



UNIVERSITY OF N.C. at CHARLOTTE - FACILITIES MANAGEMENT

SERVICES BULLETIN #001

DISTRIBUTION: Selected Administrative Officials
FROM: Philip M. Jones
Associate Vice Chancellor, Facilities Management
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PRELIMINARY SERVICE RATES FOR FISCAL YEAR 2008-2009

For planning purposes, Facilities Management has developed the following preliminary utilities rates for the 2008-2009 fiscal period. While these preliminary rates reflect the best available information at this time regarding projected fuel and utility prices, the volatility of the energy market may have an impact as the rates are finalized in late June 2008.

Utility	FY 2008-2009 Preliminary Rates	% Change from FY 2007-2008
Electricity	\$0.0562/KWH	9.5%
Natural Gas	\$11.717/MMBTU	20%
Water/Sewer	\$0.890/CGAL	17%
Chilled Water (SAC)	\$4.625/MMBTU	5%
Hot Water (SAC)	\$11.75/MMBTU	10%

Duke Energy is negotiating a rate increase with the State Utility Commission due to current market volatility. The projected increase above reflects the 5% increase in fuel factor from last year and the projected rate increase scheduled to take effect on September 1st, 2008. Water and sewer increases are based on the Charlotte-Mecklenburg Utilities Department's rate increase, as approved by the City Council in April 2008. The increase went into effect on May 1, 2008. Average spot prices for natural gas are expected to show a significant increase over last year due to pricing of crude oil and high worldwide demand. Chilled and Hot Water rates will be tied closely to increases in electrical rates for both generation and distribution from our regional utility system. We will continue to track the progress of the negotiations of the electric rate, as well as, the ongoing instability of natural gas/crude oil prices.

We anticipate labor rates for Facilities Management craftspeople will increase only to the extent of any approved salary and/or benefit increases. Current projections are 1.5%-3% based upon economic forecasts and Governor Easley's proposed budget.

I'll be happy to respond to any questions or comments. I can be reached at 704/687-2181 or by email to pmjones@uncc.edu.