From: <u>Tamara Nunnery</u>
To: <u>Lowell, Kathy</u>

Subject: NC Utility Op-Ed from Dan Nation

Date: Tuesday, April 7, 2020 12:32:43 PM

Attachments: <u>Utility Op-Ed.docx</u>

Good Afternoon Kathy

Please pass the attached Op-Ed from Daniel Nation to Commissioner Charlotte Mitchell in order to expedite this hearing on a very important issue. This will give relief not only to manufacturing companies, but all businesses that consume energy.

We hope that North Carolina can lead the way with relief from minimum demand charges in these exceptional times.

Please do not hesitate to contact Mr. Daniel Nation with any questions or concerns.

Dan Nation Parkdale Mills Government Affairs 704-860-0932

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Tamara Nunnery
Administrative Assistant
Parkdale, Inc. | Corporate
office: +1 704 874 5008
main: +1 704 874 5000
www.parkdalemills.com

US manufacturing is being called upon to repeat the efforts made in WWII and to quickly produce masks, gloves, surgical gowns, scrubs, medicines, and ventilators in the current pandemic we now face. Companies such as mine, Parkdale Mills, are quickly turning our US production lines into PPE (Personal Protection Equipment) products that can be used in our fight against the coronavirus. Our situation at Parkdale is not unique. Manufacturers around the country are making fast changes to production lines in an effort to save our fellow Americans.

Just like the courageous nurses and doctors on the front lines of the pandemic, we, the US manufacturing industry, need help in our battle. While many of our facilities have re-tooled to help fight the coronavirus, our plants are simply not using the same amount of electricity and natural gas we were using just a month ago. Many of our plants are, indeed, shut down and all of our resources are focused on plants that are producing the weapons needed to fight the coronavirus.

Unfortunately, while our plants are re-tooling and some are idled, our electric and natural gas costs are not going away. In many circumstances utilities are billing us for services and capacities we are not using. Some utilities are, instead, charging manufacturers "minimum bills" that are based on a demand "ratchet" system that is archaic and not designed with such a pandemic in mind. These "ratchet" bills can result in utilities charging millions of dollars even when manufacturing plants are not operating. As a result, manufacturers are continuing to pay higher utility rates at a time when we are struggling to divert resources to produce materials needed in the Covid-19 war and keep as many associates working as possible.

When this battle is over, our goal is to re-open our plants and return to our normal manufacturing operations. The windfall of millions of dollars in charges collected by utility services that are not utilized puts the future of many manufacturing plants in every industry at risk.

Utility companies operate as monopolies with no competition and a captive market. They will not face the same issues as their customers and will return to normal operations without difficulty.

It is imperative that US manufacturing immediately receives assistance from the utility industry. They should, immediately eliminate minimum bills for US manufacturers. In this pandemic battle, all Americans, including utilities, should pull together to protect the future of our country and our fellow citizens.

Dan Nation is Director of Government Affairs with Parkdale Mills, which is the world's leading manufacturer of spun yarns and cotton consumer products, with plants operating eight states and their global headquarters located in North Carolina.