



UNIVERSITY OF North Carolina at CHARLOTTE - FACILITIES MANAGEMENT

SERVICES BULLETIN

NO: 003

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DATE: May 8, 2009

DISTRIBUTION: Department Heads, Deans, Chairs and Selected Administrative Personnel

PRELIMINARY SERVICE RATES FOR FISCAL YEAR 2009-2010

For planning purposes, Facilities Management has developed the following preliminary utilities rates for the 2009-2010 fiscal year. While these preliminary rates reflect the best available information at this time regarding projected fuel and utility prices, the volatility of energy prices may have an impact as the rates are finalized in late June 2009.

Utility	2009-10 Preliminary Rates	Weighted Change from 2008-09
Electricity	\$0.06154/KWH	9.5%
Natural Gas	\$12.8887/MMBTU	10%
Water/Sewer	\$1.0413/CGAL	17%
Chilled Water (SAC)	\$4.856/MMBTU	5%
Hot Water (SAC)	\$12.925/MMBTU	10%

Duke Energy's 2009 NC Energy Outlook is calling for an annual fuel adjustment increase which will amount to an increase in electrical rates. This will take affect Sept. 2009. Water and sewer increases are based on Charlotte-Mecklenburg Utilities Department rate increase, as approved by the City Council in April 2008. The effective date of this increase was May 1, 2008. Wholesale natural gas pricing has not been this low since Labor Day, 2002!! This has resulted in a decrease in PNG rates overall; however small. We are considering locking in our interruptible (RUP-1 & 2) rates for the summer months while the main steam boilers are off line. This could decrease the Hot Water (SAC) rate even though usages are low in summer. If we have an active Hurricane Season then, all bets are OFF! 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 volatility of natural gas prices.

We anticipate labor rates for Facilities Management craftspeople and professional services will change only to the extent of any previously approved career banding increases, benefit adjustments, and/or flexible furlough reduction requirements.

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.

DRAFT