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**Clerk's Office
N.C. Utilities Commission**

December 13, 2011

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 October 2011.

For billing cycles for the month of October 2011, the calculation results in an amount to be collected from residential customers of \$2,215,484 and an amount to be collected from commercial customers of \$518,303. The total Margin Decoupling Adjustment for October 2011 is \$2,733,787.

The average temperature for the October days included in these billing cycles was colder than normal. Actual usage for this period was 737,839 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$3,135,814 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr
Manager Regulatory Reporting

Enclosures

AM
AG
7COMM
Watson
Green
Hoover
Hilburn
Sessions
Gimpre
Bums
Gribbe
2PSECO
2PSACCT
2PSWPA
3PSCAS

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Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
October 2011 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	\$225,574	(\$3,818,746)	\$1,175,430	(2,417,741)
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	\$2,215,484	\$415,593	\$102,710	2,733,787
(Increment) Decrement	Page 3	223,893	241,675	(41,683)	423,885
Ending Balance Before Interest		2,664,951	(3,161,478)	1,236,457	739,930
Accrued Interest	Page 4	8,804	(21,261)	7,346	(5,111)
Total Due From (To) Customers		2,673,755	(3,182,739)	1,243,803	734,819

Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
October 2011 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>	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)	24.4427	175.7699	6,778.5503	
RATE CASE					
5	No. of Customers (Actual)	596,022	63,989	458	
6	Total Normalized Usage (th)	14,568,386.9394	11,247,336.9317	3,104,576.0145	28,920,300
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$5,798,946	\$3,502,646	\$667,049	\$9,968,641
ACTUAL					
9	No. of Customers (Actual)	596,022	63,989	458	
10	Actual Usage (th)	9,002,543	9,912,827	2,626,543	21,541,913
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$3,583,462	\$3,087,053	\$564,339	\$7,234,854
13	Margin Decoupling Adj	\$2,215,484	\$415,593	\$102,710	\$2,733,787
					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 2010-11
Nov	296.7	307.4
Dec	529.1	708.1
Jan	730.2	930.9
Feb	754.7	779.7
Mar	491.3	379.2
Apr	300.0	290.8
May	108.1	69.0
Jun	18.5	0.0
Jul	0.7	0.2
Aug	0.1	0.0
Sep	2.8	0.3
Oct	84.5	89.5
	3,316.7	3,555.1

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
October 2011 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	\$0.97929	\$0.87830	\$0.89959
2nd Block	Winter			\$0.88464
1st Block	Summer	\$0.92298	\$0.84193	\$0.80314
2nd Block	Summer			\$0.77253
BCGC (\$/th)		\$0.42500	\$0.42500	\$0.42500
LUAF (\$/th)		\$0.00807	\$0.00807	\$0.00807
Commodity Cost Increment (\$/th)	Winter	\$0.07190	\$0.07190	\$0.07190
	Summer	\$0.07190	\$0.07190	\$0.07190
Fixed Gas Costs (\$/th)				
1st Block	Winter	\$0.10114	\$0.08629	\$0.06733
2nd Block	Winter			\$0.05238
1st Block	Summer	\$0.04483	\$0.04992	\$0.06744
2nd Block	Summer			\$0.03683
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		-\$0.02487	-\$0.02438	\$0.01587

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
October 2011 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	9,002,543	9,912,827	2,626,543
Rate decrement (increment)/therm	Per NCUC	<u>\$0.02487</u>	<u>\$0.02438</u>	<u>(\$0.01587)</u>
Refunds (Collections)		<u>\$223,893</u>	<u>\$241,675</u>	<u>(\$41,683)</u>
Margin Decoupling Temporaries effective April 1, 2011 (per therm)		\$0.02487	\$0.02438	(\$0.01587)

Piedmont Natural Gas Company, Inc.
Accrued Interest
October 2011 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	\$225,574	(\$3,818,746)	\$1,175,430
Ending Balance Before Interest	Page 1	<u>\$2,664,951</u>	<u>(\$3,161,478)</u>	<u>\$1,236,457</u>
Average Balance Before Interest		1,445,263	(3,490,112)	1,205,943
Monthly Interest Accrual Rate	Per NCUC	<u>0.6092%</u>	<u>0.6092%</u>	<u>0.6092%</u>
Current Mo JE to Margin Decoupling Def Acct.		<u>\$8,804</u>	<u>(\$21,261)</u>	<u>\$7,346</u>