



August 10, 2012

**FILED**

**AUG 13 2012**

Clerk's Office  
N.C. Utilities Commission

**OFFICIAL COPY**

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 June 2012.

For billing cycles for the month of June 2012, the calculation results in an amount to be collected from residential customers of \$500,272. and an amount to be refunded to commercial customers of \$150,055. The total Margin Decoupling Adjustment for June 2012 is \$350,217.

The average temperature for the June days included in these billing cycles was warmer than normal. Actual usage for this period was 83,699 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$272,022 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr  
Manager Regulatory Reporting

Enclosures

AM  
AG  
7 COMM  
Watson  
Green  
hoober  
Wite  
hiltburn  
Gilmore  
Bums  
Sessions  
Gubler  
2 PSEO  
2 PSLegal  
2 PSLCCT  
3 PSCAS

**Piedmont Natural Gas Company, Inc.**  
**Margin Decoupling Deferred Account Activity - a/c # 25332**  
**June 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	\$34,774,115	\$8,633,747	\$2,179,263	\$45,587,125
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	500,272	(193,037)	42,982	350,217
(Increment) Decrement	Page 3	(331,460)	(118,362)	(93,684)	(543,505)
Ending Balance Before Interest		34,942,928	8,322,348	2,128,561	45,393,837
Accrued Interest	Page 4	212,346	51,645	13,121	277,112
Total Due From (To) Customers		\$35,155,274	\$8,373,993	\$2,141,682	\$45,670,949

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**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**June 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>	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)	14.754	137.166	6,155.174	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	605,349	65,352	454	
6	Total Normalized Usage (th)	8,931,258.611	8,964,101.840	2,794,448.837	20,689,809
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$3,555,087	\$2,791,601	\$600,415	\$6,947,103
<b>ACTUAL</b>					
9	No. of Customers (Actual)	605,349	65,352	454	
10	Actual Usage (th)	7,674,451	9,583,964	2,594,403	19,852,818
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$3,054,815	\$2,984,638	\$557,433	\$6,596,886
13	Margin Decoupling Adj	\$500,272	(\$193,037)	\$42,982	\$350,217

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		0.7	
Aug	0.1		0.1	
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**  
**June 2012 Report**

Description		Residential Service	Small General Service	Medium General Service
		Rate Schedule No.	Rate Schedule No.	Rate Schedule No.
		101	102	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**  
**June 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	7,674,451	9,583,964	2,594,403
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.04319)</u>	<u>(\$0.01235)</u>	<u>(\$0.03611)</u>
Refunds (Collections)		<u><u>(\$331,460)</u></u>	<u><u>(\$118,362)</u></u>	<u><u>(\$93,684)</u></u>
Margin Decoupling Temporaries effective April 2012 (per therm)		(\$0.04319)	(\$0.01235)	(\$0.03611)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**June 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	\$34,774,115	\$8,633,747	\$2,179,263
Ending Balance Before Interest	Page 1	\$34,942,928	\$8,322,348	\$2,128,561
Average Balance Before Interest		34,858,521	8,478,048	2,153,912
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$212,346	\$51,645	\$13,121