

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**NEWS RELEASE**

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**UTILITIES COMMISSION AUTHORIZES NORTH CAROLINA NATURAL GAS  
CORPORATION TO INCREASE ITS RATES**

The North Carolina Utilities Commission issued an Order today allowing North Carolina Natural Gas Corporation (NCNG) to increase its rates and charges by approximately \$4.2 million annually, or 2.77% overall, effective November 1, 1995.

NCNG's application for a rate increase was filed with the Commission on May 2, 1995. In its application, NCNG requested an increase of approximately \$4.7 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, NCNG 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 very high levels. The reasons cited by NCNG 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 return for its stockholders.

The Commission notes that the rate changes for specific classes of customers will vary in order to have each customer class pay rates that are more in line with the cost of providing service to each class.

Also included in the rate increase from the rates currently in effect is an increase in the commodity cost of gas of \$0.02644 per therm for a change in the estimated cost of purchased gas this winter. The new rates will increase the average residential bill by \$8.47 per month for the winter period (November through March) and will increase the average residential bill by \$2.81 per month for the summer period (April through October). This average bill is based on residential year-round average usage of 110 therms per month during the winter period and 31 therms per month during the summer period. The new rates will decrease the bills of industrial customers in varying amounts depending on which of several rate schedules such customers utilize.