

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-5, SUB 495

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Public Service Company of)	ORDER ALLOWING REMOVAL
North Carolina, Inc., for a General Increase)	OF TEMPORARY RATE
in its Rates and Charges)	INCREMENT

BY THE COMMISSION: On November 13, 2009, Public Service Company of North Carolina, Inc. (PSNC or Company), filed a petition seeking authority to terminate the \$0.00136/therm residential rate increment approved by the Commission in its October 24, 2008, Order Approving Partial Rate Increase and Requiring Conservation Program Filing and Reporting in the above-captioned docket.

On May 21, 2007, the Commission issued its Order on Reconsideration Amending Order and Scheduling New Hearing in Docket No. G-5, Sub 481, which was PSNC's prior general rate case, authorizing PSNC to begin billing all residential customers on Rate 105 - Residential Value Rate, effective June 1, 2007, and to record the approximately \$0.12/therm differential between Rate 105 and Rate 110 in a Residential Rate Differential Deferral Account for a period no longer than November 1, 2007. In its October 19, 2007, Order on Reconsideration in that docket, the Commission authorized PSNC to establish Rate 101 – Residential Service and terminated Rate 105.

The \$0.00136/therm increment was approved in the instant docket to collect from customers on Rate 101 the November 2008 debit balance of \$381,330 in the Residential Rate Differential Deferred Account. The same increment was applied to Rate 102 - High-Efficiency Residential Service when it was approved in Docket No. G-5, Sub 495A, effective April 1, 2009.

PSNC estimates that, as of November 30, 2009, the balance in the Residential Rate Differential Deferred Account will be a credit (owed from Company to customers) of \$17,318. PSNC proposes to transfer the actual remaining balance into the All Customers Deferred Account once the actual November 2009 billing data is known.

The matter was presented to the Commission at its Regular Staff Conference on November 30, 2009. The Public Staff stated it had reviewed the petition and recommended approval as filed.

The Commission, based upon the review of the petition and the recommendation of the Public Staff, is of the opinion that PSNC should be permitted to remove the

existing residential rate increment and place the actual remaining balance in the All Customers Deferred Account once the November 2009 billing data is known.

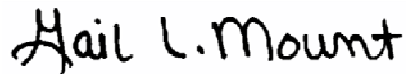
IT IS, THEREFORE, ORDERED as follows:

1. That PSNC is authorized to remove the \$0.00136/therm rate increment from Rate 101 and Rate 102, effective for service rendered on and after December 1, 2009.
2. That PSNC is permitted to transfer any remaining debit or credit balance in the Residential Rate Differential Deferred Account as of November 30, 2009, to the Company's All Customers Deferred Account.
3. That PSNC shall file an original and eleven (11) copies of its revised tariffs consistent with Ordering Paragraph 1 above within five (5) days of the date of this Order.
4. That PSNC give notice to its residential customers of the rate changes allowed in this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 30th day of November, 2009.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Gail L. Mount". The signature is written in a cursive, flowing style.

Gail L. Mount, Deputy Clerk

Chairman Edward S. Finley, Jr., did not participate in this decision.

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