



October 11, 2013

**FILED**

OCT 14 2013

Clerk's Office  
N.C. Utilities Commission

**OFFICIAL COPY**

Ms. Gail Mount  
Chief Clerk  
North Carolina Utilities Commission  
430 North Salisbury Street  
Dobbs Building, Suite 5063  
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 August 2013.

For billing cycles for the month of August 2013, the calculation results in an amount to be collected from residential customers of \$412,334 and an amount to be refunded to commercial customers of (\$547,230). The total Margin Decoupling Adjustment for August 2013 is (\$134,896).

Please let me know if there are any questions.

Sincerely,

Jenny Furr  
Manager Regulatory Reporting

Enclosures

4m  
AG  
7comm  
Watson  
Green  
Conrad  
Duffy  
Hoover  
Wite  
Hilburn  
Sessions  
Gilmore  
Burns  
Ayers  
1 psero  
1 pseral  
2 pseral  
2 pseral

Piedmont Natural Gas Company, Inc.  
 Margin Decoupling Deferred Account Activity - a/c # 25332  
 August 2013 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	\$10,331,283	(\$440,432)	\$761,548	10,652,399
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	412,334	(422,723)	(124,507)	(134,896)
(Increment) Decrement	Page 3	(603,333)	(371,287)	(113,110)	(1,087,730)
Ending Balance Before Interest		10,140,284	(1,234,443)	523,931	9,429,772
Accrued Interest	Page 4	62,353	(5,101)	3,915	61,167
Total Due From (To) Customers		10,202,637	(1,239,544)	527,846	9,490,939

**FILED**  
 OCT 14 2013  
 Clerk's Office  
 N.C. Utilities Commission

**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**August 2013 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>	0.1	0.1	0.1	
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)	12.053	126.404	5,981.384	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	609,944	65,377	458	
6	Total Normalized Usage (th)	7,351,520.844	8,263,933.267	2,739,473.785	18,354,928
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
8	Normalized Margin (\$)	\$2,926,273	\$2,573,554	\$588,603	\$6,088,430
<b>ACTUAL</b>					
9	No. of Customers (Actual)	609,944	65,377	458	
10	Actual Usage (th)	6,315,637	9,621,339	3,318,953	19,255,929
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.21486	
12	R Factor Margin Revenues (\$)	\$2,513,939	\$2,996,277	\$713,110	\$6,223,326
13	Margin Decoupling Adj	\$412,334	(\$422,723)	(\$124,507)	(\$134,896)
					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 2012-13	Diff	
Nov	296.7	372.6	(75.9)	colder
Dec	529.1	475.6	53.5	warmer
Jan	730.2	583.4	146.8	warmer
Feb	754.7	708.6	46.1	warmer
Mar	491.3	624.5	(133.2)	colder
Apr	300.0	394.0	(94.0)	colder
May	108.1	147.6	(39.5)	colder
Jun	18.5	8.7	9.8	warmer
Jul	0.7	0.0	0.7	warmer
Aug	0.1	0.0	0.1	warmer
Sep	2.8		2.8	
Oct	84.5		84.5	
	3,316.7	3,315.0		

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**August 2013 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	\$1.09304	\$0.92460	\$0.88821
2nd Block	Winter			\$0.86315
1st Block	Summer	\$0.99876	\$0.86367	\$0.79198
2nd Block	Summer			\$0.74048
<b>BCGC (\$/th)</b>		\$0.45000	\$0.45000	\$0.45000
<b>LUAF (\$/th)</b>		\$0.00854	\$0.00854	\$0.00854
<b>Commodity Cost Increment (\$/th)</b>	Winter	(\$0.02851)	(\$0.02851)	(\$0.02851)
	Summer	(\$0.02851)	(\$0.02851)	(\$0.02851)
<b>Fixed Gas Costs (\$/th)</b>				
1st Block	Winter	\$0.16943	\$0.14456	\$0.11268
2nd Block	Winter			\$0.08762
1st Block	Summer	\$0.07515	\$0.08363	\$0.11301
2nd Block	Summer			\$0.06151
<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>		\$0.09553	\$0.03859	\$0.03408

**Piedmont Natural Gas Company, Inc.**  
**Computation of Refunds and (Collections) Through Temporaries**  
**August 2013 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	6,315,637	9,621,339	3,318,953
Rate decrement (increment)/therm	Per NCUC	<u>(\$0.09553)</u>	<u>(\$0.03859)</u>	<u>(\$0.03408)</u>
Refunds (Collections)		<u>(\$603,333)</u>	<u>(\$371,287)</u>	<u>(\$113,110)</u>
Margin Decoupling Temporaries effective April 2013 (per therm)		(\$0.09553)	(\$0.03859)	(\$0.03408)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**August 2013 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	\$10,331,283	(\$440,432)	\$761,548
Ending Balance Before Interest	Page 1	\$10,140,284	(\$1,234,443)	\$523,931
Average Balance Before Interest		10,235,784	(837,438)	642,739
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$62,353	(\$5,101)	\$3,915