

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

NEWS RELEASE

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UTILITIES COMMISSION AUTHORIZES A PARTIAL RATE INCREASE
FOR PIEDMONT NATURAL GAS COMPANY, INC.

The North Carolina Utilities Commission issued an Order today allowing Piedmont Natural Gas Company, Inc. (Piedmont), to increase its rates and charges by approximately \$5.2 million annually, or 1.51% overall, effective November 1, 1994.

Piedmont's application for a rate increase was filed with the Commission on March 31, 1994. In its application, Piedmont requested an increase of approximately \$10.4 million annually. The increase approved by the Commission was the result of a stipulation entered into, or not opposed by, the parties to the proceeding, including the Public Staff of the North Carolina Utilities Commission.

In its application, Piedmont stated that the rate increase was needed because it has been adding customers, making capital improvements in its utility properties and obtaining new long-term capital from the sales of securities at unprecedented levels. The reasons cited by Piedmont in support of its request for a rate increase were to allow it to maintain its facilities and services in accordance with the reasonable requirements of its customers, to compete in the market for capital funds on fair and reasonable terms and to produce a fair profit for its stockholders.

The Commission notes that the increase to specific classes of customers will vary in order to have each customer class pay its fair share of the cost of providing service.

A typical year-round residential customer's annual bill will increase approximately 3.87% based on 910 therms of gas usage.

A subsidiary of Piedmont and Public Service Company of North Carolina, Inc., have entered into an agreement to jointly construct an intrastate pipeline called Cardinal Pipeline, which is expected to be completed in December 1994. When Cardinal is completed and put in service, the record in the rate case will be re-opened, a further hearing will be held to consider evidence regarding the cost of the Cardinal Pipeline, and Piedmont's rates will be adjusted accordingly. The rate changes noted above exclude the effect of the Cardinal Pipeline.