



Piedmont
Natural Gas

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Clerk's Office
N.C. Utilities Commission

March 12, 2009

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 550 **B**
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 January 2009.

For billing cycles for the month of January 2009, the calculation results in an amount to be collected from residential customers of \$1,999,923 and an amount to be collected from commercial customers of \$789,003. The total Margin Decoupling Adjustment for January 2009 is \$2,788,926.

The average temperature for the January days included in these billing cycles was warmer than normal. Actual usage for this period was 755,787 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$5,857,347 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr
Manager Regulatory Reporting

Enclosures

Cerru

AG

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Bennin

Kirby

Watson

Moore

Wite

Hilburn

Sessoms

Gilmore

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2 PS ACCT'S

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N.C. Utilities Commission*6-9,56550B*

Piedmont Natural Gas Company, Inc.
Margin Decoupling Deferred Account Activity - a/c # 25332
January 2009 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	\$20,366,384	\$5,978,793	\$914,251	\$27,259,428
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	\$1,999,923	\$543,503	\$245,500	2,788,926
(Increment) Decrements	Page 3	(4,991,071)	(1,317,220)	(131,569)	(6,439,860)
Ending Balance Before Interest		17,375,235	5,205,076	1,028,182	23,608,494
Accrued Interest	Page 4	114,955	34,064	5,916	154,935
Total Due From (To) Customers		<u>\$17,490,190</u>	<u>\$5,239,140</u>	<u>\$1,034,099</u>	<u>\$23,763,429</u>

Piedmont Natural Gas Company, Inc.
Computation of Margin Decoupling Deferred Account Adjustment
Debit (Credit)
January 2009 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>	730.2	730.2	730.2	
2	Base Load /1 (th/month)	12.03810	126.34580	5980.43930	
3	Heat Sensitivity Factor /1 (th/HDD)	0.14680	0.58490	9.44510	
4	Usage/HDD/Customer (th)	119	553	12,877	
RATE CASE					
5	No. of Customers (Actual)	600,724	65,475	488	
6	Total Normalized Usage (th)	71,625,200	36,236,470	6,284,099	114,145,768
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$28,510,411	\$11,284,761	\$1,956,994	\$41,752,166
ACTUAL					
9	No. of Customers (Actual)	600,724	65,475	488	
10	Actual Usage (th)	66,600,899	34,491,228	5,495,774	106,587,901
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$26,510,488	\$10,741,258	\$1,711,494	\$38,963,240
13	Margin Decoupling Adj	\$1,999,923	\$543,503	\$245,500	\$2,788,926
					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 2008-09
Nov	296.7	367.8
Dec	529.1	682.8
Jan	730.2	617.1
Feb	754.7	
Mar	491.3	
Apr	300.0	
May	108.1	
Jun	18.5	
Jul	0.7	
Aug	0.1	
Sep	2.8	
Oct	84.5	
	3,316.7	1,667.7

Piedmont Natural Gas Company, Inc.
Rate Elements For Residential, SGS and MGS Rate Classes
January 2009 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	\$1.40921	\$1.26650	\$1.22899
2nd Block	Winter			\$1.21049
1st Block	Summer	\$1.34547	\$1.21661	\$1.13193
2nd Block	Summer			\$1.09398
BCGC (\$/th)		\$0.77500	\$0.77500	\$0.77500
LUAF (\$/th)		\$0.01473	\$0.01473	\$0.01473
Commodity Cost Increment (\$/th)	Winter	\$0.03844	\$0.03844	\$0.03844
	Summer	\$0.03844	\$0.03844	\$0.03844
Fixed Gas Costs (\$/th)				
1st Block	Winter	\$0.10805	\$0.08872	\$0.06546
2nd Block	Winter			\$0.04696
1st Block	Summer	\$0.04431	\$0.03883	\$0.06496
2nd Block	Summer			\$0.02701
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		\$0.07494	\$0.03819	\$0.02394

Piedmont Natural Gas Company, Inc.
Computation of Refunds and (Collections) Through Temporaries
January 2009 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 - therms2	Page 2	66,600,899	34,491,228	5,495,774
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.07494)</u>	<u>(\$0.03819)</u>	<u>(\$0.02394)</u>
Refunds (Collections)		<u>(\$4,991,071)</u>	<u>(\$1,317,220)</u>	<u>(\$131,569)</u>
Margin Decoupling Temporaries effective November 1, 2008 (per therm)		(\$0.07494)	(\$0.03819)	(\$0.02394)

Piedmont Natural Gas Company, Inc.
Accrued Interest
January 2009 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	\$20,366,384	\$5,978,793	\$914,251
Ending Balance Before Interest	Page 1	\$17,375,235	\$5,205,076	\$1,028,182
Average Balance Before Interest		18,870,810	5,591,935	971,217
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$114,955	\$34,064	\$5,916