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Piedmont  
Natural Gas

June 12, 2012

Ms. Gail Mount  
Chief Clerk  
North Carolina Utilities Commission  
430 North Salisbury Street, Dobbs Building  
Raleigh, NC 27603-5918

**FILED**  
JUN 13 2012  
Clerk's Office  
N.C. Utilities Commission

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 April 2012.

For billing cycles for the month of April 2012, the calculation results in an amount to be collected from residential customers of \$7,431,701 and an amount to be collected from commercial customers of \$2,328,780. The total Margin Decoupling Adjustment for April 2012 is \$9,760,481.

The average temperature for the April days included in these billing cycles was warmer than normal. Actual usage for this period was 2,647,536 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$8,604,491 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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as  
7 copies  
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Docket No. G-9, Sub 550B

Piedmont Natural Gas Company, Inc.  
Margin Decoupling Deferred Account Activity - a/c # 25332  
April 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	\$26,164,561	\$6,213,690	\$2,040,426	\$34,418,678
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	7,431,701	2,102,083	226,697	9,760,481
(Increment) Decrement	Page 3	(280,913)	51,982	(90,972)	(319,902)
Ending Balance Before Interest		33,315,350	8,367,755	2,176,151	43,859,256
Accrued Interest	Page 4	181,166	44,413	12,843	238,422
Total Due From (To) Customers		\$33,496,516	\$8,412,168	\$2,188,994	\$44,097,678

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**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**April 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>	300.0	300.0	300.0	
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)	56.0781	301.8158	8,813.9693	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	613,106	65,907	459	
6	Total Normalized Usage (th)	34,381,819.5786	19,891,773.9306	4,045,611.9087	58,319,205
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$13,685,683	\$6,194,696	\$869,240	\$20,749,619
<b>ACTUAL</b>					
9	No. of Customers (Actual)	613,106	65,907	459	
10	Actual Usage (th)	15,711,548	13,141,779	2,990,520	31,843,847
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$6,253,982	\$4,092,613	\$642,543	\$10,989,138
13	Margin Decoupling Adj	\$7,431,701	\$2,102,083	\$226,697	\$9,760,481
					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		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	2,516.3		

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**April 2012 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	\$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
<b>BCGC (\$/th)</b>		\$0.32500	\$0.32500	\$0.32500
<b>LUAF (\$/th)</b>		\$0.00617	\$0.00617	\$0.00617
<b>Commodity Cost Increment (\$/th)</b>				
	Winter	\$0.01449	\$0.01449	\$0.01449
	Summer	\$0.01449	\$0.01449	\$0.01449
<b>Fixed Gas Costs (\$/th)</b>				
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
<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>		\$0.04319	\$0.01235	\$0.03611

**Piedmont Natural Gas Company, Inc.**  
**Computation of Refunds and (Collections) Through Temporaries**  
**April 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 <sup>1</sup>	Page 5	8,974,707	7,479,342	1,591,750
Rate decrement (increment)/therm	Per NCUC	\$0.00112	\$0.01630	(\$0.02542)
Refunds (Collections)		\$10,052	\$121,913	(\$40,462)
Usage by Rate Class - therms <sup>2</sup>	Page 5	6,736,841	5,662,437	1,398,770
Rate decrement (increment)/therm	Per NCUC	(\$0.04319)	(\$0.01235)	(\$0.03611)
Refunds (Collections)		(\$290,964)	(\$69,931)	(\$50,510)
Total Refunds (Collections)		(\$280,913)	\$51,982	(\$90,972)
Margin Decoupling Temporaries effective November 1, 2011 (per therm)		\$0.00112	\$0.01630	(\$0.02542)
Margin Decoupling Temporaries effective April 1, 2012 (per therm)		(\$0.04319)	(\$0.01235)	(\$0.03611)

1/ Customer bills rendered in April 2012 include usage that occurred in March 2012, which was accordingly billed at the rates effective during that period. The therms recorded on this line reflect the therms billed in April at the rates effective November 1, 2011.

2/ Customer bills rendered in April 2012 include usage that occurred in April 2012, which was accordingly billed at the rates effective during that period. The therms recorded on this line reflect the therms bills in April at the rates effective April 1, 2012.

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**April 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	\$26,164,561	\$6,213,690	\$2,040,426
Ending Balance Before Interest	Page 1	\$33,315,350	\$8,367,755	\$2,176,151
Average Balance Before Interest		29,739,956	7,290,723	2,108,289
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$181,166	\$44,413	\$12,843

Proration of Margin Decoupling Adjustment  
April 2012

Apr billed Cycles	Cycle Dates	Cycle Length	# Apr Days Prorated	Apr Prorate Percent	Mar Prorate Percent	Residential			Small Commercial			Medium General Service			
						Rate Schedule 101 (1)			Rate Schedule 102 (2)			Rate Schedule 152 (3)			
						therms billed by cycle	Apr prorated therms billed	Mar prorated therms billed	therms billed by cycle	Apr prorated therms billed	Mar prorated therms billed	therms billed by cycle	Apr prorated therms billed	Mar prorated therms billed	
1	29-Feb-12	30-Mar-12	30	0	0.00%	100.00%	1,126,655	0	1,126,655	663,732	0	663,732	156,248	0	156,248
2	01-Mar-12	02-Apr-12	32	2	6.25%	93.75%	1,345,349	84,084	1,261,265	969,580	60,599	908,981	134,124	8,383	125,741
3	02-Mar-12	03-Apr-12	32	3	9.38%	90.62%	1,156,604	108,489	1,048,115	909,919	85,350	824,569	185,211	17,373	167,838
4	05-Mar-12	04-Apr-12	30	4	13.33%	86.67%	933,275	124,406	808,869	1,134,041	151,168	982,873	306,808	40,898	265,910
5	06-Mar-12	05-Apr-12	30	5	16.67%	83.33%	674,305	112,407	561,898	682,621	113,793	568,828	106,545	17,761	88,784
6	07-Mar-12	06-Apr-12	30	6	20.00%	80.00%	1,023,366	204,673	818,693	626,665	125,333	501,332	123,291	24,658	98,633
7	08-Mar-12	09-Apr-12	32	9	28.13%	71.87%	724,727	203,866	520,861	412,194	115,950	296,244	70,388	19,800	50,588
8	12-Mar-12	10-Apr-12	29	10	34.48%	65.52%	699,533	241,199	458,334	393,441	135,658	257,783	131,345	45,288	86,057
9	13-Mar-12	11-Apr-12	29	11	37.93%	62.07%	684,699	259,706	424,993	912,252	346,017	566,235	225,978	85,713	140,265
10	14-Mar-12	12-Apr-12	29	12	41.38%	58.62%	509,709	210,918	298,791	286,324	118,481	167,843	52,892	21,887	31,005
11	15-Mar-12	16-Apr-12	32	16	50.00%	50.00%	634,075	317,038	317,038	780,684	390,342	390,342	177,930	88,965	88,965
12	19-Mar-12	17-Apr-12	29	17	58.62%	41.38%	540,958	317,110	223,848	1,057,589	619,959	437,630	164,126	96,211	67,915
13	20-Mar-12	18-Apr-12	29	18	62.07%	37.93%	761,554	472,697	288,857	961,878	597,038	364,840	208,070	129,149	78,921
14	21-Mar-12	19-Apr-12	29	19	65.52%	34.48%	568,798	372,676	196,122	447,305	293,074	154,231	113,783	74,551	39,232
15	22-Mar-12	23-Apr-12	32	23	71.88%	28.12%	627,639	451,147	176,492	247,090	177,608	69,482	69,954	50,283	19,671
16	26-Mar-12	24-Apr-12	29	24	82.76%	17.24%	968,886	800,029	166,657	766,118	634,039	132,079	172,161	142,480	29,681
17	27-Mar-12	25-Apr-12	29	25	86.21%	13.79%	584,333	503,753	80,580	628,900	542,175	86,725	167,613	144,499	23,114
18	28-Mar-12	26-Apr-12	29	26	89.66%	10.34%	1,405,202	1,259,904	145,298	539,350	483,581	55,769	114,009	102,220	11,789
19	28-Mar-12	26-Apr-12	29	26	89.66%	10.34%	0	0	0	0	0	0	0	0	0
20	28-Mar-12	26-Apr-12	29	26	89.66%	10.34%	0	0	0	0	0	0	0	0	0
21	29-Mar-12	27-Apr-12	29	27	93.10%	6.90%	744,081	692,739	51,342	722,096	672,271	49,825	310,044	288,651	21,393
21-M	31-Mar-12	30-Apr-12	30	30	100.00%	0.00%	0	0	0	0	0	0	0	0	0
						15,711,548	6,738,841	8,974,707	13,141,779	5,662,437	7,479,342	2,990,520	1,398,770	1,591,750	

3/31/2012

(1) Includes volumes from Rates 101 and 121.

(2) Includes volumes from Rates 102 and 132.

(3) Includes volumes from Rates 152 and 182.