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Piedmont  
Natural Gas

May 11, 2012

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

**FILED**

**MAY 14 2012**

Clerk's Office  
N.C. Utilities Commission

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 March 2012.

For billing cycles for the month of March 2012, the calculation results in an amount to be collected from residential customers of \$2,868,700 and an amount to be collected from commercial customers of \$630,739. The total Margin Decoupling Adjustment for March 2012 is \$3,499,439.

The average temperature for the March days included in these billing cycles was warmer than normal. Actual usage for this period was 923,225 dekatherms less than the projected normal. This resulted in avoided commodity costs of approximately \$3,000,481 for residential and commercial customers.

Please let me know if there are any questions.

Sincerely,

Jenny Furr  
Manager Regulatory Reporting

Enclosures

(22)  
At  
7:00pm  
Water  
Green  
Hear  
Higman  
Hess  
Lidwell  
Lynch  
Lynch 2  
Lynch 2  
Lynch 2  
Lynch 3

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Docket No. G-9, Sub 550B

Piedmont Natural Gas Company, Inc.  
Margin Decoupling Deferred Account Activity - a/c # 25332  
March 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	\$23,096,224	\$5,279,152	\$1,986,720	\$30,362,096
<u>Monthly Activity:</u>					
Margin Decoupling Adjustment	Page 2	2,868,700	478,072	152,667	3,499,439
(Increment) Decrement	Page 3	50,052	421,567	(111,190)	360,430
Ending Balance Before Interest		26,014,976	6,178,791	2,028,197	34,221,965
Accrued Interest	Page 4	149,585	34,899	12,229	196,713
Total Due From (To) Customers		\$26,164,561	\$6,213,690	\$2,040,426	\$34,418,678

N.C. Utilities Commission  
Clerk's Office

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**Piedmont Natural Gas Company, Inc.**  
**Computation of Margin Decoupling Deferred Account Adjustment**  
**Debit (Credit)**  
**March 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>	491.3	491.3	491.3	
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)	84.1609	413.7072	10,620.8169	
<b>RATE CASE</b>					
5	No. of Customers (Actual)	616,631	66,226	458	
6	Total Normalized Usage (th)	51,896,244.5931	27,398,171.0404	4,864,334.1539	84,158,750
7	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
8	Normalized Margin (\$)	\$20,657,300	\$8,532,338	\$1,514,851	\$30,704,489
<b>ACTUAL</b>					
9	No. of Customers (Actual)	616,631	66,226	458	
10	Actual Usage (th)	44,689,360	25,863,034	4,374,106	74,926,500
11	R Factor /1 (\$/th)	\$0.39805	\$0.31142	\$0.31142	
12	R Factor Margin Revenues (\$)	\$17,788,600	\$8,054,266	\$1,362,184	\$27,205,050
13	Margin Decoupling Adj	\$2,868,700	\$478,072	\$152,667	\$3,499,439

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
Nov	296.7	348.9
Dec	529.1	451.5
Jan	730.2	612.2
Feb	754.7	616.0
Mar	491.3	366.6
Apr	300.0	
May	108.1	
Jun	18.5	
Jul	0.7	
Aug	0.1	
Sep	2.8	
Oct	84.5	
	3,316.7	2,395.2

**Piedmont Natural Gas Company, Inc.**  
**Rate Elements For Residential, SGS and MGS Rate Classes**  
**March 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	\$0.86676	\$0.74672	\$0.76513
2nd Block	Winter			\$0.74677
1st Block	Summer	\$0.79765	\$0.70207	\$0.66875
2nd Block	Summer			\$0.63109
<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>		-\$0.00112	-\$0.01630	\$0.02542

**Piedmont Natural Gas Company, Inc.**  
**Computation of Refunds and (Collections) Through Temporaries**  
**March 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	44,689,360	25,863,034	4,374,106
Rate decrement (increment)/therm	Per NCUC	\$0.00112	\$0.01630	(\$0.02542)
Refunds (Collections)		<u>\$50,052</u>	<u>\$421,567</u>	<u>(\$111,190)</u>
Margin Decoupling Temporaries effective November 1, 2011 (per therm)		\$0.00112	\$0.01630	(\$0.02542)

**Piedmont Natural Gas Company, Inc.**  
**Accrued Interest**  
**March 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	\$23,096,224	\$5,279,152	\$1,986,720
Ending Balance Before Interest	Page 1	\$26,014,976	\$6,178,791	\$2,028,197
Average Balance Before Interest		24,555,600	5,728,971	2,007,458
Monthly Interest Accrual Rate	Per NCUC	0.6092%	0.6092%	0.6092%
Current Mo JE to Margin Decoupling Def Acct.		\$149,585	\$34,899	\$12,229