

NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION

July 1, 2008

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FILED

JUL 01 2008

Clerk's Office  
N.C. Utilities Commission

Mr. Robert Jarrell  
6278 Phillippi Road  
Julian, NC 27283-9242

Dear Mr. Jarrell:

G-5 SUB 498

We have received your letter concerning the monthly Facilities Charge proposed by Public Service Company of North Carolina. We appreciate your interest in the matter and your letter will be placed in the official file of this docket.

The Facilities Charge is a monthly fixed charge that covers costs that do not vary with the amount of gas used by customers such as the cost of the billing meter located at your house, administrative costs, depreciation and other general costs. These fixed costs are incurred by the company each month even though a customer may not have used any gas in a particular month. Although these fixed costs could be recovered as part of the monthly usage charge, this would unfairly burden customers who use more natural gas. Conversely, a facilities charge that is too large would unfairly burden low users. In determining the appropriate Facilities Charge the Commission has tried to strike a balance that is fair to all rate payers. All natural gas and electric utility customers pay facilities charges and have done so for over 20 years.

In PSNC's last general rate case in 2006, the company proposed an increase in the Facilities Charge from \$7.74/month to \$15.00/month for residential customers. The Commission approved a Facilities Charge of \$10.00/month, and lowered the proposed energy charge such that customers overall bills were increased by less than 1%. As you note, in the current case, PSNC has requested an increase of 20% in the facilities charge and an increase in the energy charge of 1.3%. If approved, this request will result in average bill increases of 3.4%. When we make our recommendation in this case, we will try to develop a rate that is fair to all customers.

Sincerely,

Robert P. Gruber

Clarke

RPG/jmc

Executive Director  
733-2435

Communications  
733-2810

Economic Research  
733-2902

Legal  
733-6110

Transportation  
733-7766

Accounting  
733-4279

Consumer Services  
733-9277

Electric  
733-2267

Natural Gas  
733-4326

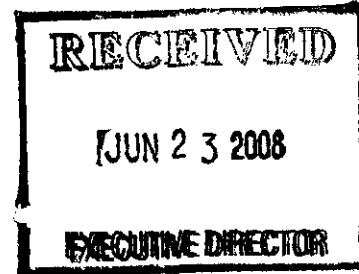
Water  
733-5610



June 20, 2008

Robert Jarrell  
6278 Phlippi Rd  
Julian NC 27283-9242

Mr. Robert P. Gruber  
Executive Director  
Public Staff – NCUC  
4326 Mail Service Center  
Dobbs Building  
Raleigh, NC 27699-4326



Dear Mr. Gruber

After receiving a notice from Piedmont Natural Gas Company informing me that an application to the commission requesting approval of rate increase I find this to be appalling has anyone looked at the billing statements sent to the customer which they have a fixed charge each month for Example; Administrative, Manpower, Materials, Postage/Mailing Costs, Information inserts, Bill Processing, Maintenance of Gas Utility Plants and Underground Lines (transmission, mains, service lines and risers) you pay this fixed charge even though there has been no use of any gas services (therms).

I use to believe that when you were in business serving your customers that the rates that you charged was what you paid for and everything was included in the cost of doing business, however that is not the case it seems now that you are awarded increases along with passing your operating cost of doing business on to the consumer as well as paying their taxes. This type of scenario is repeated by all the utility companies and the average consumer do not have a elected champion in the right places to represent them everything falls on the hard working citizens and just think of what the impact to a senior citizen on a fixed income it continue to keep growing with no end in sight.

I thank you for allowing me to voice my frustrations and opinion in the matter at hand rather its taken in the spirit it was given we're hopeless that any changes will be made to correct some of the indifference that we are subjected too as consumers.

Concerned Citizen

  
Robert Jarrell

cc: The Honorable Roy Cooper  
Attorney General of North Carolina  
C/O Utilities Division  
P.O. Box 629  
Raleigh NC 27602