

Piedmont Natural Gas files rate adjustment in North Carolina for capital investments to better serve customers

March 22, 2021

Rate Case Overview

On March 22, 2021, Piedmont Natural Gas filed a request with the North Carolina Utilities Commission (NCUC) to recover approximately \$1.7 billion in capital investments for:

- Expansion to accommodate growth in its communities
- Infrastructure to decrease price volatility for its customers
- Federally required safety improvements to its system

If approved, Piedmont's requested increase would be effective in November 2021, with the average residential customer in North Carolina paying about \$8 more per month, or \$95 more per year. This amount is approximately an 11.9% increase to the average residential bill but is about 17% lower than rates were a decade ago.

Expansion to accommodate growth

Piedmont's customer base in North Carolina has increased by more than 42,000 customers since January 2018. During this time, the population of North Carolina grew by more than 330,000, with Piedmont serving six of the 10 most populated cities in the state. Strengthening and improving our natural gas delivery system enables us to accommodate new customers while continuing to provide reliable service to existing customers.

Infrastructure to decrease price volatility

Construction of a new natural gas storage facility in Robeson County, N.C., and enhancements to an existing storage facility in Huntersville, N.C., represent major capital investments. Natural gas storage facilities benefit our customers by reducing their exposure to price volatility and increasing the availability of affordable natural gas during times of extraordinary demand.

Safety improvements

Piedmont included in the rate case investments related to safety work required by the U.S. Department of Transportation and the Pipeline and Hazardous Materials Safety Administration. Piedmont's top priority is the safety of our natural gas infrastructure, our communities and our employees.

Expanded Energy Efficiency Programs

Piedmont is making it even more affordable for people and businesses to purchase energy efficient natural gas appliances and equipment for their homes and businesses.

Frequently Asked Questions

What is a rate case?

A base rate case is a public regulatory review process where a utility must demonstrate to the North Carolina Utilities Commission (NCUC) why a proposed increase in rates is needed. This independent, public process helps ensure transparency and fair rates based on the costs to serve our customers.

Why is the rate increase needed?

We work hard every day to keep costs reasonable for our customers and to avoid an increase to customer bills whenever possible. Piedmont Natural Gas has made capital investments to accommodate customer growth and to enhance its natural gas delivery system to continue safely and reliably serving its customers and now asks the NCUC to review its rates. Ultimately, the NCUC determines any change to customer bills.

Who sets the rates customers pay for natural gas?

Piedmont Natural Gas is obligated to provide every customer in our service area with reliable natural gas service at rates set by the NCUC. In exchange, the utility is allowed the opportunity to earn a fair return for investors. Even though our regulators will ultimately determine any changes to customer rates, we pledge to do our part to keep rates as reasonable as possible.

What is the process? Will customers have a chance to share input?

First, Piedmont Natural Gas must demonstrate to the NCUC why the money the company has spent was in the public's best interest. The NCUC will thoroughly review our request and hold multiple public hearings to allow customers to comment. Due to the ongoing COVID-19 pandemic, these public hearings likely will be virtual. The commission will set a hearing date to consider our written and oral testimony, along with viewpoints from others representing customer groups and other stakeholders. We anticipate the rate to go into effect by November 2021.

What is Piedmont Natural Gas doing to help customers having difficulty paying their bills?

Piedmont has decided to absorb all expenses it incurred from the negative impacts of the COVID-19 pandemic; these costs are not reflected in the requested rate increase. Piedmont also is continuing its customer assistance programs, discontinuing credit card fees and expanding available energy efficiency programs.

For more information on the plans and flexible options Piedmont offers to help customers who are behind on their utility payments, please visit:

- Business customers: piedmontng.com/Extension
- Residential customers: piedmontng.com/ExtraTime
 - o 211.org
 - Helps customers find local community agencies providing assistance with a wide range of needs
 - o [Share the Warmth](#)
 - Provides funds to local agencies to assist families with their utility bills, no matter the source of energy they use
 - o [Low Income Home Energy Assistance Program \(LIHEAP\)](#)
 - Helps low-income households, with special attention to households that spend a high percentage of their total income on home energy.

For more information about Piedmont Natural Gas rates, go to www.piedmontng.com/rates.
