

**FILED**

**DEC 13 2012**

Clerk's Office  
N.C. Utilities Commission

December 12, 2012

Ms. Gail Mount  
Chief Clerk  
North Carolina Utilities Commission  
430 North Salisbury Street  
Dobbs Building, Suite 5063  
Raleigh, NC 27603-5918

**OFFICIAL COPY**

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 October 2012.

For billing cycles for the month of October 2012, the calculation results in an amount to be collected from residential customers of \$2,329,560 and an amount to be collected from commercial customers of \$295,763. The total Margin Decoupling Adjustment for October 2012 is \$2,625,323.

Please let me know if there are any questions.

Sincerely,



Jenny Furr  
Manager Regulatory Reporting

Enclosures

AG  
7Comm  
Watson  
Green  
Hoover  
Krite  
Hillburn  
Gilmore  
Burns  
Sessions  
Grober  
PS Legal (2)  
PS Acct (2)  
PSEc/Res  
PSGps (3)

Piedmont Natural Gas Company, Inc.  
 Margin Decoupling Deferred Account Activity - a/c # 25332  
 October 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	\$36,665,461	\$7,546,327	\$1,854,559	46,066,347
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	2,329,560	322,157	(26,394)	2,625,323
(Increment) Decrement	Page 3	(384,250)	(127,726)	(117,276)	(629,253)
Ending Balance Before Interest		38,610,771	7,740,757	1,710,889	48,062,417
Accrued Interest	Page 4	229,279	46,562	10,860	286,701
Total Due From (To) Customers		38,840,050	7,787,319	1,721,749	48,349,118

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**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**October 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>	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)	24.443	175.770	6,778.550	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	603,418	64,725	461	
6	Total Normalized Usage (th)	14,749,165.149	11,376,703.541	3,124,911.665	29,250,780
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$5,870,905	\$3,542,933	\$671,419	\$10,085,257
<b>ACTUAL</b>					
9	No. of Customers (Actual)	603,418	64,725	461	
10	Actual Usage (th)	8,896,733	10,342,225	3,247,755	22,486,713
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$3,541,345	\$3,220,776	\$697,813	\$7,459,934
13	Margin Decoupling Adj	\$2,329,560	\$322,157	(\$26,394)	\$2,625,323
					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	0.0	0.7	warmer
Aug	0.1	0.0	0.1	warmer
Sep	2.8	0.4	2.4	warmer
Oct	84.5	95.7	(11.2)	colder
	3,316.7	2,702.1		

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**October 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**  
**October 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	8,896,733	10,342,225	3,247,755
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.04319)</u>	<u>(\$0.01235)</u>	<u>(\$0.03611)</u>
Refunds (Collections)		<u>(\$384,250)</u>	<u>(\$127,726)</u>	<u>(\$117,276)</u>
Margin Decoupling Temporaries effective April 2012 (per therm)		(\$0.04319)	(\$0.01235)	(\$0.03611)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**October 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	\$36,665,461	\$7,546,327	\$1,854,559
Ending Balance Before Interest	Page 1	\$38,610,771	\$7,740,757	\$1,710,889
Average Balance Before Interest		37,638,116	7,643,542	1,782,724
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$229,279	\$46,562	\$10,860