

Here's why Piedmont Natural Gas wants to raise your rates for the first time in 6 years

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Duke Energy president and CEO Lynn Good and Tom Skains, president and CEO of Piedmont Natural Gas talk about the deal.
By McClatchy

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Piedmont Natural Gas is seeking to raise its base rates in Charlotte and elsewhere in North Carolina, a move the utility said will increase the average residential customer's bill by about \$6 a month.

The subsidiary of Charlotte-based Duke Energy said this marks its first [proposed base-rate increase](#) in the state in six years. The North Carolina Utilities Commission must approve the request.

In its [filing](#) this week with the commission, Piedmont proposed making the higher rates effective as early as May 1 and as late as Nov. 1.

Piedmont said the increases are needed to recoup investments it's made since its last hike. Those include expanding its gas-distribution system to better serve customers, and safety and security upgrades, the utility said.

But some consumer advocates expressed concern about the proposal, saying it would burden Charlotte-area families already struggling to pay rising housing costs.

"There are over 1.4 million people living with unaffordable energy bills in North Carolina, and without significant investments in programs like home repair and energy efficiency to support the most energy burdened customers, rate increases exacerbate these inequities," the N.C. Justice Center, a Raleigh nonprofit that advocates for low- and middle-income families, said in a statement.

The increase is expected to affect residential, commercial and industrial customers. Overall, rates would rise by approximately 9 percent across those three classes, Piedmont said.

"Customer growth and our commitment to operating a natural gas pipeline system that meets the highest safety and reliability standards required critical investment over the past six years," Piedmont President Frank Yoho said in a statement.

Duke acquired Charlotte-based Piedmont in 2016 for \$4.9 billion. Piedmont distributes natural gas to more than 1 million residential, commercial and industrial

Piedmont does not have plans to file a base-rate case in South Carolina, spokeswoman Jennifer Sharpe said. The utility last filed an increase in that state in 2002, she said.

In North Carolina, the higher rates would increase Piedmont's annual revenues by approximately \$83 million, according to the utility's filing.

The average residential customer would pay roughly \$778 per year for natural gas service, compared with projected yearly costs of \$724 per customer in Piedmont's last request in 2013, according to the filing.

'It's a tough time'

Piedmont's proposal comes at a time when rising rents in Charlotte are already making it hard for some families to pay their utility bills, said Liana Humphrey, spokeswoman for [Crisis Assistance Ministry](#).

The Charlotte-based group helps Mecklenburg County families in poverty, including by assisting in paying their utility bills.

"It's a tough time for low-income families here in Charlotte with the cost of living here increasing," Humphrey said. "Certainly any increase in utility rates will adversely affect the customers that we serve."

Steven Hahn, associate state director for AARP North Carolina, said the organization has not evaluated Piedmont's request yet.

"But AARP members will fight for what is fair and reasonable," he said. Older North Carolina citizens are already coping with financial challenges amid rising prescription drug, food and transportation costs, Hahn said.

"When it comes to rate increases on essentials like natural gas, AARP members are willing to pay for what's fair and reasonable and not a penny more," he said.

For more info on Piedmont's proposed increase, go to <http://piedmontng.com/about/ourrates/home.aspx>.

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