2010**

Clerk's Office  
N.C. Utilities Commission

August 13, 2010

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 June 2010.

For billing cycles for the month of June 2010, the calculation results in an amount to be collected from residential customers of \$694,632 and an amount to be collected from commercial customers of \$375,613. The total Margin Decoupling Adjustment for June 2010 is \$1,070,245.

The average temperature for the June days included in these billing cycles was warmer than normal. Actual usage for this period was 314,276 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$1,759,946 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr  
Manager Regulatory Reporting

Enclosures

*Clerk's  
AG  
7 Comm  
Bennink  
Kirby  
Watson  
Hoover  
Kite  
Hilburn  
Sessions  
G. Moore  
Burns  
Ex Dir  
303 Legal  
303 Acctg  
203 Ec/Reg  
303 Gas*

# OFFICIAL COPY

Docket No. G-9, Sub 550B

**FILED**

**AUG 16 2010**

Clerk's Office  
Utilities Commission

**Piedmont Natural Gas Company, Inc.**  
**Margin Decoupling Deferred Account Activity - a/c # 25332**  
**June 2010 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	(\$8,571,547)	(\$5,212,784)	\$768,165	(\$13,016,166)
<b><u>Monthly Activity:</u></b>					
Margin Decoupling Adjustment	Page 2	\$694,632	\$242,881	\$132,732	1,070,245
(Increment) Decrement	Page 3	32,927	72,101	(41,956)	63,072
Ending Balance Before Interest		(7,843,988)	(4,897,802)	858,941	(11,882,848)
Accrued Interest	Page 4	(49,999)	(30,795)	4,956	(75,838)
Total Due From (To) Customers		(7,893,987)	(\$4,928,597)	\$863,897	(\$11,958,686)

**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**June 2010 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>	18.5	18.5	18.5	
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)	14.7539	137.1665	6,155.1737	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	596,175	64,156	451	
6	Total Normalized Usage (th)	8,795,906.3325	8,800,050.7662	2,775,983.3162	20,371,940
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$3,501,211	\$2,740,512	\$596,448	\$6,838,171
<b>ACTUAL</b>					
9	No. of Customers (Actual)	596,175	64,156	451	
10	Actual Usage (th)	7,050,819	8,020,136	2,158,225	17,229,180
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$2,806,579	\$2,497,631	\$463,716	\$5,767,926
13	Margin-Decoupling Adj	\$694,632	\$242,881	\$132,732	\$1,070,245
					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 2009-10
Nov	296.7	293.6
Dec	529.1	536.5
Jan	730.2	947.3
Feb	754.7	809.2
Mar	491.3	584.1
Apr	300.0	199.5
May	108.1	79.6
Jun	18.5	0.0
Jul	0.7	
Aug	0.1	
Sep	2.8	
Oct	84.5	
	3,316.7	3,449.8

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**June 2010 Report**

Description		Residential Service	Small General Service	Medium General Service
		Rate Schedule No. 101	Rate Schedule No. 102	Rate Schedule No. 152
<b>Facilities Charge</b>	Winter	\$10.00	\$22.00	\$75.00
	Summer	\$10.00	\$22.00	\$75.00
<b>Rates (\$/th)</b>				
1st Block	Winter	\$1.10377	\$0.99997	\$1.01203
2nd Block	Winter			\$0.99911
1st Block	Summer	\$1.05507	\$0.96852	\$0.91555
2nd Block	Summer			\$0.88912
<b>BCGC (\$/th)</b>		\$0.56000	\$0.56000	\$0.56000
<b>LUAF (\$/th)</b>		\$0.01063	\$0.01063	\$0.01063
<b>Commodity Cost Increment (\$/th)</b>	Winter	\$0.05230	\$0.05230	\$0.05230
	Summer	\$0.05230	\$0.05230	\$0.05230
<b>Fixed Gas Costs (\$/th)</b>				
1st Block	Winter	\$0.08746	\$0.07461	\$0.05824
2nd Block	Winter			\$0.04532
1st Block	Summer	\$0.03876	\$0.04316	\$0.05832
2nd Block	Summer			\$0.03189
<b>R Factors (\$/th)</b>				
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
<b>Margin Decoupling Temporaries</b>		-\$0.00467	-\$0.00899	\$0.01944

**Piedmont Natural Gas Company, Inc.**  
**Computation of Refunds and (Collections) Through Temporaries**  
**June 2010 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	7,050,819	8,020,136	2,158,225
Rate decrement (increment)/therm	Per NCUC	<u>\$0.00467</u>	<u>\$0.00899</u>	<u>(\$0.01944)</u>
Refunds (Collections)		<u>\$32,927</u>	<u>\$72,101</u>	<u>(\$41,956)</u>
Margin Decoupling Temporaries effective April 1, 2010 (per therm)		\$0.00467	\$0.00899	(\$0.01944)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**June 2010 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	(\$8,571,547)	(\$5,212,784)	\$768,165
Ending Balance Before Interest	Page 1	(\$7,843,988)	(\$4,897,802)	\$858,941
Average Balance Before Interest		(8,207,767)	(5,055,293)	813,553
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		(\$49,999)	(\$30,795)	\$4,956