Piedmont Natural Gas

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Clerk's Office
N.C. Utilities Commission

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July 9, 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 May 2010.

For billing cycles for the month of May 2010, the calculation results in an amount to be collected from residential customers of $2,238,708 and an amount to be collected from commercial customers of $662,393. The total Margin Decoupling Adjustment for May 2010 is $2,901,101.

The average temperature for the May days included in these billing cycles was warmer than normal. Actual usage for this period was 792,032 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately $4,435,380 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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AG
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Kirby
Watson
Hoover
Hilburn
Gilmore
Burns
Sessoms

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Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
May 2010 Report
Debit (Credit)

Description	Reference	Residential	Small Commercial	Medium General Service	Total
Beginning Balance	Prior Mo Report	($10,803,400)	($5,818,825)	$698,931	($15,923,295)
Monthly Activity:					
Margin Decoupling Adjustment	Page 2	$2,238,708	$545,199	$117,194	2,901,101
(Increment) Decrement	Page 3	51,980	94,340	(52,415)	93,905
Ending Balance Before Interest		(8,512,713)	(5,179,286)	763,710	(12,928,289)
Accrued Interest	Page 4	(58,834)	(33,498)	4,455	(87,877)
Total Due From (To) Customers		(8,571,547)	($5,212,784)	$768,165	($13,016,166)

Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
May 2010 Report

Line No.	Description		Residential Service Rate Schedule No. 101	Small General Service Rate Schedule No. 102	Medium General Service Rate Schedule No. 152	Total	
1	Normal Degree Days /1	*Page 2A*	108.1	108.1	108.1		
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)	27.9072	189.5735	7,001.4546		
	RATE CASE						
5	No. of Customers (Actual)		600,373	64,590	463		
6	Total Normalized Usage	(th)	16,754,717.3781	12,244,551.7191	3,241,673.4844	32,240,943	
7	R Factor /1	($/th)	$0.39805	$0.31142	$0.21486		
8	Normalized Margin	($)	$6,669,215	$3,813,198	$696,506	$11,178,919	
	ACTUAL						
9	No. of Customers (Actual)		600,373	64,590	463		
10	Actual Usage	(th)	11,130,529	10,493,864	2,696,228	24,320,621	
11	R Factor /1	($/th)	$0.39805	$0.31142	$0.21486		
12	R Factor Margin Revenues	($)	$4,430,507	$3,267,999	$579,312	$8,277,818	
13	Margin Decoupling Adj		$2,238,708	$545,199	$117,194	$2,901,101	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	
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
May 2010 Report

Description		Residential Service Rate Schedule No. 101	Small General Service Rate Schedule No. 102	Medium General Service 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	$1.10377	$0.99997	$1.01203
2nd Block	Winter			$0.99911
1st Block	Summer	$1.05507	$0.96852	$0.91555
2nd Block	Summer			$0.88912
BCGC ($/th)		$0.56000	$0.56000	$0.56000
LUAF ($/th)		$0.01063	$0.01063	$0.01063
Commodity Cost Increment ($/th)	Winter	$0.05230	$0.05230	$0.05230
	Summer	$0.05230	$0.05230	$0.05230
Fixed Gas Costs ($/th)				
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			$0.03189
R Factors ($/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		-$0.00467	-$0.00899	$0.01944

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
May 2010 Report
Debit (Credit)

Item	Reference	Residential	Small Commercial	Medium General Service
Usage by Rate Class - therms2	Page 2	11,130,529	10,493,864	2,696,228
Rate decrement (increment)/therm	Per NCUC	$0.00467	$0.00899	($0.01944)
Refunds (Collections)		$51,980	$94,340	($52,415)
Margin Decoupling Temporaries effective April 1, 2010 (per therm)		$0.00467	$0.00899	($0.01944)

Piedmont Natural Gas Company, Inc.
Accrued Interest
May 2010 Report
Debit (Credit)

Item	Reference	Residential	Small Commercial	Medium General Service
Beginning Balance	Page 1	($10,803,400)	($5,818,825)	$698,931
Ending Balance Before Interest	Page 1	($8,512,713)	($5,179,286)	$763,710
Average Balance Before Interest		(9,658,057)	(5,499,056)	731,321
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		($58,834)	($33,498)	$4,455