



TENNESSEE REGULATORY AUTHORITY

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FOR IMMEDIATE RELEASE

January 23, 2012

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TRA APPROVES PIEDMONT NATURAL GAS INCREASE, CUSTOMERS TO SEE DROP IN MONTHLY BILLS

NASHVILLE, Tenn. – The Tennessee Regulatory Authority (TRA) today approved a request by Piedmont Natural Gas to increase its base rates by 6.3%, but due to the nationwide drop in the price of natural gas, customers of the utility will also see their monthly bills drop.

The decision by the TRA to allow Piedmont Natural Gas to increase its rates is the result of a settlement agreement between the utility company and the Consumer Advocate and Protection Division and Office of the Attorney General. The utility initially requested a base rate increase of 8.9% but reached a settlement with the Attorney General's office that resulted in an increase in the requested amount of 6.3% instead. The base rate allows the company to recover general costs associated with operating the utility.

“The settlement agreement is a product of close cooperation between Piedmont and the Attorney General's office in an effort to prevent a long and contentious process that results in additional costs to the ratepayers,” said TRA Chairman Kenneth C. Hill. “This cooperative effort has long been a goal as the TRA has sought to foster better relationships between utilities, their customers and the Attorney General's office.”

Under the approved settlement agreement residential customers will see an increase of approximately \$4.45 per month between the months of November and March, and approximately \$3.45 per month between the months of April and October. The changes will take effect March 1, 2012.

However, as the nationwide price of natural gas has continued to decline, the rate that Piedmont customers pay for the commodity cost of natural gas used – the part not covered in the base rate – will also drop to \$0.13603 per therm. This reduction is part of separate filing Piedmont made with the TRA. For example, the typical residential customer uses 100 therms of natural gas during the months of February and March. To this customer, the usage portion of their bill will be reduced by \$13.60 per month. This filing will go into effect February 1, 2012.

Piedmont Natural Gas provides natural gas services to customers located in Nashville and surrounding areas including portions of Cheatham, Dickson, Robertson, Rutherford, Sumner, Trousdale, Williamson and Wilson Counties.

The mission of the TRA is to promote the public interest by balancing the interests of utility consumers and providers. For more information on the TRA, visit online at www.tn.gov/tra.

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