

**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

July 8, 2008

**OFFICIAL COPY**

**FILED**  
**JUL 08 2008**  
Clerk's Office  
N.C. Utilities Commission

Mr. Dieter Hammer  
18 Legendary Road  
Hendersonville, NC 28739

Re: Docket No. G-5, Sub 495

Dear Mr. Jarrell:

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 Utilities Commission has approved facilities charges for all electric and natural gas companies for over 20 years. The Facilities Charge covers costs that do not vary with the amount of gas or electricity used by customers such as investments in meters, meter reading, administrative billing expenses, and other general costs. These costs must be incurred by the company in order to provide service even though a customer may not have used any gas in a particular month. Although these fixed costs could be recovered by increasing the monthly energy charge, this would unfairly burden customers who use larger amounts of gas. Conversely, too large a facilities charge could be unfair to customers who use less gas.

As you mentioned, 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%. 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%. We are evaluating this request and we will make a recommendation to the Commission that allows the company to recover its prudently incurred costs and is fair to all ratepayers.

Sincerely,

Robert P. Gruber

*clerk mst*

RPG/jmc  
cc: Chief Clerk's Office/NC Utilities Commission

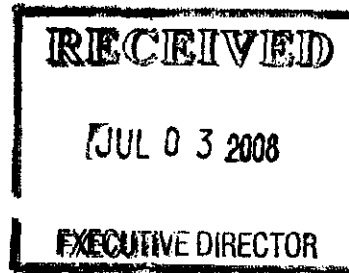
**Robert P. Gruber, Executive Director**  
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**Dieter Hammer**

18 Legendary Rd., Hendersonville, NC 28739-9379 828-694-3686 dbhammer@ieee.org

Monday, June 30, 2008



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

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Re: Docket No. G-5, Sub 495  
PSNC Energy

Gentlemen:

In June 2006 PSNC requested "Basic Facilities Charge" increase from \$7.74 to \$15.00 per month, more than twice the then current charge. Now PSNC is back asking for an increase \$2.00 from the current \$10.00.

To charge me \$10 per month just to be connected to their system is PLENTY! I therefore respectfully request the NC Utilities Commission to NOT APPROVE any increase to the basic facility charge.

Respectfully,

A handwritten signature in cursive script that reads "Dieter Hammer".

Dieter Hammer  
PSNC Energy customer