

1 PLACE: Dobbs Building, Raleigh, North Carolina
2 DATE: Monday, July 14, 2008
3 DOCKET NO.: G-5, Sub 495
4 TIME IN SESSION: 7:02 P.M. - 7:09 P.M.
5 BEFORE: Commissioner Lorinzo L. Joyner, Presiding
6 Chairman Edward S. Finley, Jr.
7 Commissioner James Y. Kerr, II
8 Commissioner Howard N. Lee

9 IN THE MATTER OF:

10 Public Service Company of North Carolina, Inc.:
11 Application for a General Increase in Its Rates and
12 Charges
13

14 A P P E A R A N C E S:

15 FOR PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.:

16 Mary Lynne Grigg
17 Womble Carlyle Sandridge & Rice
18 150 Fayetteville Street Mall, Suite 2100
19 Raleigh, North Carolina 27612

20 Craig Collins, Assistant General Counsel
21 SCANA Corporation
22 1426 Main Street
23 Columbia, South Carolina 29201

24 FOR THE USING AND CONSUMING PUBLIC:

25 Gina C. Holt, Staff Attorney
26 Public Staff - North Carolina Utilities Commission
27 4326 Mail Service Center
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P R O C E E D I N G S

COMMISSIONER JOYNER: Good afternoon. Let's come on the record. Good evening, I'm sorry. I'm Lorinzo Joyner, a member of the North Carolina Utilities Commission. Today I have with me the Chairman, Edward S. Finley, and Commissioners James Y. Kerr, II, and Commissioner Howard N. Lee.

I now call for hearing Docket No. G-5, Sub 495, wherein Public Service Company of North Carolina, Inc., doing business as PSNC Energy, has applied for an adjustment in its retail rates and charges.

On February 27, 2008, PSNC filed a letter with the Commission providing notice of its intent to file an application for a general rate increase. The application was filed on March 31, 2008.

PSNC has requested approval of various changes to its rates, terms and conditions of service. The Company is requesting an increase of \$20,441,501 in revenues from its rates and charges for natural gas service; certain changes to the cost allocations and rate designs underlying the existing rates; certain revisions to its current tariff; amortization of certain deferred account balances; approval to implement a customer usage tracker and approval to implement a cost recovery

1 mechanism for customer conservation programs.

2 The increase in annual revenues of \$20,441,501
3 that is being requested by the Company represents an
4 annual increase of three percent over the Company's
5 present rates.

6 Several parties have intervened in this case.
7 Carolina Utility Customers Association, Inc., filed a
8 petition to intervene on March 10, 2008. That petition
9 was allowed by Order of the Commission March 11, 2008.
10 The Attorney General filed notice of intervention in this
11 matter on March 12th. That intervention is recognized
12 pursuant to G.S. 62-20. The intervention and
13 participation of the Public Staff of the North Carolina
14 Utilities Commission is recognized pursuant to G.S.
15 62-15(d) and Commission Rule R1-19(e).

16 On April 30, 2008, the Commission entered a
17 procedural Order in this case which scheduled an
18 investigation and hearings, suspended the proposed rates
19 for 270 days from the requested implementation date of May
20 1, 2008, established the deadline for filing petitions to
21 intervene, established testimony due dates and discovery
22 guidelines and required public notice.

23 On June 25, 2008, PSNC filed affidavits of
24 publication indicating that notice had, in fact, been

1 given in accordance with the Commission's April 30, 2008,
2 procedural Order.

3 In compliance with the requirements of Chapter
4 138A-15(e) of the State Government Ethics Act, I remind
5 all members of the Commission of their duty to avoid
6 conflicts of interest and inquire whether there is any
7 known conflict as to matters coming before us this
8 evening?

9 (No Response.)

10 Let the record reflect that no such conflicts
11 have been identified.

12 We are now ready for appearances of counsel,
13 beginning with the Company.

14 MS. GRIGG: Good evening. I'm Mary Lynne Grigg
15 appearing on behalf of PSNC Energy. Also appearing on
16 behalf of the Company is Mr. Craig Collins, assistant
17 general counsel for SCANA, who has been admitted by this
18 Commission pro hac vice.

19 MS. HOLT: Good evening. I'm Gina Holt with
20 Public Staff here on behalf of the Using and Consuming
21 Public.

22 COMMISSIONER JOYNER: Thank you. The sole
23 purpose of tonight's hearing is to receive the testimony
24 and statements of position from any public witnesses. The

1 record in this case will reflect that the substantive
2 hearing in this docket will reconvene on the morning of
3 August 26, 2008, here in Raleigh at which time we will
4 receive the testimony from the expert witnesses.

5 It is approximately eight minutes after 7:00 in
6 the evening. I see no public witnesses in the hearing
7 room. Ms. Holt, is that consistent with what you know to
8 be the case?

9 MS. HOLT: That's correct.

10 COMMISSIONER JOYNER: There appearing to be no
11 public witnesses -- no other matters were noticed for our
12 attention this evening -- if there is nothing else from
13 the parties, we are adjourned.

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15 Whereupon, the hearing was adjourned.

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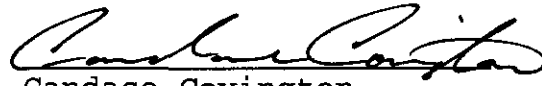
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CERTIFICATE

The undersigned Court Reporter certifies that this is the transcription of notes taken by her during this proceeding and that the same is true, accurate and correct.



Candace Covington
Court Reporter II