

# North Carolina **Utilities Commission**



*Major Activities Through December 2020 With Statistical and Analytical Data Through 2019*





# State of North Carolina Utilities Commission

## COMMISSIONERS

CHARLOTTE A. MITCHELL, CHAIR  
TONOLA D. BROWN-BLAND  
LYONS GRAY  
DANIEL G. CLODFELTER  
KIMBERLY W. DUFFLEY  
JEFFREY A. HUGHES  
FLOYD B. MCKISSICK, JR

## LETTER OF TRANSMITTAL

January 4, 2021

The Honorable Roy Cooper  
The Governor of North Carolina  
Raleigh, North Carolina

Dear Governor Cooper:

We hereby present for your consideration the 2020 Report of the North Carolina Utilities Commission pursuant to Section 17 of the Public Utilities Act of 1963 as amended in 1977 (G.S. 62-17). The report covers the major activities of the Commission through December 2020 with statistical and analytical data for the operations of the utilities through 2019.

Respectfully submitted,

Charlotte A. Mitchell, Chair  
ToNola D. Brown-Bland  
Lyons Gray  
Daniel G. Clodfelter  
Kimberly W. Duffley  
Jeffrey A. Hughes  
Floyd B. McKissick, Jr.

Prepared by

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## **I. ORGANIZATION AND HISTORY**

**A. COMMISSION STAFF AND ORGANIZATION CHART**

There were seven Commissioners and 62 Commission Staff positions as of December 19, 2019. Commissioners are appointed by the Governor subject to the confirmation by the General Assembly by joint resolution.

**NORTH CAROLINA UTILITIES COMMISSION  
COMMISSION STAFF**

Commissioners and Division Personnel  
as of December 19, 2019

**Commissioners**

Charlotte A. Mitchell, Chair

ToNola D. Brown-Bland  
Commissioner

Lyons Gray  
Commissioner

Daniel Clodfelter  
Commissioner

Kimberly W. Duffley  
Commissioner

Jeffrey Hughes  
Commissioner

Vacant  
Commissioner

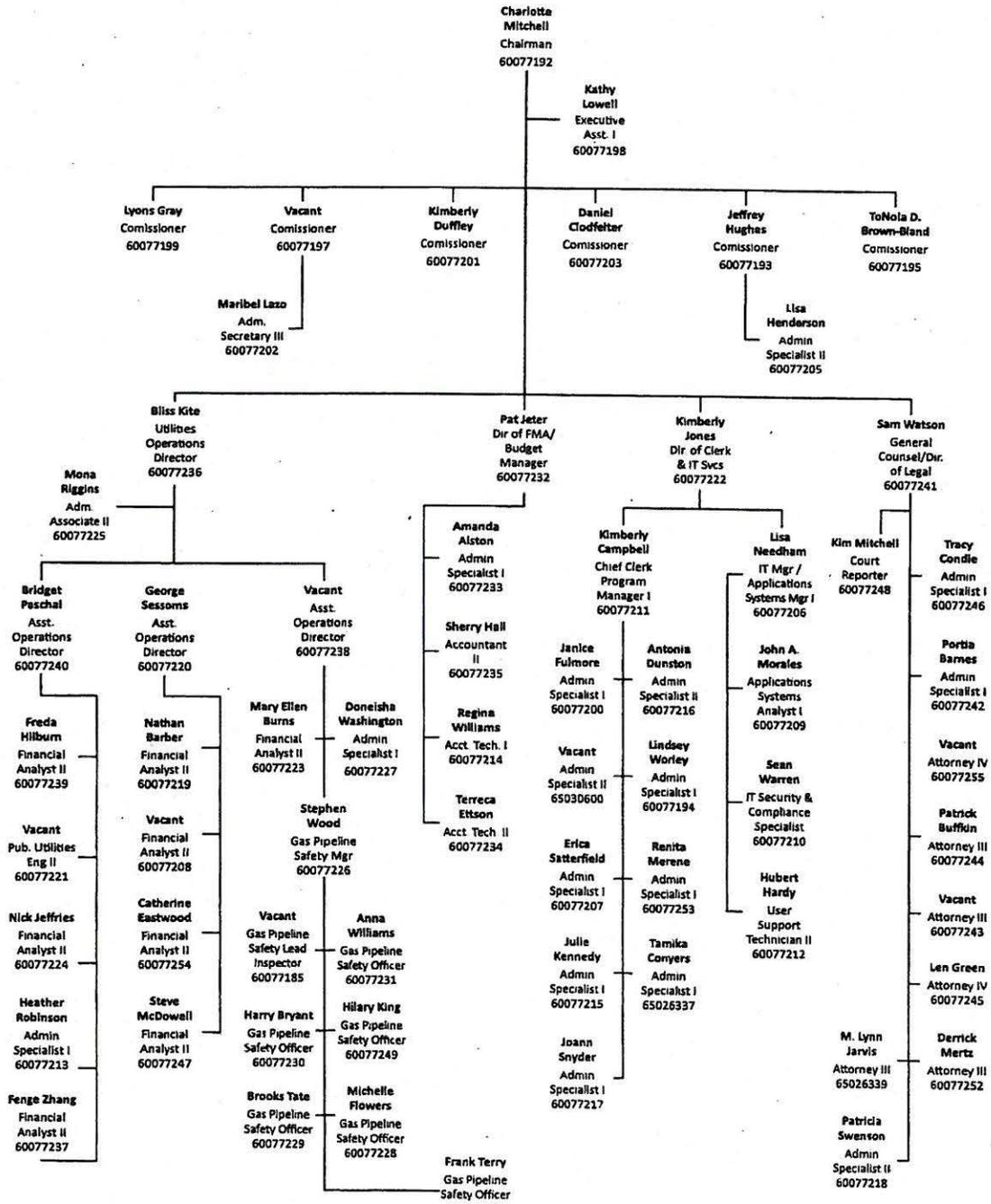
**Chief Clerk and Division Directors**

Chief Clerk.....	Kimberley Campbell
Clerk's Office and IT Services.....	Kimberly Jones
Fiscal Management Division.....	Patricia Jeter
Legal and Administration Division.....	Sam Watson
Operations Division.....	Bliss Kite

**FIGURE NO. 1-1**  
**COMMISSION STAFF-ORGANIZATION CHART**  
**December 19, 2019**

**North Carolina Utilities  
Commission**

Patricia Jeter      December 19, 2019  
*Signature*                      *Date*



**FIGURE NO. 1-1A**  
**LEADERSHIP OF STATE REGULATORY ACTIVITIES 1891-1933**

1.	James W. Wilson (1891-1896)**	Railroad Commission of N. C.
2.	Thomas W. Mason (1891-1894)	Railroad Commission of N. C.
3.*	E. C. Beddingfield (1891-1896)	Railroad Commission of N. C.
4.	S. Otho Wilson (1895-1896)	Railroad Commission of N. C.
5.	L. C. Caldwell (1897-1898)**	Railroad Commission of N. C.
6.	Jonathan H. Pearson (1897-1898)	Railroad Commission of N. C.
7.	D. H. Abbott (1897-1903)	Railroad Commission of N. C.
8.	Franklin McNeill (1899-1911)**	N. C. Corporation Commission
9.	Sam L. Rogers (1899-1910)	N. C. Corporation Commission
	* E. C. Beddingfield (1904-1908)	N. C. Corporation Commission
10.	Henry C. Brown (1910-1910)	N. C. Corporation Commission
11.	William T. Lee (1911-1932)**	N. C. Corporation Commission
12.	Edward L. Travis (1911-1916)**	N. C. Corporation Commission
13.	George P. Pell (1912-1932)	N. C. Corporation Commission
14.	A. J. Maxwell (1917-1928)	N. C. Corporation Commission
15.	Stanley Winborne (1929-1932)**	N. C. Corporation Commission

(Mr. Winborne became Chairman of the N. C. Utilities Commission in 1933)

Note: The Utilities Commission was known as the Railroad Commission of North Carolina from 1891-1898, the North Carolina Corporation Commission from 1899-1932, becoming the North Carolina Utilities Commission in 1933. See Section E (Historical Sketch of Development) for additional information.

\* Served at two separate times

\*\* Served part of Commissionership as Chairman

**FIGURE NO. 1-1B**  
**NORTH CAROLINA UTILITIES COMMISSION**  
**COMMISSIONERS LISTED IN ORDER OF APPOINTMENT**  
**APPROXIMATE YEARS OF SERVICE GIVEN IN PARENTHESES (PLEASE SEE NOTE)**

- \* 1. Stanley Winborne (1933-1958)\*\*
- \* 2. F. L. Seely (1933-1940)
- \* 3. Frank W. Hanft (1933-1940)
- \* 4. Fred C. Hunter (1941-1955)
- \* 5. Robert Grady Johnson (1941-1948)
- \* 6. Joshua S. James (1949-1953)
- \* 7. Edward R. McMahan (1949-1958)
- \* 8. Harry T. Westcott (1949-1972)\*\*
- \* 9. Sam O. Worthington (1952-1966)
- \* 10. Ralph Moody (1955-1957)

- \* 11. R. Lee Whitmire (1957-1958)
- \* 12. Clarence H. Noah (1958-1966)
- \* 13. Richard G. Long (1958-1960)
- \* 14. Thomas R. Eller, Jr. (1958-1968)
- \* 15. R. Brookes Peters (1960-1966)
- \* 16. John Worth McDevitt (1966-1973)
- \* 17. M. Alexander Biggs, Jr. (1967-1969)
- \* 18. Clawson L. Williams, Jr. (1967-1970)
- \* 19. Marvin R. Wooten (1968-1976)\*\*
- \* 20. Miles H. Rhyne (1970-1973)
- \* 21. Hugh A. Wells (1970-1974)
- \* 22. Ben E. Roney (1973-1979)
- \* 23. Tenney I. Deane, Jr. (1973-1977)\*\*
- 24. George T. Clark, Jr. (1974-1976)
- 25. J. Ward Purrington (1975-1977)
- \* 26. W. Lester Teal, Jr. (1975-1977)
- 27. Barbara A. Simpson (1975-1977)
- \* 28. W. Scott Harvey (1976-1977)
- 29. Dr. Robert K. Koger (1977-1988)\*\*
- 30. Dr. Leigh H. Hammond (1977-1984)
- \* 31. Sarah Lindsay Tate (1977-1993)
- 32. Dr. Robert Fischbach (1977-1979)
- \* 33. John W. Winters (1977-1983)
- \* 34. Edward B. Hipp (1977-1989)
- \* 35. A. Hartwell Campbell (1979-1986)
- 36. Douglas P. Leary (1980-1984)
- \* 37. Ruth E. Cook (1983-1991)
- \* 38. Charles E. Branford (1984-1985)
- \* 39. Hugh A. Crigler (1984-1985)
- 40. Julius A. Wright (1985-1993)
- 41. Robert O. Wells (1985-1993)\*\*
- \* 42. William W. Redman, Jr. (1987-1995)\*\*
- 43. Charles H. Hughes (1989-1997)
- 44. Laurence A. Cobb (1989-1997)
- 45. Allyson K. Duncan (1991-1998)
- 46. Judy F. Hunt (1993-2001)
- 47. Ralph A. Hunt (1993-2001)\*\*
- 48. Dr. John E. Thomas (1993-1994)\*\*
- \* 49. Hugh A. Wells (1994-1996)\*\*
- 50. Jo Anne Sanford (1995-2005)\*\*
- 51. William R. Pittman (1997-2001)
- 52. J. Richard Conder (1997-2005)
- 53. Robert V. Owens, Jr. (1997-2010)

**FIGURE NO. 1-1B CONTINUED**  
**NORTH CAROLINA UTILITIES COMMISSION**  
**COMMISSIONERS LISTED IN ORDER OF APPOINTMENT**  
**APPROXIMATE YEARS OF SERVICE GIVEN IN PARENTHESES (PLEASE SEE NOTE)**

54. Dr. Robert K. Koger (1999-1999)
55. Sam J. Ervin, IV (1999-2009)\*\*
56. Lorinzo L. Joyner (2001-2011)\*\*
57. James Y. Kerr, II (2001-2008)\*\*
58. Michael (Mike) S. Wilkins (2002-2005)
59. Howard N. Lee (2005-2009)
60. Dr. Robert K. Koger (2005-2005)
61. William T. Culpepper, III (2006-2013)
62. Edward S. Finley, Jr. (2007-2019)\*\*
63. Bryan E. Beatty (2009-2017)
64. Susan Warren Rabon (2009-2015)
65. ToNola D. Brown-Bland (2009- )
66. Lucy T. Allen (2010-2013)
67. Don M. Bailey (2013-2017)
68. Jerry C. Dockham (2013-2019)
69. James G. Patterson (2013-2019)
70. Lyons Gray (2016- )
71. Daniel Clodfelter (2017- )
72. Charlotte Mitchell (2018- )\*\*
73. Kimberly Duffley (2019- )
74. Jeffrey Hughes (2019- )

\* Deceased

\*\* Served part of Commissionership as Chairman

NOTE: Appointments for Utilities Commissioners have never been on a calendar year basis; therefore, the years of service given in parentheses represent the (a) year in which the Commissioner was appointed, and (b) the year in which service ended.

**B. BIOGRAPHICAL SKETCH OF EACH COMMISSIONER**

**CHARLOTTE A. MITCHELL, CHAIR:**

Chair Charlotte Mitchell was appointed to the North Carolina Utilities Commission by Governor Roy Cooper for a term that commenced on July 1, 2017 and ends on June 30, 2023. Born and raised in Houston, Texas, Mitchell moved to North Carolina to study at UNC-Chapel Hill as a Morehead Scholar. She earned a B.A. in Anthropology and Romance Languages at UNC-Chapel Hill, where she also lettered in Women's Soccer. She earned a Juris Doctor from UNC-Chapel Hill, serving as Publication Editor for the North Carolina Law Review, as well as a Master of Environmental Economics and Policy from Duke University's Nicholas School of the Environment.

Prior to joining the Commission, Mitchell engaged in the private practice of law, focusing on energy, environmental and land use regulatory matters. She is a member of the North Carolina Bar Association and she is a former member of both the NC Mining and Energy Commission and NC Sedimentation and Control Commission. She is active in civic and community affairs, having recently served on the Board of Directors of the Women's Center of Wake County and as a Wake County Guardian ad Litem. She resides in Raleigh, North Carolina.

**TONOLA D. BROWN-BLAND, COMMISSIONER:**

Commissioner Brown-Bland was appointed to the North Carolina Utilities Commission by Governor Beverly Eaves Perdue in 2009. She is the Co-Chair of the National Association of Regulatory Utility Commissioners' Washington Action Committee, a member of both NARUC's Critical Infrastructure Committee and Gas

Committee. In addition, she also currently serves on the Board of Directors of the National Regulatory Research Institute and the Advisory Council for the Center for Public Utilities at New Mexico State University. She is Past President of the Southeastern Association of Regulatory Utility Commissioners.

She is a Phi Beta Kappa graduate of the University of North Carolina at Chapel Hill and received her Juris Doctorate from Duke University School of Law.

Brown-Bland began her professional career as federal Law Clerk to the Honorable Alexander B. Denson, United States Magistrate Judge for the Eastern District of North Carolina, and thereafter entered private practice in Greensboro, NC. After several years engaging in general civil practice, she became in-house attorney for AT&T Corp. (subsequently Lucent Technologies), where she was promoted to Senior Attorney and primarily supported the company's federal contracting and related commercial technology licensing and business lines in Greensboro.

She joined the North Carolina Department of the Secretary of State in 2001, serving as Director of the Business License Information Office and of the Charitable Solicitations Licensing Section. Brown-Bland's experience in utility regulation began in 2002, when she accepted a position with the North Carolina Utilities Commission as an attorney in the Administrative Division. From 2005 until her appointment to the Commission, she served as Associate General Counsel with the City of Greensboro.

Commissioner Brown-Bland has a history of community and civic service, having served on several boards including the Greensboro Bar Association, the Alamance County Historical Museum, and Western Piedmont Residential Services, a

non-profit organization that provided residential service to autistic adults. She also presently serves as a member of the Board of Trustees of her church. She and her husband, André, reside in her native Alamance County.

**LYONS GRAY, COMMISSIONER:**

Commissioner Lyons Gray was appointed to the North Carolina Utilities Commission by Governor Pat McCrory for a term that commenced on January 26, 2016 and expires on June 30, 2021.

Lyons Gray, a businessman from Winston-Salem, was sworn in as Secretary of Revenue on January 5, 2013 by Governor Pat McCrory. Prior to this appointment, he spent a year as the Senior Advisor to the President of the University of North Carolina system, which comprises 17 campuses across North Carolina.

From 2005-2009, Gray served as the Chief Financial Officer of the United States Environmental Protection Agency. Nominated by President George W. Bush, and confirmed unanimously by the US Senate, he served as the principal agency representative to Congress, the Office of Management and Budget, and to the various states. His experience in Washington gave him an insider's look at the way in which Washington works (or doesn't work). Prior to his service in the Bush administration, he served as the President and CEO of the Downtown Winston-Salem Partnership. He initiated a number of projects that have revitalized the downtown core.

From 1989 to 2002, Gray served six consecutive terms in the NC General Assembly, serving as Chairman of the House Finance Committee from 1995 to 1999. He was also Vice Chairman of the House Ethics Committee. Gray was President and Owner of Salem Systems, Inc. and Triangle Campers, Inc. both of Winston-Salem, and served as

Vice President of Intercontinental Consultants Corporation. Gray spent approximately 12 years working in Sales and Marketing for R.J. Reynolds Tobacco Company.

He currently serves on the board of the Lettie Pate Whitehead Foundation, Inc., has previously served on the boards of UNC-Chapel Hill's General Alumni Association, Salem Academy and College, the UNC School of the Arts Foundation, and the Piedmont Triad Partnership. Gray has also served on the boards of visitors of the Winston-Salem State University Foundation and the Bowman Gray School of Medicine at Wake Forest University. Gray has held leadership roles in multiple civic and philanthropic organizations, including AIDS Care Service of Winston-Salem, the North Carolina Nature Conservancy, Leadership Winston-Salem, the American Red Cross, and the Salvation Army Boys Club.

He and his wife, Connie, live in Winston-Salem.

**DANIEL CLODFELTER, COMMISSIONER:**

Commissioner Clodfelter was appointed to the North Carolina Utilities Commission by Governor Roy Cooper for a term that commenced on July 1, 2017 and ends on June 30, 2023.

A native of Thomasville, NC, Clodfelter earned bachelor's degrees from Davidson College and Oxford University as a Rhodes Scholar, and a law degree from Yale Law School. He served as law clerk for Judge James B. McMillan, Jr. of the U.S. District Court for the Western District of North Carolina from 1977-78.

Before joining the Commission, Clodfelter was in private practice with the law firm of Parker Poe Adams & Bernstein, LLP in its Charlotte office, where he was a member of its Bankruptcy, Reorganization and Creditors' Rights practice group. Prior to

joining Parker Poe in 2014, he had been in private practice for many years with Moore & Van Allen, PLLC.

In 1987, Clodfelter was elected to the Charlotte City Council where he served three terms ending in 1993. In 1998, he was elected to the North Carolina Senate where he served until 2014, representing a portion of Mecklenburg County. During his service in the North Carolina Senate, he held numerous positions, including co-chair of the Committee on Finance, chairman of the Judiciary One Committee, chairman of the Environmental Review Commission, co-chairman of the Joint Legislative Program Evaluation Committee, and co-chairman of the Joint Legislative Ethics Committee.

In April 2014, the Charlotte City Council appointed Clodfelter to serve as Mayor of Charlotte to complete the unexpired term of a former mayor. He served in that position until December 2015. Clodfelter has also been active over the years as an officer and board member of numerous local and statewide community and civic organizations. He has served as a Trustee of the Z. Smith Reynolds Foundation since 1982.

Clodfelter and his wife Elizabeth currently reside in Charlotte. They have two adult children.

**KIMBERLY W. DUFFLEY, COMMISSIONER:**

Commissioner Kimberly W. Duffley was appointed to the North Carolina Utilities Commission by Governor Roy Cooper for a term commencing on July 1, 2019 and ending on June 30, 2025.

A native of North Carolina, Commissioner Duffley received a Bachelor of Arts in Philosophy and Political Science from the University of North Carolina at Chapel Hill. She earned a Juris Doctor from Mercer School of Law.

Prior to joining the Utilities Commission as a Staff Attorney, Commissioner Duffley was an Assistant Attorney General in the Environmental Division of the North Carolina Attorney General's Office. Until her appointment as a Commissioner, Ms. Duffley was a Senior Staff Attorney with the Utilities Commission and held a leadership position on the National Association of Regulatory Utility Commissioners' Staff Subcommittee on Electricity. She is a Board Certified Specialist in Utilities Law.

Commissioner Duffley's interests include art, travel and reading. She and her husband live in Raleigh and have two children.

**JEFFREY A. HUGHES, COMMISSIONER:**

Commissioner Jeffrey A. Hughes was appointed to the Utilities Commission by Governor Cooper for a term commencing July 1, 2019 and expiring June 20, 2025. Commissioner Hughes joins the Commission after having been with the UNC School of Government since 2002. He has more than 25 years of experience assisting communities in addressing finance and policy challenges related to the provision of environmental services and programs.

Hughes is the author of numerous reports, guides, and articles on environmental finance and environmental policy analysis subjects. He has worked with a range of state and national organizations that focus on utility and environmental issues. He is an active member of Council of Infrastructure Finance Authorities (CIFA) and the American Water Works Association (AWWA). Hughes was the director of the Environmental Finance Center at the School of Government.

His research and teaching interests include service pricing, economic regulation, and public finance. He was named Albert and

Gladys Hall Coates Distinguished Term Lecturer for 2012 - 2014. Prior to joining the university, Hughes worked as a finance specialist for RTI International where he managed utility finance and governance projects throughout Central Europe and Africa including a yearlong position as an infrastructure finance advisor to the Polish government. Hughes also worked briefly as a utility director for a small rural community in North Carolina. He earned a master's degree in environmental engineering from the University of North Carolina at Chapel Hill and a bachelor's degree in engineering from Duke University.

### **C. BIOGRAPHICAL SKETCH OF EXECUTIVE DIRECTOR PUBLIC STAFF**

#### **CHRISTOPHER J. AYERS**

Christopher J. Ayers was appointed by Governor Pat McCrory as Executive Director of the North Carolina Utilities Commission Public Staff on July 1, 2013 and was reappointed by Governor Roy Cooper on July 1, 2019.

Mr. Ayers is a native of Rutherford County, North Carolina. He graduated magna cum laude from Duke University in 1999 and received his Juris Doctor with Honors from the University of North Carolina at Chapel Hill in 2002. Mr. Ayers served as a law clerk to the Honorable Linda McGee with the North Carolina Court of Appeals from August 2002 to August 2003. From August 2003 to June 2009, he practiced law in Raleigh, North Carolina with the law firm of Hunton & Williams LLP. Mr. Ayers joined the law firm of Poyner Spruill LLP in Raleigh as a partner in June 2009 where he practiced law until July 2013. His primary areas of practice were utilities regulation, environmental, zoning and land use and administrative law. He served a two-year term on the Environmental Management Commission

from July 2011 through June 2013.

Mr. Ayers currently serves on the Executive Committee for the National Association of State Utility Consumer Advocates, the Advisory Committee for the Critical Consumer Issues Forum, the Consumer Advocates for the PJM States Board of Directors, and the DOE Electricity Advisory Committee.

Mr. Ayers is active in church, community and civic affairs and currently serves on the Board of Directors of the State Employees Credit Union. Mr. Ayers has served previously as President of the North Carolina 4-H Alumni and Friends Association, President and Chairman of the Board of the North Carolina 4-H Honor Club, board member of the North Carolina 4-H Development Fund, Inc. and President of Global Hope India, Inc. He received Triangle Business Journal's 40 Under 40 Leadership Award in 2012 and the 4-H Young Alumni Award in 2005. Mr. Ayers is married to Rebecca Keel Ayers and they reside in Wake County.

**D. PUBLIC STAFF AND ORGANIZATION CHART**

As of December 31, 2019, there were 80 funded positions, including the Executive Director, comprising the Public Staff of the North Carolina Utilities Commission.

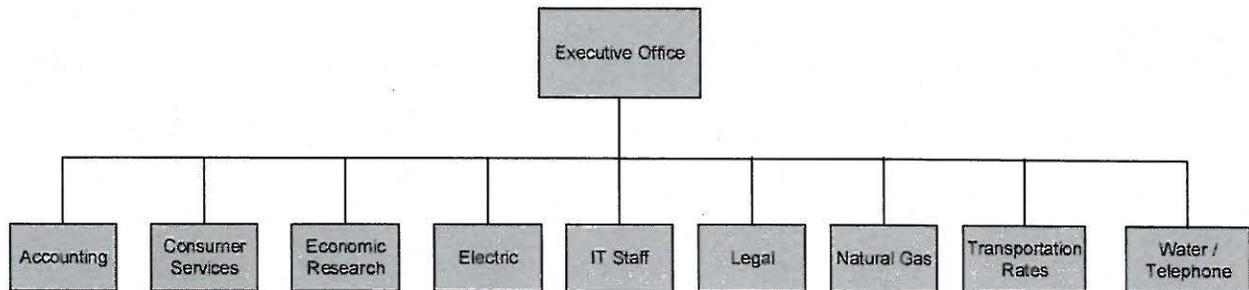
**PUBLIC STAFF  
NORTH CAROLINA UTILITIES COMMISSION**

**December 31, 2019**

Executive Director  
Christopher J. Ayers

Accounting Division .....	Mike Maness
Consumer Services Division .....	Vickie Debnam
Economic Research Division .....	John R. Hinton
Electric Division .....	James McLawhorn
IT Division .....	Lisa Needham
Legal Division .....	David Drooz
Natural Gas Division .....	Jan Larsen
Transportation Rates Division .....	Krishna Rajeev
Water & Telephone Division .....	David Furr

**FIGURE NO. 1-2  
PUBLIC STAFF - ORGANIZATION CHART**



## E. HISTORICAL SKETCH OF DEVELOPMENT

The present North Carolina Utilities Commission evolved from the Railroad Commission, which was created in 1891 by the General Assembly and was given authority to determine charges made for services rendered by railroads, steamboat, canal companies, and express and telegraph companies.

The major changes occurring in the North Carolina regulatory field since 1891 are in chronological order in all copies of this publication prior to the 1998 volume which began with major changes since 1979. This volume will begin with major changes from 2000 through 2016.

### 2000-Major Legislation Affecting the Regulation of Utilities

**House Bill 1493** (Session Law 2000-161). An Act to Provide Consumers With Control Over Telephone Solicitation Calls to Their Homes. Ratified July 10, 2000. Approved August 2, 2000.

### 2001-Major Legislation Affecting the Regulation of Utilities

**House Bill 232** (Session Law 2001-427).

Section 1.(a). The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-62-302(b)(2) is one-tenth percent (0.1%) for each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 2001.

Section 2.(b). The electric membership corporation regulatory fee imposed under G.S. 62-302(b1) for the 2001-2002 fiscal year is two hundred thousand dollars (\$200,000).

Section 2.(c). This section becomes effective July 1, 2001. Ratified September 20, 2001.

### 2002-Major Legislation Affecting the Regulation of Utilities

**Senate Bill 641** (Session Law 2002-14). An Act Authorizing the North Carolina Utilities Commission to Adopt Rules to Expand the Definition of Universal Service to Include Statewide Internet Access and Other Technological Telecommunications Advances. Ratified July 8, 2002. Effective July 15, 2002.

**Senate Bill 1078** (Session Law 2002-4). An Act to Improve Air Quality in the State by Imposing Limits on the Emission of Certain Pollutants From Certain Facilities That Burn Coal to Generate Electricity and to Provide for Recovery by Electric Utilities of the Costs of Achieving Compliance With Those Limits. Ratified June 19, 2002. Effective June 20, 2002.

### 2003-Major Legislation Affecting the Regulation of Utilities

**House Bill 913** (Session Law 2003-99). An Act Authorizing the North Carolina Utilities Commission to Determine a Time in Which Final Rules Concerning the Designation of a Universal Service Provider for Telephone Service Shall Be Adopted. Ratified May 22, 2003. Effective May 31, 2003.

**Senate Bill 814** (Session Law 2003-91). An Act to Clarify the Law Regarding Competitive and Deregulated Offerings of Telecommunications Services. Ratified May 19, 2003. Effective May 30, 2003.

**Senate Bill 939** An Act to Extend the Surcharge for the Telecommunications Relay Service to Include Wireless

Communications. Ratified July 10, 2003; Effective January 1, 2004.

**House Bill 397** Regulatory Fee for Utilities Commission. Section 32.1(a). The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) is twelve hundredths of a percent (0.12%) for each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 2003. Ratified June 30, 2003. Effectively July 1, 2003.

#### 2004–Major Legislation Affecting the Regulation of Utilities

**House Bill 1430** (Section 1.4. Part 2).

Section 2.1. The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) is twelve hundredths of one percent (0.12%) for each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 2004. Effective July 1, 2004.

Section 2.2. The electric membership corporation regulation fee imposed under G.S. 62-302(b1) for the 2004-2005 fiscal year is two hundred thousand dollars (\$200,000).

#### 2005–Major Legislation Affecting the Regulation of Utilities

**Senate Bill 494** An Act to Encourage Deployment of Competitive Broadband Service by Public Utilities. Ratified June 13, 2005. Effective June 21, 2005.

**Senate Joint Resolution 426** A Joint Resolution Providing for the Confirmation of the Appointment of Howard N. Lee to the Utilities Commission. Ratified and effective on March 24, 2005.

**House Bill 1163** An Act to Provide That Provisions in Motor Carrier Freight Transportation Contracts That Hold Harmless the Shipper for the Shipper's Negligence or Intentional Acts are Void. Ratified July 5, 2005. Effective October 1, 2005.

**Senate Bill 622** An Act to Make Base Budget Appropriations for Current Operations of State Departments, Institutions, and Agencies, and for Other Purposes.

Section 40.2.(a). The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) is twelve-hundredths of one percent (0.12%) for each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 2005. Ratified August 11, 2005. Effective July 1, 2005.

Section 40.2.(b). The electric membership corporation regulatory fee imposed under G.S. 62-302(b1) for the 2005-2006 fiscal year is two hundred thousand dollars (\$200,000).

Section 40.2.(c). This section was ratified August 11, 2005, and effective July 1, 2005.

#### 2006–Major Legislation Affecting the Regulation of Utilities

**Senate Bill 1741** Section 29.3. Set the annual salaries, payable monthly, for the 2006-2007 fiscal year for the certain executive branch officials including the Chairman of the Utilities Commission and Members of the Utilities Commission.

Section 26.1.(a). The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) is

twelve-hundredths of one percent (0.12%) for each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 2006.

Section 26.1.(b). The electric membership corporation regulatory fee imposed under G.S. 62-302(b1) for the 2006-2007 fiscal year is two hundred thousand dollars (\$200,000). Ratified July 6, 2006. Approved July 10, 2006. Effective July 1, 2006.

### **2007–Major Legislation Affecting the Regulation of Utilities**

**Senate Bill 680** (Session Law 2007-157). Section 1. G.S. 62-133.5. An Act to Streamline Regulation of Telecommunications Promotions. Ratified June 25, 2007. Approved June 29, 2007.

**House Bill 1473** (Session Law 2007-323). Set Regulatory Fee for Utilities Commission Section 31.13.(a) The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) is twelve one-hundredths of one percent (0.12%) for each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 2007.

Section 31.13.(b). The electric membership corporation regulatory fee imposed under G.S. 62-302(b1) for the 2007-2008 fiscal year is two hundred thousand dollars (\$200,000). Ratified July 30, 2007. Approved July 31, 2007. Effective July 1, 2007.

**Senate Bill 3** (Session Law 2007-397). An Act to (1) Promote the Development of Renewable Energy and Energy Efficiency in the State Through Implementations of a

Renewable Energy and Energy Efficiency Portfolio Standard (REPS), (2) Allow Recovery of Certain Nonfuel Utility Costs Through the Fuel Charge Adjustment Procedure, (3) Provide for Ongoing Review of Construction Costs and for Recovery of Costs in Rates in a General Rate Case, (4) Adjust the Public Utility and Electric Membership Corporation Regulatory Fees, (5) Provide for the Phase out of the Tax on the Sale of Energy to North Carolina Farmers and Manufacturers, and (6) Allow a Tax Credit to Contributors to 501(C)(3) Organizations for Renewable Energy Property. Ratified August 2, 2007. Approved August 20, 2007. Effective January 1, 2008.

### **2008–Major Legislation Affecting the Regulation of Utilities**

**House Bill 2415** Set Regulatory Fees for 2008. Provides that the percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) is 0.12% for each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 2008. Provides that electric membership corporation regulatory fee under G.S. 62-302(b1) is \$200,000 for fiscal 2008-2009. Effective July 1, 2008.

### **2009–Major Legislation Affecting the Regulation of Utilities**

**Senate Bill 661** (Session Law 2009-279). An Act Authorizing Lessors Of Contiguous Premises To Allocate The Cost For Water And Sewer Service To Each Tenant Using Equipment That Measures Hot Water Usage, Requiring Landlords To Improve The Habitability Of Dwelling Units By Repairing Certain Unsafe Conditions, Staying The Execution Of A Judgment For Summary Ejectment While A Motion For Modification

Of The Undertaking Is Pending, Establishing Fees For Administrative Services In Residential Tenancies, And Establishing The Circumstances Under Which A City May Order A Dwelling To Be Vacated And Closed. Ratified July 1, 2009. Effective October 1, 2009.

**Senate Bill 889** (Session Law 2009-202). An Act Further Authorizing The Utilities Commission To Determine The Universal Service Provider In Certain Subdivisions And Areas. Ratified June 17, 2009. Approved June 26, 2009

**House Bill 135** (Session Law 2009-80). An Act Permitting Certain Broadband Service Providers That Provide Voice Grade Communications Services Within A Defined Service Territory Or Franchise Area To Offer Such Voice Grade Service As An Incident To Broadband Service In Areas Contiguous To The Providers' Service Territory Or Franchise Area. Ratified June 2, 2009.

**House Bill 1180** (Session Law 2009-238). An Act Establishing The Consumer Choice And Investment Act of 2009. Section 1. G.S. 62-133.5 is amended by adding a new subsection to read: "(h) Notwithstanding any other provision of this Chapter, a local exchange company that is subject to rate of return regulation or subject to another form of regulation authorized under this section and whose territory is open to competition from competing local providers may elect to have its rates, terms, and conditions for its services determined pursuant to the plan described in this subsection by filing notice of its intent to do so with the Commission. The election is effective immediately upon filing. A local exchange company shall not be permitted to make the election under this section unless it commits to provide stand-alone basic residential lines to rural customers at rates comparable to those

rates charged to urban customers for the same service. Ratified June 22, 2009. Effective June 30, 2009.

**House Bill 1330** (Session Law 2009-302). An Act Prohibiting Public Utilities, Electric Membership Corporations, Telephone Membership Corporations, And Cities And Counties That Operate Public Enterprises From Using Certain Debt Collection Practices That Result In A Customer Being Liable For The Past Due And Unpaid Debts Of Another Person. Ratified July 7, 2009. Approved and Effective July 17, 2009.

**Senate Bill 202** (Session Law 2009-451). An Act To Make Base Budget Appropriations For Current Operations Of State Departments, Institutions, And Agencies, And For Other Purposes.

Section 9.14.(c). The North Carolina Utilities Commission is directed to facilitate and expedite wind energy pilot projects developed pursuant to this act that come within its jurisdiction to the extent allowed by law and consistent with State statute. Ratified August 5, 2009. Approved August 7, 2009.

Section 14.19.(e1). Notwithstanding any other provision of law, beginning in the 2009-2010 fiscal year, the cash balances remaining in the following Fund codes on June 30 of each fiscal year that is greater than twenty percent (20%) of the operating budget for each Fund shall revert to the General Fund:...(4) 54600-5211 Utilities—Commission Staff; (5) 54600-5217 Utilities—Gas Pipeline Safety; (6) 54600-5221 Utilities—Public Staff. Ratified August 5, 2009. Effective July 1, 2009

Section 14.26.(a). Set Regulatory Fee for Utilities Commission. The percentage rate to be used in calculating the public

utility regulatory fee under G.S. 62-302(b)(2) is twelve one-hundredths of one percent (0.12%) for each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 2009. Ratified August 5, 2009.

Section 14.26.(b). The electric membership corporation regulatory fee imposed under G.S. 62-302(b1) for the 2009-2010 fiscal year is two hundred thousand dollars (\$200,000). Ratified August 5, 2009.

**Senate Bill 1004** (Session Law 2009-390). An Act To Provide For Retention Of Fuel And Fuel-Related Cost Savings Associated With The Purchase Or Construction Of A Carbon Offset Facility, To Bring Certain Dams Used In Connection With Electric Generating Facilities Under The Dam Safety Act, And to Make Other Changes To Laws Governing The Generation Of Electricity. Ratified July 23, 2009. Approved July 31, 2009. Effective January 1, 2010.

**House Bill 1481** (Session Law 2009-446). An Act To Transfer The State Energy Office From The Department Of Administration To The Department Of Commerce, To Transfer The Residential Energy Conservation Assistance Program From the Department Of Health And Human Services To the Energy Office Of The Department Of Commerce, And To Make Various Changes To The Energy Policy Act of 1975. Section 10. The Secretary of Commerce and the Chair of the Utilities Commission shall jointly prepare a report examining the respective duties and functions of the Utilities Commission and the Energy Policy Council and shall recommend changes to address any duplicative activities and responsibilities. This report shall be submitted to the Governor no later than January 31, 2010. Ratified on July 28, 2009. Approved August 7, 2009. Effective August 7, 2009.

## 2010–Major Legislation Affecting the Regulation of Utilities

**Senate Bill 897** (Session Law 2010-31). An Act to Modify the Current Operations and Capital Improvements Appropriations Act of 2009 and for Other Purposes.

Section 14.26.(a). The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) is twelve one-hundredths of one percent (0.12%) for each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 2010.

Section 14.26.(b). The electric membership corporation regulatory fee imposed under G.S. 62-302(b1) for the 2010-2011 fiscal year is two hundred thousand dollars (\$200,000). This section becomes effective July 1, 2010 out of the Accounts leaving -0- balances.

**Senate Bill 1202** (Session Law 2010-123). An Act to Make Technical, Clarifying, and Other Modifications to the Current Operations and Capital Improvements Appropriations Acts.

Section 3.3. Section 9.14(c) of Session Law 2009-451, as rewritten by Section 9.9 of S.L. 2010-31, reads as rewritten: Section 9.14.(c) The North Carolina Utilities Commission is directed to facilitate and expedite wind energy pilot projects developed pursuant to this act that come within its jurisdiction to the extent allowed by law and consistent with State statute. Ratified July 10, 2010.

**House Bill 466** (Session Law 2010-173). An Act to Amend the Consumer Choice and Investment Act of 2010.

Section 1. G.S. 62-133.5(g) reads as rewritten: "(g) The following sections of Chapter 62 of the General Statutes shall not apply to local exchange companies subject to price regulation under the terms of subsection (a) of this section or electing companies subject to alternative regulation under the terms of subsection(h) of this section: G.S. 62-35(c), 62-45, 62-51, 62-81, 62-111, 62-130, 62-131, 62-132, 62-133, 62-134, 62-135, 62-136, 62-137, 62-139, 62-142, and 62-153."

Section 2. G.S. 62-133.5(h) reads as rewritten: "(h) Notwithstanding any other provision of this Chapter, a local exchange company that is subject to rate of return regulation or subject to another form of regulation authorized under this section and whose territory is open to competition from competing local providers may elect to have its rates, terms, and conditions for its services determined pursuant to the plan described in this subsection by filing notice of its intent to do so with the Commission. The election is effective immediately upon filing. A local exchange company shall not be permitted to make the election under this section unless it commits to provide stand-alone basic residential lines to rural customers at rates that are less than or comparable to those rates charged to urban customers for the same service. Ratified July 8, 2010.

**House Bill 1691** (Session Law 2010-158). An Act to Amend the Statutes Governing Emergency Telephone Service, as recommended by the House Select Committee on the Use of 911 Funds, and To Increase Funds for Supplemental Peg Channel Support. Ratified July 29, 2010.

**Senate Bill 886** (Session Law 2010-195). An Act to Authorize the Establishment of Cleanfields Renewable Energy

Demonstration Parks in the State.

**2011–Major legislation affecting the regulation of utilities:**

**Senate Joint Resolution 2011-7** A joint Resolution providing for the Confirmation of the appointment of Edward S. Finley, Jr., to the Utilities Commission.

**Senate Bill 343** (Session Law 2011-52). An Act Establishing The Communications Regulatory Reform and Investment Act of 2011. Ratified on April 18, 2011. Effective on April 26, 2011.

**Senate Bill 75** (Session Law 2011-55). An Act to Promote the use of Electricity Demand Reduction to Satisfy Renewable Energy Portfolio Standards. Ratified on April 21, 2011. Effective April 28, 2011.

**House Bill 311** (Session Law 2011-244). An Act Requiring that Motor Carriers of Household Goods Mark or Identify Their Vehicles and Making it Unlawful for a Person Not Certified by the Utilities Commission as a Motor Carrier of Household Goods to Advertise or Otherwise Represent that the Person is Authorized to Engage in the Transportation of Household Goods for Compensation in this State. Ratified on June 16, 2011. Effective on October 1, 2011.

**Senate Bill 484** (Session Law 2011-279). An Act to Provide that the Additional Credits assigned to the First Ten Megawatts of Biomass Renewable Energy Facility Generation Capacity Pursuant to S.L. 2010-195 (Cleanfields Act of 2010) are Eligible to Satisfy the Poultry Waste Set-Aside. Ratified June 18, 2011. Effective June 23, 2011.

**House Bill 595** (Session Law 2011-291). An Act Changing the Structure of Certain Legislative Committees and Commissions,

Transferring the Duties of Certain Committees And Commissions to Other Committees and Commissions, Changing the Composition of Various Legislative Committees and Commissions, and Making Conforming Changes.

**PART I. REORGANIZATION AND CONSOLIDATION OF LEGISLATIVE OVERSIGHT COMMITTEES** Joint Legislative Commission on Governmental Operations

SECTION 1.2.(d) G.S. 120-76. Powers and duties of the Commission. The Commission shall have the following powers:

- (11) To evaluate the North Carolina Utilities Commission by doing the following:
  - a. Reviewing the actions of the North Carolina Utilities Commission including the review of its interim and final orders, to the end that the members of the General Assembly may better judge whether these actions serve the best interest of the citizens of North Carolina, individual and corporate.
  - b. Inquiring into the role of the North Carolina Utilities Commission, the Public Staff, and the several utility companies in the development of alternate sources of energy.
  - c. Submitting evaluations to the General Assembly, from time to time, of the performance of the North Carolina Utilities Commission, the Public Staff, and the various utilities operating in the State. A

proposed draft of such evaluations shall be submitted to the North Carolina Utilities Commission, the Public Staff, and the affected public utilities prior to submission to the General Assembly and the affected entity shall be given an opportunity to be heard before the Commission prior to the completion of the evaluation and its submission to the General Assembly.

(12) To make reports and recommendations to the General Assembly, from time to time, on matters relating to the powers and duties set out in this section.

(13) To review and evaluate changes in federal law and regulations relevant court decisions, and changes in technology affecting any of the duties of the Commissions.

(14) To review and evaluate changes in federal law and regulation or changes brought about by court actions, as well as changes in technology affecting any of the duties of the Commission, to determine whether the State's laws require modification as a result of those changes.

**PART II. CONFORMING CHANGES**

SECTION 2.11. G.S. 62-133.2(g). On July 1 of every odd-numbered year, the Utilities Commission shall provide a report to the Joint Legislative Utility Review Committee Commission on Governmental Operations summarizing the proceedings conducted pursuant to this section during the proceedings two years. Ratified on June 15, 2011. Approved and Effective on June 24, 2011.

**2012–Major legislation affecting the regulation of utilities:**

**Senate Bill 141** (Session Law 2012-168). An Act to Create New First Degree Trespass Offenses, to Make Various Changes regarding the Procedures for a Motion for Appropriate Relief, to Amend the Procedure for Immediate License Revocations for Provisional Licensees Charged with Certain Criminal Moving Violations to Clarify that Certain Procedures for Creating those Contracts, to Establish a Research and Planning Section within the Department of Public Safety, to Require the Department of Public Safety to Designate Its Research and Planning Section as the Single State Agency Responsible for the Coordination and Implementation of Reentry Policy Initiatives, to Direct the Department of Public Safety to Continue its Efforts to Assist Offenders in Successfully Re-entering Society, and to Extend the Time for Local Forensic Science Labs to Obtain Accreditation and for Certain Forensic Scientists to Obtain Certification.

Section 1. § 14-159.12. First degree trespass. c. Any facility, including any liquefied natural gas storage facility or propane air facility, that is owned or operated by a natural gas local distribution company, natural gas pipeline carrier operating under a certificate of public convenience and necessity from the Utilities Commission, municipal corporation operating a municipally owned gas distribution system, or regional natural gas district organized and operated pursuant to Article 28 of Chapter 160A of the General Statutes used for transmission, distribution, measurement, testing, regulating, compression, control, or storage of natural gas.

**House Bill 261** (Session Law 2012-41). An Act to Require Intrastate Motor Carriers

to Be Marked. Certain businesses to certain section.

SECTION 1. G.S. 20-101 reads as rewritten:

(b) A motor vehicle with a gross vehicle weight rating of more than 26,000 pounds that is used in intrastate commerce shall have (i) the name of the owner and (ii) the motor carrier's identification number preceded by the letters "USDOT" and followed by the letters "NC" printed on each side of the vehicles in letters not less than three inches in height. The provisions of this subsection shall not apply if any of the following are true:

(1) The motor vehicle is subject to 49 C.F.R. Part 390.

(2) The motor vehicle is of a type listed in 49 C.F.R.390.3(f).

Ratified on June 13, 2012. Approved on June 20, 1012. Effective December 1, 2012.

**House Bill 340** (Session Law 2012-9). An Act Authorizing the Utilities Commission to Obtain Criminal History Record Checks of Applicants for and Current Holders of a Certificate to Transport Household Goods.

**2013–Major legislation affecting the regulation of utilities:**

**House Bill 74** (Session Law 2013-413). An Act To Improve And Streamline The Regulatory Process In Order To Stimulate Job Creation, To Eliminate Unnecessary Regulation, To Make Various Other Statutory Changes, And To Amend Certain Environmental And Natural Resources Laws.

**House Bill 476** (Session Law 2013-407). An Act Rewriting The Laws Regulating Underground Utility Damage Prevention.

**House Bill 112** (Session Law 2013-363). An

Act To Make Technical, Clarifying, And Other Modifications To The Current Operations And Capital Improvements Appropriations Act Of 2013 And To Related Legislation.

SECTION 11.1. If the State repeals any State funding mechanism for a reduction in the local telephone rates for low-income residential consumers, the Commission shall take appropriate action to eliminate any requirement for the reduced rate funded by the repealed State funding mechanism. For the purposes of this section, a State funding mechanism for a reduction in the local telephone rates includes a tax credit allowed for the public utility to recover the reduction in rates.

**House Bill 119** (Session Law 2013-54). An Act Authorizing The Utilities Commission To Adopt, Implement, Modify, Or Eliminate A Rate Adjustment Mechanism For Natural Gas Local Distribution Company Rates.

**House Bill 223** (Session Law 2013-187). An Act Exempting Electric Membership Corporations From Integrated Resource Planning And Service Regulations Requirements Established By The Utilities Commission, Returning Oversight Of The Corporations To Their Member Board Of Directors, And Clarifying The Authority Of The North Carolina Rural Electrification Authority To Receive And Investigate Complaints From Members Of Electric Membership Corporations.

**House Bill 484** (Session Law 2013-51). An Act To Establish A Permitting Program For The Siting And Operation Of Wind Energy Facilities.

**House Bill 710** (Session Law 2013-106). An Act To Permit Water Utilities To Adjust Rates For Changes In Costs Based On Third-Party Rates And To Authorize The Utilities

Commission To Approve A Rate Adjustment Mechanism For Water And Sewer Utilities To Recover Costs For Water And Sewer System Improvements.

**House Bill 788** (Session Law 2013-107). An Act To Amend The Statute Governing The Powers Of Water And Sewer Authorities To Allow The Authority To Set Rates For Water Resources Storage Or Protection Programs.

**House Bill 998** (Session Law 2013-316). An Act To Simplify The North Carolina Tax Structure And To Reduce Individual And Business Tax Rates.

**Senate Bill 9** (Session Law 2013-142). An Act Requiring Utility Owners To Locate And Describe Underground Utilities Upon Written Or Oral Request From A Person Who Is Responsible For Designing Or Surveying Underground Facilities Or Requires A General Description And Location Of Existing Underground Facilities In An Area.

**Senate Bill 430** (Session Law 2013-58). An Act To Exempt From Permitting Requirements Persons Installing Electric Load Control Switches Under The Laws Regulating Electrical Contractors And To Make Conforming Changes Under The Laws Pertaining To Building Inspection Permits For Counties And Cities.

**Senate Bill 545** (Session Law 2013-168). An Act Providing For The Use Of A Master Meter For Electric And Natural Gas Service When The Tenant And Landlord Have Agreed In The Lease That The Cost Of The Services Shall Be Included In The Rental Payments And The Service Shall Be In The Landlord's Name.

**Senate Bill 635** (Session Law 2013-232). An Act To Clarify That Only Incumbent Providers May Construct A New Electricity Transmission Line.

**2014–Major legislation affecting the regulation of utilities:**

**Senate Bill 734** (Session Law 2014-120). An Act To Provide Further Regulatory Relief To The Citizens Of North Carolina By Providing For Various Administrative Reforms, By Eliminating Certain Unnecessary Or Outdated Statutes And Regulations And Modernizing Or Simplifying Cumbersome Or Outdated Regulations, And By Making Various Other Statutory Changes. REPEAL OUTDATED PUBLIC UTILITIES STATUTES OR REPORTS SECTION 10.(a) - SECTION 10.(g)

**Senate Bill 729** (Session Law 2014-122). An Act To (1) Prohibit Recovery Of Costs Related To Unlawful Discharges From Coal Combustion Residuals Surface Impoundments; (2) Establish A Moratorium On Certain Rate Cases; (3) Create The Coal Ash Management Commission To Review And Approve Coal Combustion Residuals Surface Impoundments Classifications And Closure Plans And Otherwise Study And Make Recommendations On Laws Governing Management Of Coal Combustion Residuals; (4) Require Expedited Review By The Department Of Environment And Natural Resources Of Any Permit Necessary To Conduct Activities Required By This Act; (5) Establish Various Reporting Requirements To The General Assembly, Including A Quarterly Report From The Department Of Environment And Natural Resources On Its Operations, Activities, Programs, And Progress With Respect To Its Obligations Under This Act For Coal Combustion Residuals Surface Impoundments; (6) Prohibit Local Government Regulation Of Management Of Coal Combustion Residuals Or Coal Combustion Products; (7) Prohibit Construction Of New Or Expansion Of Existing Coal Combustion Residuals Surface Impoundments Effective October 1, 2014; (8) Prohibit The Disposal Of Coal Combustion

Residuals Into Coal Combustion Residuals Surface Impoundments At Coal-Fired Generating Units That Are No Longer Producing Coal Combustion Residuals Effective October 1, 2014; (9) Prohibit Disposal Of Stormwater To Coal Combustion Residuals Surface Impoundments Effective December 31, 2018; (10) Require All Electric Generating Facilities To Convert To Generation Of Dry Fly Ash On Or Before December 31, 2017, And Dry Bottom Ash On Or Before December 31, 2020, Or Retire; (11) Require The Assessment Of Groundwater At Coal Combustion Residuals Surface Impoundments; (12) Require Corrective Action For The Restoration Of Groundwater Quality At Coal Combustion Residuals Surface Impoundments; (13) Require A Survey Of Drinking Water Supply Wells And Replacement Of Contaminated Water Supplies; (14) Require The Identification, Assessment, And Correction Of Unpermitted Discharges From Coal Combustion Residuals Surface Impoundments; (15) Require The Department Of Environment And Natural Resources To, As Soon As Practicable, But No Later Than December 31, 2015, Prioritize For The Purpose Of Closure And Remediation Coal Combustion Residuals Surface Impoundments, Including Active And Retired Sites, Based On These Sites' Risks To Public Health, Safety, And Welfare, The Environment, And Natural Resources; (16) Require Owners Of Coal Combustion Residuals Surface Impoundments To Submit A Proposed Plan For Closure Of All Impoundments To The Department Of Environment And Natural Resources; (17) Require Closure And Remediation Of Certain Coal Combustion Residuals Surface Impoundments As Soon As Practicable, But No Later Than August 1, 2019; (18) Require The Department Of Environment And Natural Resources To Establish A Schedule And Process For Closure And Remediation Of

All Coal Combustion Residuals Surface Impoundments Based Upon The Department's Risk Assessment Of These Sites, Baseline Requirements Set By The General Assembly, Evaluation Of Proposed Closure Plans Submitted By Impoundment Owners, And Input From The Public And Other Stakeholders; (19) Establish Minimum Statutory Requirements For Structural Fill Projects Using Coal Combustion Products And Require The Department Of Environment And Natural Resources To Inventory And Inspect Certain Structural Fill Projects; (20) Place A Moratorium On Certain Projects Using Coal Combustion Products As Structural Fill Until August 1, 2015, And Direct The Department Of Environment And Natural Resources And The Environmental Management Commission To Study The Adequacy Of Current Law Governing Use Of Coal Combustion Products As Structural Fill And For Beneficial Use; (21) Place A Moratorium On The Expansion And Construction Of Coal Combustion Residuals Landfills Until August 1, 2015, And Direct The Department Of Environment And Natural Resources To Assess The Risks To Public Health, Safety, And Welfare, The Environment, And Natural Resources Of Coal Combustion Residuals Surface Impoundments Located Beneath These Landfills To Determine The Advisability Of Continued Operation Of These Landfills; (22) Strengthen The Reporting And Notification Requirements Applicable To Discharges Of Wastewater To Waters Of The State; (23) Require Certain Emergency Calls To Be Recorded; (24) Require Development Of Emergency Action Plans For High And Intermediate Hazard Dams And Amend Other Dam Safety Law Requirements Applicable To Coal Combustion Residuals Surface Impoundments; (25) Transfer Solid Waste Rule-Making Authority From Commission For Public Health To Environmental

Management Commission; (26) Amend Compliance Boundary Provisions; (27) Provide For Various Studies; (28) Require The State Construction Office And The Department Of Transportation To Develop Technical Specifications For Use Of Coal Combustion Products; And (29) Provide Resources For Implementation Of This Act.

### **2015-Major Legislation Affecting the Regulation of Utilities**

**House Bill 41** (Session Law 2015-6). An Act to Make Technical and Clarifying Changes to Various Revenue Laws, as Recommended by the Revenue Laws Study Committee.

*Section 2.4.(a).* The purpose of this section is to clarify the intent of the 2013 Session of the General Assembly that the Utilities Commission must adjust the rate for sales of electricity, piped natural gas, and water and wastewater services to reflect all of the tax changes as enacted in S.L. 2013-316.

**House Bill 97** (Session Law 2015-241). An Act to Make Base Budget Appropriations for Current Operations of State Departments, Institutions, and Agencies, and for Other Purposes.

*Section 15.16A. Utility Commission Fees and Charges.* (a) The Utilities Commission and Public Staff shall jointly review all fees and charges provided for in G.S. 62-300 to determine (i) whether the fees and charges are sufficient to cover the costs of processing the applications and filings required by G.S. 62-300 and (ii) whether new categories should be established to impose fees or charges on persons or entities who make applications or filings to the Utilities Commission but are not expressly included in any of the current categories listed in G.S. 62-300. The review

may also include any other relevant matters related to fees and charges for applications and filings made to the Utilities Commission. (b) By April 1, 2016, the Utilities Commission and Public Staff shall report their findings, including any recommendations on amending the fees and charges for applications and filings under G.S. 62-300, to the Joint Legislative Commission on Energy Policy, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources and the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division.

*Section 29.18. Report/Use of Coal Combustion Residuals.* Report. – By January 15, 2016, the Utilities Commission shall submit a report to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Transportation Oversight Committee, and the Environmental Review Commission on the incremental cost incentives related to coal combustion residuals surface impoundments for investor-owned public utilities. The report shall include all of the following: (1) The Utilities Commission policy on allowed incremental cost recoupment. (2) The impact on utility customers' rates under the current policy on allowed incremental cost recoupment. (3) Possible revisions to the current policy on allowed incremental cost recoupment that would promote reprocessing and other technologies that allow the reuse of coal combustion residuals stored in surface impoundments for concrete and other beneficial end uses.

**House Bill 356** (Session Law 2015-134). An Act to Clarify the Cap on the Utilities Regulatory Fee Reserve, to Set the Regulatory Fee in Statute, and to Allow the Commission to Raise or Lower the Fee.

**Senate Bill 88** (Session Law 2015-119). An Act to Assign Pole Attachment Disputes to the North Carolina Utilities Commission.

**Senate Bill 305** (Session Law 2015-3). An Act to Provide Cost Recovery for Acquisition of Joint Municipal Power Agency Ownership Interest in Generating Facilities, to Authorize Municipalities that are Members of Joint Municipal Power Agencies to Enter into Support Contracts, and to Issue Bonds to Pay the Costs of Projects that are Sold.

**Senate Bill 716** (Session Law 2015-110). An Act to: (1) Direct the North Carolina Utilities Commission to Render an Expedited Decision, Under Certain Conditions, on an Application for a Certificate of Public Convenience and Necessity for an Applicant to Construct a Generating Facility that uses Natural Gas as the Primary Fuel and (2) Modify Certain Requirements under the Coal Ash Management Act of 2014 for Coal Ash Surface Impoundments Located on Sites at which all Coal-Fired Generating Units Present on those Sites will Permanently Cease Operations by January 31, 2020.

#### **2016-Major Legislation Affecting the Regulation of Utilities**

**House Bill 630** (Session Law 2016-95). An Act to (1) Require a Coal Combustion Residuals Impoundment Owner to Provide Permanent Alternative Water Suppliers for Residents in Areas Surrounding Coal Combustion Residuals Surface Impoundments; (2) Repeal Statutory Provisions Related to the Coal Ash Management Commission; (3) Modify the Closure Requirements for Coal Combustion Residuals Surface Impoundments under the Coal Ash Management Act of 2014; and (4) Modify Appointments to the Mining Commission and the Oil and Gas Commission.

**Senate Bill 673** (Session Law 2016-118). An Act to Provide Recovery of Capital-Related Costs Incurred by a Natural Gas Utility for Constructing Natural Gas Infrastructure for a Large Manufacturing Employer.

### **2017-Major Legislation Affecting the Regulation of Utilities**

**House Bill 589** (Session Law 2017-192). An Act to reform North Carolina's approach to integration of renewable electricity generation through amendment of laws related to energy policy and to enact the Distributed Resources Access Act.

**House Bill 799** (Session Law 2017-172). An Act to allow for landlords to charge individual tenants for shared cost of natural gas service provided to leased premises.

**Senate Bill 131** (Session Law 2017-10). An Act to provide further regulatory relieve to the citizens of North Carolina.

*Section 2.1(c). Personally identifiable information of public utility customers.*

*Section 2.2. Water and Sewer billing by Lessors.*

**Senate Bill 257** (Session Law 2017-57). An Act to make base budget appropriations for current operations of state departments, institutions, and agencies, and for other purposes.

*Section 14. Department of Commerce Report Changes.*

**Senate Bill 391** (Session Law 2017-391). An Act to authorize the creation of a ferry transportation authority.

### **2018-Major Legislation Affecting the Regulation of Utilities**

**House Bill 351** (Session Law 2018-51). An Act authorizing water and wastewater utilities to elect to use a fair value determination for rate-making purposes when acquiring utilities owned by counties, municipalities, or other governmental entities.

**House Bill 374** (Session Law 2018-114). An Act to Provide Further Regulatory Relief to the Citizens of North Carolina.

*Section 23.(a). Amend Process for Vacancy Appointments to the Utilities Commission and the Industrial Commission.*

This Act limits the appointment of a commissioner on an interim basis to exclude any such person who was subject to but not confirmed by the General Assembly within the preceding four years, including by unfavorable action on a joint resolution for confirmation and/or failure to ratify a joint resolution for confirmation prior to adjournment of the then-current session of the General Assembly.

### **2019-Major Legislation Affecting the Regulation of Utilities**

**House Bill 329** (Session Law 2019-132). An Act to exempt electric vehicle charging stations from regulation as public utilities; to require the Environmental Management Commission to adopt rules to establish a regulatory program to govern the management of end-of-life photovoltaic modules and energy storage system batteries, and decommissioning of utility-scale solar projects and wind facilities and require the Department of Environmental Quality to establish a stakeholder process to support development of the rules; and to provide small hydroelectric power facilities

certain treatment similar to that given to small power producers that produce energy from swine and poultry waste.

**House Bill 432** (Session Law 2019-56). An Act providing that if the Utilities Commission approves a flat rate to be charged by a water or sewer utility for water or sewer services to contiguous dwelling units, the lessor of the units may pass through and charge the tenants that same flat rate.

**Senate Bill 559** (Session Law 2019-244). An act to permit financing for certain storm recovery costs.

### **2020-Major Legislation Affecting the Regulation of Utilities**

**Senate Bill 315** (Session Law 2020-20). Allows the owner of land encumbered by an easement acquired by a public utility to file a complaint at the Commission requesting termination of an easement, where the utility has not commenced construction on the easement within 20 years of acquisition.

**FIGURE NO. 1-3**  
**NORTH CAROLINA UTILITIES COMMISSION**  
**RECEIPTS AND EXPENDITURES**  
**Fiscal Year ending June 30, 2019**

<u>Source</u>	<u>Commission Staff</u>	<u>Public Staff</u>	<u>Total</u>
<u>Fees Collected by the Commission:</u>			
Regulatory Fee	\$15,999,798	\$0	\$15,999,798
Interest	161,324	0	161,324
Fines and Penalties	0	0	0
<u>Office of Chief Clerk:</u>			
Duplicating Services	1,847	0	1,847
Filing Fees	321,955	0	321,955
Publication Sales	974	0	974
Miscellaneous Revenues	0	40	40
Sell of Surplus Property	823	0	823
Reimbursement of Contractual Expenses	252,198	0	252,198
<u>Federal Funds:</u>			
US Gas Safety Program	-753,695	0	-753,695
<b>TOTAL RECEIPTS</b>	<b>\$15,985,223</b>	<b>\$40</b>	<b>\$15,985,263</b>
<u>Expenditures:</u>			
Salaries and Wages	\$4,740,167	\$5,879,094	\$10,619,261
Fringe Benefits	1,594,415	1,972,621	3,567,036
Legal & Consulting Fees	321,195	0	321,195
Contractual Services	218,603	38,075	256,677
Repairs of Building & Equipment	51,256	1,070	52,326
Service & Maintenance Contracts	34,618	18,717	53,335
Rent - Building, Offices & Equipment	349,519	285,354	634,873
Travel	187,250	36,943	224,193
Registration Fees	30,779	24,272	55,051
Telephone, Postage, Printing & Copying	88,861	85,737	174,598
Data Processing Service	684	0	684
Insurance	429	378	807
Employee Educational Expenses	13	24,549	24,562
Materials and Supplies	42,787	6,021	48,808
Office Furniture, Equipment	49,343	4,155	53,497
Data Processing Equipment & Software	30,754	53,943	84,697
Library Resources	66,252	13,530	79,782
Dues & Subscriptions	65,248	13,122	78,370
Other Services and Expenses	2,014	2,026	4,040
Indirect Cost/Agency Administration Fees	113,992	145,299	259,291
Intragovernmental Transfer - Legislative Mandate	0	0	0
Intragovernmental Transfer of Fines Collected	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$7,988,179</b>	<b>\$8,604,904</b>	<b>\$16,593,083</b>
<b>BUDGETED POSITIONS</b>	<b>62</b>	<b>80</b>	<b>142</b>

**II. SELECTED COMMISSION ACTIVITIES  
THROUGH DECEMBER 2019**

**A. GENERAL**

**Public Involvement**

The Commission continued to make all activities open for participation by the public and other interested parties. The table below shows the number of formal hearings held in Raleigh and in the service areas of the utilities involved; many of these hearings were held in the evening to accommodate those who could not attend daytime hearings.

	<b>Year Ended December 31</b>			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Total Formal Hearings Held</b>	<b>112</b>	<b>121</b>	<b>114</b>	<b>121</b>
<b>Number of Hearings Held Away From Raleigh, in Utility Service Areas</b>	<b>24</b>	<b>20</b>	<b>11</b>	<b>14</b>
<b>Percent of Total Hearings Held Away From Raleigh</b>	<b>21%</b>	<b>17%</b>	<b>10%</b>	<b>12%</b>

The primary reason for holding hearings in the service areas of the utilities involved in the hearings is to make it easier for the local consumers and general public to attend and to offer testimony if they so choose. Attendance at such hearings provides a broader knowledge of the scope and complexities of issues which the Commission, the Public Staff, and all other participants must deal with.

Advance public notice is given for all hearings of general interest and especially rate case hearings. News releases are made of important Commission decisions and activities. All Commission weekly conferences (Monday mornings generally) are open to the public as a spectator or participant and events are now posted to the Commission’s web site.

For a summary of Commission filings and orders for 2019 see Figure No. 2-1.

**B. ELECTRIC**

**The History of Integrated Resource Planning (IRP)**

Integrated resource planning is an overall planning strategy which examines conservation, energy efficiency, load management, and other demand-side measures in addition to utility-owned generating plants, non-utility generation, renewable energy, and other supply-side resources in order to determine the least cost way of providing electric service. The primary purpose of integrated resource planning is to integrate both demand-side and supply-side resource planning into one comprehensive procedure that weighs the costs and benefits of all reasonably available options in order to identify those options which are most cost-effective for ratepayers consistent with the obligation to provide adequate, reliable service.

By Commission Order dated December 8, 1988, in Docket No. E-100, Sub 54, Commission Rules R8-56 through R8-61 were adopted to define the framework within which integrated resource planning takes place. Those rules incorporated the analysis of probable electric load growth with the development of a long-range plan for ensuring the availability of adequate electric generating capacity in North Carolina as required by G.S. 62-110.1(c).

The initial IRPs were filed with the Commission in April 1989. In May of 1990, the Commission issued an Order in which it found that the initial IRPs of Progress, Duke, and NC Power were reasonable for purposes of that proceeding and that NCEMC should be required to participate in all future IRP proceedings. By an Order issued in December 1992, Rule R8-62 was added. It covers the construction of electric transmission lines.

The Commission subsequently conducted a second and third full analysis and investigation of utility IRP matters, resulting in the issuance of Orders Adopting Least Cost Integrated Resource Plans on June 29, 1993, and

February 20, 1996. A subsequent round of comments included general endorsement of a proposal that the two/three year IRP filing cycle, plus annual updates and short-term action plans, be replaced by a single annual filing. There was also general support for a shorter planning horizon than the fifteen years required at that time.

In April 1998, the Commission issued an Order in which it repealed Rules R8-56 through R8-59 and revised Rules R8-60 through R8-62. The new rules shortened the reported planning horizon from 15 to 10 years and streamlined the IRP review process while retaining the requirement that each utility file an annual plan in sufficient detail to allow the Commission to continue to meet its statutory responsibilities under G.S. 62-110.1(c) and G.S. 62-2(a)(3a).

These revised rules allowed the Public Staff and any other intervenor to file a report, evaluation, or comments concerning any utility's annual report within 90 days after the utility filing. The new rules further allowed for the filing of reply comments 14 days after any initial comments had been filed and required that one or more public hearings be held. An evidentiary hearing to address issues raised by the Public Staff or other intervenors could be scheduled at the discretion of the Commission.

A Commission Order issued on October 19, 2006, in Docket No. E-100, Sub 111, opened a rulemaking proceeding to consider revisions to the IRP process as provided for in Commission Rule R8-60. On May 24, 2007, the Public Staff filed a Motion for Adoption of Proposed Revised Integrated Resource Planning Rules setting forth a proposed Rule R8-60 as agreed to by the various parties in that docket. The Public Staff asserted that the proposed rule addressed many of the concerns about the IRP process that were raised in the 2005 IRP proceeding and balanced the interests of the utilities, the environmental intervenors, the industrial intervenors, and the ratepayers. Without detailing all of the changes recommended in its filing, the Public Staff noted that the proposed rule expressly required the

utilities to assess on an ongoing basis both the potential benefits of reasonably available supply-side energy resource options, as well as programs to promote demand-side management. The proposed rule also substantially increased both the level of detail and the amount of information required from the utilities regarding those assessments. Additionally, the proposed rule extended the planning horizon from 10 to 15 years, so the need for additional generation would be identified sooner. The information required by the proposed rule would also indicate the projected effects of demand response and energy efficiency programs and activities on forecasted annual energy and peak loads for the 15-year period. The Public Staff also noted that the proposed rule provided for a biennial, as opposed to annual or triennial, filing of IRP reports with an annual update of forecasts, revisions, and amendments to the biennial report. The Public Staff further noted that adoption of the proposed Rule R8-60 would necessitate revisions to Rule R8-61(b) to reflect the change in the frequency of the filing of the IRP reports.

With the addition of certain other provisions and understandings, the Commission ordered that revised Rules R8-60 and R8-61(b), attached to its Order as Appendix A, should become effective as of the date of its Order, which was entered on July 11, 2007. However, since the utilities might not have been able to comply with the new requirements set out in revised Rule R8-60 in their 2007 IRP filings, revised Rule R8-60 was ordered to be applied for the first time to the 2008 IRP proceedings in Docket No. E-100, Sub 118. These new rules were further refined in Docket No. E-100, Sub 113, to address the implementation of Senate Bill 3 requirements.

On December 28, 2009, after having considered and declined to adopt a federal smart grid standard in Docket No. E-100, Sub 123, the Commission issued an Order in Docket No. E-100, Sub 126 requesting comments on a proposed amendment to Commission Rule R8-

60, Integrated Resource Planning and Filings, which would require investor-owned utilities to include a description of their smart grid technology plans as part of their biennial integrated resource plan (IRP) filing. The Commission found merit in many of the recommendations proposed in the comments by the parties including the need to amend Rule R8-60 in order to emphasize the potential impacts of smart grid technology on resource planning and load forecasting as opposed to smart grid technology plans irrespective of impacts to the IRP. Further, the Commission agreed with the Public Staff's recommendation that an additional smart grid rule be implemented to provide periodic reporting on the details regarding a utility's smart grid technology plans. In its Order dated April 11, 2012, the Commission amended Rule R8-60 and adopted Rule R8-60.1 (Docket No. E-100, Sub 126). Commission Rule R8-60.1 was subsequently amended to establish the date of October 1, 2014 for each utility subject to Commission Rule R8-60 to file its initial smart grid technology plans (see Order dated May 6, 2013 in Docket No. E-100, Sub 126). The rule provides for updated plans to be filed every two years after the initial filing.

By Order dated July 20, 2015 (Docket No. E-100, Sub 111), the Commission once again amended Rule R8-60 to streamline the odd-year IRP update process. These updates were based on the input of a number of stakeholders and in particular, the results of an IRP working group (convened by the Public Staff) charged with the task of proposing specific revisions to Rule R8-60 in regards to the content of IRP updates.

2018 Biennial Integrated Resource Plans were filed by Duke Energy Progress, LLC; Duke Energy Carolinas, LLC; and Dominion Energy North Carolina in Docket No. E-100, Sub 157. The Commission's August 2019 Order accepting Integrated Resource Plans and REPS Compliance Plans, which includes the procedural history of this proceeding, can be found as Appendix 1 in the back of the North Carolina Utilities Commission 2019 Annual Report Regarding

Long Range Needs for Expansion of Electric Generation Facilities for Service in North Carolina.

2019 Integrated Resource Plan Update Reports were also filed in Docket No. E-100, Sub 157 by each of the investor owned utilities. The Commission conducted an Oral Argument on January 8, 2020 to discuss load forecast and reserve margin issues. Pursuant to G.S. 62-110.1(c), the Commission held a public hearing in Raleigh on March 9, 2020. The Commission accepted the 2019 IRP Update Reports in its April 2020 Order.

2020 Biennial Integrated Resource Plans were filed by each of the investor owned utilities in Docket No. E-100 Sub 165. This is an open docket before the Commission.

## **C. CONSUMER POCKETBOOK ISSUES**

### **1. General Rate Case Decisions 2013 – 2019**

A summary of the Commission decisions in general rate cases for the years 2013 through December 31, 2019, for the electric and gas groups can be found in Figure No. 2-2. The yearly totals and the progression of amounts requested and granted during this period are shown.

#### **Duke Energy Progress Rate Case (Docket No. E-2, Sub 1142)**

On June 1, 2017, Duke Energy Progress, LLC (DEP or the Company) filed an application to adjust retail rates. The Commission issued an Order dated February 23, 2018, granting a partial rate increase which allows DEP to increase rates by less than half of that requested by the Company in its original application. With respect to DEP's handling of coal ash, the Commission imposed a \$30 million management penalty against the Company. The Commission imposed the management penalty based on its determination that DEP's handling of coal ash "placed its consumers at risk of inadequate or unreasonably expensive service." In addition, the Commission found that, "DEP admits to pervasive, system-wide shortcomings such as

improper communication among those responsible for oversight of coal ash management.” The penalty will be paid for by the Company and not by the Company’s customers. The Commission further found that DEP paid too much for coal ash removal at the Company’s Asheville coal-burning plant and, therefore, denied recovery from customers of an additional \$9.5 million.

The Commission’s order also denied DEP’s request for the recovery in this rate case of the Company’s ongoing coal ash remediation costs. Instead, DEP is authorized to record these coal ash remediation costs in a deferral account until its next general rate case, at which point these costs will be carefully scrutinized to determine the extent to which recovery is appropriate.

DEP initially sought to charge customers an additional \$477.5 million annually (an increase of 14.9%), including a rate of return on common equity of 10.75%. In September 2017, DEP revised its request, reducing it to \$419.5 million. DEP proposed that the basic monthly customer charge for residential customers be increased from \$11.13 to \$19.50. On November 20, 2017, DEP and the Public Staff of the North Carolina Utilities Commission jointly filed a settlement that resolved some, but not all, of the issues in the case. In the settlement, DEP agreed to an overall rate of return of 7.09%, which included a rate of return on common equity of 9.9% applied to a capital structure with 52% members’ equity. Parties to that settlement agreement also agreed that the basic monthly customer charge for residential customers should be increased only to \$14.00.

The Commission’s decision approved the return and capital structure that was agreed to by the Public Staff and DEP, finding it to be “just and reasonable.” Consistent with the settlement, the Commission also approved an increase in the basic customer charge to \$14.00. The Commission’s order cut DEP’s revised \$419.5 million revenue request by more than 50%. The Commission’s decision followed

nine days of a hearing in which expert witness testimony was presented by many parties to the proceeding, in addition to five hearings for public comment that were held throughout DEP’s service area in which over 140 public witnesses testified.

#### **Duke Energy Carolinas Rate Case (Docket No. E-7, Sub 1146)**

On August 25, 2017, Duke Energy Carolinas, LLC (DEC or the Company) filed an application to adjust retail rates. The Commission issued an Order dated June 22, 2018 reducing DEC’s revenue requirement and requiring the Company to refund, for four years, \$60 million annually of state excess deferred income taxes. DEC had initially requested a rate increase of approximately \$611 million in annual revenues, which increased to \$700 million during the case. One of the drivers for the order to reduce the revenue requirement was the passage of the Federal Tax Cuts and Jobs Act, which reduced the corporate income tax rate from 35% to 21%.

DEC and the Public Staff of the North Carolina Utilities Commission (Public Staff) filed a settlement on February 28, 2018, that resolved some, but not all, of the issues in the case. In the settlement, DEC agreed to an overall rate of return of 7.35%, which included a rate of return on common equity of 9.9% applied to a capital structure with 52% members’ equity. The Commission’s decision approved the return and capital structure that were agreed to by the Public Staff and DEC, finding these to be “just and reasonable.”

The Commission imposed a \$70-million management penalty against the Company in the form of a rate reduction based on the Commission’s determination that DEC’s handling of coal ash “placed its consumers at risk of inadequate or unreasonably expensive service.” In addition, the Commission found that “DEC admits to pervasive, system-wide shortcomings such as improper communication among those responsible for oversight of coal ash management.” The penalty will be paid for by the Company and not by the Company’s

customers. The Commission's order also denied DEC's request for the recovery in this rate case of the Company's ongoing coal ash remediation costs. Instead, DEC is authorized to record these costs in a deferral account until its next general rate case, at which point the costs will be carefully scrutinized to determine the extent to which recovery from customers is appropriate.

DEC had requested to recover \$52 million a year for 12 years for its cancelled Lee Nuclear Station in Cherokee, South Carolina. The Company asked to earn a return on the unrecovered balance of these costs. The Commission found that DEC's Lee Nuclear Station development efforts were reasonable and prudent, as was the Company's decision to cancel the project. While the Commission's order allows DEC to recover its Lee Nuclear Station costs from customers, the Commission denied the Company's request to earn a return on the project costs.

The Commission denied DEC's request for special ratemaking treatment to recover the Company's projected Power Forward Carolinas grid modernization program costs. DEC had requested to establish a cost-tracking rider (initially set at \$35 million annually) to recover Power Forward spending or, alternatively, to allow deferral accounting of these costs. The Commission found that DEC "failed to show that exceptional circumstances exist to justify the establishment of the Grid Rider for recovery of its Power Forward costs." The order states that, with the limited exception of federally-mandated reliability standards, "DEC has complete control over the proposed spending, the rate of spending, and the timing of spending on Power Forward programs; it also has full control over its test year and the timing and frequency of when its applications for a general rate increase are filed. ... Furthermore, there is no evidence in the record that without the Grid Rider DEC would not be able to remain a strong, financially viable company."

DEC had requested to increase the basic facilities charge for residential customers from \$11.80 to \$17.79. Instead, the Commission

set this monthly charge at \$14.00 for residential customers. The Commission's decision followed 12 days of hearing in which expert witness testimony was presented by many parties to the proceeding. In addition, the Commission conducted three hearings for public witness testimony that were held throughout DEC's service area and at which 75 public witnesses testified.

## **2. N. C. Utility Rates vs. Consumer Price Index (CPI)**

The Consumer Price Index for All Urban Consumers (CPI-U) reflects the average change in the retail prices of a fairly broad but select "market basket" of consumer goods and services. It has been the most popular index because it is reported monthly as opposed to the quarterly publication of the Gross National Product Deflator, and it is not revised after its initial publication. The CPI-U rate was 251.2 for 2018 compared to 257.0 for 2019.

Figure No. 2-3 shows the electric, gas, and telephone utility costs compared to the CPI-U for the years 2001 to 2019.

## **D. REGULATORY FEES**

On August 12, 1989, the General Assembly ratified Senate Bill 1320 entitled "An Act to Establish Regulatory Fees for Public Utilities to Defray the Cost to the Utilities Commission and the Public Staff of Regulating Public Utilities in the Interest of the Public." Senate Bill 1320 amended Article 14 of Chapter 62 of the General Statutes by adding a new Section, G.S. 62-302, entitled "Regulatory Fee." This act became effective on July 1, 1989, and applies to North Carolina jurisdictional revenues earned by public utilities on and after that date. The percentage rate may not exceed the amount necessary to generate funds sufficient to defray the estimated cost of the operations of the Commission and the Public Staff for a period of one fiscal year. The total fee imposed on the public utilities may not exceed 0.25%. The fee is imposed on a quarterly basis and is due approximately 45 days after the end of each

calendar quarter. The total amount of regulatory fees collected for the four quarters of calendar year 2019 was \$15,999,797.83. The fee rate for the same period of time was 0.130% from January to December.

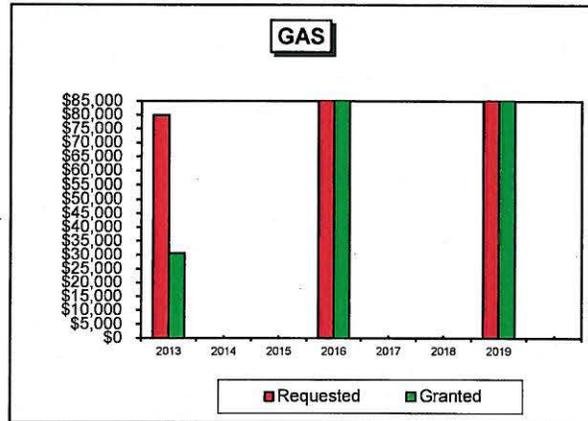
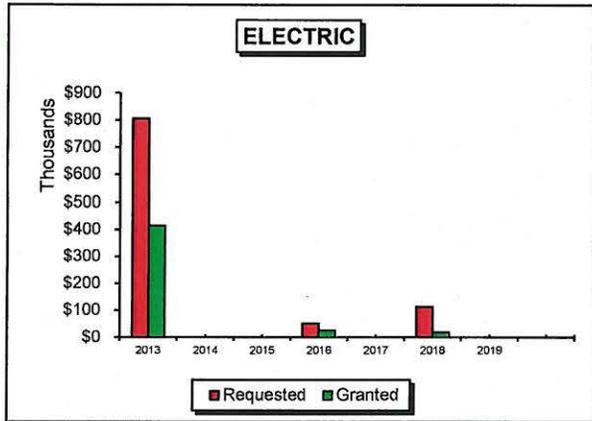
**FIGURE NO. 2-1****FILINGS AND ORDERS BY INDUSTRY GROUP**

Calendar Year 2019

Industry	Orders	Filings
Electric	548	2,397
Electric Reseller	68	169
Telephone	99	657
Shared Tenant Service	14	5
Natural Gas	139	815
Water / Wastewater, including Resellers	1,575	4,029
Household Goods Movers	209	892
Payphone Service Providers	12	33
Other (Bus/Broker, Electric Merchant Plant, EMC, Ferry, Small Power Producer, & Misc.)	548	9,207
<b>Total</b>	<b>3,212</b>	<b>18,204</b>

FIGURE NO. 2-2

ELECTRIC AND GAS GENERAL RATE CASE DATA  
 AMOUNTS REQUESTED AND GRANTED (000's) FOR THE CALENDAR YEARS 2013-2019



Electric Cases	\$ Amount		% Granted
	Requested	Granted	
2013	805,333	413,192	51.3
2014	0	0	0.0
2015	0	0	0.0
2016	51,073	25,790	50.5
2017	0	0	0.0
2018	112,800	18,316	16.2
2019	0	0	0.0
<b>Total</b>	<b>969,206</b>	<b>457,298</b>	<b>47.2</b>

Gas Cases	\$ Amount		% Granted
	Requested	Granted	
2013	79,826	30,658	38.4
2014	0	0	0.0
2015	0	0	0.0
2016	415,830	190,541	45.8
2017	0	0	0.0
2018	0	0	0.0
2019	143,635	108,796	75.7
<b>Total</b>	<b>639,291</b>	<b>329,995</b>	<b>51.6</b>

Total Cases	\$ Amount		% Granted
	Requested	Granted	
2013	885,159	443,850	50.1
2014	0	0	0.0
2015	0	0	0.0
2016	466,903	216,331	46.3
2017	0	0	0.0
2018	112,800	18,316	16.2
2019	143,635	108,796	75.7
<b>Total</b>	<b>1,608,497</b>	<b>787,293</b>	<b>48.9</b>

**FIGURE NO. 2-3**

**North Carolina Utility Rates vs. Consumer Price Index (CPI)**

<b>Year Ended December 31</b>	<b>Average Residential Electric Rates Per kWh (Cents)</b>	<b>Average Residential Gas Rates Per Dekatherm (\$)</b>	<b>Average Monthly Telephone Bill For Local Service (All Customers) (\$)</b>	<b>Consumer Price Index All Urban Customers</b>
2001	\$7.74	\$11.86	\$33.37	530.4
2002	\$7.77	\$8.93	\$32.50	538.8
2003	\$7.88	\$10.96	\$30.94	551.1
2004	\$7.98	\$12.21	\$33.10	565.8
2005	\$8.13	\$15.09	\$33.09	585.0
2006	\$8.42	\$16.06	\$29.59	603.9
2007	\$8.72	\$15.07	\$30.54	621.1
2008	\$8.79	\$15.96	\$34.03	629.7
2009	\$9.28	\$13.72	\$31.14	646.8
2010	\$9.56	\$12.14	\$33.24	656.6
2011	\$9.55	\$12.26	**	676.0
2012	\$10.31	\$11.92	**	687.8
2013	\$10.37	\$11.52	**	698.1
2014	\$10.55	\$11.44	**	703.3
2015	\$10.78	\$11.01	**	708.5
2016	\$10.57	\$11.49	**	723.2
2017***	\$10.29	\$12.67	**	246.5
2018	\$10.57	\$11.56	**	251.2
2019	\$10.99	\$9.46	**	257.0
<b>2018-2019</b>				
<b>% Change</b>	<b>3.82%</b>	<b>-22.20%</b>	<b>**</b>	<b>2.23%</b>

\*\* Telecommunications reporting has changed and this information is no longer reported

\*\*\*2017 CPI Methodology changed

**III. SUMMARY OF THE COMMISSION  
ACTIVITIES AND OPERATIONS  
2019 AND PRIOR YEAR**

**A. OVERVIEW OF SIZE, OPERATING RESULTS, AND NUMBER OF COMPANIES REGULATED**

At December 31, 2019, there were 3,717 companies regulated by the North Carolina Utilities Commission. Many changes take place annually in various utility groups since new companies are being certified and others are being deleted because of sales, mergers, cancellations, deregulation, and abandonments. See Figure No. 3-2.

Figure No. 3-1 shows changes from 2018 to 2019 in the major regulated electric and gas company's plant investment, total capitalization, and total customers served or access lines in service.

**B. COMMISSION CASE LOAD: FORMAL AND INFORMAL HEARINGS**

In addition to the multiplicity of decisions made informally by the Commission in conferences with its staff and interested parties, the Commission maintains a full docket of formal and semiformal hearings and conferences. There are many small complaints and inquiries disposed of daily by individual Commissioners and individual staff heads (both Commission and Public Staff). These complaints are handled through discussions with utility customers, executives, representatives, organizations, and associations.

During 2019 there were 121 formal hearings. Of the 121 formal hearings, 14 were held out of town and 15 of these were held at night. The proceedings required extensive time and effort by personnel of both the Commission and Public Staff and even more time in actual public hearings. The Commission received 18,204 filings and issued 3,212 orders in 2019.

The number of pages transcribed by the court reporters for the years 1990 through 2019 are as follows:

Year	No. of Pages Transcribed By:	
	Commission Reporters	Outside Reporters
1990	18,803	1,216
1991	22,719	2,268
1992	15,589	198
1993	18,534	0
1994	17,317	0
1995	15,578	0
1996	12,222	6,555
1997	11,998	1,275
1998	13,566	2,855
1999	12,829	1,823
2000	11,858	0
2001	7,362	4,673
2002	7,214	370
2003	7,584	548
2004	7,020	922
2005	5,525	2,151
2006	3,658	1,870
2007	3,609	2,384
2008	4,662	3,265
2009	3,494	814
2010	6,529	588
2011	5,920	5,164
2012	2,621	1,744
2013	700	7,549
2014	4,550	2,882
2015	3,494	960
2016	4,673	2,616
2017	5,243	9,367
2018	3,628	9,480
2019	4,138	8,030

The Commission currently has one court reporter on its staff.

Commission hearings continued to generate keen public interest in 2019. The Attorney General represented some segments of the public sector who wished to intervene,

while others provided their own legal counsel. In addition, the Public Staff intervened in most cases and made their recommendations to the Commissioners.

### **Complaint Activity**

Another important facet of the Commission and Public Staff workload involves the handling of customer complaints dealing with all aspects of utility operations and services. The vast majority of these complaints are settled without becoming a docketed item and going into formal hearing proceedings. The Public Staff's Consumer Services Division investigated and resolved a majority of these complaints. To illustrate the magnitude of this phase of the Utilities Commission workload, the number of complaints received and handled in 1997 was 8,505 complaints, and this volume increased consistently in the following years. The Consumer Services Division received 8,732 complaints in 2019.

compared to 4,820,744 in 2019. (Figure No. 3-3 Gross Plant Allocated to Serve North Carolina Customers). In 2018 there were 990,019 telephone access lines reported compared to 1,006,886 in 2019.

### **C. GENERAL IMPACT OF THE REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA IN 2015**

In 2019, gross operating revenues increased for electric and gas utilities. Figure No. 3-1 depicts the increase with the three Class A electric companies showing an increase of 2.8% in 2019 compared to 2018. The gas company's gross operating revenues also increased by 3.5%.

Investment in gross plant allocated to North Carolina by the electric and gas companies increased over the previous year. There was an increase in the total gross plant allocated to North Carolina for 2019 compared to the previous year, making a total of over \$76 billion as of December 31, 2019 (\$76,149,461,000). The increased plant investment will serve the electric and gas customers which numbered 4,733,129 in 2018

FIGURE NO. 3-1

HIGHLIGHTS OF ACTIVITIES  
ELECTRIC, GAS & TELEPHONE UTILITIES  
2018 VS. 2019  
(Dollars in Thousands)

HIGHLIGHTS OF ACTIVITIES	ELECTRIC - MAJOR COMPANIES			GAS - MAJOR COMPANIES			TELEPHONE - ALL CLASSES		
	2018	2019	% Change	2018	2019	% Change	2018	2019	% Change
<b>Revenues and Expenses (N.C. Only):</b>									
Operating Revenues	\$10,587,714	\$10,887,368	2.8	\$1,414,453	\$1,464,595	3.5	\$0	\$0	N/A
Operating Expenses	8,635,930	8,714,608	0.9	1,164,907	1,143,162	(1.9)			N/A
Net Operating Income Including Taxes	\$1,951,784	\$2,172,760	11.3	\$249,546	\$321,433	28.8	\$0	\$0	N/A
Other Income (Deductions) Net (A)	(42,035)	95,582	(327.4)	44,606	8,068	(81.9)	N/A	N/A	N/A
Fixed Charges	624,202	634,470	1.6	109,077	143,733	31.8	N/A	N/A	N/A
<b>Net Income</b>	<b>\$1,285,547</b>	<b>\$1,633,872</b>	<b>27.1</b>	<b>\$185,075</b>	<b>\$185,768</b>	<b>0.4</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Plant (N.C. Only):</b>									
Gross Plant (B)	\$60,633,373	\$67,294,675	11.0	\$8,280,682	\$9,304,232	12.4			N/A
Accumulated Depreciation	23,188,063	24,492,400	5.6	2,362,581	2,499,977	5.8			N/A
<b>Net Plant</b>	<b>\$37,445,310</b>	<b>\$42,802,275</b>	<b>14.3</b>	<b>\$5,918,101</b>	<b>\$6,804,255</b>	<b>15.0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Capital Structure:</b>									
Stockholders' Equity	\$13,517,984	\$15,030,478	11.2	\$2,249,274	\$2,654,515	18.0	N/A	N/A	N/A
Long-Term Debt	30,740,101	32,965,295	7.2	\$2,279,432	\$2,362,152	3.6	N/A	N/A	N/A
Total Capitalization	\$44,258,085	\$47,995,773	8.4	\$4,528,706	\$3,346,451	(26.1)	N/A	N/A	N/A
Long-Term Debt % of Total Capitalization	69.5	68.7	(1.1)	50.3	70.6	40.2	N/A	N/A	N/A
<b>Other Statistics (N.C. Only):</b>									
Total Customers Yearly Average	3,528,376	3,590,607	1.8	1,204,753	1,230,137	2.1			
Average Number of kWhs Per Residential Customer	13,550	12,942	(4.5)						
Average Number of Dekatherms Per Residential Cust.				54	81	50.0			
Average Revenue Per Residential Customer:									
Electric Residential Customer (Cents Per kWh)	\$10.57	\$10.99	4.0						
Gas Residential Customer (\$ Per Dekatherm)				\$11.56	\$9.46	(18.2)			
Total Access Lines in Service							990,019	1,006,886	1.7

(A) Includes all Allowance for Funds Used During Construction (AFUDC) and all Extraordinary and Delayed Items.

(B) Includes Plant in Service, Under Construction, Held for Future Use, and Leased to Others.

N/A - Not Available

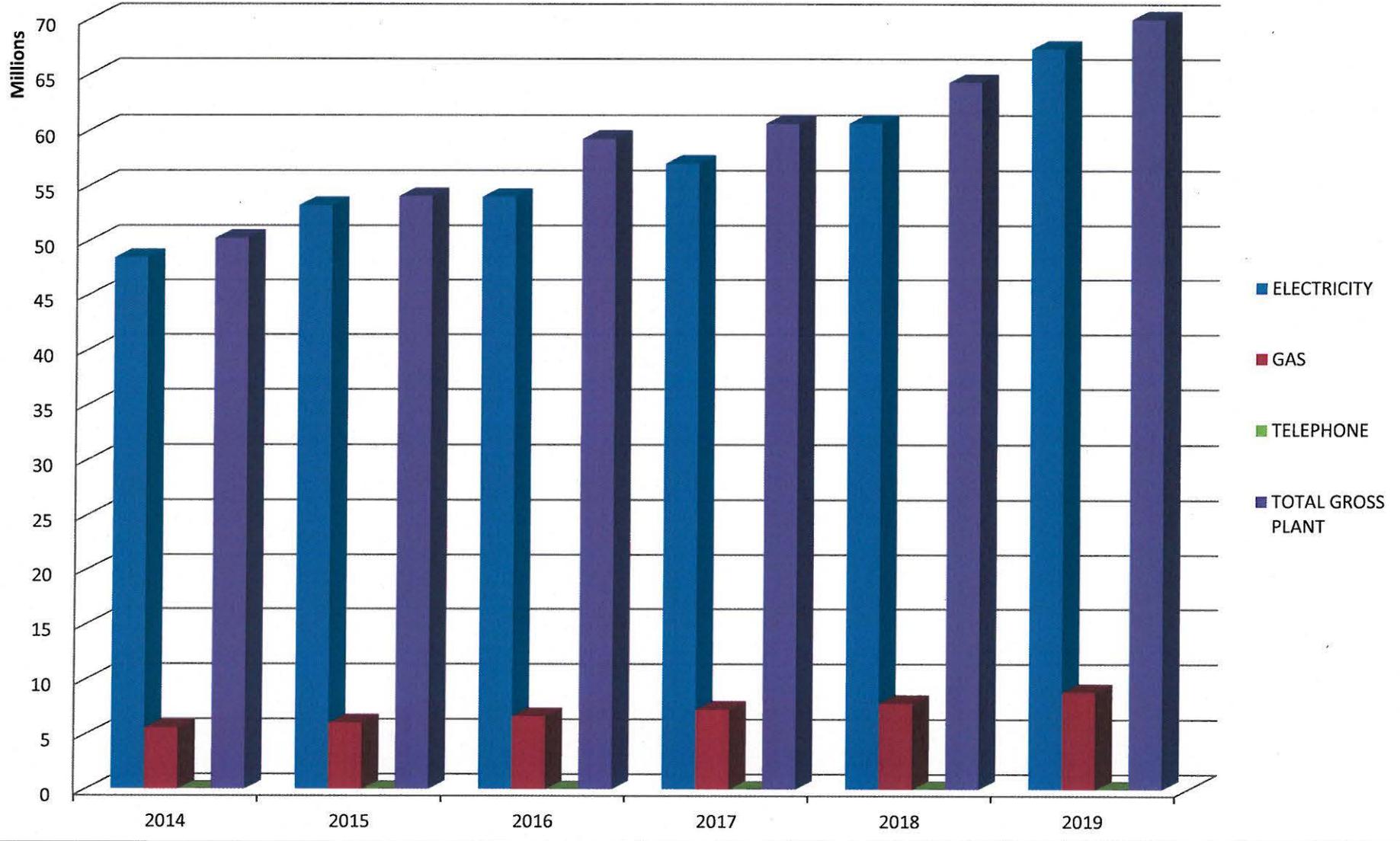
NOTE: Effective in 2011, telephone companies are no longer required to file financial information; thus, it is no longer available.

FIGURE NO. 3-2

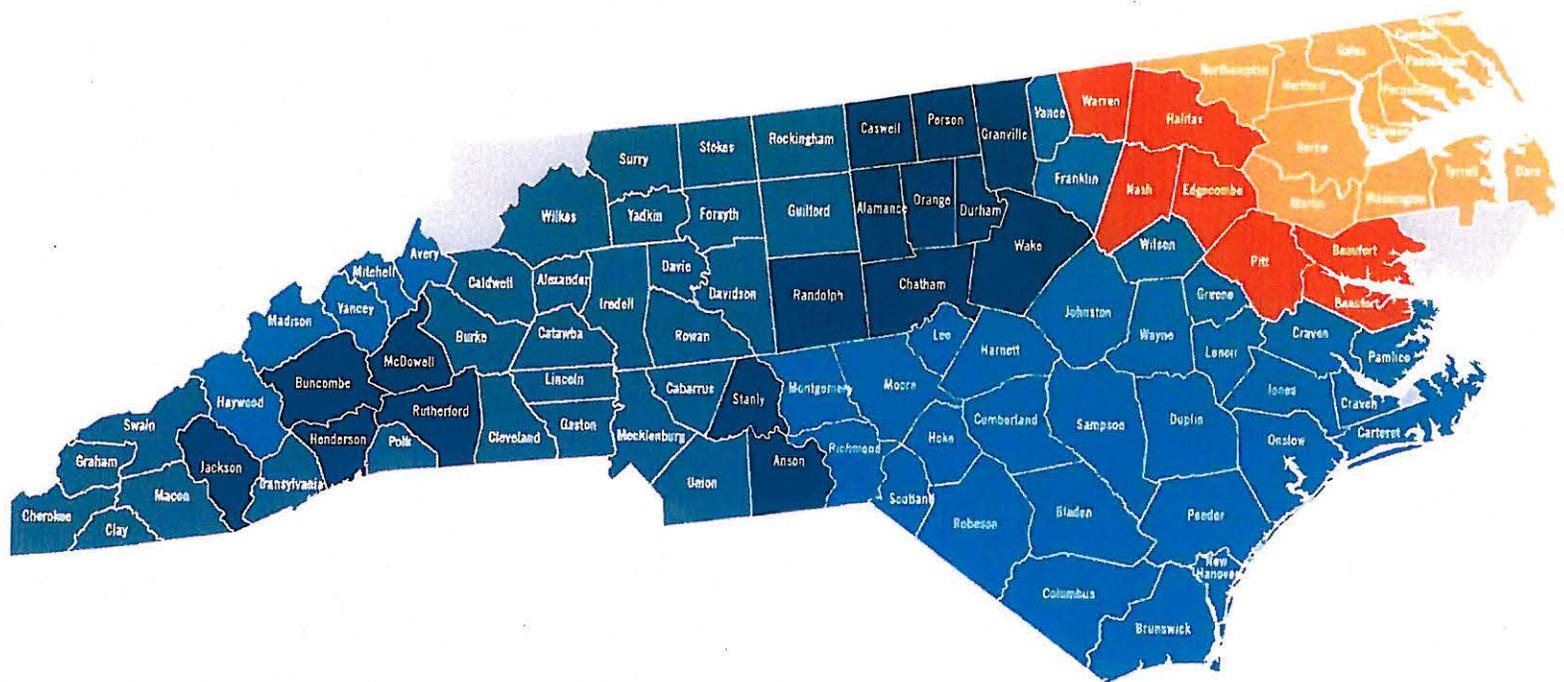
MAJOR UTILITIES REGULATED AND REPORTING TO THE  
NORTH CAROLINA UTILITIES COMMISSION  
AS OF DECEMBER 31, 2019

<u>UTILITY</u>	<u>QTY</u>
BUS / BROKER	8
ELECTRIC	5
ELECTRIC COOPERATIVES	31
ELECTRIC MERCHANT PLANTS	12
ELECTRIC RESELLER	54
FERRIES	8
NATURAL GAS:	
LOCAL DISTRIBUTION COMPANIES	4
PROPANE DISTRIBUTION COMPANY	1
INTRASTATE PIPELINE	1
GAS RESELLER	1
MOTOR CARRIERS OF HOUSEHOLD GOODS	321
SMALL POWER PRODUCERS	1102
TELEPHONE:	
COMPETING LOCAL PROVIDERS	164
INCUMBENT LOCAL PROVIDERS	16
LONG DISTANCE CARRIERS	225
PAYPHONE SERVICE PROVIDERS	32
SHARED TENANT SERVICES	5
WATER / WASTEWATER	168
WATER RESELLER	1559
TOTAL	3,717

**FIGURE NO. 3-3**  
**Gross Plant Allocated to Serve NC Customers**  
**Electric-Gas-Telephone (2014-2019)**



## **IV. ELECTRIC POWER INDUSTRY**

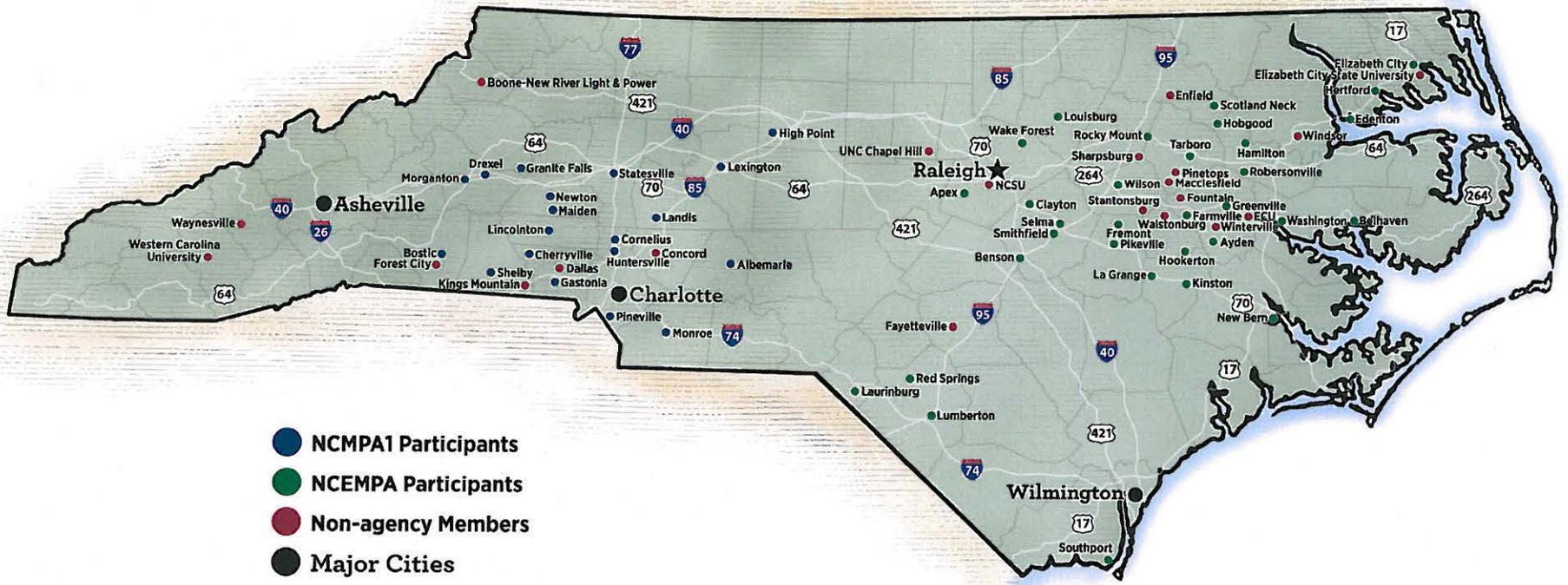


**SERVICE TERRITORIES**  
(counties served)

- Duke Energy Carolinas
- Duke Energy Progress
- Duke Energy Carolinas/  
Duke Energy Progress overlapping counties
- Dominion Energy North Carolina
- Dominion Energy North Carolina/  
Duke Energy Progress overlapping counties

# **ELECTRICITIES** of NC

## MEMBER MAP



- NCMPA1 Participants
- NCEMPA Participants
- Non-agency Members
- Major Cities

### OUR PURPOSE:

Deliver value to public power communities through collective strength, wisdom and action while promoting a more successful future for our citizens.

# TEMA Directorate Districts

## DISTRICT 1

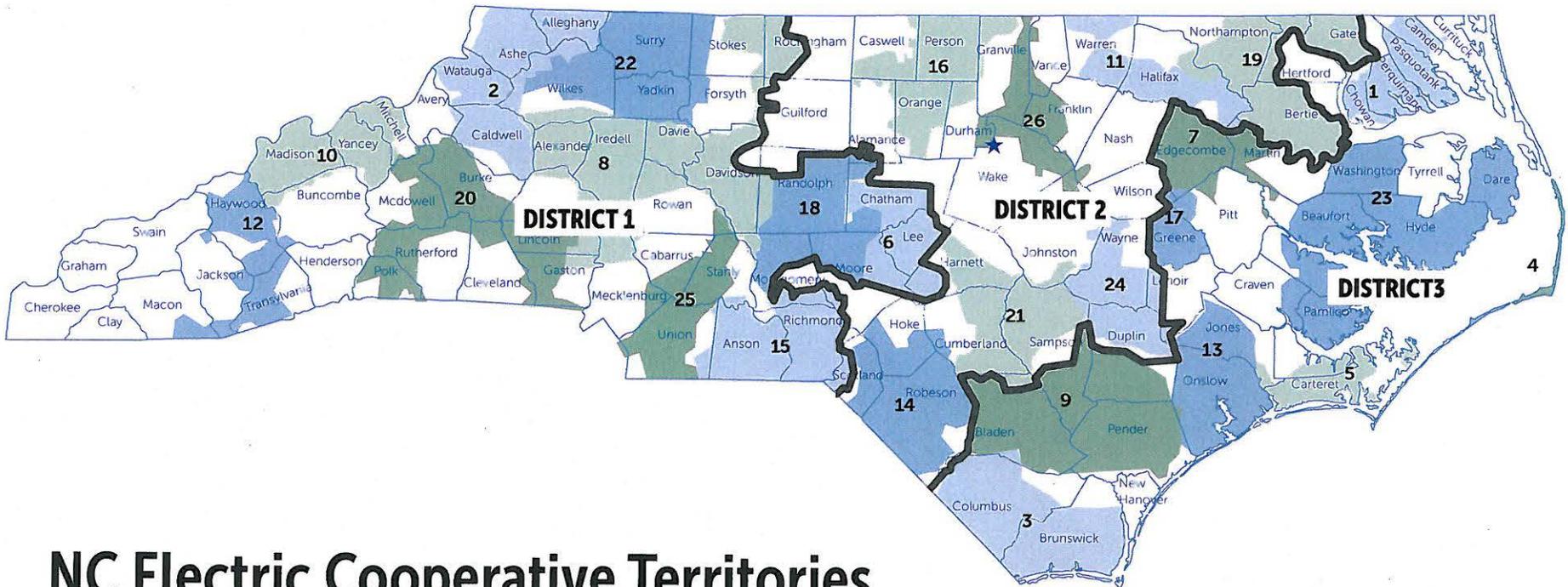
- BARC Electric Cooperative
- Blue Ridge Energy
- Central Electric Membership Corporation
- Craig-Botetourt Electric Cooperative
- EnergyUnited Electric Membership Corporation
- French Broad Electric Membership Corporation
- Haywood Electric Membership Corporation
- Pee Dee Electric Membership Corporation
- Randolph Electric Membership Corporation
- Rutherford Electric Membership Corporation
- Surry-Yadkin Electric Membership Corporation
- Union Power Cooperative

## DISTRICT 2

- Halifax Electric Membership Corporation
- Lumbee River Electric Membership Corporation
- Mecklenburg Electric Cooperative
- Northern Neck Electric Cooperative
- Piedmont Electric Membership Corporation
- Prince George Electric Cooperative
- Roanoke Electric Cooperative
- South River Electric Membership Corporation
- Southside Electric Cooperative
- Tri-County Electric Membership Corporation
- Wake Electric Membership Corporation

## DISTRICT 3

- A&N Electric Cooperative
- Albemarle Electric Membership Corporation
- Brunswick Electric Membership Corporation
- Cape Hatteras Electric Cooperative
- Carteret-Craven Electric Cooperative
- Community Electric Cooperative
- Edgecombe-Martin County Electric Membership Corporation
- Four County Electric Membership Corporation
- Jones-Onslow Electric Membership Corporation
- Pitt & Greene Electric Membership Corporation
- Southern Maryland Electric Cooperative
- Tideland Electric Membership Corporation



# NC Electric Cooperative Territories

- |                                      |                                 |                               |                           |
|--------------------------------------|---------------------------------|-------------------------------|---------------------------|
| 1. Albemarle – Hertford              | 8. EnergyUnited – Statesville   | 15. Pee Dee – Wadesboro       | 22. Surry-Yadkin – Dobson |
| 2. Blue Ridge – Lenoir               | 9. Four County – Burgaw         | 16. Piedmont – Hillsborough   | 23. Tideland – Pantego    |
| 3. Brunswick – Supply                | 10. French Broad – Marshall     | 17. Pitt & Greene – Farmville | 24. Tri-County – Dudley   |
| 4. Cape Hatteras – Buxton            | 11. Halifax – Enfield           | 18. Randolph – Asheboro       | 25. Union – Monroe        |
| 5. Carteret-Craven – Newport         | 12. Haywood – Waynesville       | 19. Roanoke – Aulander        | 26. Wake – Wake Forest    |
| 6. Central – Sanford                 | 13. Jones-Onslow – Jacksonville | 20. Rutherford – Forest City  |                           |
| 7. Edgecombe-Martin County – Tarboro | 14. Lumbee River – Pembroke     | 21. South River – Dunn        |                           |

★ NCEMC/NCAEC/TEMA – Raleigh



## FIGURE 4-3 (continued)

MUNICIPALITY	SOURCE OF POWER*	
Lumberton	NCEMPA	
MacClesfield	Edgecombe County	
Maiden	NCMPA No. 1	<b>NCMPA No. 1 = North Carolina Municipal Power Agency Number 1</b>
Monroe	NCMPA No. 1	
Morganton	NCMPA No. 1	
Murphy	NCMPA NO.1	
New Bern	NCEMPA	<b>NCEMPA = North Carolina Eastern Municipal Power Agency</b>
Newton	NCMPA No. 1	
Oak City	NCMPA No. 1	
Pikeville	NCEMPA	
Pinetops	Edgecombe County	
Pineville	NCMPA No. 1	
Red Springs	NCEMPA	
Robersonville	NCEMPA	
Rocky Mount	NCEMPA	
Scotland Neck	NCEMPA	
Selma	NCEMPA	
Sharpsburg	Nash/Edgecombe/Wilson	
Shelby	NCMPA No. 1	
Smithfield	NCEMPA	
Southport	NCEMPA	
Stantonsburg	Wilson County	
Statesville	NCMPA No. 1	
Tarboro	NCEMPA	
Wake Forest	NCEMPA	
Walstonburg	Greene County	
Washington	NCEMPA	
Waynesville	Haywood County	
Wilson	NCEMPA	
Windsor	NC Power	
Winterville	Greenville Utilities	
<b>Total: 71</b>		

**FIGURE NO. 4-4**  
**N. C. ELECTRIC MEMBERSHIP CORPORATION AND SOURCE OF POWER**

December 31, 2019

(Regulated as to Quality of Service Only)

<u>ELECTRIC MEMBERSHIP CORPORATION</u>	<u>HEADQUARTERS</u>	<u>SOURCE OF POWER*</u>
Albemarle	Hertford	NCEMC, SEPA
Blue Ridge	Lenoir	Duke Energy, NCEMC-IM, SEPA
Brunswick	Shalotte	NCEMC, SEPA
Cape Hatteras	Buxton	NCEMC
Carteret-Craven	Newport	NCEMC, SEPA
Central	Sanford	NCEMC, SEPA
Edgecombe-Martin County	Tarboro	NCEMC, SEPA
EnergyUnited	Statesville	NCEMC-IM, SEPA Southern Company
Four County	Burgaw	NCEMC, SEPA
French Broad	Marshall	Duke Energy, SEPA
Halifax	Enfield	NCEMC, SEPA
Haywood	Waynesville	NCEMC-IM, SEPA Duke Energy
Jones-Onslow	Jacksonville	NCEMC, SEPA
Lumbee River	Red Springs	NCEMC, SEPA
Pee Dee	Wadesboro	NCEMC, SEPA
Piedmont	Hillsborough	NCEMC-IM, SEPA, Duke Power
Pitt & Greene	Farmville	NCEMC, SEPA
Randolph	Asheboro	NCEMC, SEPA
Roanoke	Ahoskie	NCEMC, SEPA
Rutherford	Forest City	NCEMC-IM, Duke Energy, SEPA
South River	Dunn	NCEMC, SEPA
Surry-Yadkin	Dobson	NCEMC
Tideland	Pantego	NCEMC, SEPA
Tri-County	Dudley	NCEMC, SEPA
Union	Monroe	NCEMC, SEPA
Wake	Wake Forest	NCEMC, SEPA

\*NCEMC - North Carolina Electric Membership Corporation

\*\* SEPA - Southeastern Power Administration

\*\*\*IM – Independent Members of NCEMC

\*\*\*\*These EMCs independently purchase capacity and energy requirements, as needed, above those provided by NCEMC and SEPA. Many of the coops also use renewable resources.

**FIGURE NO. 4-4 (Continued)**

**FOREIGN ELECTRIC MEMBERSHIP CORPORATIONS  
OPERATING IN NORTH CAROLINA**

December 31, 2019

<u>ELECTRIC MEMBERSHIP CORPORATION</u>	<u>HEADQUARTERS</u>	<u>SOURCE OF POWER</u>
Blue Ridge Mountain Serves Cherokee and Clay Counties	Young Harris, GA	TVA
Broad River Electric Cooperative, Inc. Serves Cleveland, Polk and Rutherford counties	Gaffney, SC	Central Electric Power Cooperative
Mecklenburg Electric Cooperative, Inc. Serves Granville, Vance, Warren, Person and Northampton Counties	Chase City, VA	SEPA, ODEC
Tri-State Serves Cherokee County	McCaysville, GA	TVA
Mountain Electric Cooperative, Inc. Serves Avery, Burke, McDowell, and Watauga Counties	Mountain City, TN	TVA

## A. GENERAL COMMENTS

There are three regulated investor-owned electric utilities (IOUs) operating under the laws of the State of North Carolina and subject to the jurisdiction of the Commission. All three of the IOUs own generating facilities. They are Duke Energy Progress, LLC (Progress), whose corporate office is in Raleigh; Duke Energy Carolinas, LLC (Duke), whose corporate office is in Charlotte; and Virginia Electric and Power Company (VEPCO), whose corporate office is in Richmond, Virginia, and which does business in North Carolina under the name Dominion Energy North Carolina (Dominion).

**Duke Energy Progress, LLC (Progress)**, an investor-owned utility, operates electric generation plants fueled by nuclear, coal, natural gas, oil, conventional hydroelectric and renewable energy. In 2019 Progress provided electricity to 1,402,000 North Carolina customers. The North and South Carolina Commissions govern retail electric rates and the Federal Energy Regulatory Commission governs wholesale electric rates. Progress is headquartered in Raleigh, North Carolina.

Duke and Progress, the two largest electric IOUs in North Carolina, together provide approximately 96% of the utility-supplied electricity consumed in the state. Approximately 23% of the IOUs' 2019 electric sales in North Carolina were to the wholesale market, consisting primarily of electric membership corporations and municipally-owned electric systems.

**Duke Energy Carolinas, LLC (Duke)** is an energy company headquartered in Charlotte, North Carolina. On July 2, 2012, Duke Energy merged with Progress Energy, with Duke Energy continuing as the surviving corporation. Duke, an investor-owned utility, provided electricity to 2,005,000 North Carolina customers in 2019. Duke operates electric generation plants fueled by nuclear, coal, natural gas, oil, conventional hydroelectric, pumped storage hydroelectric and renewable energy.

**Virginia Electric and Power Company (VEPCO)** is the principal subsidiary of Dominion Resources, Inc., a publicly traded holding company. VEPCO provides service to northeastern North Carolina, where it operates

as Dominion North Carolina Power (NC Power). VEPCO's service territory includes the urban corridor stretching from the suburbs of Washington, D.C., through Richmond to the Hampton Roads and Norfolk area of Virginia to North Carolina. NC Power provided electricity to 121,000 North Carolina customers in 2019. VEPCO's existing generating resources, located primarily in Virginia, are at multiple sites distributed geographically around its service territory. VEPCO's electric generation plants are fueled by nuclear, coal, natural gas, oil, conventional hydroelectric, pumped storage hydroelectric, and renewable energy. Dominion Resources, Inc. is headquartered in Richmond, Virginia.

The Commission does not regulate the retail rates of municipally-owned electric systems or electric membership corporations; however, the Commission does have jurisdiction over the licensing of all new electric generating plants and large scale transmission facilities built in North Carolina.

Electric Membership Corporations (EMCs) are independent, non-profit corporations. There are 32 EMCs serving 1,000,000 customers in North Carolina, including 26 that are headquartered in the state. The other six are headquartered in adjacent states. These EMCs serve customers in 93 of the state's 100 counties. Twenty-five of the EMCs are members of the North Carolina Electric Membership Corporation (NCEMC), an umbrella service organization. NCEMC is a generation and transmission services cooperative that provides wholesale power and other services to its 25 members.

Six EMCs operating in the state are not members of NCEMC. As noted above, five are incorporated in contiguous states and provide service in limited areas across the border into North Carolina. The sixth is French Broad EMC.

Two non-IOU electric utilities subject to the Commission's jurisdiction are very small distribution companies wholly located in North Carolina. Both are university-owned: New River Light and Power, located in Boone, and Western Carolina University, located in Cullowhee. New River Light and Power is an all-requirements customer of Blue Ridge Electric Membership Corporation, and Western Carolina

University is an all-requirements customer of Duke.

## **B. RENEWABLE ENERGY AND ENERGY EFFICIENCY**

### **Renewable Energy and Energy Efficiency Portfolio Standard (REPS)**

In 2007, North Carolina became the first state in the Southeast to adopt a Renewable Energy and Energy Efficiency Portfolio Standard. Under the REPS statute, codified at N.C.G.S. § 62-133.8, investor-owned electric utilities are required to increase their use of renewable energy resources and/or energy efficiency such that those sources meet 12.5% of their NC retail sales in 2021. EMCs and municipal electric suppliers are required to meet a similar requirement of 10% of their NC retail sales in 2018 and thereafter. The requirements under the law phase in over time, with the most recent increase in 2018, requiring investor-owned utilities to meet 10% of their prior year's NC retail sales through renewable energy and EE sources. Within the overall percentage requirements, electric power suppliers must meet a specified portion of their total REPS requirements by producing or purchasing electricity produced from solar, swine-waste, and poultry-waste resources. As detailed in the following section, these specified source requirements also increase over time, however the Commission has modified and delayed the swine and poultry waste requirements several times.

The REPS statute requires the Commission to monitor compliance with REPS and to develop procedures for tracking and accounting for renewable energy certificates (RECs), which represent units of electricity or energy produced or saved by a renewable energy facility or an implemented EE measure. In 2008 the Commission opened Docket No. E-100, Sub 121 and established a stakeholder process to propose requirements for a North Carolina Renewable Energy Tracking System (NC-RETS). On October 19, 2009, the

Commission issued a request for proposals (RFP) via which it selected a vendor, APX, Inc., to design, build, and operate the tracking system. NC RETS began operating July 1, 2010, consistent with the requirements of Session Law 2009-475.

Members of the public can access the NC-RETS website at [www.ncrets.org](http://www.ncrets.org). The site's "resources" tab provides public reports regarding REPS compliance and NC RETS account holders. NC-RETS also provides an electronic bulletin board where RECs can be offered for purchase.

On October 1, 2019, the Commission submitted its 12th Annual Report Regarding Renewable Energy and Energy Efficiency Portfolio Standard in North Carolina required pursuant to N.C.G.S. § 62-133.8. The report details Commission implementation of the REPS Statute since its enactment in 2007. As described in more detail below, the report concluded that all of the electric power suppliers have met, or appear to have met, the 2012-2018 general REPS requirements and appear on track to meet the 2019 solar set-aside requirement. The Commission granted a joint motion to delay implementation of the 2018 swine waste set-aside requirement for one year – except for the electric public utilities – requiring them to meet a 0.02% swine waste set-aside for 2018. Most electric power suppliers have indicated that they will have difficulty meeting the swine waste set-aside requirements for 2019, as well as a delay in future increases in these requirements. Electric power suppliers cite the lack of technological progress for power production from swine waste and failure of counter parties to deliver RECs as anticipated as impediments to meeting future swine waste set-aside requirements. The report is available on the Commission's web site, [www.ncuc.net](http://www.ncuc.net).

### **Competitive Procurement of Renewable Energy**

On July 27, 2017, the Governor signed into law House Bill 589 (S.L. 2017-192). Part II of S.L. 2017-192 enacted N.C.G.S. § 62-110.8, which required DEC and DEP to file for

Commission approval on or before November 27, 2017, a program for the competitive procurement of energy and capacity from renewable energy facilities with the purpose of adding renewable energy to the State's generation portfolio in a manner that allows the State's electric public utilities to continue to reliably and cost-effectively serve customers' future energy needs (CPRE Program). Under the CPRE Program, DEC and DEP are required to issue requests for proposals to procure energy and capacity from renewable energy facilities in the aggregate amount of 2,660 MW, over the course of the 45-month program. This aggregate amount of capacity may be reduced based on certain provisions in the statute. Since House Bill 589 was signed into law, the Commission has adopted rules implementing the requirements of the CPRE Program and approved, with modifications, the CPRE Program proposed by DEC and DEP. In addition, the Commission approved Accion Group, LLC, as the Independent Administrator (IA) of the CPRE Program.

On July 10, 2018, the Independent Administrator opened the period for the submission of proposals for the first RFP Solicitation under the CPRE Program, seeking proposals for 600 MW in DEC's service territories and 80 MW in DEP's service territories. Proposals were received through October 9, 2018, when the Proposal submission period closed. Proposals included a balanced representation from North Carolina and South Carolina and ranged in size from seven to 80 MW. While market participants had the ability to provide renewable energy from a number of technologies, the IA received proposals for only solar photovoltaic generation. Four of the projects proposed storage integration. The IA evaluated the bids resulting in 465.50 MW procured in DEC and 85.72 MW procured in DEP.

The CPRE Tranche 2 RFP opened on October 15, 2019 and reflects modifications based on stakeholder input and lessons learned in Tranche 1.

### **Energy Efficiency**

Electric power suppliers in North Carolina are required to implement demand-side management (DSM) and energy efficiency (EE) measures and use supply-side resources to establish the least cost mix of demand reduction and generation measures that meet the electricity needs of their customers. Energy reductions through the implementation of DSM and EE measures may also be used by the electric power suppliers to comply with REPS. Duke, Progress, Dominion, EnergyUnited, Halifax, and NCEMC (which has assumed compliance responsibility from the now-dissolved GreenCo for REPS compliance for its member cooperatives) all administer EE and DSM programs.

### **NC GreenPower**

NC GreenPower's mission is to expand public knowledge and acceptance of cleaner energy technologies to all North Carolinians through local, community-based initiatives. Founded in 2003, the nonprofit, a subsidiary of Advanced Energy Corporation, was launched by the NC Utilities Commission as a voluntary program to supplement the state's existing power supply with more green energy. NC GreenPower works to improve the state's environment by supporting renewable energy and carbon offset projects and by providing grants for solar installations at North Carolina K-12 schools.

Introduced on April 1, 2015, NC GreenPower Solar Schools uses a portion of its donations to provide grants for educational solar PV packages at North Carolina schools. All K-12 schools are eligible, though preference may be given to those in economically distressed counties as defined by the NC Department of Commerce. Through the program, schools receive partial grant funding and are then tasked with raising the remainder of the costs. Partnering with the State Employees' Credit Union (SECU) Foundation, selected public schools may receive a \$10,000-\$20,000 challenge grant from SECU Foundation, enabling them to

increase their system from 3 kilowatts (kW) to 5 kW.

The NC GreenPower Solar Schools program gives teachers valuable tools to educate students about renewable energy. Currently in its fifth year, the program now offers top-of-pole mounted systems and roof-mounted systems. Each educational solar package includes a 5 kW solar PV array, a weather station, data monitoring equipment, a STEM curriculum and training for educators.

Contributions to NC GreenPower continue to help support the local generation of green energy and reduction of greenhouse gases but also help to provide solar PV systems at schools across North Carolina. Statewide efforts of NC GreenPower also include community outreach and awareness. Voluntary donations to the program can be made by individuals or businesses through their electric bill or directly to NC GreenPower on their website: [www.ncgreenpower.org](http://www.ncgreenpower.org). NC GreenPower is a 501(c)(3) nonprofit organization and all current projects are located within North Carolina.

By the end of 2019, the NC GreenPower Solar Schools program (including the Duke Energy Schools Going Solar initiative, administered by NC GreenPower) will have reached a total of 32 North Carolina schools in 27 counties, bringing solar and energy education to nearly 26,000 students. To date, the schools have collectively produced about 223,755 kilowatt hours of green energy, a savings of about \$22,000.

## **TRANSMISSION AND GENERATION INTERCONNECTION ISSUES**

### **Transmission Planning**

The North Carolina Transmission Planning Collaborative (NCTPC) was established in 2005. Participants (transmission-owning utilities, such as Duke and Progress, and transmission-dependent utilities, such as municipal electric systems and EMCs) identify the electric transmission projects that are needed to be built for reliability and estimate the costs of those

upgrades. The NCTPC's January 17, 2019 report stated that 19 major (greater than \$10 million each) transmission projects are needed in North Carolina by the end of 2028 at an estimated cost of \$657 million. For more information, visit the NCTPC's website at [www.nctpc.org](http://www.nctpc.org).

On July 21, 2011, the FERC issued Order No. 1000, entitled "Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities." This Order requires transmission owners to participate in regional and inter-regional transmission planning efforts. Duke and Progress have complied with Order No. 1000 by participating in the Southeastern Regional Transmission Planning (SERTP) process.

On July 3, 2013, Session Law 2013-232 was enacted. This law states that only a public utility may obtain a certificate to build a new transmission line (except a line for the sole purpose of interconnecting an electric power plant). In this context, a public utility includes IOUs, EMCs, joint municipal power agencies, and cities and counties that operate electric utilities.

### **State Generator Interconnection Standards**

On June 4, 2004, in Docket No. E-100, Sub 101, Progress, Duke, and Dominion jointly filed a proposed model small generator interconnection standard, application, and agreement to be applicable in North Carolina. In 2005, the Commission approved small generator interconnection standards for North Carolina.

In 2007 as part of REPS legislation codified at N.C.G.S. § 62-133.8(i), the General Assembly provided that the Commission shall "[e]stablish standards for interconnection of renewable energy facilities and other nonutility-owned generation with a generation capacity of 10 megawatts or less to an electric public utility's distribution system; provided, however, that the Commission shall adopt, if appropriate, federal interconnection standards."

In compliance, on June 9, 2008, the Commission issued an Order revising North

Carolina's Interconnection Standard. The Commission used the federal standard as the starting point for all state-jurisdictional interconnections (regardless of the size of the generator), and made modifications to retain and improve upon the policy decisions made in 2005. The Commission's Order required regulated utilities to update any affected rate schedules, tariffs, riders, and service regulations to conform with the revised standard.

The Commission issued an Order Approving Revised Interconnection Standard on May 15, 2015. That Order made substantial changes to the procedures for requesting to interconnect a generator to the electric grid. Most of these changes were recommended by the stakeholders with the intent of addressing a back-log of interconnection requests. The more significant changes in the State's interconnection standards were: 1) a project's ability to be expedited is now based not only on the project's size, but also on the size of the line it would connect to, and its distance from a substation; 2) a new process for addressing "interdependent" projects was added, where one generator needs to decide whether it is going to move ahead in order for the utility to determine that capacity exists to interconnect a second generator; 3) developers must provide a deposit of at least \$20,000; 4) developers must demonstrate that they have site control; and 5) developers must pay for upgrades before the utility begins construction. The utilities are required to file a quarterly report to the Commission reporting on their progress in addressing the interconnection queue backlog.

The Public Staff was required to convene a workgroup of interested parties on or before May 2017 to discuss whether the State's small generator interconnection standards required additional revisions. Following that stakeholder process, on December 20, 2017, the Commission issued an Order Requesting Comments regarding modifications to the North Carolina Interconnection Procedures, Forms, and

Agreements (collectively referred to as the NC Interconnection Standard). On August 10, 2018, the Commission issued an Order Scheduling Hearing, Requesting Comments, and Extending Tranche 1 CPRE RFP Solicitation Response Deadline. The order established an evidentiary hearing to consider modifications to the NC Interconnection Standard. On October 5, 2018, the Commission issued an Order approving modifications to the NC Interconnection Standard in order to accommodate Tranche 1 of the CPRE program.

On June 14, 2019, the Commission issued an order modifying the NC Interconnection Standard that made fairly minor changes while establishing deadlines for considering more substantial changes. These include: (1) The utilities were required to file additional information explaining their need for generators' production profiles. The Commission subsequently approved this new requirement on September 23, 2019. (2) Duke was required to file a proposal for an expedited study process for battery storage being added to an existing solar generator. This issue remains pending. (3) Duke was required to consult with the Electric Power Research Institute as to ways to improve the fast track / supplemental review processes and file a report with the Commission. Duke filed that report October 23, 2019. (4) Duke was required to establish a stakeholder process to discuss transitioning the interconnection process from a first-come first-served process to a grouping study process. On October 15, 2019, Duke filed a preliminary proposal. Its final queue reform proposal is due February 28, 2020. (5) The utilities are required to host stakeholder meetings about the adoption of Interconnection Standard IEEE-1547 and file a report with the Commission by April 1, 2020.

### **Net Metering**

"Net metering" refers to a billing arrangement whereby a customer that owns and operates an electric generating facility is billed according to the difference over a billing

period between the amount of energy the customer consumes and the amount of energy it generates. As part of REPS legislation, codified at N.C.G.S. § 62.133.8(i)(6), the General Assembly required the Commission to consider whether it is in the public interest to adopt rules for electric public utilities for net metering of renewable energy facilities with a generation capacity of one megawatt or less.

On March 31, 2009, in Docket No. E-100, Sub 83, following hearings on its then-current net metering rule, the Commission issued an Order requiring Duke, Progress, and Dominion to file revised riders or tariffs that allow net metering for any customer that owns and operates a renewable energy facility that generates electricity with a capacity of up to one megawatt. The customer shall be required to interconnect pursuant to the approved generator interconnection standard, which includes provisions regarding the study and implementation of any improvements to the utility's electric system required to accommodate the customer's generation, and to operate in parallel with the utility's electric distribution system. The customer may elect to take retail electric service pursuant to any rate schedule available to other customers in the same rate class and may not be assessed any standby, capacity, metering, or other fees other than those approved for all customers on the same rate schedule. Standby charges shall be waived, however, for any net-metered residential customer with electric generating capacity up to 20 kW and any net-metered non-residential customer up to 100 kW. Credit for excess electricity generated during a monthly billing period shall be carried forward to the following monthly billing period, but shall be granted to the utility at no charge and the credit balance reset to zero at the beginning of each summer billing season. If the customer elects to take retail electric service pursuant to any time-of-use (TOU) rate schedule, excess on-peak generation shall first be applied to offset on peak consumption and excess off-peak generation to offset off-peak consumption; any remaining on-peak generation shall then be applied against any

remaining off-peak consumption. If the customer chooses to take retail electric service pursuant to a TOU demand rate schedule, it shall retain ownership of all RECs associated with its electric generation. If the customer chooses to take retail electric service pursuant to any other rate schedule, RECs associated with all electric generation by the facility shall be assigned to the utility as part of the net-metering arrangement. Since the Commission's March 31, 2009 Order, the Commission has not altered the substantive net-metering policy for the State's electric public utilities.

On July, 2017, the Governor signed into law House Bill 589 (S.L. 2017-192). Section six of that legislation enacted G.S. 62-126.4, which directs DEC and DEP to file for Commission approval revised net metering rates. To date, revised net metering rates have not been filed with the Commission.

## **FEDERAL ENERGY INITIATIVES**

### **Open Access Transmission Tariff (OATT)**

In April 1996, the FERC issued Order Nos. 888 and 889, which established rules governing open access to electric transmission systems for wholesale customers and required the construction and use of an Open Access Same-time Information System (OASIS) for reserving transmission service. In Order No. 888, the FERC also required utilities to file standard, non-discriminatory OATTs under which service is provided to wholesale customers such as electric cooperatives and municipal electric providers. As part of this decision, the FERC asserted federal jurisdiction over the rates, terms, and conditions of the transmission service provided to retail customers receiving unbundled service while leaving the transmission component of bundled retail service subject to state control. In Order No. 889, the FERC required utilities to separate their transmission and wholesale power marketing functions and to obtain information about their own transmission system for their own wholesale transactions through the use of

an OASIS system on the Internet, just like their competitors. The purpose of this rule was to ensure that transmission owners do not have an unfair advantage in wholesale generation markets.

### **Regional Transmission Organizations (RTOs)**

In December 1999, the FERC issued Order No. 2000 encouraging the formation of RTOs, independent entities created to operate the interconnected transmission assets of multiple electric utilities on a regional basis. In compliance with Order No. 2000, Duke, Progress, and SCE&G filed a proposal to form GridSouth Transco, LLC (GridSouth), a Carolinas-based RTO. The utilities put their GridSouth-related efforts on hold in June 2002, citing regulatory uncertainty at the federal level. The GridSouth organization was formally dissolved in April 2005.

Dominion filed an application with the Commission on April 2, 2004, in Docket No. E-22, Sub 418, seeking authority to transfer operational control of its transmission facilities located in North Carolina to PJM Interconnection, an RTO headquartered in Pennsylvania. The Commission approved the transfer subject to conditions on April 19, 2005. On March 31, 2016, Dominion filed a rate increase request with the Commission (Docket No. E-22, Sub 532) in which it requested relief from all of the conditions that had been imposed upon the Company (and that it had agreed to) pursuant to its joining PJM. The Commission relieved Dominion of compliance with most of the PJM conditions in the Commission's order dated December 22, 2016.

The Commission has continued to provide oversight over Dominion and PJM by using its own regulatory authority, through regional cooperation with other State commissions, and by participating in proceedings before the FERC. Together with the other State commissions with jurisdiction over utilities in the PJM area, the Commission is involved in the activities of the Organization of PJM States, Inc. (OPSI).

### **PURPA Reform**

In September, 2019, the Federal Energy Regulatory Commission issued a Notice of Proposed Rulemaking (NOPR) that constitutes the FERC's first comprehensive review of its PURPA regulations. The proposed changes are intended to continue encouraging development of QFs while addressing concerns regarding how the current regulations work in today's competitive wholesale power markets.

The NOPR focuses on providing flexibility to state regulatory authorities so they can accommodate recent wholesale power market developments and streamlines the Commission's policies and practices. Specifically, the proposal allows states to incorporate market pricing into avoided cost energy rates in various ways, allows states to require energy rates (but not capacity rates) to vary during the life of QF contracts, modifies the "one-mile rule," and lowers the threshold presumption for nondiscriminatory access to power markets from 20 megawatts to 1 megawatt for small power production, but not cogeneration, facilities. It also requires states to establish objective and reasonable standards for QFs to obtain legally enforceable obligations for the purchase of their power. Finally, the proposal permits protests of a QF's self-certification or self-recertification without the need to file and pay for a separate petition for declaratory order.

### **Physical and Cyber Security**

Federal and State regulators are increasingly concerned about cyber security and physical threats to the nation's bulk power system. North Carolina's utilities are working on many fronts to help ensure security and resilience of transmission and other critical infrastructure against people engaging in physical or cyber attacks and natural disasters. This includes compliance with NERC mandatory standards. The NC Utilities Commission meets with utility officials periodically to understand the threats the utilities are facing and the actions they are

taking to address these threats.

### **Greenhouse Gas Regulation**

On August 3, 2015, the U.S. Environmental Protection Agency (EPA) finalized regulations for reducing CO<sub>2</sub> emissions from existing power plants, relying on authority from the Clean Air Act. These regulations establish CO<sub>2</sub> emission levels for existing power plants in each State based upon three “building blocks”: (1) altering coal-fired power plants to increase their efficiency; (2) substituting natural gas combined cycle generation for generation from coal; and (3) substituting generation from low or zero-carbon energy generation, such as wind and solar, for generation from fossil fuels. On October 23, 2015, the EPA published its final Clean Power Plan (CPP) rule to regulate emissions of greenhouse gases, specifically carbon dioxide from existing fossil fuel-fired power plants. In North Carolina, the Department of Environmental Quality (NCDEQ) is the lead agency for compliance with the Clean Air Act. NCDEQ joined with 24 other like states to petition the US Court of Appeals for a stay of the regulations, as well as expedited consideration of a petition for review of those regulations. These states argue that EPA over-stepped its authority in promulgating the rules, that EPA lacks expertise and authority to regulate the energy grid, and that these states will experience irreparable harm if they must begin to comply with the regulations pending the outcome of legal challenges. The outcome of this litigation, and the ultimate disposition of federal CO<sub>2</sub> controls, could have a major impact on the electric generation fleet, reliability of service, and electricity prices in North Carolina. On February 9, 2016, the U.S. Supreme Court placed a “stay” on EPA’s implementation of the rule, until an appeals court can consider its legality. The case was argued before the D.C. Circuit Court of Appeals on September 27, 2016.

On March, 28, 2017, President Trump issued an Executive Order establishing a national policy in favor of energy

independence, economic growth, and the rule of law. The purpose of that Executive Order is to facilitate the development of U.S. energy resources and to reduce unnecessary regulatory burdens associated with the development of those resources. Pursuant to the Executive Order, EPA initiated its review of the CPP and on October 10, 2017, the EPA proposed to repeal the CPP. In August 2018, EPA issued the proposed Affordable Clean Energy (ACE) rule.

The EPA released the final version of the ACE Rule, the replacement of the CPP on June 19, 2019. The final ACE rule combines three distinct EPA actions.

First, through the ACE rule, the EPA finalized the repeal of the CPP. It also asserted that the repeal is intended to be severable, such that it will survive even if the remainder of the ACE rule is invalidated.

Second, through this action, the EPA finalized the ACE rule, which comprises EPA’s determination of the Best System of Emissions Reduction (BSER) for existing coal-fired power plants and establishment of the procedures that will govern states’ promulgation of standards of performance for existing electric generating units (EGUs) within their borders. The EPA sets the final BSER as heat rate efficiency improvements based on a range of candidate technologies that can be applied inside the fence-line of an EGU. Rather than setting a specific numerical standard of performance for these units, the EPA’s rule requires that each state determine which of the candidate technologies apply to each coal-fired unit based on consideration of remaining useful plant life and other factors, such as reasonableness of cost. Each state must then establish standards of performance based on the degree of emission reduction achievable with the application of the applicable elements of BSER.

Third, through the ACE rule, the EPA finalized a number of changes to the implementing regulations for the timing of state plans for this and future Section 111(d) rulemakings of the Clean Air Act. Based on the changes, states will have three years from

when the rule was finalized to submit a plan to the EPA, at which point the EPA has one year to determine whether the plan is acceptable. If states do not submit a plan or if their submitted plan is not acceptable, the EPA will have two years to develop a federal plan.

### **C. RETAIL CUSTOMER GROWTH-COMMENTS**

In 2019, the three major electric utilities experienced a customer growth rate between 0.57% and 1.76% for their North Carolina operations. The net customer increase from December 31, 2018, to December 31, 2019, for these companies was 62,213 bringing the total number of customers in 2019, to 3,590,607 as shown in Figure No. 4-5.

### **D. ANNUAL CUSTOMER USE**

The annual consumption of kilowatt-hours per residential customer in 2019 for the three major companies was 12,948 kWhs as shown in Figure No. 4-6. This was a 4.63% decrease from 2018. The U.S. average annual residential consumption of kilowatt-hours for 2019 was 10,649. This is 21.6% higher than the North Carolina residential average usage. The average cost per kilowatt-hour for North Carolina residential customers is 11.42 cents versus the national average of 13.01 cents.

The average monthly electricity use by North Carolina residential customers of major electric companies is 1,079 kilowatt-hours compared to the U.S. average of 887. Residential customers constitute about 82% of the total electric customers in the State.

Figure No. 4-7 illustrates the residential electric service for the three major companies, breaking down the average kWh usage per customer and cents per kWh and the N. C. average price per kWh in cents by each company for the years 2015-2019.

Figure No. 4-8 illustrates the General Rate Increases approved for Electric Companies in 2019.

### **E. COMPARISON OF AVERAGE RESIDENTIAL MONTHLY BILLS**

In Figure No. 4-9 a typical residential electric bill as of January 1, 2020, from North Carolina is compared to nine selected states from across the country. These states include Alabama, California, Florida, Indiana, Maine, Michigan, Ohio, South Carolina, and Virginia. For 2019 North Carolina, in comparison to the 10 selected states, is the third lowest at the 500 kWh, the lowest at the 750 kWh, and the lowest at the 1,000 kWh level.

In a comparison with the United States average, North Carolina monthly bills are the 21st lowest 500 kWh, 18th lowest for 750 kWh and 16th lowest for the 1,000 kWh level. The electric utilities have service area-wide rates for respective residential, commercial, and industrial customer classes in North Carolina.

### **F. ADVANCED ENERGY CORPORATION**

Located in Raleigh, North Carolina, Advanced Energy focuses on industrial process technologies, motors and drives testing, and applied building science, with state-of-the-art laboratories in which to do testing and applied research.

Advanced Energy is a non-profit corporation that helps utility, industrial and residential customers improve the return on their energy investment. Offering consulting, testing, and training, it develops innovative solutions to unique problems. The primary mission of Advanced Energy is to increase efficiency and productivity in industries, businesses, and homes as they transform energy into goods, services, and environmental conditioning.

Advanced Energy was originally known as Alternative Energy Corporation, or AEC. It was founded by the North Carolina Utilities Commission in 1980--a time when electric rates had been rising due to increased power plant construction. The Utilities Commission saw AEC as a way to help the utilities avoid building new power plants by exploring alternative ways of producing electricity and by getting more work out of the electricity already available. On June 1, 1997, the North Carolina Alternative Energy

Corporation or AEC, became Advanced Energy, a name change approved in Docket No. E-100, Sub 37.

With the cooperation of the state's major electric utilities, the Utilities Commission set up funding to come from the electric ratepayers of the state--an investment equivalent to about \$.39 per person per year. The money is collected by member utilities and then passed along to Advanced Energy. The members are Duke Energy Progress, Duke Energy Carolinas, North Carolina's electric cooperatives, and Dominion North Carolina.

The corporation is governed by a Board of Directors with eight members appointed by the Governor of North Carolina, four directors named by the member utilities, one legislative member and one appointed by the NC Utilities Commission.

In the years since 1980, Advanced Energy has carried out hundreds of projects for all sectors of the economy, including agriculture, industry, commercial, residential, governments and nonprofits, education, and utilities. The emphasis on innovation and efficiency has not changed as Advanced Energy continues to build on a foundation of expertise and achievement in applied building science, motors and drive testing, and industrial process technologies.

## **G. SOURCE AND DISPOSITION OF THE ELECTRIC OPERATING REVENUE DOLLAR**

Both the source and disposition of the 2019 electric operating revenue dollar are shown by the pie charts on Figure No. 4-10. In 2019, fuel costs (excluding purchased power) required 20% while the remaining operation and maintenance costs required 29%. Shown in Figure No. 4-11 is comparative data reflecting the components percentage-wise for both the source and disposition of the electric operating revenue dollar for 2019. The chart in Figure No. 4-12 shows the fuel costs as a percent of total operational and maintenance expenses for the period 2015-2019.

## **H. ENERGY SALES**

The major companies' total energy sales in North Carolina reflected a decrease of 2.1% in 2019 with more than 129,111 million kilowatt-hours sold. Figure No. 4-13 shows energy sales by class of customer for the years 2015-2019.

## **I. STATISTICAL SUMMARY DATA**

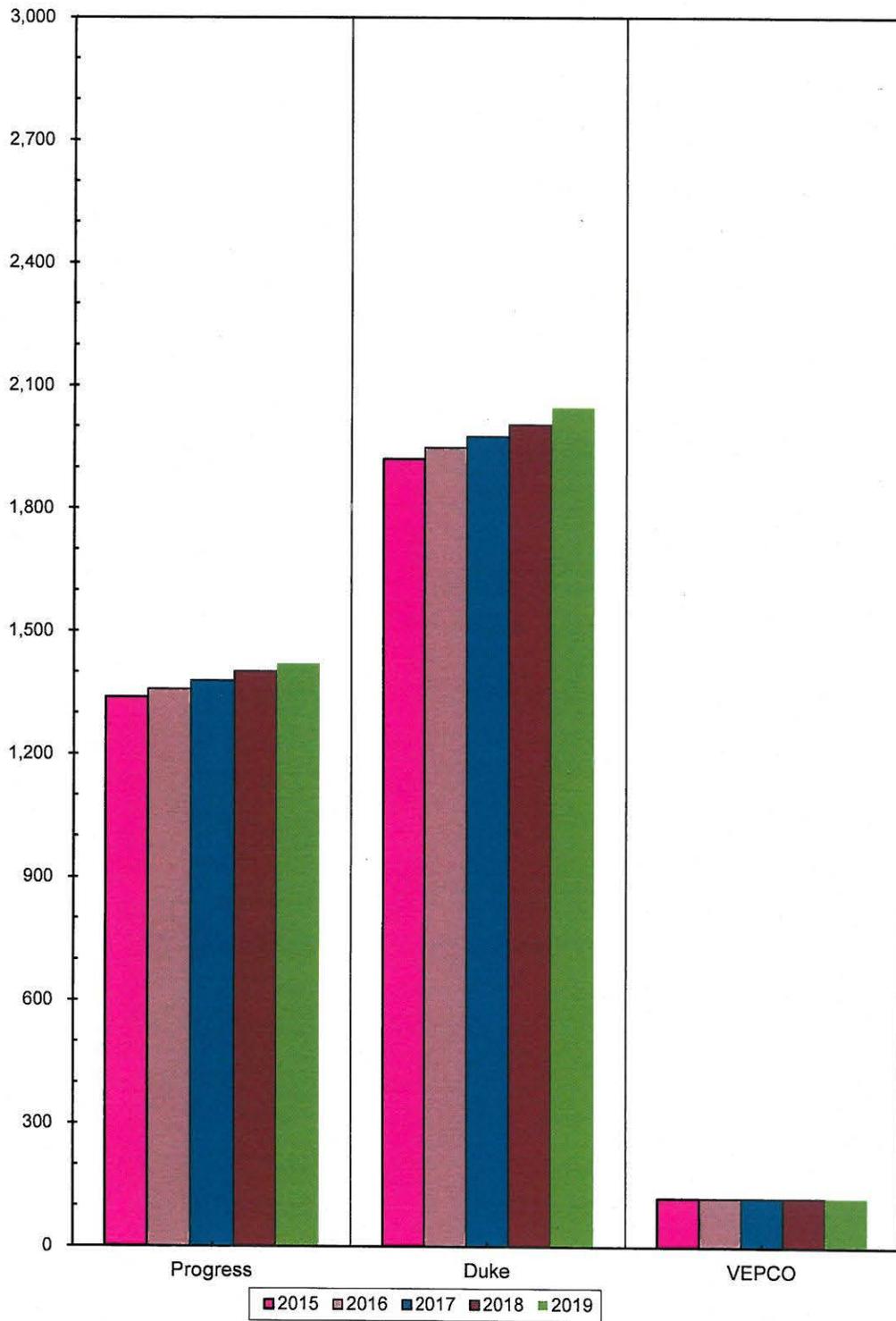
As shown in Figure No. 4-14(a), (b), and (c), the total operating revenues for North Carolina operations for the major electric utilities increased 2.8% in 2019 compared to 2018.

North Carolina net operating income for the major electric companies increased 11.3% in 2019 over 2018.

Total company net income available for common shareholders of the major companies was \$11,948,409 for 2019 compared to \$11,084,129 for 2018. The number of common shares outstanding at year-end was 274,723,000 in 2019. The average earnings per share (year-end outstanding) at December 31, 2019, were \$43.49.

Total salaries and wages paid North Carolina employees by major companies for 2019 was \$1,830,577, an increase of 6.3% from 2018. In 2019 the number of employees residing in North Carolina was 14,518 compared to 15,155 in 2018.

**Figure No. 4-5**  
**Customer Growth for Major Electric Companies**



**FIGURE NO. 4-6**

**Average Annual Residential Consumption (kWh/Customer)**

**2015, 2016, 2017, 2018, and 2019  
(Three Privately Owned Major Utilities Only)**

<b>UTILITIES</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
N.C. Statewide Average	13,356	13,212	12,504	13,548	12,948
N.C. (Charlotte & Raleigh)(a)	13,253	13,294	12,557	13,506	12,922
S.C. (Columbia & Charleston)(b)	13,361	13,430	12,652	13,481	13,080
U. S. Average	10,812	10,764	10,399	10,972	10,649
N.C. (Charlotte & Raleigh) Higher/Lower(-) than S.C. (Columbia & Charleston)	1.9%	-1.7%	-0.8%	-1.0%	-1.2%
Higher than U.S. Average	20.8%	24.7%	23.5%	22.7%	21.6%

(a) Charlotte--Served by Duke Power Co.  
Raleigh--Served by Progress  
Simple average of the two used

(b) Columbia & Charleston  
Served by S.C. Electric & Gas Co.  
Simple average of the two used

**SOURCES:**

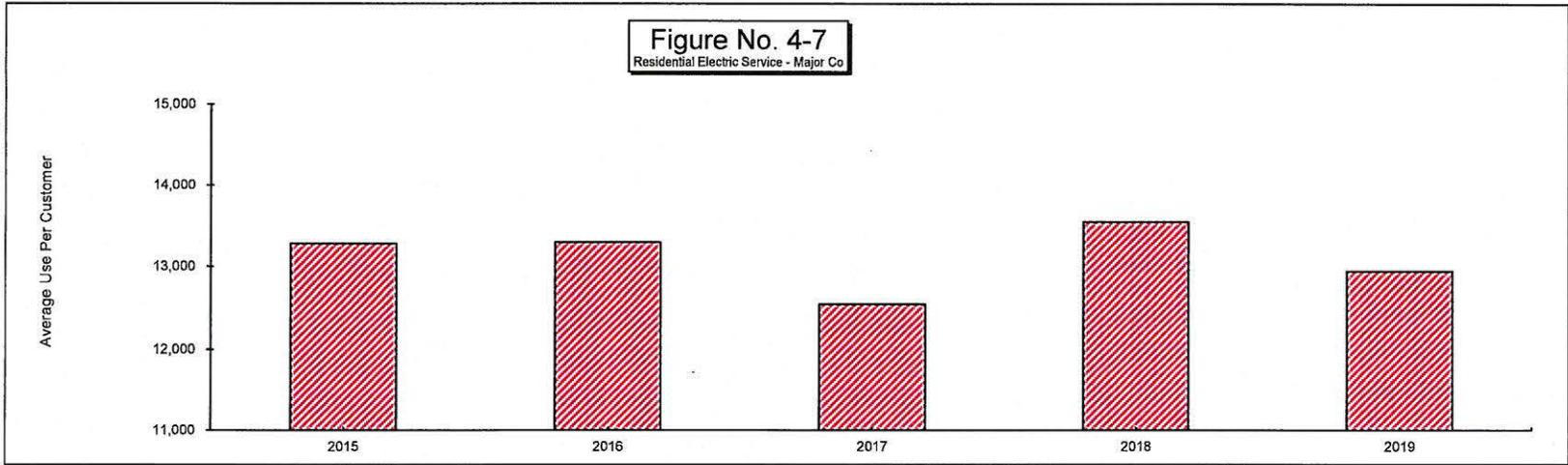
N.C. Statewide Average--Calculated From Table 5. U.S. Average Monthly Bill by Sector, Census Division and State, The Energy Information Administration web site.

N.C. (Charlotte & Raleigh)--Computed from FERC Form No. 1: Annual Report of Major Electric Utilities Data

S.C. (Columbia & Charleston)--S.C. Electric & Gas Co.

U.S. Average--Calculated From Table 5. U.S. Average Monthly Bill by Sector, Census Division and State, The Energy Information Administration web site.

**Figure No. 4-7**  
Residential Electric Service - Major Co



**Average kWh Usage Per Customer and Cents Per kWh**

2015	2016	2017	2018	2019
13,280	13,299	12,553	13,550	12,942
10.78	10.57	10.29	10.57	10.99

**Average Price of One kWh in Cents by Company**

	2015	2016	2017	2018	2019
Progress	11.01	10.78	10.37	11.12	11.83
Duke	10.62	10.43	10.18	10.14	10.37
VEPCO	10.63	10.47	10.86	10.94	11.20

**FIGURE NO. 4-8**

**General Rate Increases Approved for Electric Companies  
For the Year 2019**

<b>Company</b>	<b>Date Filed</b>	<b>Docket Number</b>	<b>Amount Requested (000s)</b>	<b>Amount Approved (000s)</b>	<b>% Approved of Amount Requested</b>	<b>Date of Final Order</b>
none						
<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	

FIGURE NO. 4-9

COMPARATIVE TYPICAL RESIDENTIAL ELECTRIC BILLS  
 NINE SELECTED STATES, NORTH CAROLINA, AND U.S. AVERAGE  
 STATE AVERAGE MONTHLY BILLS-RESIDENTIAL SERVICE  
 (Cities of 2,500 Population and Over) Data as of January 1 of each year

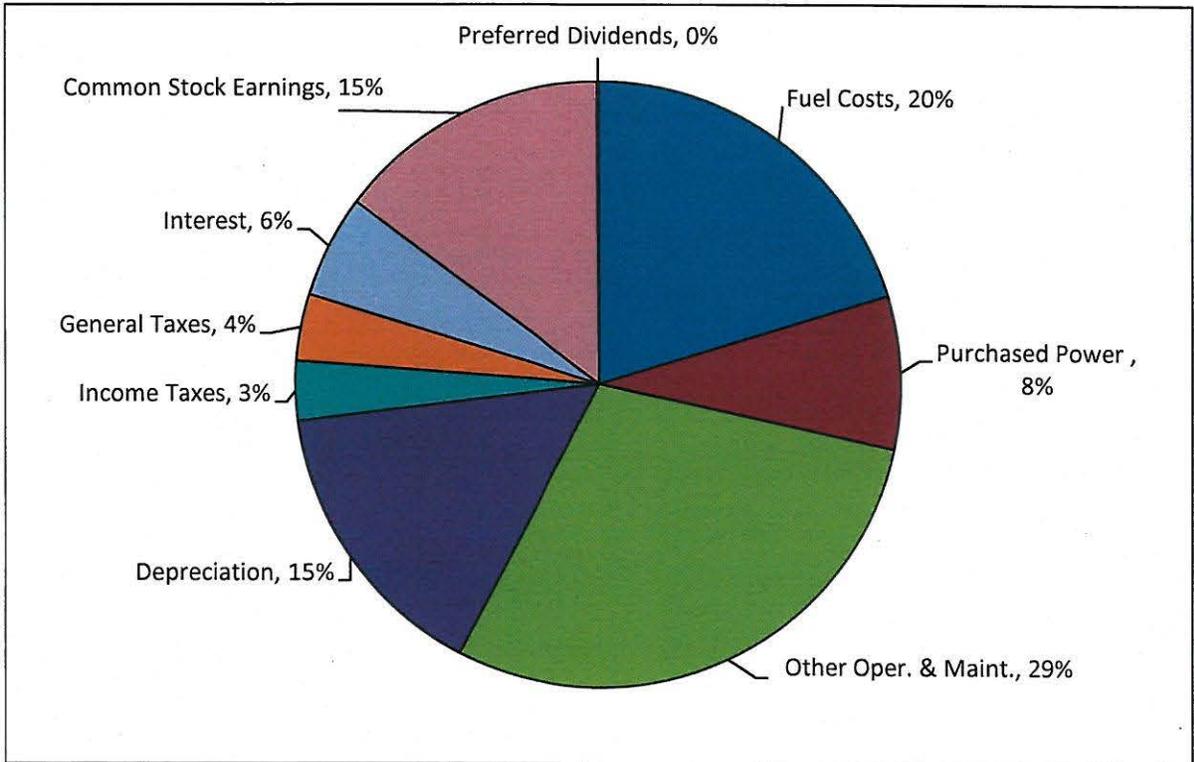
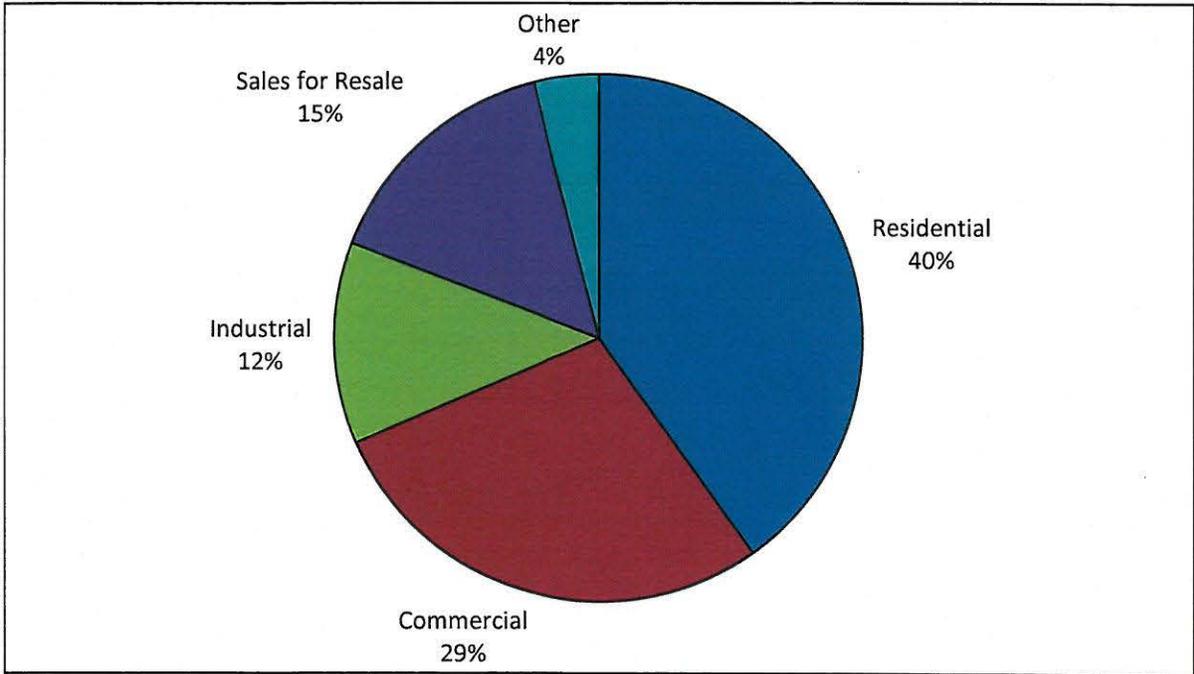
STATE:	500 kWh Assumed Consumption						750 kWh Assumed Consumption						1000 kWh Assumed Consumption					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
North Carolina	\$59.75	\$58.56	\$ 57.17	\$ 58.28	\$ 63.18	\$ 63.14	\$83.63	\$81.86	\$ 79.59	\$ 81.45	\$ 87.95	\$ 87.15	\$107.52	\$105.17	\$102.00	\$ 104.63	\$112.73	\$ 111.15
Alabama	71.12	71.05	\$ 74.09	\$ 74.70	\$ 76.42	\$ 78.31	99.21	99.12	\$ 103.68	\$104.29	\$107.15	\$109.71	124.26	124.15	130.22	\$ 130.83	\$134.95	\$ 138.06
California	94.15	94.78	\$ 102.75	\$111.49	\$115.17	\$124.24	164.75	164.63	\$ 175.88	\$185.62	\$192.50	\$204.24	239.84	238.70	253.98	\$ 260.60	\$270.68	\$ 285.39
Florida	65.47	65.14	\$ 65.32	\$ 67.65	\$ 65.72	\$ 69.04	91.79	91.19	\$ 91.25	\$ 94.54	\$ 91.77	\$ 95.82	118.12	117.23	117.19	\$ 121.42	\$117.82	\$ 122.61
Indiana	68.97	66.74	\$ 72.92	\$ 73.62	\$ 73.89	\$ 74.00	96.17	92.83	\$ 101.30	\$102.32	\$102.63	\$102.71	123.37	118.91	129.68	\$ 131.01	\$131.36	\$ 131.41
Maine	81.57	79.61	\$ 78.97	\$ 80.35	\$ 87.49	\$ 78.19	122.35	119.41	\$ 118.45	\$120.52	\$131.23	\$117.28	163.13	159.20	157.93	\$ 160.69	\$174.97	\$ 156.38
Michigan	73.35	75.47	\$ 78.20	\$ 72.35	\$ 71.52	\$ 74.17	105.89	108.97	\$ 112.70	\$103.97	\$102.48	\$107.13	138.45	142.50	147.22	\$ 135.61	\$133.47	\$ 140.13
Ohio	72.40	69.34	\$ 64.49	\$ 66.12	\$ 64.07	\$ 60.97	104.27	100.12	\$ 92.73	\$ 95.40	\$ 92.35	\$ 87.16	134.22	130.44	120.57	\$ 124.45	\$120.07	\$ 113.24
South Carolina	60.59	60.87	\$ 66.99	\$ 68.91	\$ 65.95	\$ 67.99	86.32	86.74	\$ 95.69	\$ 98.47	\$ 94.10	\$ 96.15	110.80	111.38	123.37	\$ 127.01	\$121.25	\$ 123.33
Virginia	65.76	66.31	\$ 59.58	\$ 60.46	\$ 60.03	\$ 61.63	94.50	95.17	\$ 84.79	\$ 86.11	\$ 85.61	\$ 88.12	122.22	123.65	108.78	\$ 110.53	\$110.01	\$ 113.43
United States	72.53	70.68	\$ 71.25	\$ 73.64	\$ 73.97	\$ 73.19	104.43	101.68	\$ 102.30	\$105.88	\$106.54	\$105.02	136.01	132.12	132.87	\$ 137.62	\$138.58	\$ 136.46
N. C. Rank (Low to High) (10 States Listed)	2nd lowest	1st lowest	1st lowest	1st lowest	2nd lowest	3rd lowest	2nd lowest	1st lowest	1st lowest	1st lowest	1st lowest	1st lowest	2nd lowest	1st lowest	1st lowest	1st lowest	1st lowest	1st lowest
N. C. Rank (Low to High) (50 States & DC)	21st lowest	15th lowest	10th lowest	21st lowest	21st lowest	21st lowest	19th lowest	15th lowest	13th lowest	8th lowest	8th lowest	18th lowest	21st lowest	14th lowest	13th lowest	8th lowest	10th lowest	16th lowest
% U.S. Average Higher/Lower(-) Than NC Average	21.39%	20.70%	24.63%	26.36%	17.08%	15.92%	24.87%	24.21%	28.53%	29.99%	21.14%	20.50%	26.50%	25.63%	30.26%	31.53%	22.93%	22.77%

Source:  
 "Typical Electric Bills" for applicable years--Edison Electric Institute book

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**FIGURE NO. 4-10**

**Source and Disposition of the Operating Revenue Dollar  
2019 Electric Companies (N. C. Operations Only)**



## FIGURE NO. 4-11

2019

### SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR

#### MAJOR ELECTRIC COMPANIES

#### NORTH CAROLINA OPERATIONS ONLY

(DOLLARS IN 000's)

<b>SOURCE:</b>	<b>REVENUE</b>	<b>% OF TOTAL</b>
Residential	\$4,368,956	40.13%
Commercial	\$3,090,672	28.39%
Industrial	\$1,344,582	12.35%
Sales for Resale	\$1,649,831	15.15%
Other	\$433,327	3.98%
<b>Total</b>	<b>\$10,887,368</b>	<b>100.00%</b>

<b>DISPOSITION:</b>		
Fuel Costs	2,188,454	20.30%
Purchased Power	882,543	8.19%
Other Oper. & Maint.	3,151,061	29.23%
Depreciation	1,658,476	15.38%
Income Taxes	343,395	3.18%
General Taxes	385,293	3.57%
Interest	593,401	5.50%
Common Stock Earnings	1,579,358	14.65%
Preferred Dividends	0	0.10%
<b>Total</b>	<b>10,781,981</b>	<b>100.00%</b>

**FIGURE NO. 4-12**

**FUEL COSTS  
(DOLLARS IN 000s)**

ITEM	2015	2016	2017	2018	2019
Fuel Costs (1)	\$2,590,103	\$2,325,973	\$2,297,536	\$2,494,191	\$2,188,454
Purchased Power Costs (Fuel and Nonfuel)	\$678,934	704,426	763,332	1,015,775	882,543
Other Operating & Maintenance Expenses	\$3,180,185	\$2,985,841	\$2,785,770	\$2,902,501	\$2,733,718
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$6,449,222</b>	<b>\$6,016,240</b>	<b>\$5,846,638</b>	<b>\$6,412,467</b>	<b>\$5,804,715</b>
Fuel Costs as a % of Total Operating & Maintenance Expenses (2)	40.16%	38.66%	39.30%	38.90%	37.70%

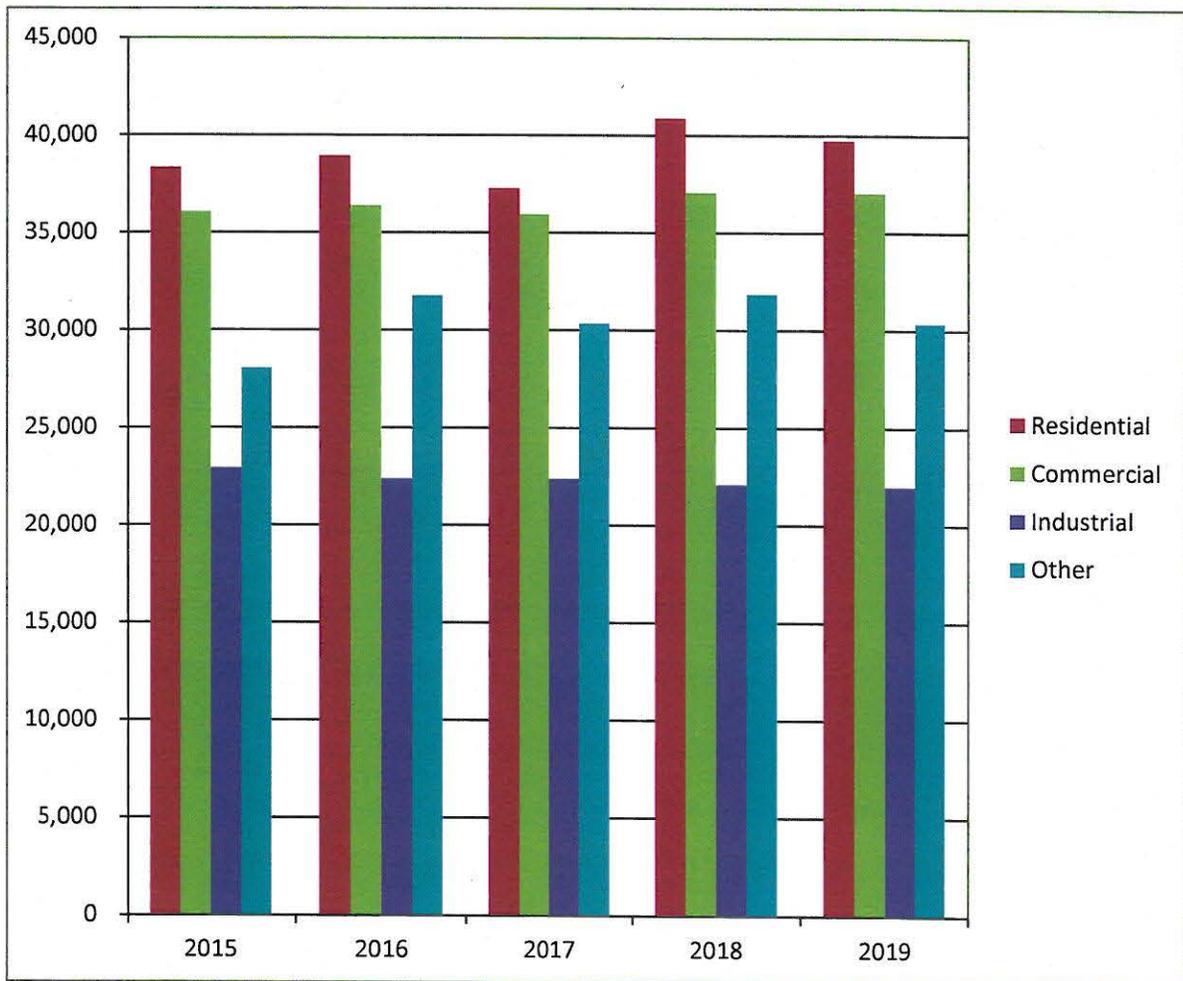
(1) Source: FERC Form No. 1: Annual Report of Major Electric Utilities

(2) Fuel Costs percentage does not include Purchased Power

**FIGURE NO. 4-13**

**2019 Energy Sales by Classes**  
*(expressed in thousands - 000)*  
**North Carolina Data Only**

Class	2015	2016	2017	2018	2019
Residential	38,340	38,948	37,281	40,876	39,736
Commercial	36,071	36,373	35,936	37,068	37,041
Industrial	22,940	22,386	22,394	22,092	21,977
Other	28,057	31,767	30,340	31,846	30,355
<b>Total</b>	<b>125,408</b>	<b>129,474</b>	<b>125,951</b>	<b>131,882</b>	<b>129,111</b>
<b>% Change</b>		<b>3.2%</b>	<b>-2.7%</b>	<b>4.7%</b>	<b>-2.1%</b>



**FIGURE NO. 4-14A**  
**MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA**  
**Income Statement, Balance Sheet, and Other Statistical Items (Dollars in 000s)**  
**For the Years 2015, 2016, 2017, 2018 and 2019**

Item	2015	2016	2017	2018	2019	% Change 2018-2019
No. of Companies Regulated and Included in this Data	3	3	3	3	3	
<b>INCOME STATEMENT (NC ONLY):</b>						
Income Items:						
Residential Sales	\$4,132,128	\$4,116,453	\$3,834,702	\$4,322,421	\$4,368,956	1.1
Commercial Sales	2,949,453	\$2,964,068	\$2,844,514	\$2,987,930	\$3,090,672	3.4
Industrial Sales	1,447,452	\$1,367,953	\$1,325,813	\$1,347,330	\$1,344,582	(0.2)
Sales for Resale	1,398,524	\$1,450,073	\$1,482,955	\$1,645,234	\$1,649,831	0.3
All Other Operating Revenue	425,721	\$467,191	\$695,553	\$284,799	\$433,327	52.2
<b>Total Operating Revenue</b>	<b>\$10,353,278</b>	<b>\$10,365,738</b>	<b>\$10,183,537</b>	<b>\$10,587,714</b>	<b>\$10,887,368</b>	<b>2.8</b>
Expense Items:						
Power Production Expense	\$5,040,404	\$4,754,172	\$4,644,301	\$4,616,304	\$4,647,845	1.0
Transmission Expense	89,322	88,027	74,434	91,225	\$77,866	(14.6)
Distribution Expense	317,440	364,476	366,778	439,809	\$370,354	(15.8)
Customer Accounts Expense	112,644	108,897	112,914	117,312	\$115,400	(1.6)
Customer Service & Informational Expense	20,383	21,336	19,525	20,149	\$19,147	(5.0)
Sales Expense	11,894	13,288	14,688	17,388	\$18,090	4.0
Administrative & General Expense	687,872	666,044	613,998	692,937	\$556,013	(19.8)
Depreciation Expense	1,264,773	1,304,666	1,683,126	1,491,086	\$1,658,476	11.2
<b>Total Expenses Before Taxes</b>	<b>\$7,544,732</b>	<b>\$7,320,906</b>	<b>\$7,529,764</b>	<b>\$7,486,210</b>	<b>\$7,463,191</b>	<b>(0.3)</b>
State Taxes:						
Income Tax	\$14,633	\$12,708	\$18,594	\$4,075	\$8,702	113.5
Gross Receipts Tax	10,543	5,909	25,290	34,439	39,865	15.8
Property Tax	140,405	148,815	155,244	161,665	170,190	5.3
Other Operating Taxes	151,404	173,289	171,778	173,017	177,023	2.3
<b>Total State Taxes</b>	<b>\$316,985</b>	<b>\$340,721</b>	<b>\$370,906</b>	<b>\$373,196</b>	<b>\$395,780</b>	<b>6.1</b>
Federal Taxes:						
Income Tax	\$130,361	\$17,283	\$90,296	(\$61,353)	\$99,751	(114.2)
Provision for Deferred Income Tax	555,944	669,123	643,128	425,049	234,942	(44.7)
Income Tax Deferred in Prior Years	0	0	0	0	0	N/COMP
Investment Tax Credit	(10,246)	(6,686)	(6,950)	(6,983)	(4,806)	(31.2)
Payroll, Unemployment, & Other Federal Taxes	37,462	29,117	2,309	2,468	3,020	22.4
<b>Total Federal Taxes</b>	<b>\$713,521</b>	<b>\$708,837</b>	<b>\$728,783</b>	<b>\$359,181</b>	<b>\$332,907</b>	<b>(7.3)</b>
<b>Total State &amp; Federal Taxes</b>	<b>\$1,030,506</b>	<b>\$1,049,558</b>	<b>\$1,099,689</b>	<b>\$732,377</b>	<b>\$728,688</b>	<b>(0.5)</b>
<b>Other Operating Expenses</b>	<b>\$152,070</b>	<b>\$172,179</b>	<b>\$363,908</b>	<b>\$417,343</b>	<b>\$522,729</b>	<b>25.3</b>
<b>Total Operating Expenses</b>	<b>\$8,727,308</b>	<b>\$8,542,643</b>	<b>\$8,265,545</b>	<b>\$8,635,930</b>	<b>\$8,714,608</b>	<b>0.9</b>
<b>Net Operating Income</b>	<b>\$1,628,246</b>	<b>\$1,834,808</b>	<b>\$1,917,992</b>	<b>\$1,951,784</b>	<b>\$2,172,759</b>	<b>11.3</b>
<b>Other Income &amp; Expenses:</b>						
Other Income	\$115,615	\$72,538	\$54,748	\$39,094	\$71,325	82.4
Allowance for Funds Used During Construction	115,240	121,142	120,912	105,564	85,260	(19.2)
Deductions From Income	29,725	93,268	44,715	196,387	45,310	(333.4)
Taxes on Other Income	35,597	12,793	(8,108)	(9,694)	15,693	(261.9)
<b>Net Other Income &amp; Expense</b>	<b>\$165,533</b>	<b>\$87,619</b>	<b>\$139,053</b>	<b>(\$42,035)</b>	<b>\$95,582</b>	<b>(327.4)</b>

N/COMP = Not Comparable

**FIGURE NO. 4-14B**  
**MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA**  
**Income Statement, Balance Sheet, and Other Statistical Items (Dollars in 000s)**  
**For the Years 2015, 2016, 2017, 2018 and 2019**

Item	2015	2016	2017	2018	2019	% Change 2018-2019
<b>Fixed Charges:</b>						
Interest on Funded Debt	\$544,086	\$563,382	\$589,687	\$636,820	\$665,664	4.5
Other Fixed Charges	32,538	34,654	30,889	36,892	17,010	(53.9)
AFUDC	46,842	44,093	52,143	49,510	48,204	(2.6)
<b>Total Fixed Charges</b>	<b>\$529,782</b>	<b>\$553,942</b>	<b>\$568,432</b>	<b>\$624,202</b>	<b>\$634,470</b>	<b>1.6</b>
<b>Extraordinary Income:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Net Income</b>	<b>\$1,263,997</b>	<b>\$1,368,485</b>	<b>\$1,488,613</b>	<b>\$1,285,547</b>	<b>\$1,633,871</b>	<b>27.1</b>
<b>BALANCE SHEET:</b>						
<b>Assets:</b>						
Utility Plant	\$53,203,682	\$53,979,275	\$57,001,140	\$60,633,373	\$67,294,675	11.0
Depreciation Reserve	20,706,575	21,026,996	22,149,024	23,188,063	24,492,400	5.6
<b>Net Plant</b>	<b>\$32,497,107</b>	<b>\$32,952,279</b>	<b>\$34,852,116</b>	<b>\$37,445,310</b>	<b>\$42,802,275</b>	<b>14.3</b>
Nonutility Property	87,621	85,702	80,414	76,380	82,360	7.8
Other Investments	4,661,940	7,199,820	8,301,888	5,409,000	6,649,490	22.9
Cash	(21,046)	19,722	26,737	22,406	10,316	(0.5)
Temporary Cash Investments	0	0	0	0	0	N/COMP
Customer Accounts Receivable	1,202,837	1,109,905	928,609	1,208,993	1,179,586	(2.4)
Plant Material & Operating Supplies	1,232,385	1,247,683	1,180,320	1,146,174	1,138,238	(0.7)
Prepayments	40,547	46,380	76,197	99,544	99,311	(0.2)
Interest & Dividends Receivable	76	398	14	17	18	5.6
Other Current & Accrued Assets	7,256,783	445,771	448,575	412,483	676,330	64.0
Unamortized Debt Expense	69,458	73,277	76,489	80,450	85,305	6.0
Miscellaneous Deferred Debits	957,580	1,287,783	1,259,948	1,311,456	1,413,077	7.7
Accumulated Deferred Income Taxes	3,847,675	3,963,807	3,458,836	3,735,606	4,542,017	21.6
Other Deferred Debits	65,452	58,420	51,928	45,976	40,356	(12.2)
<b>Total Assets</b>	<b>\$51,898,414</b>	<b>\$48,490,947</b>	<b>\$57,744,609</b>	<b>\$59,647,646</b>	<b>\$67,220,361</b>	<b>12.7</b>
<b>Liabilities &amp; Stockholder's Equity:</b>						
<b>Liabilities:</b>						
Accounts Payable	\$1,243,445	1,479,906	\$1,296,773	\$1,809,841	\$1,669,806	(7.7)
Notes Payable	260,911	245,445	96,082	604,181	95,608	(84.2)
Total Long-Term Debt	12,327,045	12,752,160	14,184,291	15,659,343	16,985,899	8.5
Taxes Accrued	133,705	129,752	239,779	178,759	48,908	(72.6)
Miscellaneous Current & Accrued Liabilities	6,363,711	844,846	660,730	761,295	895,415	17.6
Current & Accrued Liabilities	2,459,135	2,878,028	2,485,928	3,538,088	2,897,686	(18.1)
Accumulated Deferred Investment Tax Credit	266,308	279,487	298,447	297,794	295,483	(0.8)
Accumulated Deferred Income Tax	11,312,155	11,667,145	7,708,221	8,432,436	9,654,081	14.5
Other Deferred Credits	2,164,147	2,363,802	6,793,704	6,576,278	7,389,253	12.4
<b>Total Liabilities</b>	<b>\$36,530,562</b>	<b>\$32,640,570</b>	<b>\$39,180,861</b>	<b>\$43,041,610</b>	<b>\$48,688,917</b>	<b>13.1</b>

N/COMP= Not Comparable

**FIGURE NO. 4-14C**  
**MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA**  
**Income Statement, Balance Sheet, and Other Statistical Items (Dollars in 000s)**  
**For the Years 2015, 2016, 2017, 2018 and 2019**

Item	2015	2016	2017	2018	2019	% Change 2018-2019
<b>Stockholder's Equity:</b>						
Preferred Stock	0	0	0	0	0	N/COMP
Common Stock	212,858	208,268	198,514	234,086	253,593	8.3
Other Paid in Capital	5,306,409	5,283,746	5,221,599	5,248,884	5,254,128	0.1
Retained Earnings	10,133,770	10,392,922	10,611,823	11,390,182	13,000,632	14.1
Other	(286,968)	(213,366)	(273,676)	(277,868)	(282,092)	1.5
<b>Total Stockholder's Equity</b>	<b>\$15,366,069</b>	<b>\$15,671,570</b>	<b>\$15,758,260</b>	<b>\$16,595,502</b>	<b>\$18,226,499</b>	<b>9.8</b>
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>\$51,898,414</b>	<b>\$53,518,272</b>	<b>\$54,939,122</b>	<b>\$59,637,113</b>	<b>\$66,915,416</b>	<b>12.2</b>
<b>STATISTICAL INFORMATION (N.C. ONLY):</b>						
Systems Sales to Ultimate Consumer (kWh in 000s)	99,279,408	99,597,329	97,473,790	101,919,746	100,632,622	(1.3)
System Sales for Resale (kWh in 000s)	26,167,155	29,877,232	28,479,379	29,963,135	28,478,974	(5.0)
Total Sales to Ultimate Customers & For Resale (000s)	125,446,563	129,474,561	125,953,169	131,882,881	129,111,596	(2.1)
Total Customers--Yearly Average	3,379,327	3,426,756	3,475,779	3,528,376	3,590,607	1.8
Average Number kWhs Used per Residential Customer	13,280	13,299	12,553	13,550	12,942	(4.5)
Average Revenue per kWh--Residential Customer (cents)	10.78	10.57	10.29	10.57	10.99	4.0
Number of Employees Residing in N. C.	14,608	13,974	14,192	15,155	14,518	(4.2)
Wages & Salaries Paid N. C. Employees	\$1,542,948	\$1,629,072	\$1,612,421	\$1,722,669	\$1,830,577	6.3
<b>SYSTEMWIDE DATA:</b>						
Operating Revenues	\$20,136,829	\$20,174,328	\$19,975,512	\$20,589,983	\$21,430,105	4.1
Operating Expenses	9,850,243	9,045,720	8,432,725	9,422,590	9,642,419	2.3
Net Operating Income	\$10,286,586	\$11,128,608	\$11,542,787	\$11,167,393	\$11,787,696	5.6
<b>Net Other Income (Expense)</b>	<b>220,474</b>	<b>129,925</b>	<b>313,210</b>	<b>(83,264)</b>	<b>(160,723)</b>	<b>93.0</b>
<b>Net Income</b>	<b>\$10,507,060</b>	<b>\$11,258,533</b>	<b>\$11,855,997</b>	<b>\$11,084,129</b>	<b>\$11,948,409</b>	<b>7.8</b>
Preferred Dividends	0	0	0	0	0	0
Net Income for Common Shareholders	\$10,507,060	\$11,258,533	\$11,855,997	\$11,084,129	\$11,948,409	7.8
<b>STATISTICAL INFORMATION (SYSTEMWIDE):</b>						
Long-Term Debt	\$24,217,928	\$27,127,802	\$28,763,279	\$30,740,101	\$32,965,295	7.2
Total Capitalization	29,211,927	29,436,744	31,232,982	44,258,085	47,995,773	8.4
Long-Term Debt % of Total Capitalization	82.90%	92.2%	92.1%	69.5%	68.7%	(1.1)
Shares of Common Stock Outstanding-- Year End (000s)	274,723	274,723	274,723	274,723	274,723	0.0
Average Earnings Per Share--Shares at Year End (After Preferred Stock Dividends)	\$38.25	\$40.98	\$43.16	\$40.35	\$43.49	7.8

N/COMP = Not Comparable

## **V. NATURAL GAS INDUSTRY**

## THE NATURAL GAS INDUSTRY

### A. A BRIEF HISTORY OF THE NORTH CAROLINA NATURAL GAS INDUSTRY

The North Carolina Utilities Commission regulated four natural gas local distribution companies (LDCs) in 2019. They were as follows: Piedmont Natural Gas Company, Inc.; PSNC Energy; Frontier Natural Gas Company, LLC; and Toccoa Natural Gas. Figure No. 5-1 is a map illustration of natural gas service areas in North Carolina. Figure No. 5-2 is a list of the regulated companies and Figure No. 5-3 is a list of the North Carolina Municipal Gas Systems.

**PSNC Energy (PSNC)** was incorporated in 1938. PSNC serves approximately 593,146 natural gas customers in 28 counties in the piedmont and mountain areas of North Carolina in 2019. Public Service Company of North Carolina became a wholly owned subsidiary of SCANA Corporation to become PSNC Energy in 1999 as approved by Commission order in Docket No. G-5, Sub 400. PSNC remains a separate entity from SCANA with its own Commission-approved capital structure. On November 19, 2018, the Commission approved the Application of Dominion Energy and SCANA to engage in a business combination transaction subject to the provisions of the Stipulation and of the revised Regulatory Conditions and Code of Conduct. Dominion Energy and PSNC will keep their accounting books and records in a manner that will allow all capital structure components and cost rates of the cost of capital to be identified on a separate basis, and PSNC will remain a direct, wholly-owned subsidiary of SCANA and will continue to exist as a separate legal entity. PSNC delivers natural gas products and services to residential, commercial, industrial, transportation, and electric power generation customers. Public Service is headquartered in Gastonia, North Carolina.

**Piedmont Natural Gas Company, Inc. (Piedmont)** was incorporated in 1950. On September 29, 2016 in Docket No. E-2,

Sub 1095, in Docket No. E-7, Sub 1100, and in Docket No. G-9, Sub 682, the Commission approved the business combination of Duke Energy Corporation and Piedmont pursuant to G.S. 62-11(a). Piedmont is operated as a fully functional and separate natural gas subsidiary of Duke Energy and has its own Commission-approved capital structure. Piedmont is a diversified energy and services company primarily engaged in the purchase, distribution, and sale of natural gas to more than one million residential, commercial, and industrial customers in North Carolina, South Carolina, and Tennessee. Of these, 757,193 are North Carolina customers. Piedmont and its subsidiaries are also engaged in the acquisition, marketing, transportation, and storage of natural gas. Piedmont's franchised service territory includes all of 60 counties and parts of six more. Piedmont is headquartered in Charlotte, North Carolina.

**Frontier Natural Gas Company, LLC, (Frontier)** was granted a Certificate of Public Convenience and Necessity to construct, own, and operate an intrastate pipeline and local distribution system to serve Surry, Wilkes, Yadkin, and Watauga Counties in January 1996, in Docket No. G-38, Sub 0. Ashe and Alleghany Counties were added to Frontier's service territory in August 1996 in Docket No. G-100, Sub 69, which implemented G.S. 62-36A(b1). In March 2001, Frontier forfeited its exclusive right to serve Alleghany County pursuant to G.S. 62-36A(b).

In 1997, Frontier received certification to construct and operate a natural gas transmission and distribution system in Warren County (Docket No. G-38, Sub 1). Frontier's North Carolina operations serve approximately 3,958 customers.

In September 2007, in Docket No. G-40, Sub 67, the Commission issued an order approving the purchase of all shares of stock of the parent company of Frontier Energy, by Energy West, Inc. In 2008, Frontier informed the Commission that its name was being changed from Frontier Energy, LLC to Frontier Natural Gas Company, LLC.

On August 1, 2017 in Docket No. G-40, Sub 136, the Commission approved the business combination of FR Bison, Frontier, and BlackRock pursuant to G.S. 62-111(a) with the ultimate parent company of Frontier becoming BlackRock.

Frontier's North Carolina operations serve approximately 4,253 customers. Frontier is headquartered in Elkin, North Carolina.

**Toccoa Natural Gas (Toccoa)** is a municipal gas system serving the city of Toccoa, Georgia. In December 1998, Toccoa was granted a Certificate of Public Convenience and Necessity to serve Macon County, North Carolina. Toccoa is comprised of approximately 90 miles of transmission main from Elbert County, Georgia, to Macon County, North Carolina. It has 438 miles of distribution main, 71 miles of which are in North Carolina. Toccoa serves approximately 6,709 customers with most of them in Georgia. There are 767 customers in North Carolina; of which 493 are residential, 272 are commercial, and 2 are industrial.

PSNC and Piedmont formed **Cardinal Pipeline Company, LLC, (Cardinal)** and in March 1994 filed to construct an intrastate transmission pipeline. This 24-inch diameter natural gas pipeline was placed into service in December 1994, and extended 37.5 miles from a connection with Transcontinental Gas Pipe Line Company, LLC (Transco) near Reidsville to Burlington where it connected to PSNC and Piedmont. In Docket No. G-39, Sub 0, Cardinal filed to add a 65-mile extension and to merge Cardinal Pipeline Company, LLC into **Cardinal Extension Company, LLC** with Transco and North Carolina Natural Gas Company as equity partners and Transco as the operator.

**Pine Needle LNG Company, LLC (Pine Needle)**, was formed by Transco, Piedmont, PSNC, Amerada Hess, and the Municipal Gas Authority of Georgia to own and operate a liquefied natural gas storage facility with a capacity of four billion cubic feet. The Federal Energy Regulatory Commission (FERC) issued an order

granting a certificate in November 1996, authorizing construction. The plant was put on line in May 1999.

## **B. PLANT INVESTMENT AND EXPANSION**

The LDCs continued expansion of services by investing in the plant facilities for the 2019 calendar year. As of December 2019, their combined North Carolina total gross investment was \$8,854,786 for the two major regulated gas utilities. This represents an increase of 13.0% from the preceding year. Figure No. 5-4 shows the gross plant investment for the natural gas companies for the period 1983-2019.

## **C. GROWTH TRENDS--CUSTOMERS, REVENUES, VOLUME**

In 2019, the annual average number of natural gas utility customers increased 2.0% from the previous year. Figure No. 5-5 shows numerically the customers by classification for the years 1985-2019. Figure No. 5-6 shows graphically the customer growth for the years 2015-2019 by major customer classification.

Figure No. 5-7 shows graphically the sales volume of natural gas to the classes of ultimate consumers in millions of dekatherms by the North Carolina regulated natural gas companies for the years 2015-2019 by major customer classification.

Figure No. 5-8 A and B are a summary of natural gas sales of dekatherms and revenues, by customer classification for the years 2014-2019.

In 2019 industrial sales totaled more than 14.6 million dekatherms. This reflects a 71.2% increase from the 2018 sales. Total industrial sales of dekatherms accounted for 3.9% of total natural gas sales in North Carolina by the regulated natural gas companies. Residential sales accounted for 25.6% of the total dekatherm sales; an increase of 34.2% from 2018.

Figure No. 5-9 shows total customer growth, total revenues from sales and transportation of gas, and total dekatherms

of gas sold and transported by the LDCs and the municipal gas systems for the years 2018 and 2019.

The municipals experienced a 0.01% decrease in the number of customers in 2019 over 2018, and the two major regulated gas utilities increased by 2.01%, resulting in a combined increase of 1.86%. Revenues from the sales of gas in 2019 increased at a rate of 3.5% for the two major regulated gas companies and decreased at a rate of 0.2% for the municipals, resulting in a combined increase of 3.2%. The quantity of gas sold and transported in terms of dekatherms in 2019 increased 48.9% for the regulated companies and decreased 2.2% for the municipals, for a combined increase of 44.9%.

In addition to natural gas sold to customers, the LDCs also transport gas for large end users. This transported gas is neither bought nor sold by the LDCs, but is transported to the ultimate consumer at a rate that will not reduce margin to the LDC. Since 1983 when gas transported for others was about 1.4% of all gas delivered to ultimate consumers, this portion at 2019 constituted 200.8 million dekatherms or 53.8% of all gas delivered to ultimate consumers. See Figure No. 5-8A.

#### **D. COMPARISONS OF RESIDENTIAL BILLS, USAGE, AND COST PER DEKATHERM**

The average annual residential usages and cost data for the North Carolina natural gas companies are shown in Figure No. 5-10.

#### **E. NATURAL GAS RATEMAKING: GENERAL RATE CASES, TRACKING MECHANISMS, HEDGING, DEFERRED ACCOUNTS**

**Merger:** No mergers were approved in 2019.

**Rate Cases:** On April 1, 2019, Piedmont filed an Application seeking a general increase in and revisions to the rates and charges for customers served by the

Company pursuant to N.C. Gen. Stat. § 62-133 and Rule R1-17. Piedmont also sought the following: (i) continuation of Piedmont's Integrity Management Rider mechanism contained in Appendix E to its approved service regulations; (ii) regulatory asset treatment for certain incremental Distribution Integrity Management Program Operations and Maintenance expenses; (iii) adoption of revised and updated depreciation rates for the Company's North Carolina and joint property assets; (iv) updates and revisions to Piedmont's rate schedules and service regulations; (v) revised and updated amortizations and recovery of certain regulatory assets accrued since Piedmont's last general rate case proceeding; (vi) approval of expanded energy efficiency and conservation program spending; and (vii) adoption of an EDIT Rider mechanism to manage the flowback to customers of deferrals and excess deferred income taxes created by changes to state and federal income tax rates. On October 31, 2019, an Order was issued approving the Stipulation of Piedmont, the Public Staff, CUCA, and CIGFUR IV; granting partial rate increase, line 434 revenue rider, EDIT riders, provisional revenue rider; and requiring customer notice. See Figure No. 5-12 for approved rate cases in 2019.

**Purchased Gas Adjustments (PGAs):** Pursuant to authority granted to the Utilities Commission in G.S. 62-133(f) in 1971, in Docket No. G-100, Sub 14, the Commission established procedures under which LDCs in North Carolina could pass on to their customers the increases in the wholesale cost of natural gas between rate cases. This tracker reduced the amount and number of general rate cases filed with the Commission during the years since 1972. It has also reduced the lag time that the companies would have experienced in recouping the increased gas costs which has a direct impact on the companies' level of earnings.

G.S. 62-133(f) was repealed in 1991 and replaced with an amendment. G.S. 62-133.4(e) gave the Commission the discretion to include the transportation costs to the

LDCs system in the “gas costs” considered in a PGA as well as the wholesale cost of natural gas. In April 1992, the Commission, in Docket No. G-100, Sub 58, allowed for the inclusion of transportation costs in purchased gas adjustments. This was done to facilitate the addition of pipeline and storage capacity needed to support the extension of gas service to un-served areas. The General Assembly also added G.S. 62-133.4c which requires an annual review of each LDCs’ gas costs by the Commission. Figure No. 5-11 shows the gas tracking changes approved by the Commission for the calendar year 2019.

**Negotiated Rates:** The Commission has recognized that it is necessary to allow LDCs to offer negotiated rates to those customers who might otherwise leave their systems. G.S. 62-133.4 was amended in 1991, which led to Commission Rule R1-17(k). Rule R1-17(k) (4)(e) allows for negotiated rates.

**Margin Decoupling Trackers:** Margin decoupling trackers are meant to address a long-term trend of reduced per-customer consumption by heat-sensitive customers due to improvements in efficiency and to conservation. Much of an LDC’s fixed costs are collected using volumetric rates, as consumption declines, the LDC will under-collect the amount of revenue authorized in its last general rate case. A margin decoupling tracker allows the LDC to adjust its rates to reflect changes in the average volumes consumed as compared to the rate case consumption assumptions. It is meant to align the LDC’s and the customers’ interest in promoting efficiency and conservation. This sort of tracker subsumes both variations in volumes due to weather and variations due to increased appliance and building stock efficiency, and customer conservation efforts. The tracker reduces the pressure for LDCs to file more frequent rate cases.

Piedmont requested a margin decoupling tracker, called the “Customer Utilization Tracker” (CUT) in a general rate case, Docket No. G-9, Sub 499. Piedmont’s use of a CUT was approved for three years

on an experimental basis in November 2005, and its use of a Weather Normalization Adjustment (WNA) was suspended.

The Attorney General opposed the use of a margin decoupling tracker as being beyond the Commission’s statutory ratemaking authority. In 2007, a law was passed making clear that the Commission has the authority to approve decoupling mechanisms (G.S. 62-133.7).

Piedmont’s decoupling mechanism, now referred to as its “Margin Decoupling Tracker,” was again approved in its 2008 general rate case, Docket No. G-9, Sub 550.

PSNC requested and was granted a margin decoupling tracker in October 2008, in Docket No. G-5, Sub 495. PSNC’s WNA rider was also terminated.

**Hedging:** In 1992, after several severe natural gas commodity price fluctuations, the Commission initiated Docket No.G-100, Sub 84, to consider commodity price hedging by LDCs. The LDCs, as parties to the docket, asked that the Commission treat hedging expenses as gas costs, pre-approve hedging programs, and allow the pass-through of cost incurred under those programs without further review in purchased gas adjustments. In February 2002, the Commission found that it would treat hedging costs as gas costs pursuant to G.S. 62-133.4(e), but due to the requirement to review gas costs in G.S. 62-133.4(c), it could not pre-approve hedging programs and automatically pass costs through. The Commission found that it would not mandate a single program for all LDCs, but that each LDC should consider the needs of its customers and explain its hedging decisions as part of its annual review of gas costs. The Commission stated that it would judge the prudence of hedging decisions on the basis of what was known at the time the hedging decisions were made and not on the basis of the outcome of the hedging decisions.

**Deferred Accounts:** Gas trackers can result in both increases and decreases in the cost of gas. The LDCs maintain “deferred accounts” in which the changes in cost of gas from the filed tariff rate are accounted for, and at an appropriate time

applications to receive or refund the net effect are made with the Commission. The tracking proceedings under which these pass-throughs are allowed involve filing of data by the LDCs. This data is reviewed and analyzed by both the Commission and Public Staff's Engineering and Accounting Divisions.

## F. NATURAL GAS PIPELINE SAFETY

**History and Overview:** Public Law 90-481, the Natural Gas Pipeline Safety Act of 1968, was passed on August 12, 1968, by the United States Congress. This Act authorized the Secretary of Transportation to administer this law, develop standards, and regulate enforcement of such standards for the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities. Section 60105A of this Act authorized each state to regulate these minimum standards through certification by the Secretary of Transportation providing certain provisions are met. Section 62-50 (Safety Standards of Interstate and Intrastate Natural Gas Pipelines) was enacted as Chapter 1134 of the 1967 Session Laws and became effective on January 1, 1968. In the 1969 Legislature an amendment was added to Section 62-50 of the General Statutes which authorized the North Carolina Utilities Commission to administer a state program pertaining to the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities used to transport natural gas in North Carolina.

The procedures and standards adopted by the North Carolina Utilities Commission as authorized under Section 62-50 are known as the North Carolina Gas Pipeline Safety Code. This code is a mandatory requirement under state law and noncompliance by any persons engaged in the transportation of gas or persons who own or operate pipeline facilities are subject to a civil penalty for each violation for each day that such violations persist, except that the maximum civil penalty shall not exceed what

would apply if the penalties had been imposed by the Secretary of the United States Department of Transportation. The law also provides authority for the Commission to file suit to restrain violations of the Code, including the restraint of transportation of gas for the operation of the pipeline facilities. The North Carolina Gas Pipeline Safety Code is comprised of five basic sections: Part 191 (Report of Leaks), Part 192 (Minimum Federal Safety Standards), Part 193 (Liquefied Natural Gas Facilities), Part 198 (Grants), and Part 199 (Drug Enforcement). In order to comply with the certification of the Secretary of Transportation, the Commission must adopt as part of its Code all minimum federal safety standards.

Pipeline Safety inspects four major gas utilities, eight municipal gas systems, four landfill gas systems, two intrastate transmission systems, three LNG facilities, and two cities or towns which have Public Housing Authorities gas systems in North Carolina. These systems comprise 81 inspection units which are inspected on an annual basis for compliance with the North Carolina Gas Pipeline Safety Code. These systems include 3,639 miles of transmission mains and 31,366 miles of distribution mains serving 1,514,651 individual service lines in North Carolina.

**Enforcement Activity:** Taking into consideration the fact that there were multiple inspectors working on the same day on different inspections during 2019, the Gas Pipeline Safety Section of the Commission spent the equivalent of 719 days inspecting 18 natural gas operators. Of the 81 units inspected, 18 violations were detected. By the end of the year, all of the violations had been corrected. The cost of conducting the pipeline program for 2019 was \$871,752 of which \$603,213 was refunded to the State from the US Department of Transportation.

## G. SOURCE AND DISPOSITION OF THE GAS REVENUE DOLLAR

Shown in Figure No. 5-13 is a comparison chart reflecting both the source

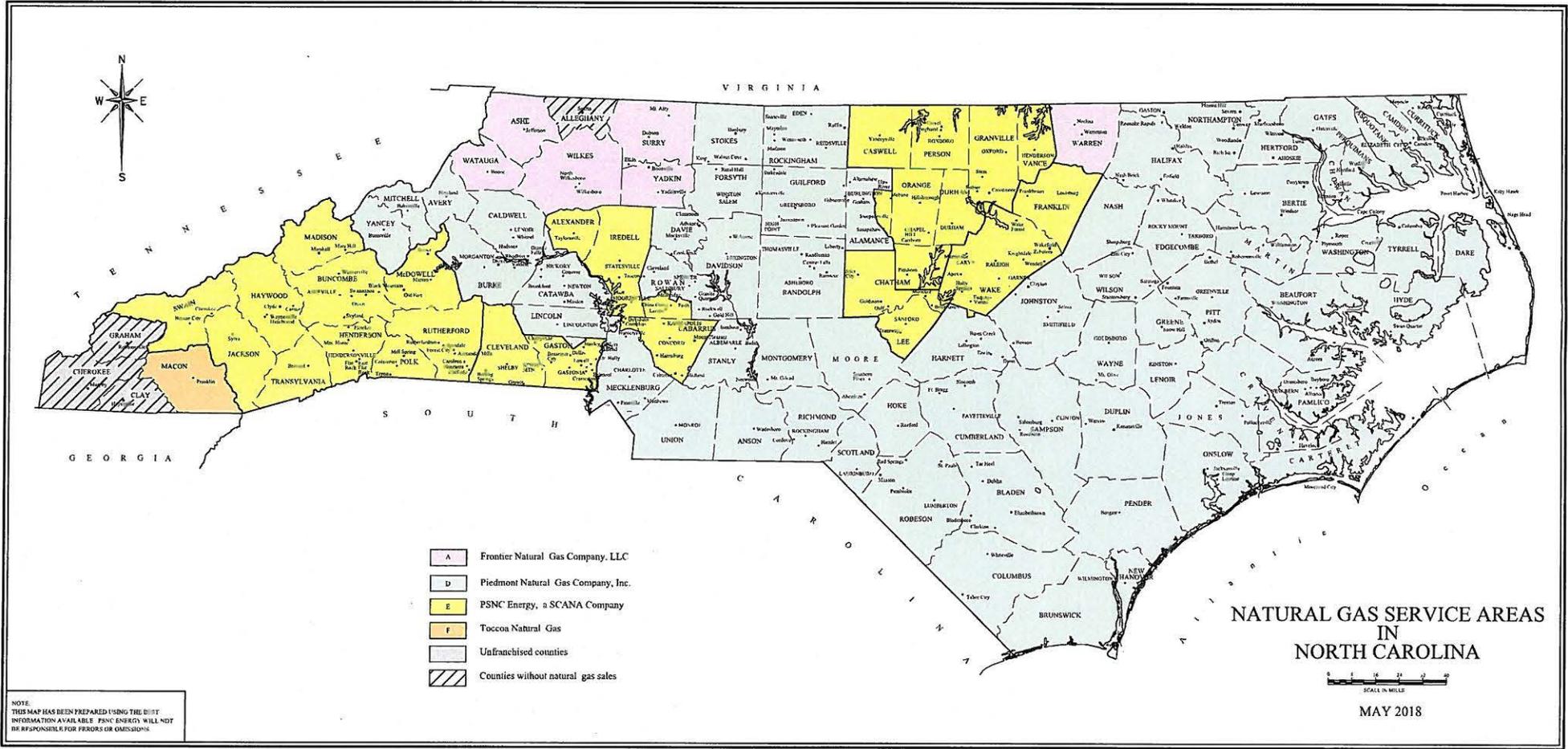
and disposition of the gas revenue dollar for the years 2009 through 2019. In Figure No. 5-14 this same information is illustrated in pie charts for both the source and disposition of the gas revenue dollar for 2019.

#### **H. STATISTICAL SUMMARY DATA**

The total gross operating revenues for the Class A natural gas North Carolina companies was approximately \$1.4 billion in 2019. Operating expenses including taxes increased 3.5% in 2019.

The average number of full-time employees in 2019 totaled 2,114 a decrease of 42 people or 1.9% from 2018. The total wages paid these employees equaled \$150 million; a 1.6% increase from the previous year.

Figure No. 5-15 A, B and C has additional financial and operating statistical data for the years 2015 through 2019.



- Frontier Natural Gas Company, LLC
- Piedmont Natural Gas Company, Inc.
- PSNC Energy, a SCANA Company
- Toccoa Natural Gas
- Unfranchised counties
- Counties without natural gas sales

**NATURAL GAS SERVICE AREAS  
IN  
NORTH CAROLINA**



MAY 2018

NOTE:  
THIS MAP HAS BEEN PREPARED USING THE BEST  
INFORMATION AVAILABLE. PSNC ENERGY WILL NOT  
BE RESPONSIBLE FOR ERRORS OR OMISSIONS.

**FIGURE NO. 5-2  
NORTH CAROLINA GAS COMPANIES  
As of December 31, 2019**

**CARDINAL EXTENSION COMPANY, LLC**  
c/o PUBLIC SERVICE GAS COMPANY OF NC, INC.  
P. O. BOX 1398  
GASTONIA, NORTH CAROLINA 28053-1398

**PIEDMONT NATURAL GAS COMPANY, INC.**  
P. O. BOX 33068  
CHARLOTTE, NORTH CAROLINA 28233-3068

**FRONTIER NATURAL GAS COMPANY, LLC**  
110 PGW Drive  
ELKIN, NORTH CAROLINA 28621-8921

**PUBLIC SERVICE COMPANY OF  
NORTH CAROLINA, INC.**  
P. O. BOX 1398  
GASTONIA, NORTH CAROLINA 28053-1398

**MUNICIPAL GAS AUTHORITY OF GEORGIA/  
CITY OF TOCCOA, GEORGIA**  
c/o CITY OF TOCCOA  
P. O. Box 579  
Toccoa, GA 30577-1409

**FIGURE NO. 5-3  
NORTH CAROLINA MUNICIPAL GAS SYSTEMS  
As of December 31, 2019**

**City of Bessemer City**  
123 West Virginia Avenue  
Bessemer City, North Carolina 28016-2373

**City of Monroe**  
P. O. Box 69  
Monroe, North Carolina 28111-0069

**Greenville Utilities Commission**  
P. O. Box 1847  
Greenville, North Carolina 27834

**City of Rocky Mount**  
P. O. Drawer 1180  
Rocky Mount, North Carolina 27802-1180

**City of Kings Mountain**  
P. O. Box 429  
Kings Mountain, North Carolina 28086-0429

**City of Shelby**  
P. O. Box 207  
Shelby, North Carolina 28151-0207

**City of Lexington**  
28 West Center Street  
Lexington, North Carolina 27292-3316

**City of Wilson**  
P. O. Box 10  
Wilson, North Carolina 27894-0010

FIGURE NO. 5-4

NATURAL GAS COMPANIES--CLASS A  
 GROSS PLANT INVESTMENTS--YEAR-END DATA (\$000s)  
 (N.C. Data Only)  
 1983-2019

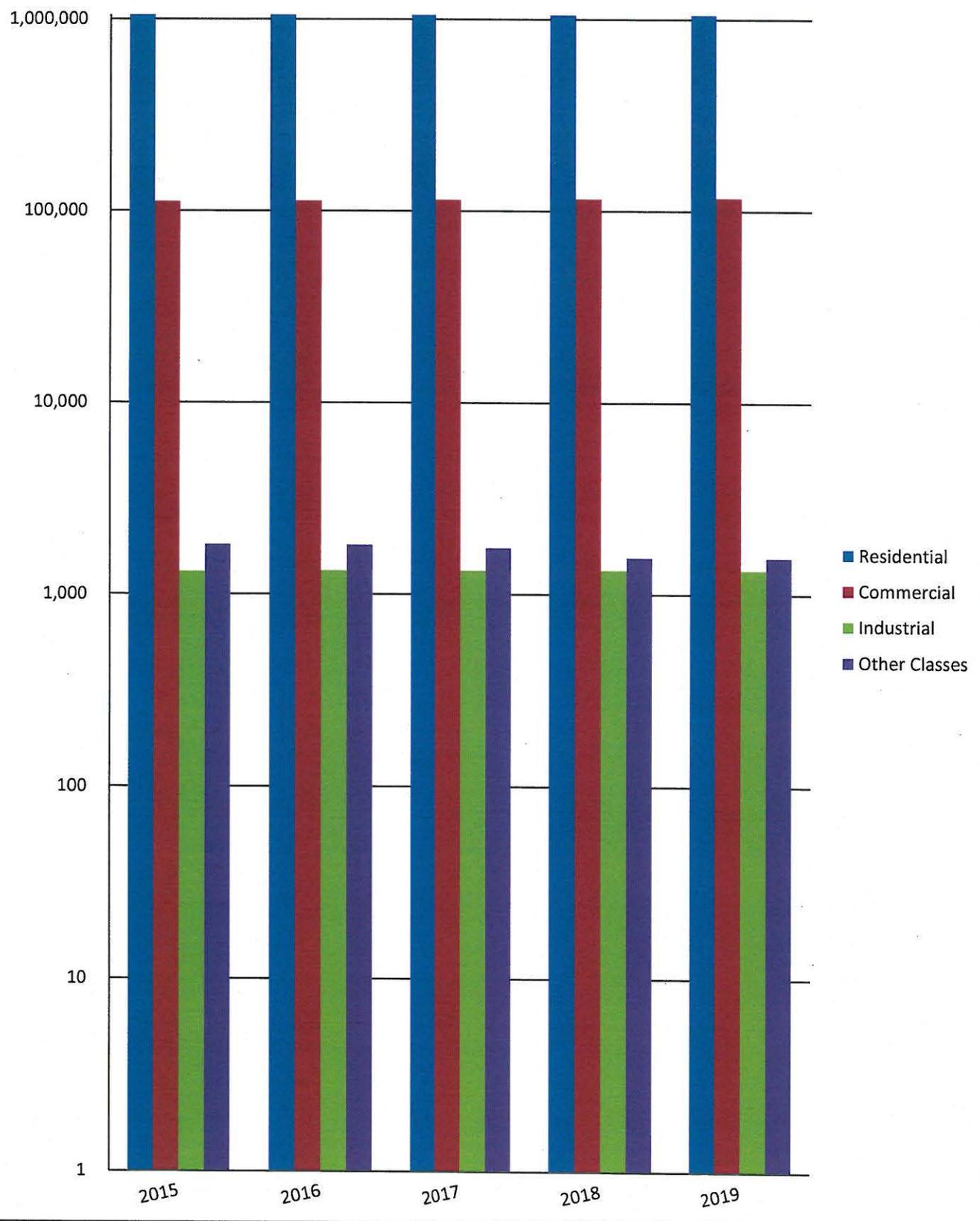
Year	North Carolina Natural Gas Company	NUI North Carolina Gas	Piedmont Natural Gas Company	Public Service Co. of N. C.	Totals	% Change From Prior Year
1983	92,729	6,834	189,714	199,101	488,378	7.8 %
1984	98,956	7,061	206,014	219,625	531,656	8.9 %
1985	113,096	7,439	224,957	239,663	585,155	10.1 %
1986	128,428	7,828	245,324	257,193	638,773	9.2 %
1987	134,465	8,114	272,499	284,795	699,873	9.6 %
1988	144,351	8,697	315,292	319,834	788,174	12.6 %
1989	154,895	9,634	351,261	359,734	875,524	11.1 %
1990	170,993	11,218	390,001	394,597	966,809	10.4 %
1991	191,473	12,676	426,338	421,091	1,051,578	8.8 %
1992	215,178	13,586	466,994	448,345	1,144,103	8.8 %
1993	230,135	14,628	515,571	485,634	1,245,968	8.9 %
1994	251,709	19,451	578,395	516,390	1,365,945	9.6 %
1995	269,313	20,663	625,004	567,478	1,482,458	8.5 %
1996	287,838	22,380	682,364	624,195	1,616,777	9.1 %
1997	316,087	23,350	725,366	680,505	1,745,308	7.9 %
1998	351,157	24,544	774,695	737,629	1,888,025	8.2 %
1999	388,398	27,075	836,974	768,285	2,020,732	7.0 %
2000	483,800	28,049	915,736	1,253,297	2,680,882	32.7 %
2001	552,897	28,590	964,298	1,319,641	2,865,426	6.9 %
2002	572,865	**	1,052,018	1,131,321	2,756,204	(3.8) %
2003	565,314		1,053,101	1,153,381	2,771,796	0.6 %
2004	585,512		1,085,849	1,178,486	2,849,847	2.8 %
2005	***		1,789,038	1,228,979	3,018,017	5.9 %
2006			1,868,977	1,314,920	3,183,897	5.5 %
2007			2,008,432	1,389,014	3,397,446	6.7 %
2008			2,165,606	1,468,555	3,634,161	7.0 %
2009			2,210,478	1,496,708	3,707,186	2.0 %
2010			2,270,808	1,540,955	3,811,763	2.8 %
2011			2,412,413	1,613,656	4,026,069	5.6 %
2012			2,687,811	1,668,118	4,355,929	8.2 %
2013			3,288,329	1,722,822	5,011,151	15.0 %
2014			3,699,240	1,869,178	5,568,418	11.1 %
2015			4,067,606	1,966,263	6,033,869	8.4 %
2016			4,468,385	2,169,816	6,638,201	10.0 %
2017			4,818,532	2,441,090	7,259,622	9.4 %
2018			5,226,029	2,608,354	7,834,383	7.9 %
2019			5,890,133	2,964,653	8,854,786	13.0 %
<b>Percent Change</b>						
2019 over 2018			12.7	13.7	13.0	

FIGURE NO. 5-5

**CUSTOMERS BY CLASSIFICATION (YEARLY AVERAGE)**  
**(N.C. Data Only)**  
**1985-2019**

Year	Residential	Commercial	Industrial	Other Classes	Totals	% Change From Prior Year
1985	348,331	45,770	2,535	15,222	411,858	3.7 %
1986	367,393	48,605	2,913	15,099	434,010	5.4 %
1987	399,056	52,465	2,938	15,098	469,557	8.2 %
1988	413,519	55,176	2,988	14,346	486,029	3.5 %
1989	448,928	59,453	2,724	14,210	525,315	8.1 %
1990	474,592	63,470	2,637	14,024	554,723	5.6 %
1991	501,729	66,201	2,679	13,534	584,143	5.3 %
1992	532,458	68,445	3,206	12,937	617,046	5.6 %
1993	561,391	70,839	3,317	12,076	647,623	5.0 %
1994	582,563	72,275	3,716	12,298	670,852	3.6 %
1995	614,539	75,036	4,609	11,018	705,202	5.1 %
1996	637,024	86,898	3,204	10,976	738,102	4.7 %
1997	700,643	92,956	4,684	10,654	808,937	9.6 %
1998	731,530	94,252	6,070	59,057	890,909	10.1 %
1999	770,320	98,402	4,361	59,953	933,036	4.7 %
2000	801,241	100,684	3,781	53,014	958,720	2.8 %
2001	818,992	92,968	1,902	58,996	972,858	1.5 %
2002	838,461	93,754	1,953	61,016	995,184	2.3 %
2003	882,829	97,257	2,000	1,797	983,883	(1.1) %
2004	910,642	99,434	1,966	1,734	1,013,776	3.0 %
2005	944,085	101,203	1,803	1,524	1,048,615	3.4 %
2006	977,768	102,317	1,969	1,548	1,083,602	3.3 %
2007	1,006,986	103,326	1,937	1,564	1,113,813	2.8 %
2008	1,024,439	104,554	1,361	1,432	1,131,786	1.6 %
2009	1,028,973	104,177	1,280	1,389	1,135,819	0.4 %
2010	1,044,244	104,829	1,276	1,594	1,151,943	1.4 %
2011	1,054,162	106,217	1,265	1,588	1,163,232	1.0 %
2012	1,071,973	107,346	1,247	584	1,181,150	1.5 %
2013	1,089,315	108,484	1,256	1,818	1,200,873	1.7 %
2014	1,111,016	110,217	1,293	1,812	1,224,338	2.0 %
2015	1,133,167	111,532	1,315	1,813	1,247,827	1.9 %
2016	1,157,454	112,649	1,330	1,804	1,273,237	2.0 %
2017	1,180,028	114,130	1,332	1,744	1,297,234	1.9 %
2018	1,204,753	115,676	1,342	1,557	1,323,328	2.0 %
2019	1,230,137	116,882	1,347	1,555	1,349,921	2.0 %
<b>Percent Change</b>						
2019 over 2018	2.1 %	1.0 %	0.4 %	(0.1) %	2.0 %	

**Figure No. 5-6**  
**NC Gas Companies- Customer Growth By Classes**



**Figure No. 5-7**  
**Gas Company Energy Sales By Classes**

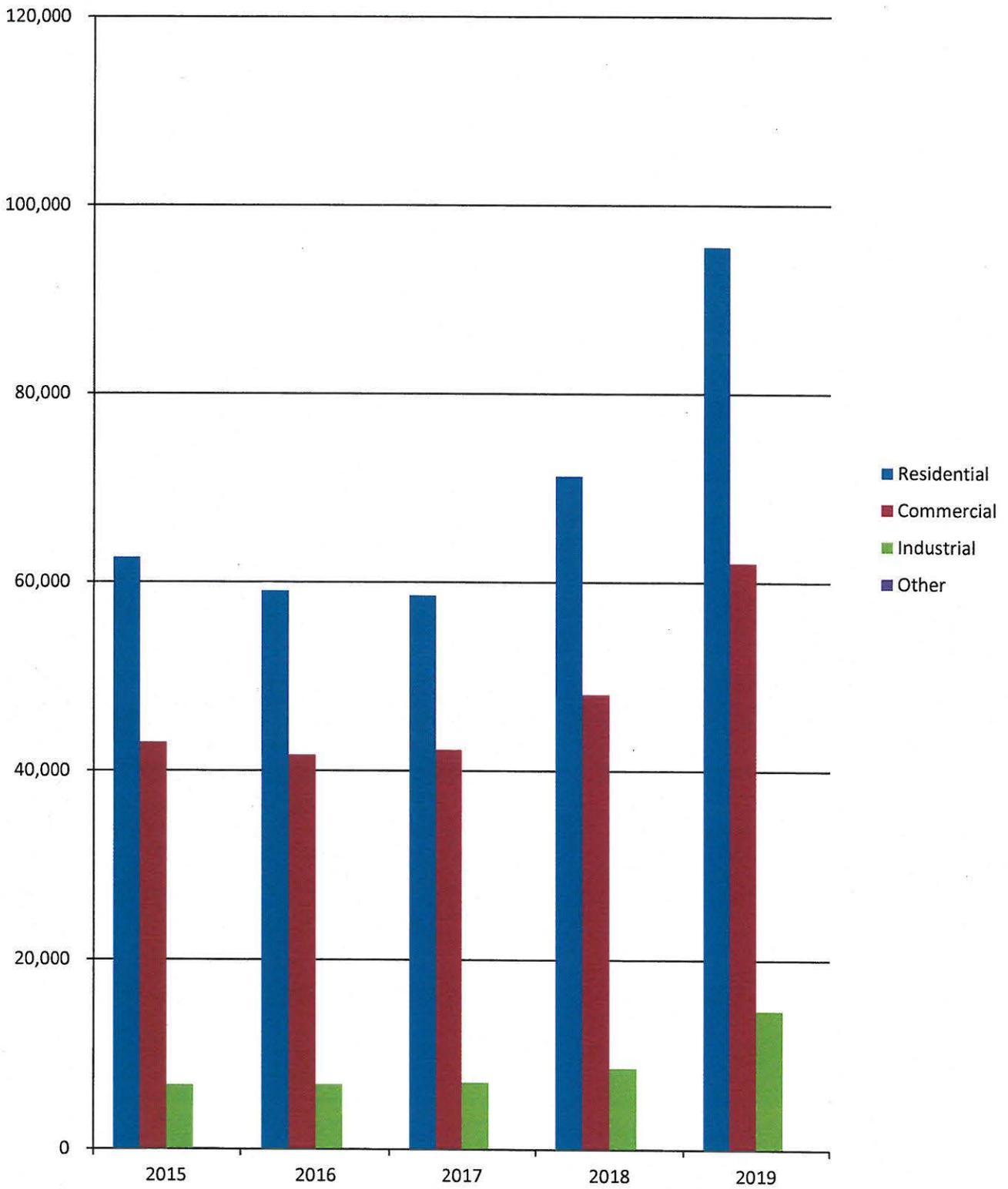


FIGURE NO. 5-8 A

**Summary of Natural Gas Deliveries of  
Dekatherms, Revenues and Customers by Classification  
With Percent of Totals Shown  
Calendar Years 2014, 2015, 2016, 2017, 2018 and 2019**

<b>Sales--DTs (000s)</b>	<b>2017</b>		<b>2018</b>		<b>2019</b>	
		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>
Residential	58,591	26.8 %	71,231	28.4 %	95,575	25.6 %
Commercial	42,259	19.4	48,121	19.2	62,017	16.6
Industrial	7,051	3.2	8,570	3.4	14,670	3.9
Other	79	0.0	103	0.0	63	0.0
<b>Total Sales</b>	<b>107,980</b>	<b>49.5 %</b>	<b>128,025</b>	<b>51.1 %</b>	<b>172,325</b>	<b>46.2 %</b>
Gas Transported for Others	110,352	50.5	122,624	48.9	200,885	53.8
<b>Total Throughput of Gas</b>	<b>218,332</b>	<b>100.0 %</b>	<b>250,649</b>	<b>100.0 %</b>	<b>373,210</b>	<b>100.0 %</b>

<b>Revenues: (\$000s)</b>						
Residential	\$748,278	55.7 %	\$826,181	58.4 %	\$820,393	56.0 %
Commercial	372,937	27.7	383,587	27.1	420,318	28.7
Industrial	30,084	2.2	47,137	3.3	19,337	1.3
Other Sales	4,960	0.4	(29,506)	-2.1	9,329	0.6
<b>Total Sales of Gas</b>	<b>1,156,259</b>	<b>86.0</b>	<b>1,227,399</b>	<b>86.8</b>	<b>1,269,377</b>	<b>86.7</b>
Gas Transported for Others	182,999	13.6	35,854	2.5	205,907	14.1
Other Operating Revenues	5,030	0.4	151,200	10.7	(10,689)	-0.7
<b>Total Revenues</b>	<b>\$1,344,288</b>	<b>100.0 %</b>	<b>\$1,414,453</b>	<b>100.0 %</b>	<b>\$1,464,595</b>	<b>100.0 %</b>

<b>Customers: (Year End)</b>						
Residential	1,180,028	91.0 %	1,204,753	91.0 %	1,230,137	91.1 %
Commercial	114,130	8.8	115,676	8.7	116,882	8.7
Industrial	1,332	0.1	1,342	0.1	1,347	0.1
Other	1,744	0.1	1,557	0.1	1,555	0.1
<b>Total Customers</b>	<b>1,297,234</b>	<b>100.0 %</b>	<b>1,323,328</b>	<b>100.0 %</b>	<b>1,349,921</b>	<b>100.0 %</b>

<b>Sales--DTs (000s)</b>	<b>2014</b>		<b>2015</b>		<b>2016</b>	
		<b>% of Total</b>		<b>% of Total</b>		<b>% of Total</b>
Residential	72,703	30.9 %	62,598	27.9 %	59,075	27.1 %
Commercial	47,178	20.1	43,028	19.2	41,689	19.1
Industrial	6,187	2.6	6,768	3.0	6,845	3.1
Other	91	0.0	103	0.0	84	0.0
<b>Total Sales</b>	<b>125,659</b>	<b>53.4</b>	<b>112,497</b>	<b>50.2</b>	<b>107,693</b>	<b>49.4</b>
Gas Transported for Others	109,614	46.6	111,537	49.8	110,382	50.6
<b>Total Throughput of Gas</b>	<b>235,273</b>	<b>100.0 %</b>	<b>224,034</b>	<b>100.0 %</b>	<b>218,075</b>	<b>100.0 %</b>

<b>Revenues: (\$000s)</b>						
Residential	\$826,072	56.2 %	\$689,287	55.3 %	\$684,188	56.0 %
Commercial	409,940	27.9	335,136	26.9	326,300	26.7
Industrial	42,587	2.9	38,992	3.1	28,200	2.3
Other Sales	1,235	0.1	1,177	0.1	1,040	0.1
<b>Total Sales of Gas</b>	<b>1,279,834</b>	<b>87.1</b>	<b>1,064,592</b>	<b>85.4</b>	<b>1,039,728</b>	<b>85.2</b>
Gas Transported for Others	83,590	5.7	76,400	6.1	79,333	6.5
Other Operating Revenues	105,549	7.2	105,351	8.5	101,988	8.4
<b>Total Revenues</b>	<b>\$1,468,973</b>	<b>100.0 %</b>	<b>\$1,246,343</b>	<b>100.0 %</b>	<b>\$1,221,049</b>	<b>100.0 %</b>

<b>Customers: (Year End)</b>						
Residential	1,111,016	90.7 %	1,133,167	90.8 %	1,157,454	90.9 %
Commercial	110,217	9.0	111,532	8.9	112,649	8.8
Industrial	1,293	0.1	1,315	0.1	1,330	0.1
Other	1,812	0.1	1,813	0.1	1,804	0.1
<b>Total Customers</b>	<b>1,224,338</b>	<b>100.0 %</b>	<b>1,247,827</b>	<b>100.0 %</b>	<b>1,273,237</b>	<b>100.0 %</b>

FIGURE NO. 5-8 B

Percent Change in Deliveries of Gas: (Dekatherms)

<u>Sales--DTs (000s)</u>	<u>2016</u>	<u>2017</u>	<u>2016-2017</u>		<u>2018</u>	<u>2017-2018</u>		<u>2019</u>	<u>2018-2019</u>	
				<u>% Change</u>			<u>% Change</u>			<u>% Change</u>
Residential	59,075	58,591		(0.8) %	71,231		21.6 %	95,575		34.2 %
Commercial	41,689	42,259		1.4	48,121		13.9	62,017		28.9
Industrial	6,845	7,051		3.0	8,570		21.5	14,670		71.2
Other	84	79		(6.0)	103		30.4	63		(38.8)
<b>Total Sales</b>	<b>107,693</b>	<b>107,980</b>		<b>0.3 %</b>	<b>128,025</b>		<b>18.6 %</b>	<b>172,325</b>		<b>34.6 %</b>
Gas Transported for Others	110,382	110,352		(0.0)	122,624		11.1	200,885		63.8
<b>Total Throughput of Gas</b>	<b>218,075</b>	<b>218,332</b>		<b>0.1 %</b>	<b>250,649</b>		<b>14.8 %</b>	<b>373,210</b>		<b>48.9 %</b>

<u>Sales--DTs (000s)</u>	<u>2014</u>	<u>2015</u>	<u>2014-2015</u>		<u>2016</u>	<u>2015-2016</u>	
				<u>% Change</u>			<u>% Change</u>
Residential	72,703	62,598	%	(13.9) %	59,075		(5.6) %
Commercial	47,178	43,028		(8.8)	41,689		(3.1)
Industrial	6,187	6,768		9.4	6,845		1.1
Other	91	103		13.2	84		(18.4)
<b>Total Sales</b>	<b>125,659</b>	<b>112,497</b>	%	<b>(10.5) %</b>	<b>107,693</b>		<b>(4.3) %</b>
Gas Transported for Others	109,614	111,537		1.8	110,382		(1.0)
<b>Total Throughput of Gas</b>	<b>235,273</b>	<b>224,034</b>	%	<b>(4.8) %</b>	<b>218,075</b>		<b>(2.7) %</b>

FIGURE NO. 5-9

REGULATED AND MUNICIPAL GAS SYSTEMS  
 Total Number of Customers, Total Revenue from Sales and Transportation of Gas, and Total Dekatherms Sold  
 (\$, Dekatherms in 000s)

COMPANY	Total Number of Customers			Total Revenues From Sales and Transportation of Gas (000's)			Total Dekatherms of Gas Sold and Transported (000's)		
	2018	2019	% Change 2018-2019	2018	2019	% Change 2018-2019	2018	2019	% Change 2018-2019
<b>Class A:</b>									
Piedmont Natural Gas	746,348	757,193	1.45 %	\$890,970	\$925,340	3.9 %	146,986	144,559	(1.7) %
Public Service Co. of N.C.	576,980	592,728	2.73	523,483	539,255	3.0	103,663	228,651	120.6
<b>Total--Regulated Utilities</b>	<b>1,323,328</b>	<b>1,349,921</b>	<b>2.01 %</b>	<b>\$1,414,453</b>	<b>\$1,464,595</b>	<b>3.5 %</b>	<b>250,649</b>	<b>373,210</b>	<b>48.9 %</b>
<b>Municipals:</b>									
Bessemer City	1,401	1,004	(28.34) %	\$1,340	\$1,419	5.9 %	86	86	0.0 %
Greenville, City of	29,920	30,019	0.33	47,018	46,914	(0.2)	4,896	4,862	(0.7)
Kings Mountain, City of	3,769	3,784	0.40	4,912	5,010	2.0	668	643	(3.7)
Lexington, City of	14,139	14,242	0.73	14,417	17,808	23.5	3,594	3,296	(8.3)
Monroe, City of	13,997	14,146	1.06	20,884	20,974	0.4	3,880	3,839	(1.1)
Rocky Mount, City of	17,073	17,047	(0.15)	26,683	22,478	(15.8)	2,128	2,047	(3.8)
Shelby, City of	13,084	13,133	0.37	20,319	20,849	2.6	4,257	4,341	2.0
Wilson, City of	14,017	14,018	0.01	19,588	19,448	(0.7)	1,554	1,495	(3.8)
<b>Total--Municipals</b>	<b>107,400</b>	<b>107,393</b>	<b>(0.01) %</b>	<b>\$155,161</b>	<b>\$154,900</b>	<b>(0.2) %</b>	<b>21,063</b>	<b>20,609</b>	<b>(2.2) %</b>
<b>GRAND TOTALS--ALL GAS SYSTEMS</b>	<b>1,430,728</b>	<b>1,457,314</b>	<b>1.86 %</b>	<b>\$1,569,614</b>	<b>\$1,619,495</b>	<b>3.2 %</b>	<b>271,712</b>	<b>393,819</b>	<b>44.9 %</b>

Municipal data for fiscal years ended June 30.  
 NA = Not Available N/COMP = Not Comparable

**FIGURE NO. 5-10**

**RESIDENTIAL NATURAL GAS CUSTOMERS' AVERAGE DEKATHERM USAGE AND COST DATA**

**For the Years 2014, 2015, 2016, 2017, 2018 and 2019**

Company	Annual Dekatherm Use*						Rate per Dekatherm						Total Annual Cost					
	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019
<b>N. C. Gas Companies:</b>																		
<b>(N.C. Data Only)</b>																		
Piedmont Natural Gas Co., Inc.	65	55	48	44	53	54	11.42	11.41	12.95	13.53	11.87	13.23	742.47	627.69	621.78	595.23	629.31	714.67
Public Service Co. of N.C., Inc.	66	55	55	50	54	108	11.46	10.48	10.03	11.82	11.25	5.69	756.68	576.54	551.63	590.98	607.46	614.12
<b>Average</b>	66	55	52	47	54	81	\$11.44	\$10.95	\$11.49	\$12.67	\$11.56	\$9.46	\$749.58	\$602.12	\$586.70	\$593.11	\$618.39	\$664.39

\* Note: Dekatherm use figures have been rounded, therefore, the total annual cost is not exact.

## FIGURE NO. 5-11

### GAS TRACKING CHANGES APPROVED 2019

Company	Date Filed	Docket No.	Increase/ (Decrease)	Increase/ (Decrease) Per Dekatherm
Piedmont Natural Gas Company, Inc.	12/14/18	G-9, Sub 736	50,669,048.00	0.76
	02/15/19	G-9, Sub 742	(67,554,312.00)	(1.02)
	10/18/19	G-9, Sub 756	(38,118,425.00)	(0.51)
	12/13/19	G-9, Sub 762	(19,062,953.00)	(0.25)
Public Service Company of NC, Inc.	12/17/18	G-5, Sub 597	49,674,241.00	1.01
	01/16/19	G-5, Sub 599	(24,837,121.00)	(0.50)
	02/14/19	G-5, Sub 602	(37,253,221.00)	(0.76)
	04/17/19	G-5, Sub 605	16,454,777.00	0.33
	06/14/19	G-5, Sub 609	(12,416,101.00)	(0.25)
	08/15/19	G-5, Sub 612	(24,837,121.00)	(0.50)
Total			(\$107,281,188)	

FIGURE NO. 5-12

GENERAL RATE INCREASES APPROVED  
GAS COMPANIES  
2019

Company	Date Filed	Docket No.	Amount Requested (\$)	Amount Approved (\$)	% Approved Of Amount Requested	Date of Final Order
Piedmont Natural Gas Company, Inc.	04/01/19	G-9, Sub 743	\$143,635,886	\$108,796,788	75.74%	10/31/19
Total			\$143,635,886	\$108,796,788	75.74%	

**FIGURE NO. 5-13**

**SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR  
(N.C. DATA ONLY)  
For the Years 2009-2019**

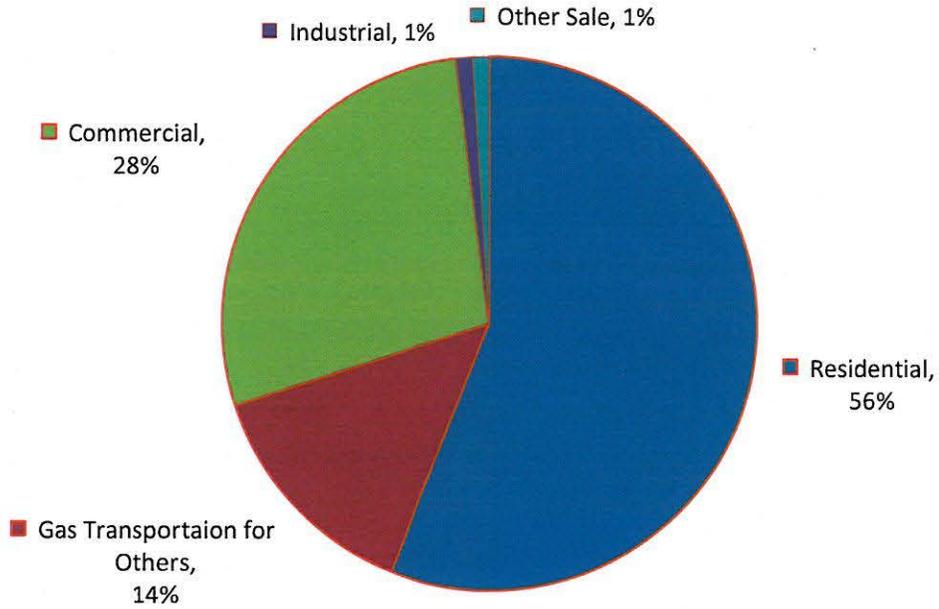
Source	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential	58%	59%	58%	57%	57%	56%	55%	56%	56%	58%	56%
Commercial	31%	30%	29%	28%	29%	28%	27%	26%	28%	27%	29%
Industrial	4%	4%	3%	3%	1%	3%	3%	3%	2%	3%	1%
Other	7%	7%	10%	12%	13%	13%	15%	15%	14%	12%	14%
<b>Total</b>	<b>100%</b>										

Disposition	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cost of Purchased Gas	68%	66%	59%	55%	60%	61%	50%	47%	47%	52%	45%
Other Operating Expenses	-1%	3%	2%	2%	0%	0%	-1%	-4%	0%	0%	0%
Depreciation & Amortization	8%	8%	10%	10%	11%	11%	15%	16%	15%	16%	16%
Income Taxes	6%	5%	6%	6%	7%	6%	8%	8%	9%	5%	3%
General Taxes	3%	3%	3%	9%	3%	3%	4%	6%	4%	4%	4%
Interest & Preferred Dividends	5%	5%	4%	3%	3%	3%	4%	4%	3%	3%	4%
Common Stock Earnings	11%	10%	14%	15%	17%	16%	20%	24%	23%	20%	28%
<b>Total</b>	<b>100%</b>										

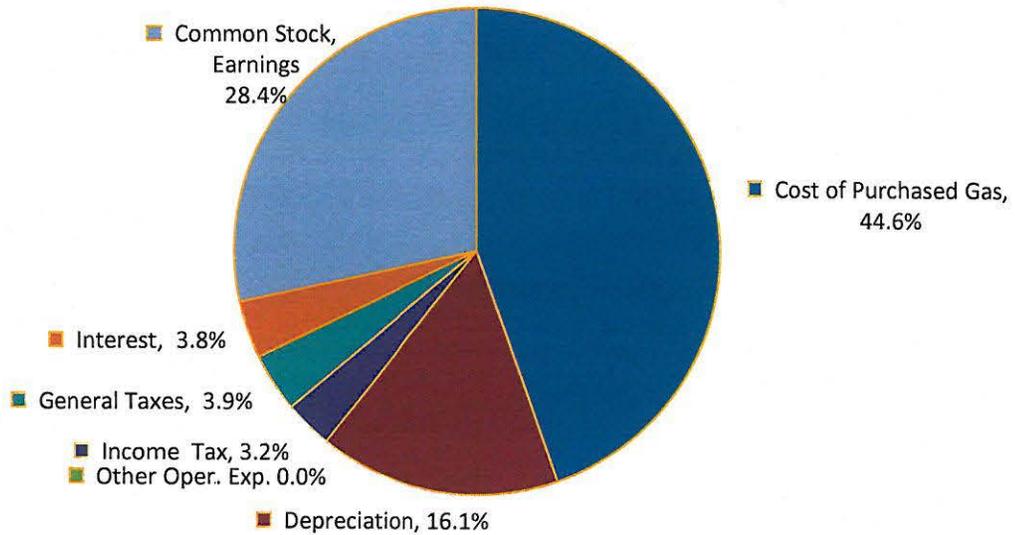
**Figure No. 5-14**

**Source and Disposition of the Revenue Dollar  
Gas Companies (North Carolina Data Only) for 2019**

**SOURCE:**



**DISPOSITION:**



**FIGURE NO. 5-15A**  
**CLASS A GAS COMPANIES**  
**INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS**  
**For the Years 2015, 2016, 2017, 2018 and 2019**

ITEM	2015	2016	2017	2018	2019	% Change 2018-2019
Number of Companies Regulated	4	4	4	4	4	
Number Included in This Data	2	2	2	2	2	
<b>INCOME STATEMENT (000s):</b>						
Sales--Residential	\$ 689,287	\$ 1,515,359	\$ 748,278	826,181	820,393	(0.7) %
Commercial	335,136	745,076	371,693	383,587	420,318	9.6
Industrial	38,992	81,579	31,328	47,137	19,337	(59.0)
Other Sales	1,177	2,412	4,960	(29,506)	9,329	(131.6)
Total Sales of Gas	1,064,592	1,330,648	1,156,259	1,227,399	1,269,377	3.4
Gas Transported for Others	76,400	197,326	182,999	35,854	205,907	474.3
Other Operating Revenues	105,351	10,698	5,030	151,200	(10,689)	(107.1)
<b>Total Gas Operating Revenues</b>	<b>\$ 1,246,343</b>	<b>\$ 1,538,672</b>	<b>\$ 1,344,288</b>	<b>\$ 1,414,453</b>	<b>\$ 1,464,595</b>	<b>3.5 %</b>
<b>Expense Items:</b>						
Production Expense	\$ 485,775	\$ 1,234,121	\$ 506,438	583,078	542,249	(7.0) %
Natural Gas Storage	2,976	6,120	3,012	3,380	3,367	(0.4)
Transmission Expense	12,095	24,893	17,912	23,658	23,826	0.7
Distribution Expense	69,364	134,201	79,244	99,136	99,993	0.9
Customer Accounts Expense	29,169	58,814	29,336	39,675	40,136	1.2
Customer Service & Informational Expense	3,734	7,470	3,166	2,734	3,409	24.7
Sales Expense	8,346	17,076	7,829	8,083	7,412	(8.3)
Administrative & General Expense	174,868	341,259	149,422	130,353	140,938	8.1
Depreciation Expense	142,328	273,438	162,255	177,231	196,153	10.7
Other Expense	(4,510)	(4,085)	(2,729)	(2,831)	(43)	N/C
<b>Total Operating Expenses Before Taxes</b>	<b>\$ 924,145</b>	<b>\$ 909,290</b>	<b>\$ 955,885</b>	<b>\$ 1,064,497</b>	<b>\$ 1,057,440</b>	<b>(0.7) %</b>
<b>State Taxes:</b>						
Income Tax	6,208	(3,518)	(1,515)	3,677	(2,739)	(174.5) %
Gross Receipts Tax	1,176	1,577	1,996	2,133	2,583	N/C
Property Tax	29,325	30,571	32,468	34,767	32,645	N/C
<b>Total State Taxes</b>	<b>\$ 36,709</b>	<b>\$ 28,630</b>	<b>\$ 32,949</b>	<b>\$ 40,577</b>	<b>\$ 32,489</b>	<b>(19.9) %</b>
<b>Federal Taxes:</b>						
Income Tax	\$ 25,059	\$ (43,364)	\$ (158,955)	\$ 73,510	\$ (52,228)	(171.0) %
Provision for Deferred Taxes	48,735	114,419	255,106	(24,722)	93,903	N/C
Investment Tax Credit	(143)	(138)	(130)	(118)	(45)	(61.9)
Payroll, Unemployment & Other Federal Taxes	9,587	11,747	11,294	11,163	11,603	3.9
<b>Total Federal Taxes</b>	<b>83,238</b>	<b>82,664</b>	<b>107,315</b>	<b>59,833</b>	<b>53,233</b>	<b>(11.0) %</b>
<b>Total State &amp; Federal Taxes</b>	<b>119,947</b>	<b>111,294</b>	<b>140,265</b>	<b>100,410</b>	<b>85,722</b>	<b>(14.6) %</b>
<b>Total Operating Expenses</b>	<b>1,044,092</b>	<b>1,020,585</b>	<b>1,096,150</b>	<b>1,164,907</b>	<b>1,143,162</b>	<b>(1.9) %</b>
<b>Net Operating Income</b>	<b>\$ 202,251</b>	<b>\$ 518,087</b>	<b>\$ 248,138</b>	<b>\$ 249,546</b>	<b>\$ 321,432</b>	<b>28.8 %</b>
<b>Other Income &amp; Expenses</b>						
Other Income	\$ 57,453	\$ 118,542	\$ 129,579	\$ 24,666	\$ 26,999	9.5 %
Allowance for Funds Used During Construction	10,597	4,001	17,384	20,471	7,936	(61.2)
Deductions from Income	11,056	21,491	8,313	3,363	17,195	411.3
Taxes on Other Income & Deductions	20,796	58,692	379	(2,833)	9,672	(441.4)
<b>Total Other Income &amp; Expense</b>	<b>\$ 36,198</b>	<b>\$ 42,360</b>	<b>\$ 138,271</b>	<b>\$ 44,606</b>	<b>\$ 8,068</b>	<b>(81.9) %</b>
<b>Fixed Charges</b>						
Interest on Funded Debt	\$ 73,791	\$ 82,396	\$ 92,575	\$ 100,010	\$ 108,385	8.4 %
Other Fixed Charges	8,775	5,228	6,523	12,080	16,697	38.2
Allow. for Borrowed Funds Used During Construction	(632)	(1,014)	(2,624)	(3,013)	(19,201)	537.3
<b>Total Fixed Charges</b>	<b>\$ 81,934</b>	<b>\$ 86,609</b>	<b>\$ 96,474</b>	<b>\$ 109,077</b>	<b>\$ 143,733</b>	<b>31.8 %</b>
Extraordinary Items	0	0	0	0	0	N/C
<b>Net Income</b>	<b>\$158,514</b>	<b>\$ 475,836</b>	<b>\$ 289,935</b>	<b>\$ 185,075</b>	<b>\$ 185,767</b>	<b>0.4 %</b>

N/C = Not Comparable

**FIGURE NO. 5-15B**  
**CLASS A GAS COMPANIES**  
**INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS**  
For the Years 2015, 2016, 2017, 2018 and 2019

ITEM	2015	2016	2017	2018	2019	% Change 2018-2019
<b>BALANCE SHEET (000s):</b>						
Utility Plant in Service	\$6,033,869	\$6,638,201	\$7,259,622	\$7,834,383	\$8,854,786	13.0 %
Construction Work in Progress	179,572	189,562	279,649	446,300	449,446	0.7
Acquisition Adjustments	2,343	0	0	0	0	#DIV/0!
<b>Total Utility Plant</b>	<b>\$6,215,784</b>	<b>\$ 6,833,579</b>	<b>\$ 7,539,271</b>	<b>\$ 8,280,682</b>	<b>\$ 9,304,232</b>	<b>12.4 %</b>
Depreciation Reserve	2,009,513	2,121,625	2,246,211	2,362,581	2,499,977	5.8
<b>Net Utility Plant</b>	<b>\$4,206,271</b>	<b>4,711,954</b>	<b>5,293,060</b>	<b>5,918,101</b>	<b>6,804,255</b>	<b>15.0 %</b>
<b>Other Property &amp; Investments:</b>						
Nonutility Property - Net	4	2	-	-	-	#DIV/0!
Investments in Associated Companies	0	0	0	0	0	N/C
Other Investments	(143,841)	501,818	135,961	(2,016)	38,994	(2,034.2)
<b>Total Other Property &amp; Investments</b>	<b>(\$123,561)</b>	<b>503,697</b>	<b>135,961</b>	<b>28,167</b>	<b>38,994</b>	<b>N/C</b>
Cash	25,807	27,501	22,169	1,252	(16,802)	(1,442.0) %
Special Deposits	71	72	71	71	96	35.2
Working Funds	232	24	415	48	29	(39.6)
Temporary Cash Investments	-	-	-	-	-	N/C
Customer Accounts Receivable	237,156	284,685	380,375	271,979	275,950	1.5
Less Accum. Prov. for Uncollectible Acct. Credit	(2,806)	(2,766)	(2,202)	(1,878)	(4,868)	159.2
Materials, Supplies, Merchandise	11,750	11,792	12,770	12,698	14,944	17.7
Stores Expense Undistributed	0	0	7	35	171	N/C
Gas Stored Underground	80,578	57,417	61,975	75,693	63,135	(16.6)
Liquified Natural Gas Stored	23,264	19,737	17,875	10,169	19,862	95.3
Deferred Cost of Purchased Gas	0	0	0	0	0	N/C
Prepayments	10,274	7,799	6,777	5,428	3,922	(27.7)
Miscellaneous Current & Accrued Assets	16,264	39,814	50,284	53,882	99,394	84.5
Other Assets	348,999	544,013	455,787	653,550	631,355	(3.4)
<b>Total Assets</b>	<b>\$4,834,300</b>	<b>\$6,205,738</b>	<b>\$6,435,322</b>	<b>7,029,193</b>	<b>7,930,435</b>	<b>12.8 %</b>
<b>Liabilities &amp; Stockholder's Equity :</b>						
Common Stock	540,695	645,143	559,388	631,914	631,914	0.0
Other Paid-in Capital	633,348	634,681	633,920	856,553	1,039,525	21.4
Premium on Capital Stock	0	0	0	0	0	N/C
Retained Earnings	427,109	691,236	816,648	760,807	984,299	29.4
<b>Total Stockholder's Equity</b>	<b>\$1,601,152</b>	<b>\$1,969,572</b>	<b>\$2,009,956</b>	<b>\$2,249,274</b>	<b>\$2,654,515</b>	<b>18.0 %</b>
Total Long-Term Debt	1,519,124	2,338,372	1,937,191	2,279,432	2,362,152	3.6 %
Miscellaneous Noncurrent	129,675	249,280	229,562	257,726	312,042	21.1
Notes Payable	430,267	319,399	369,087	97,748	-	(100.0)
Accounts Payable	113,147	191,171	216,331	306,291	387,087	26.4
Customer Deposits	24,442	18,215	18,315	20,144	31,416	56.0
Taxes Accrued	(8,241)	(9,931)	12,881	59,033	22,408	(62.0)
Interest Accrued	30,046	31,176	32,296	29,502	30,667	3.9
Other Current and Accrued Liabilities	113,000	85,358	97,901	749,673	805,695	7.5
Accumulated Deferred Investment Tax Credits	743	629	507	401	362	(9.7)
Accumulated Deferred Income Taxes	869,680	982,164	599,696	790,489	870,798	10.2
Other Liabilities	27,582	30,334	30,480	47,472	35,408	(25.4)
<b>Total Liabilities</b>	<b>\$3,249,463</b>	<b>4,236,166</b>	<b>4,425,367</b>	<b>4,637,911</b>	<b>4,858,034</b>	<b>4.7 %</b>
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>\$4,834,300</b>	<b>6,205,738</b>	<b>6,435,322</b>	<b>6,955,771</b>	<b>7,581,723</b>	<b>9.0 %</b>

**FIGURE NO. 5-15C**  
**CLASS A GAS COMPANIES**  
**INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS**  
For the Years 2015, 2016, 2017, 2018 and 2019

ITEM	2015	2016	2017	2018	2019	% Change 2018-2019
<b>SYSTEMWIDE DATA:</b>						
<b>BALANCE SHEET ITEMS (000s):</b>						
Long-Term Debt	1,519,124	2,338,372	1,937,191	2,279,432	2,362,152	3.6 %
Retained Earnings	427,109	691,236	816,648	760,807	984,299	29.4 %
Total Capitalization	1,946,234	3,029,608	2,753,839	3,040,238	3,346,451	10.1 %
Long-Term Debt % of Total Capitalization	78.1%	77.2%	70.3%	75.0%	70.6%	(5.9) %
Average Number of Common Shares Outstanding (Actual)	201,000	301,000	1,100	1,100	1,100	0.0 %
Earnings Per Average Common Shares Outstanding (After Preferred Dividends)	\$0.79	\$1.58	\$263.58	\$168.25	\$168.88	0.4 %
<b>CUSTOMER AND MISCELLANEOUS DATA (NC DATA):</b>						
Average Annual Use--Residential Customers (DTs)	57	57	51	61	56	(8.2) %
Total Residential Customers	1,133,167	1,137,985	1,180,028	1,204,753	1,230,137	2.1 %
Grand Total--All Type Customers	1,247,827	1,263,480	1,297,234	1,323,328	1,349,921	2.0 %
Average Number Full-Time Employees	2,232	2,236	2,218	2,156	2,114	(1.9) %
Total Salaries and Wages Paid Employees (\$000s)	190,515	166,734	161,769	147,662	150,017	1.6 %
Average Annual Compensation Per Employee	\$85,356	\$74,568	\$72,938	\$68,489	\$70,964	3.6 %

## **VI. COMMUNICATIONS INDUSTRY**

## A. BRIEF REVIEW OF THE TELEPHONE INDUSTRY--GENERAL

At December 31, 2019, there were sixteen (16) local exchange telephone companies (LECs), two hundred twenty-seven (227) interexchange long distance carriers (IXCs), and one hundred sixty-four (164) competing local providers (CLPs) under the jurisdiction of the North Carolina Utilities Commission.

Figure No. 6-1 lists the sixteen (16) LECs and the seven (7) shared-tenant service (STS) providers authorized to operate by the Utilities Commission as of March 31, 2019. An updated list of IXCs and CLPs can be found on the Commission's web page at [www.ncuc.net](http://www.ncuc.net) under Docket Information. The statistical comparisons of the regulated LECs are shown in the schedules following the narrative section of this chapter, with data through 2018. **However, more recent data was available and utilized for various schedules.** The schedule headlines identify the time period covered.

### Long Distance Competition

On May 30, 2003, Senate Bill 814 was signed into law. Senate Bill 814 declared that interLATA and intraLATA long distance service and long distance operator services are sufficiently competitive and shall no longer be regulated by the Commission. However, the Commission does continue to maintain certification authority and authority to hear and resolve complaints against providers of such services alleged to have made changes to the services of customers or imposed charges without appropriate authorization. As of March 31, 2019, two hundred twenty-seven (227) IXCs were certified to operate in North Carolina.

### Local Exchange Competition

The General Assembly enacted House

Bill 161 (HB161) on April 6, 1995, which authorized local telephone exchange service competition and price or alternative regulation for LECs. This bill became effective on July 1, 1995. On July 19, 1995, the Commission issued an Order promulgating interim rules for certification and regulation of CPLs and posed questions for comments on the appropriate regulatory structure for CLPs, resale of local service, and interconnection and scheduled a hearing on universal service issues. Commission rulings can be found in Docket No. P-100, Sub 133.

### Price Regulation Plans

As of March 31, 2019, no LECs operated under a Commission Authorized Price Regulation Plan or remained under rate-of-return regulation.

### House Bill 1180

The General Assembly enacted House Bill 1180 (HB1180) on June 22, 2009. HB 1180 authorizes LECs and CLPs to elect a streamlined regulation plan – Subsection (h) Price Plan. See G.S. 62-133.5(h). Under this new plan, with limited exceptions, the Commission cannot impose any requirements related to the terms, conditions, rates, or availability of any of the LEC's retail services or otherwise regulate any of the LEC's retail services. A company must file a notice with the Commission of its election of a Subsection (h) Price Plan, and companies must commit to provide stand-alone basic residential lines to rural customers at rates comparable to those rates charged to urban customers for the same service. In addition, companies must continue to offer stand-alone basic residential lines to all customers who choose to subscribe to that service and may only increase rates for stand-alone basic residential service annually by a percentage that does not exceed the percentage increase over the prior year in the Gross Domestic Product Price Index as

reported by the United States Department of Labor, Bureau of Labor Statistics, unless otherwise authorized by the Commission. This bill was signed into law by the Governor on June 30, 2009, and became effective on that date. As of March 31, 2019, twelve (12) LECs and eight (8) CLPs have elected Subsection (h) Price Plans: dishNet Wireline, LLC (CLP); Barnardsville Telephone Company (LEC); Citizens d/b/a Comporium; Service Telephone Company (LEC); Saluda Mountain Telephone Company (LEC); Ellerbe Telephone Company (LEC); ETC Communications, LLC (CLP); Frontier Communications of America Inc. (CLP); Frontier Communications of the Carolinas, LLC (LEC); North State Telephone Company (LEC); Onvoy, LLC (CLP); Rosebud Telephone, LLC (CLP); SCTG Communications (CLP); Smithville Telecom, LLC (CLP); Town of Pineville (LEC); Tri-County Communications, Inc. (CLP); Verizon South, Inc. (LEC); Windstream Concord Telephone, LLC (LEC); Windstream Lexcom Communications, LLC (LEC); and Windstream North Carolina, LLC (LEC).

### **Senate Bill 343**

On April 26, 2011, Senate Bill 343 (SB343), "An Act Establishing the Communications Regulatory Reform and Investment of 2011", became law as Session Law 2011-52. SB343 establishes a process by which a LEC or CLP can elect to subject itself to regulation pursuant to G.S. 62-133.5(m) instead of traditional rate-of-return and/or other alternative forms of regulation permitted in Chapter 62 of the General Statutes of North Carolina. The Commission refers to this newly created regulatory alternative as "Subsection (m) Price Plan" to distinguish it from the already existing "Subsection (h) Price Plan". Subsection (m) Price Plans provide an electing LEC with a greater degree of deregulation of the terms, conditions, rates, and availability of the

electing carrier's retail services than the existing forms of regulation provide. Most notably, SB343 dispenses with the Subsection (h) price plan requirements that a LEC electing Subsection (h) regulation continue to provide stand-alone basic residential lines with rate increases for such lines capped at no more than the percentage increase of the Gross Domestic Product Price Index and relieves the electing LEC of its obligation to serve as a carrier of last resort in its service territory. Additionally, LECs that elect to be regulated under Subsection (m) are no longer required to submit an annual report to the General Assembly on and after the third anniversary following the date of the LEC's Subsection (m) election. In return for this greater degree of regulatory freedom, the electing LEC must "forgo receipt of any funding from a State funding mechanism, other than interconnection rates, that may be established to support universal service" and must open its service territory to competition from CLPs. G.S. 62-133.5(m).

On May 17, 2011, the Commission issued an Order Instituting Certain Filing Requirements and Requesting Comments (The Order). The Order adopted interim rules establishing the notification format that must be followed if a LEC or CLP elects Subsection (m) price plan regulation. The Order also requested comments from the Public Staff and other interested parties on the issues related to rules, statutes, notice and reporting obligations which will no longer be in force with respect to Subsection (m) companies. As of March 31, 2019, fourteen companies have elected Subsection (m) Price Plans: AT&T Corporation (CLP); BellSouth Telecommunications, LLC (LEC); Carolina Telephone and Telegraph Company (LEC); Central Telephone Company (LEC); CenturyLink Communications, LLC (CLP); Comporium, Inc. (CLP); Crosstel Tandem, Inc. (CLP); eNetworks, LLC (CLP); Lightrunner, LLC

(CLP); MebTel, Inc. (LEC); North State Communications Advanced Services, LLC (CLP); Teleport Communications America, LLC (CLP); Time Warner Cable Information Services (North Carolina), LLC (CLP) and Wide Voice, LLC (CLP).

### **Shared Use and Resale**

The North Carolina General Assembly ratified a bill in 1987 authorizing the Commission to adopt procedures for allowing shared use and/or resale of any telephone service provided to persons who occupy the same adjoining premises. Due to legislation enacted by the General Assembly in 1989, the Commission established rules for sharing and resale by nonprofit colleges and universities and their affiliated medical centers. The legislation required that rates for lines or trunks being shared or resold be on a measured basis where available or otherwise on a message basis.

The Commission order adopting procedures requires all telephone companies to charge rates to resellers which are 80% of the comparable flat rate, plus five cents for each additional minute with a 50% off-peak discount. The alternative message rates are 80% of the comparable flat rate, plus 12 cents per message. Entities which provide service exclusively to the exception group, as identified by the Legislature, are exempted from the measured or message rates as long as they only share service.

There were seven shared tenant service (STS) providers operating in North Carolina as of March 31, 2019. A list of these providers can be found in Figure No. 6-1.

### **Payphone Service Provider (PSP)**

A Payphone Service Provider is a subscriber to a Public Telephone Access Service (PTAS) line, offering telephone service to the public by means of a coin, coinless or key-operated PTAS instrument. Over the

years the total number of special certificates issued is 1,803, with 30 of these still certified as of March 31, 2019. Anyone can own and operate a payphone with a special certificate.

### **B. CUSTOMER GROWTH AND IMPACT ON PLANT INVESTMENT**

The regulated LECs had a total of 990,019 access lines in service at December 31, 2018; 1,178,630 as of December 31, 2017; 1,383,230 as of December 31, 2016; 1,539,682 as of December 31, 2015; 1,732,222 as of December 31, 2014. This is a decrease of 19% from 2017 to 2018. Figure No. 6-2 shows the access lines for the past five years as well as the North Carolina percentage of the United States Total. In 1982 the telephone industry changed its system of reporting the number of telephones served by each company to the number of access lines.

### **C. EXTENDED AREA SERVICE (EAS)**

Extended Area Service (EAS) is the industry term applied to the extension of local calling from one telephone exchange to and from another exchange without a toll charge being levied.

With the assumption that each exchange is assigned only to the county it primarily serves, there are sixty-two (62) counties in North Carolina with county-wide EAS. Only nine exchanges (out of a total of 425 in North Carolina) primarily located in seven different counties that do not have EAS to their county seat. These statistics assume that each exchange is assigned only to the county it primarily serves. Many exchanges provide telephone service in more than one county. Even though an exchange may have EAS to the county seat in which it is primarily located, some subscribers in that exchange may actually be located in an adjacent county, and therefore, may not have

EAS to their county seat.

However companies, even the traditional LECs, are offering options that include toll-free calling that extend in some cases throughout the state. The choices are varied and can be categorized as services that "zero-rate" calls with a certain distance of the exchange (thus preserving the traditional toll route, but with no charge) to services that include unlimited toll-free calling throughout the state. As a result, the traditional EAS routes do not limit the toll-free calling capabilities for all consumers.

#### **D. TELEPHONE RATES--COMMENTS**

##### **Local Exchange Rates**

These are the monthly charges for basic telephone service as fixed by price plans for price plan regulated LECs. The retail rates of Subsection (h) and Subsection (m) LECs are not regulated; however, under statute, Subsection (h) LECs must offer basic local exchange service to any customer who wishes to have it and cannot increase the rate annually by more than the percentage increase over the prior year in the Gross Domestic Product Price Index. CLP rates are not regulated by the Commission.

#### **E. STATISTICAL SUMMARY**

Significant changes have taken place with regard to the annual reporting requirements for the price plan regulated telephone companies which have impacted the conformity and comparability of the financial and operational information provided by such companies for the 12-month reporting period ending December 31, 2011

and beyond. In particular, on June 30, 2011, in Docket number P-100 Sub 72b, the Commission issued an Order ruling on a petition filed by the North Carolina Telecommunications Industry Association, Inc. on March 16, 2011, requesting modification or elimination of certain reporting requirements relating to incumbent local exchange companies (LECs) and/or competing local providers. The June 30, 2011 Order, among other things, revised Commission Rule R1-32 by adding a new Subsection (e1). Such revision allows LECs that are price plan regulated under G.S. 62-133.5(a), and any carrier electing regulation under G.S. 62-133.5(h) to satisfy all of their annual reporting obligations by one of the two following ways: (1) by providing a link to their annual filings with the Security and Exchange Commission (SEC), if they are publically traded entities, or (2) by filing copies of their audited financial statements with the Commission, if they are not publicly traded entities. The foregoing would be in lieu of filing annual reports regarding the North Carolina Operations on forms furnished or approved by the Commission. As a result of such significant changes in the annual reporting requirements, financial information related to the telecommunications companies is no longer available to provide in this report.

**FIGURE NO. 6-1**

**LOCAL EXCHANGE TELEPHONE COMPANIES UNDER THE JURISDICTION OF  
THE NORTH CAROLINA UTILITIES COMMISSION AS OF DECEMBER 31, 2019**

Barnardsville Telephone Company (P-75)  
1400 River Street  
Wilkesboro, NC 28697

BellSouth Telecommunications, LLC (P-55)  
150 Fayetteville Street, Suite 800  
Raleigh, NC 27601

Carolina Telephone and Telegraph Co. (P-7)  
150 Fayetteville Street, Suite 970  
Raleigh, NC 27601

Central Telephone Company (P-10)  
150 Fayetteville Street, Suite 970  
Raleigh, NC 27601

Citizens Telephone Company (P-12)  
P. O. Box 470  
Rock Hill, SC 29730

Ellerbe Telephone Company (P-21)  
P. O. Box 220  
Ellerbe, NC 28338-0220

Frontier Communications of the  
Carolinas, Inc. (P-1488)  
3833 South Alston Avenue  
Durham, NC 27713

MEBTEL, Inc. (P-35)  
150 Fayetteville Street, Suite 970  
Raleigh, NC 27601

North State Telephone Company (P-42)  
P. O. Box 2326  
High Point, NC 27261

Town of Pineville (P-120)  
P. O. Box 249  
Pineville, NC 28134

Saluda Mountain Telephone Company (P-76)  
1400 River Street  
Wilkesboro, NC 28697

Service Telephone Company (P-60)  
1400 River Street  
Wilkesboro, NC 28697

Verizon South, Inc. (P-19)  
106 East College Avenue, Suite 710  
Tallahassee, FL 32301

Windstream Concord Telephone, LLC (P-16)  
1201 West Peachtree Street, Suite 610  
Atlanta, GA 30309

Windstream Lexcom Communications, LLC  
(P-31)  
1201 West Peachtree Street, Suite 610  
Atlanta, GA 30309

Windstream North Carolina, LLC (P-118)  
1201 West Peachtree Street, Suite 610  
Atlanta, GA 30309

**FIGURE NO. 6-1 CONTINUED**

**SHARED TENANT SERVICE PROVIDERS UNDER THE JURISDICTION OF THE  
NORTH CAROLINA UTILITIES COMMISSION AS OF DECEMBER 31, 2019**

Guilford College (STS-7)  
5800 West Friendly Avenue  
Greensboro, NC 27410

International Business Machines (STS-40)  
3039 Cornwallis Road  
Research Triangle Park, NC 27709

North Carolina State University (STS-23)  
Box 7217, West Dunn Building  
Raleigh, NC 27695

Smart City Networks, LP (STS-33)  
28 West Grand Avenue  
Montvale, NJ 07645

University of NC at Wilmington (STS-12)  
601 South College Road  
Wilmington, NC 28403

University of NC School of the Arts (STS-27)  
1533 South Main Street  
Winston Salem, NC 27127

Western Carolina University (STS-25)  
HFR 312  
Cullowhee, NC 28723

## FIGURE NO. 6-2

### REGULATED LOCAL EXCHANGE TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA NUMBER OF TOTAL ACCESS LINES AT THE YEAR END FOR THE YEARS 2015 THROUGH 2019

Telephone Companies	Number of Access Lines				
	2015	2016	2017	2018	2019
<b>Class A &amp; B:</b>					
BellSouth	515,826	435,412	371,070	325,379	383,346
Carolina Telephone Co.	496,104	465,967	380,222	303,431	283,060
Central Telephone Co.	109,448	101,606	84,769	69,073	63,707
Citizens Telephone Co.	13,212	12,318	11,608	10,990	10,686
Ellerbe Telephone Co.	1,309	1,241	1,165	1,209	1,180
Frontier <sup>1</sup>	140,898	126,883	115,523	92,184	87,258
MEBTEL, Inc.	9,371	9,071	7,846	6,567	6,188
North State Telephone Co.	48,443	44,235	39,902	36,265	34,446
Pineville Telephone Co.	1,089	934	784	741	689
Verizon South, Inc. <sup>2</sup>	266	235	207	186	192
Windstream Concord	60,500	54,652	49,152	42,646	40,230
Windstream Lexcom	15,698	14,644	13,251	11,338	10,664
Windstream NC	124,877	113,631	100,851	87,822	83,065
<b>Totals: Class A &amp; B</b>	<b>1,537,041</b>	<b>1,380,829</b>	<b>1,176,350</b>	<b>987,831</b>	<b>1,004,711</b>
<b>Class C &amp; D:</b>					
Barnardsville Telephone Co.	802	682	607	533	524
Saluda Mountain Tel. Co.	1,206	1,165	1,162	1,165	1,163
Service Telephone Co.	633	554	511	490	488
<b>Totals: Class C &amp; D</b>	<b>2,641</b>	<b>2,401</b>	<b>2,280</b>	<b>2,188</b>	<b>2,175</b>
<b>Grand Totals<sup>3</sup></b>	<b>1,539,682</b>	<b>1,383,230</b>	<b>1,178,630</b>	<b>990,019</b>	<b>1,006,886</b>
<b>United States Totals<sup>4</sup></b>	<b>66,872,000</b>	<b>61,535,000</b>	<b>55,786,000</b>	<b>53,026,000</b>	<b>50,093,000</b>

#### North Carolina as % of

United States Total	2.3%	2.2%	2.1%	1.9%	2.0%
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<sup>1</sup> Verizon transferred to Frontier (except the Knotts Island Exchange).

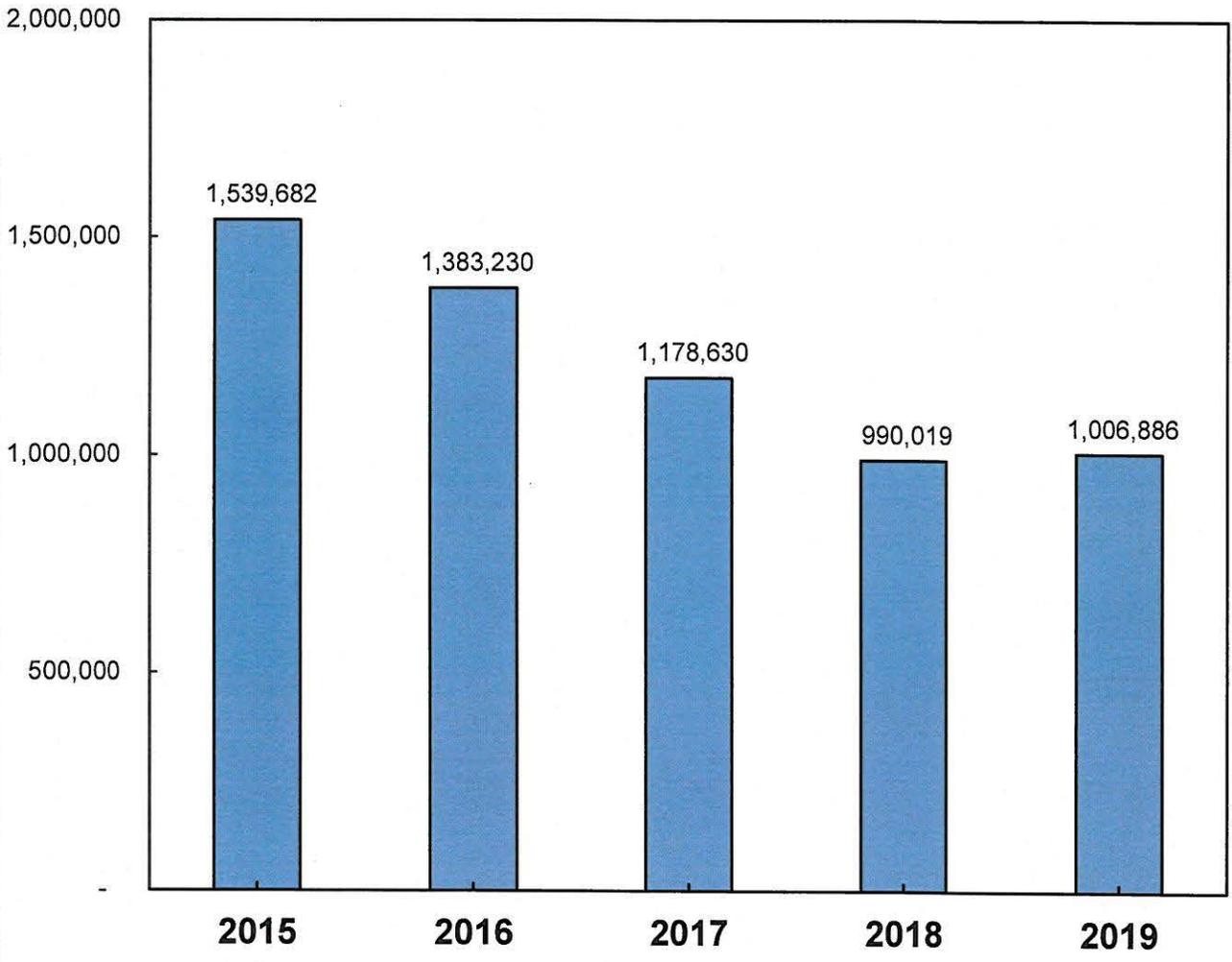
<sup>2</sup> Verizon Knotts Island Exchange only.

<sup>3</sup> Access Lines were revised using the Public Staff Phone Development Report for the current year.

<sup>4</sup> United States Totals from FCC's Industry Analysis and Technology Division, Wireline Competition Bureau: IATD Data & Statistical Reports: Table 1.

\* Website not updated at the time of this report

**FIGURE NO. 6-3**  
Access Lines in Service December 31  
North Carolina Data Only



*Access Lines include Residential and Business*

## **VII. WATER AND SEWER INDUSTRY**

## **A. GENERAL COMMENTS**

As of December 31, 2019, there were approximately 1,683 regulated water and sewer systems in North Carolina owned by 98 companies as reported on the 2019 annual reports. These are comprised of 1,347 water and 291 sewer systems. The Commission also regulated 1,629 water and sewer resellers. Water and sewer resellers were not required to file annual reports. The General Statutes of North Carolina provide in part that anyone owning or operating facilities for furnishing water and sewer service to the public for compensation is a public utility, except when such person's sole operation consists of selling water to fewer than fifteen residential customers.

Figure Nos. 7-1, 7-2, and 7-2A provide a map and a listing of the locations of all of the regulated water and sewer systems by counties with the number of systems and customers in each county.

One of the major problems encountered in regulating small water and sewer utilities is their lack of keeping adequate records. As a result, of the 98 water and sewer companies franchised to operate in 2019, current statistical and operating data is available for 64 companies. This data is found in Figure No. 7-3. For the other 34 companies, the most recent statistical data received by the Commission is presented in Figure No. 7-4. This noncurrent statistical data as of calendar year 2019 is included to illustrate the total scope of the regulated water and sewer industry in North Carolina. Some of the 34 noncurrent companies are under emergency operators and although required to file financial information, it is not always in the form of an annual report.

The Commission adopted a simplified annual report which should encourage small utilities to maintain minimum records of their revenues and expenses. This should enable

them to keep accurate records and provide them with the required information needed for general rate cases.

## **B. COMMISSION ACTIVITIES**

The Commission decided five general rate cases involving water and sewer companies during 2019. These cases affected 35,341 water customers and 21,723 sewer customers. Of the cases decided, the total requested increase in water revenues was \$3,090,595 annually, and the Commission approved \$846,587. The requested increase in sewer revenues was \$1,406,679 annually, and the Commission approved \$675,949. The Commission also required service improvements and studies as a result of customer testimony and the Public Staff's investigations and recommendations in these proceedings.

Pursuant to Commission Rules R7-39 and R10-26, the Commission approved water system improvement charges (WSIC) and sewer system improvement charges (SSIC) for Aqua North Carolina, Inc. and Carolina Water Service, Inc. of North Carolina. These additional WSIC/SSIC revenues approved by the Commission affected approximately 113,610 water customers and 39,471 sewer customers. The total requested increase in WSIC revenues was \$538,634 annually, which was approved by the Commission. The total requested increase in SSIC revenues was \$74,576 annually, which was also approved by the Commission.

The Commission approved 9 tariff revisions for the purpose of passing through to customers the increased cost of purchasing water/sewer utility service from other utilities, affecting 4,780 customers and increasing annual water and sewer revenues by \$61,799.

There were other cases filed with the Commission in 2019, regarding regulated water and sewer utilities. There were 23 applications for new franchises or notifications of contiguous extensions; 3 applications for transfer of

franchises between utilities; 18 bond filings; 2 formal complaint; and 30 miscellaneous filing.

The Commission also regulates resale of water/sewer utility service in apartment complexes and mobile home parks. There were 1,396 resale filings with the Commission during 2019. There were 217 applications for resale authority affecting 41,743 customers, resulting in annual revenues of \$24,294,426. There were 99 applications to transfer resale authority affecting 24,067 customers, resulting in net increased annual revenues of \$288,804. There were 1,002 filings to revise rates affecting 234,770 customers, resulting in net increased annual revenues of \$3,488,955. Resale authority was cancelled for 74 service areas, affecting 15,001 customers, and annual revenues of \$8,730,582. 39 filings were withdrawn or rendered moot by other actions.

In 2018, the Commission started issuing Certificates of Authority to resale of water/sewer utility service in single family dwellings. There were 78 filings made with the Commission during 2019. Among those filings, there were 69 applications for single family dwellings resale authority with an annual revenue of \$344,350, 9 address update filings, plus 8 filings were withdrawn by other actions.

### **C. WATER AND SEWER GENERAL STATUTE REQUIREMENT AND AUTHORIZATION**

In 1987, legislation required all water and sewer utility plants to furnish a bond secured in an amount not less than \$10,000 and no more than \$200,000. On April 15, 1995, G.S. 62-100.3 was amended eliminating the \$200,000 cap on the bond. This amendment also eliminated the statutory section which provided exceptions for those franchises that already had bonds posted with other state agencies or having bonds posted with the Commission totaling \$200,000. Acceptable securities are obligations of the United States, obligations of the State of North Carolina, certificates of deposit, and irrevocable letters of

credit. They are posted for use by the Commission in the event that an emergency operator is needed to take over a system and also to provide an incentive for utility companies to properly operate and maintain their systems. (See G.S. 62-110.3, Rules R7-37 and R10-24 for the details regarding the use of bonds as security.) This requirement is applicable to all applications for franchises filed on or after October 1, 1987. At the end of 2014, the amount of bonds posted for new water and sewer franchises totaled \$18,000,000 consisting of Letters of Credit, surety bonds, certificates of deposit and money market funds.

The General Assembly enacted G.S. 62-110(g) authorizing the Utilities Commission to adopt procedures for the purpose of allowing resale of water and sewer service in apartments, condominiums, and other places at a rate or charge which does not exceed the actual purchase price of such service to the provider, plus a reasonable administrative fee. The Commission adopted rules and established procedures for regulating these resellers. As of the end of 2017, the Commission had granted certificates of authority for resale of water and/or sewer service for approximately 1,342 apartment complexes or mobile home parks.

### **D. REGULATED VS. NONREGULATED MONTHLY CHARGES**

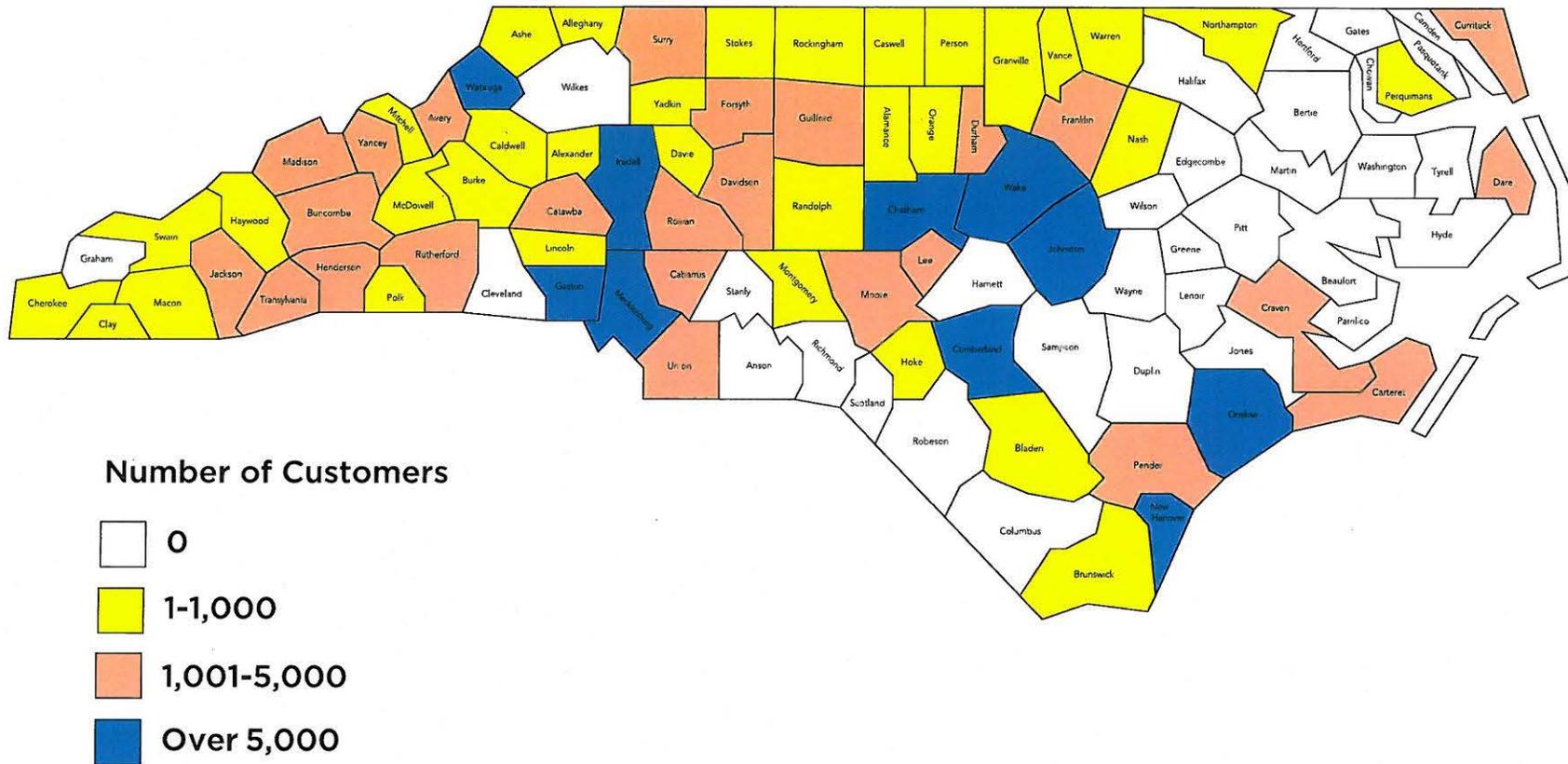
Comparative monthly charges for residential water service of selected non-regulated municipal systems and regulated water systems in North Carolina are shown in Figure No. 7-6.

### **E. STATISTICAL SUMMARY DATA**

The number of regulated utility companies furnishing water and sewer service in North Carolina was 98, a decrease of companies from 2018, however, 34 of these companies did not file 2019 annual reports. The current companies operated 1,347 water systems and 291 sewer systems within the State, with the

noncurrent companies' most recent data showing 11 water systems and 11 sewer systems. The current companies served 123,127 water and 60,553 sewer customers and received \$133,479,103 in annual revenues, with the noncurrent companies serving 1,717 customers and receiving annual revenues of \$946,362. Refer to Figure No. 7-3 for current companies, 7-4 for noncurrent and 7-5 for a graphic presentation.

**FIGURE NO. 7-1**  
**DISTRIBUTION OF CUSTOMERS SERVED BY:**  
**REGULATED WATER & SEWER UTILITIES**



**FIGURE NO. 7-2**  
**DISTRIBUTION OF WATER AND SEWER UTILITIES BY COUNTIES AS OF DECEMBER 31, 2019**

COUNTY	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
Alamance	504		5	
Alexander	175		6	
Alleghany	433	84	2	1
Ashe	599	208	4	1
Avery	2,375	1,721	7	3
Bladen		164		1
Brunswick		795		1
Buncombe	777	744	5	3
Burke	140		2	
Cabarrus	1,593	95	23	2
Caldwell	262		2	
Carteret	1,114	2,558	3	16
Caswell	43		1	
Catawba	3,370	155	65	5
Chatham	1,163	6,362	11	16
Cherokee	437	181	2	2
Clay	64	48	1	1
Craven	1,932	501	1	2
Cumberland	14,398	1	108	1
Currituck		3,180		6
Dare		1,105		2
Davidson	28	1,262	1	7
Davie	31		1	
Durham	1,405	108	17	3
Forsyth	1,425	1,466	17	8
Franklin	2,237	6	8	1
Gaston	6,498	252	113	3
Granville	22		1	
Guilford	4,259	271	68	4
Haywood	113	50	1	1
Henderson	871	439	10	4
Hoke	38			
Iredell	5,468	803	65	21
Jackson	1,899	775	4	4
Johnston	5,802	4,272	61	44
Lee	1,924		3	
Lincoln	401		8	
Macon	286		1	
Madison	708	710	1	1
McDowell	139		6	
Mecklenburg	5,609	4,132	31	15
Mitchell	66		1	
Montgomery	723	26	2	1
Moore	2,647	582	7	3
Nash	134		4	
New Hanover	5,007	2,981	49	39
Northampton	110		2	
Onslow	20	9,700	1	8
Orange	651		10	
Pender	1,780	2,121	3	6
Perquimans		498		1
Person	44		1	
Polk	57	41	1	1
Randolph	572	60	6	2
Rockingham	529		11	
Rowan	1,337	47	25	2
Rutherford	1,244	437	2	1
Stanly				
Stokes	41	126	1	1
Surry	1,640		45	
Swain	119	119	1	1
Transylvania	1,948	1,017	6	1
Union	238	2,161	1	8
Vance	76		1	
Wake	32,610	6,619	486	33
Warren	370		5	
Watauga	1,747	1,108	7	4
Yadkin	153		2	
Yancey	722	462	2	
<b>Grand Total</b>	<b>123,127</b>	<b>60,553</b>	<b>1,347</b>	<b>291</b>

**FIGURE 7-2A**

**DISTRIBUTION SUMMARY OF CUSTOMERS AND SYSTEMS OF ALL NC REGULATED  
WATER AND SEWER UTILITIES BY COUNTIES AS OF DECEMBER 31, 2019**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>Alamance</b>	<b>504</b>	<b>-</b>	<b>5</b>	<b>-</b>
Aqua	236		4	
Saxapahaw Utility Company	268		1	
<b>Alexander</b>	<b>175</b>	<b>-</b>	<b>6</b>	<b>-</b>
Aqua	175		6	
<b>Alleghany</b>	<b>433</b>	<b>84</b>	<b>2</b>	<b>1</b>
Aqua	163	84	1	1
Carolina Water Services Inc. of NC	270		1	
<b>Ashe</b>	<b>599</b>	<b>208</b>	<b>4</b>	<b>1</b>
Aqua	194		2	
Carolina Water Services Inc. of NC	147		1	
JL Golf Management LLC	258	208	1	1
<b>Avery</b>	<b>2,375</b>	<b>1,721</b>	<b>7</b>	<b>3</b>
Aqua	1		1	
Carolina Water Services Inc. of NC	2,104	1,528	4	2
GGCC Utility, Inc.	270	193	2	1
<b>Bladen</b>	<b>-</b>	<b>164</b>	<b>-</b>	<b>1</b>
Bay Tree Utility Co. DBA Lake Creek Corp		164		1
<b>Brunswick</b>	<b>-</b>	<b>795</b>	<b>-</b>	<b>1</b>
904 Georgetown Treatment Plant, LLC		795		1
<b>Buncombe</b>	<b>777</b>	<b>744</b>	<b>5</b>	<b>3</b>
Aqua	80		2	
Carolina Water Services Inc. of NC	306	690	1	2
Dry Ridge Properties, LLC	54	54	1	1
Ridgecrest Water Utility	337		1	
<b>Burke</b>	<b>140</b>	<b>-</b>	<b>2</b>	<b>-</b>
Aqua	140		2	
<b>Cabarrus</b>	<b>1,593</b>	<b>95</b>	<b>23</b>	<b>2</b>
Aqua	1,035		16	
Carolina Water Services Inc. of NC	271		1	
Cook, William d/b/a Green Oaks Water	21		1	
Corriher Water Service, Inc.	203		3	
Pace Utilities Group, Inc.	62	62	1	1
Silver Maples Mobile Estates	1	33	1	1
<b>Caldwell</b>	<b>262</b>	<b>-</b>	<b>2</b>	<b>-</b>
Carolina Water Services Inc. of NC	146		1	
Joyceton Water Works, Inc.	116		1	
<b>Carteret</b>	<b>1,114</b>	<b>2,558</b>	<b>3</b>	<b>16</b>
Aqua	225	161	2	3
C & P Enterprises, Inc.		89		2
Carolina Water Services Inc. of NC	889	2,031	1	2
Deerfield Shores Utility Co, Inc.		30		1
Enviracon Utilities, Inc.		3		2
Harkers Island Sewer Company, LLC		133		1
Old North State Company, LLC		2		1
Sugarloaf Utility, Inc.		109		4

**FIGURE 7-2A**

**DISTRIBUTION SUMMARY OF CUSTOMERS AND SYSTEMS OF ALL NC REGULATED  
WATER AND SEWER UTILITIES BY COUNTIES AS OF DECEMBER 31, 2019**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>Caswell</b>	<b>43</b>	<b>-</b>	<b>1</b>	<b>-</b>
Aqua	43		1	
<b>Catawba</b>	<b>3,370</b>	<b>155</b>	<b>65</b>	<b>5</b>
Aqua	3,330	155	64	5
Corriher Water Service, Inc.	40		1	
<b>Chatham</b>	<b>1,163</b>	<b>6,362</b>	<b>11</b>	<b>16</b>
Aqua	1,163	3,038	11	11
Fitch Creations, Inc. dba Fearington Utilities		1,373		4
Old North State Company, LLC		1,951		1
<b>Cherokee</b>	<b>437</b>	<b>181</b>	<b>2</b>	<b>2</b>
Carolina Water Services Inc. of NC	437	181	2	2
<b>Clay</b>	<b>64</b>	<b>48</b>	<b>1</b>	<b>1</b>
Carolina Water Services Inc. of NC	64	48	1	1
<b>Craven</b>	<b>1,932</b>	<b>501</b>	<b>1</b>	<b>2</b>
Carolina Water Services Inc. of NC	1,932	501	1	2
<b>Cumberland</b>	<b>14,398</b>	<b>1</b>	<b>108</b>	<b>1</b>
Aqua	14,059		103	
Carolina Water Services Inc. of NC	299		3	
Old North Utility Services, Inc.	1	1	1	1
Old North State Company, LLC	39		1	
<b>Currituck</b>	<b>-</b>	<b>3,180</b>	<b>-</b>	<b>6</b>
Carolina Water Services Inc. of NC		2,021		2
Pine Island - Currituck LLC		737		3
Sandler Utilities at Mill Run, LLC		422		1
<b>Dare</b>	<b>-</b>	<b>1,105</b>	<b>-</b>	<b>2</b>
Carolina Water Services Inc. of NC		741		1
KDHWWT, LLC		364		1
<b>Davidson</b>	<b>28</b>	<b>1,262</b>	<b>1</b>	<b>7</b>
Aqua		699		5
Old North State Company, LLC	28	28	1	1
Meadowlands Development	-	535	-	1
<b>Davie</b>	<b>31</b>	<b>-</b>	<b>1</b>	<b>-</b>
Aqua	31		1	
<b>Durham</b>	<b>1,405</b>	<b>108</b>	<b>17</b>	<b>3</b>
Aqua	1,302	94	16	2
Carolina Water Services Inc. of NC	103		1	
Old North State Company, LLC		14		1
<b>Forsyth</b>	<b>1,425</b>	<b>1,466</b>	<b>17</b>	<b>8</b>
Aqua	612	640	13	6
Carolina Water Services Inc. of NC	807	820	3	1
Mount Tabor Place Phase II LLC	6	6	1	1
<b>Franklin</b>	<b>2,237</b>	<b>6</b>	<b>8</b>	<b>1</b>
Aqua	167		3	
Carolina Water Services Inc. of NC	50		1	
Clarke Utilities, Inc.	107		1	
Old North State Company, LLC	25		2	
Total Environmental Solutions, Inc.	1,888	6	1	1

**FIGURE 7-2A**

**DISTRIBUTION SUMMARY OF CUSTOMERS AND SYSTEMS OF ALL NC REGULATED  
WATER AND SEWER UTILITIES BY COUNTIES AS OF DECEMBER 31, 2019**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>Gaston</b>	<b>6,498</b>	<b>252</b>	<b>113</b>	<b>3</b>
Aqua	5,859		105	
Carolina Water Services Inc. of NC	639	252	8	3
<b>Granville</b>	<b>22</b>	<b>-</b>	<b>1</b>	<b>-</b>
Aqua	22		1	
<b>Guilford</b>	<b>4,259</b>	<b>271</b>	<b>68</b>	<b>4</b>
Aqua	3,740	11	58	2
JPC Utilities, LLC	40	40	1	1
Old North State Company, LLC	259		8	
YES AF Utilities EXP, LLC	220	220	1	1
<b>Haywood</b>	<b>113</b>	<b>50</b>	<b>1</b>	<b>1</b>
Springdale Water Company	113	50	1	1
<b>Henderson</b>	<b>871</b>	<b>439</b>	<b>10</b>	<b>4</b>
Aqua	494		6	
Carolina Water Services Inc. of NC	326		2	
Etowah Sewer Company		438		2
Fairfield Water Company	12		1	
JACABB Utilities, LLC	39	1	1	2
<b>Hoke</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>
Aqua	38			
<b>Iredell</b>	<b>5,468</b>	<b>803</b>	<b>65</b>	<b>21</b>
Aqua	3,317	723	60	20
Carolina Water Services Inc. of NC	1,831		3	
Corriher Water Service, Inc.	240		1	
Watercrest Estates	80	80	1	1
<b>Jackson</b>	<b>1,899</b>	<b>775</b>	<b>4</b>	<b>4</b>
Carolina Water Services Inc. of NC	1,857	770	2	1
Dillsboro Water and Sewer, Inc	3	4	1	1
JACABB Utilities, LLC	39	1	1	2
<b>Johnston</b>	<b>5,802</b>	<b>4,272</b>	<b>61</b>	<b>44</b>
Aqua	4,727	3,036	56	42
Carolina Water Services Inc. of NC	1,075	1,236	5	2
<b>Lee</b>	<b>1,924</b>	<b>-</b>	<b>3</b>	<b>-</b>
Carolina Water Services Inc. of NC	1,859		2	
Farm Waterworks	65		1	
<b>Lincoln</b>	<b>401</b>	<b>-</b>	<b>8</b>	<b>-</b>
Aqua	401		8	
<b>Macon</b>	<b>286</b>	<b>-</b>	<b>1</b>	<b>-</b>
Carolina Water Services Inc. of NC	286		1	
<b>Madison</b>	<b>708</b>	<b>710</b>	<b>1</b>	<b>1</b>
Carolina Water Services Inc. of NC	708	710	1	1
<b>McDowell</b>	<b>139</b>	<b>-</b>	<b>6</b>	<b>-</b>
Aqua	42		4	
Bear Den Acres Development, Inc.	54		1	
Carolina Water Services Inc. of NC	43		1	

**FIGURE 7-2A**

**DISTRIBUTION SUMMARY OF CUSTOMERS AND SYSTEMS OF ALL NC REGULATED WATER AND SEWER UTILITIES BY COUNTIES AS OF DECEMBER 31, 2019**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>Mecklenburg</b>	<b>5,609</b>	<b>4,132</b>	<b>31</b>	<b>15</b>
Aqua	1,446	1,332	10	10
Carolina Water Services Inc. of NC	3,994	2,800	17	5
Mauney, William K	20	-	2	-
Water Resources, Inc.	149		2	
<b>Mitchell</b>	<b>66</b>	<b>-</b>	<b>1</b>	<b>-</b>
Aqua	66		1	
<b>Montgomery</b>	<b>723</b>	<b>26</b>	<b>2</b>	<b>1</b>
Baytree Waterfront Properties, Inc.		26		1
Carolina Water Services Inc. of NC	723		2	
<b>Moore</b>	<b>2,647</b>	<b>582</b>	<b>7</b>	<b>3</b>
Aqua	884	581	4	2
Carolina Water Services Inc. of NC	1,762		2	
Old North Utility Services, Inc.	1	1	1	1
<b>Nash</b>	<b>134</b>	<b>-</b>	<b>4</b>	<b>-</b>
Aqua	84		3	
Carolina Water Services Inc. of NC	50		1	
<b>New Hanover</b>	<b>5,007</b>	<b>2,981</b>	<b>49</b>	<b>39</b>
Aqua	4,411	2,708	46	36
CBL & Associates Management, Inc.	86	86	-	2
Carolina Water Services Inc. of NC	323		2	
Royal Palms Water & Sewer	187	187	1	1
<b>Northampton</b>	<b>110</b>	<b>-</b>	<b>2</b>	<b>-</b>
Aqua	110		2	
<b>Onslow</b>	<b>20</b>	<b>9,700</b>	<b>1</b>	<b>8</b>
Aqua	20	430	1	1
Carolina Water Services Inc. of NC		1,049		2
Old North State Company, LLC		1,342		2
Pluris, LLC		5,253		1
Pluris Webb Creek, LLC		1,358		1
Rock Creek Environmental Company, Inc.		268		1
<b>Orange</b>	<b>651</b>	<b>-</b>	<b>10</b>	<b>-</b>
Aqua	651		10	
<b>Pender</b>	<b>1,780</b>	<b>2,121</b>	<b>3</b>	<b>6</b>
Aqua	293	419	1	2
Carolina Water Services Inc. of NC	1,487	873	2	2
Old North State Company, LLC		158		1
Pluris Hampstead, LLC		671		1
<b>Perquimans</b>	<b>-</b>	<b>498</b>	<b>-</b>	<b>1</b>
Albemarle Plantation Utility Co., Inc		498		1
<b>Person</b>	<b>44</b>	<b>-</b>	<b>1</b>	<b>-</b>
Aqua	44		1	
<b>Polk</b>	<b>57</b>	<b>41</b>	<b>1</b>	<b>1</b>
Aqua	57	41	1	1
<b>Randolph</b>	<b>572</b>	<b>60</b>	<b>6</b>	<b>2</b>
Aqua	562	60	5	2
Old North State Company, LLC	10		1	

**FIGURE 7-2A**

**DISTRIBUTION SUMMARY OF CUSTOMERS AND SYSTEMS OF ALL NC REGULATED  
WATER AND SEWER UTILITIES BY COUNTIES AS OF DECEMBER 31, 2019**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>Rockingham</b>	<b>529</b>	<b>-</b>	<b>11</b>	<b>-</b>
Aqua	500		10	
Old North State Company, LLC	29		1	
<b>Rowan</b>	<b>1,337</b>	<b>47</b>	<b>25</b>	<b>2</b>
Aqua	932	47	17	2
Corriher Water Service, Inc.	405		8	
<b>Rutherford</b>	<b>1,244</b>	<b>437</b>	<b>2</b>	<b>1</b>
Aqua	125		1	
Carolina Water Services Inc. of NC	1,119	437	1	1
<b>Stanly</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Stokes</b>	<b>41</b>	<b>126</b>	<b>1</b>	<b>1</b>
Aqua	41	126	1	1
<b>Surry</b>	<b>1,640</b>	<b>-</b>	<b>45</b>	<b>-</b>
Aqua	1,593		43	
Woods Water Works, Inc.	47		2	
<b>Swain</b>	<b>119</b>	<b>119</b>	<b>1</b>	<b>1</b>
Conleys Creek Limited Partnership	119	119	1	1
<b>Transylvania</b>	<b>1,948</b>	<b>1,017</b>	<b>6</b>	<b>1</b>
Aqua	263		4	
Carolina Water Services Inc. of NC	1,685	1,017	2	1
<b>Union</b>	<b>238</b>	<b>2,161</b>	<b>1</b>	<b>8</b>
Aqua		1,435		7
Carolina Water Services Inc. of NC		726		1
JAARS, Inc.	238		1	
<b>Vance</b>	<b>76</b>	<b>-</b>	<b>1</b>	<b>-</b>
Aqua	76		1	
<b>Wake</b>	<b>32,610</b>	<b>6,619</b>	<b>486</b>	<b>33</b>
Aqua	26,428	3,801	430	22
Carolina Water Services Inc. of NC	2,430	1,617	20	4
Chatham Utilities, Inc.	145	145	1	1
Clarke Utilities, Inc.	451	312	6	3
Gensinger, John W.	34		1	
KRJ Utilities, Inc.	600	406	2	1
MECO Utilities, Inc.	272	272	1	1
Mobile Hills Estate	37		1	
Old North State Company, LLC	1,934		21	
Prior Construction Company, Inc.	213		2	
Rolesville MHP, LLC	66	66	1	1
<b>Warren</b>	<b>370</b>	<b>-</b>	<b>5</b>	<b>-</b>
Aqua	370		5	
<b>Watauga</b>	<b>1,747</b>	<b>1,108</b>	<b>7</b>	<b>4</b>
Aqua	32		1	
Carolina Water Services Inc. of NC	1,125	197	5	1
Hawknest Utilities, Inc.		2		1
Water Quality Utilities, Inc.		760		1
Water Resources Management, Inc.	590	149	1	1

**FIGURE 7-2A**

**DISTRIBUTION SUMMARY OF CUSTOMERS AND SYSTEMS OF ALL NC REGULATED  
WATER AND SEWER UTILITIES BY COUNTIES AS OF DECEMBER 31, 2019**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>Yadkin</b>	<b>153</b>	<b>-</b>	<b>2</b>	<b>-</b>
Aqua	153		2	
<b>Yancey</b>	<b>722</b>	<b>462</b>	<b>2</b>	<b>-</b>
Carolina Water Services Inc. of NC	233		1	
Mountain Air Utilities Corporation	489	462	1	
<b>Grand Total</b>	<b>123,127</b>	<b>60,553</b>	<b>1,347</b>	<b>291</b>

FIGURE NO. 7-3

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION  
 REVENUES, CUSTOMERS, AND NUMBER OF SYSTEMS  
 Data As Of December 31, 2019

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems		Utility Plant	
			Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer
904 Georgetown Treatment Plant LLC	Brunswick	W-1141	\$0	\$239,480	0	795	0	1	\$0	\$906,294
Albemarle Plantation Utility Co., Inc	Perquimans	W-1189	\$0	\$236,127	0	498	0	1	\$0	\$438,453
Aqua	(1) footnote	W-218	\$40,407,938	\$15,990,667	82,140	20,005	1,145	183	\$346,945,908	\$179,404,302
Bay Tree Utility Co DBA Lake Creek Corp	Bladen	W-1080	\$0	\$73,400	0	164	0	1	\$0	\$0
Baytree Waterfront Properties, Inc.	Montgomery	W-938	\$0	\$11,447	0	26	0	1	\$0	\$205,613
Bear Den Acres Development, Inc.	McDowell	W-1040	\$13,388		54	0	1	0	\$90,945	\$0
CBL & Associates Management, Inc.	New Hanover	W-1311	\$78,258	\$89,433	86	86	0	2	\$0	\$0
C & P Enterprises, Inc.	Carteret	W-1063	\$0	\$60,987	0	89	0	2	\$0	\$203,000
Carolina Water Services Inc. of NC	(2) footnote	W-354	\$18,808,495	\$14,868,040	31,198	19,843	103	41	\$128,474,366	\$114,463,431
Chatham Utilities, Inc.	Wake	W-1240	\$68,695	\$84,335	145	145	1	1	\$0	\$0
Clarke Utilities, Inc.	Wake/Franklin	W-1205	\$170,881	\$160,283	558	312	7	3	\$620,260	\$385,704
Conleys Creek Limited Partnership	Swain	W-1120	\$72,182	\$35,297	119	119	1	1	\$817,345	\$812,095
Cook, William dba Green Oaks Water	Cabarrus	W-1262	\$7,911	\$0	21	0	1	0	\$7,911	\$0
Corriher Water Service, Inc.	(3) footnote	W-233	\$354,789	\$0	888	0	13	0	\$125,153	\$0
Deerfield Shores Utility Co, Inc.	Carteret	W-925	\$0	\$21,305	0	30	0	1	\$0	662461
Dillsboro Water and Sewer, Inc	Jackson	W-1303	\$95,671	\$10,021	3	4	1	1	\$0	\$380,520
Dry Ridge Properties, LLC	Buncombe	W-1299	\$11,643	\$11,878	54	54	1	1	\$168,082	\$157,291
Enviracon Utilities, Inc.	Carteret	W-1236	\$0	\$175,509	0	3	0	2	\$0	\$1
Etowah Sewer Company	Henderson	W-933	\$0	\$177,267	0	438	0	2	\$0	\$870,463
Fairfield Water Company	Henderson	W-1226	\$17,221	\$0	12	0	1	0	\$32,759	\$0
Farm Water Works	Lee	W-844	\$39,096	\$0	65	0	1	0	\$79,175	\$0
Ferrington Utilities, Fitch Creations, Inc. dba	Chatham	W-661	\$0	\$376,230	0	1,373	0	4	\$0	\$461,630
Gensinger, John W. (Pineview Estates)	Wake	W-549	\$16,932	\$0	34	0	1	0	\$41,888	\$0
GGCC Utility Inc.	Avery	W-755	\$242,852	\$127,494	270	193	2	1	\$1,124,546	\$595,244
Harkers Island Sewer Company, LLC	Carteret	W-1297	\$0	\$117,737	0	133	0	1	\$0	\$471,375
Hawknest Utilities, Inc.	Watauga	W-1077	\$0	\$22,000	0	2	0	1	\$0	\$22,000
JAARS, Inc.	Union	W-1136	\$41,925	\$0	238	0	1	0	\$16,964	\$0
JACABB Utilities, LLC	Jackson	W-1298	\$0	\$0	39	1	1	2	\$0	\$0
JL Golf Management LLC	Ashe	W-1296	\$90,822	\$131,412	262	208	1	1	\$0	\$43,818
Joyceton Water Works, Inc.	Caldwell	W-4	\$35,294	\$0	116	0	1	0	\$337,912	\$0
JPC Utilities, LLC	Guilford	W-1263	\$102,478	\$96,741	40	40	1	1	\$528,103	\$1,369,563
KDHWWTP, LLC	Dare	W-1160	\$0	\$709,596	0	364	0	1	\$0	\$4,916,352
KRJ Utilities	Wake	W-1075	\$310,845	\$273,890	600	406	2	1	\$1,934,750	\$5,308,124

FIGURE NO. 7-3

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION  
 REVENUES, CUSTOMERS, AND NUMBER OF SYSTEMS  
 Data As Of December 31, 2019

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems		Utility Plant	
			Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer
Mauney, William K	Mecklenburg	W-560	\$11,851	\$0	20	0	2	0	18,876	\$0
Meadowlands Development, LLC	Davidson	W-1259	\$0	\$279,993	0	535	0	1	\$0	\$0
MECO Utilities Inc.	Wake	W-1166	\$126,670	\$183,687	272	272	1	1	\$3,294	\$0
Mobile Hills Estates Water System (EO)	Wake	W-224	\$16,722	\$0	37	0	1	0	\$127,764	\$0
Mount Tabor Place Phase II, LLC	Forsyth	W-1283	\$2,243	\$2,274	6	6	1	1	\$0	\$0
Mountain Air Utilities Corp	Yancey	W-1148	\$165,470	\$377,269	489	462	1	0	\$3,557,354	\$1,673,298
Old North State Company, LLC	(4) footnote	W-1300	\$550,523	\$1,801,939	1,138	3,514	35	7	\$7,199,285	\$25,455,076
Old North Utility Services	Cumberland / Moore	W-1279	\$13,342,367	\$13,453,855	2	2	2	2	\$3,141,919	\$0
Pace Utilities Group, Inc.	Cabarrus	W-1046	\$7,947	\$19,285	62	62	1	1	\$168,332	\$120,906
Pine Island - Currituck, LLC	Currituck	W-1072	\$0	\$459,156	0	737	0	3	\$0	\$2,400,642
Pluris, LLC	Onslow	W-1282	\$0	\$3,667,042	0	5,253	0	1	\$0	\$28,854,013
Pluris Hampstead, LLC	Pender	W-1305	\$0	\$439,550	0	671	0	1	\$0	\$11,095,956
Pluris Webb Creek, LLC	Onslow	W-1314	\$0	\$629,511	0	1,358	0	1	\$0	\$1,437,852
Ponderosa Mobile Home Park	Currituck	W-1086					1	0	\$48,400	\$0
Prior Construction Co., Inc.	Wake	W-567	\$56,790	\$0	213	0	2	0	\$100,893	\$0
Ridgecrest Water Utility	Buncombe	W-71	\$111,596	\$0	337	0	1	0	\$1,646,337	\$0
Rock Creek Environmental Company	Onslow	W-830	\$0	\$99,861	0	268	0	1	\$0	\$552,849
Rolesville MHP LLC	Wake	W-1270	\$18,037	\$24,154	66	66	1	1	\$10,967	\$8,273
Royal Palms Water & Sewer	New Hanover	W-1105	\$69,174	\$63,853	187	187	1	1	\$132,173	\$146,055
Sandler Utilities at Mill Run, L. C.	Currituck	W-1130	\$0	\$272,413	0	422	0	1	\$0	\$1,881,361
Saxapahaw Utility	Alamance	W-1250	\$137,602	\$0	268	0	1	0	\$435,145	\$0
Silver Maples Mobile Estates	Cabarrus	W-776	\$107	\$3,046	1	33	1	1	\$30,000	\$47,500
Springdale Water Company	Haywood	W-406	\$21,662	\$15,233	113	50	1	1	\$50,000	\$50,000
Sugarloaf Utility, Inc.	Carteret	W-1154	\$0	\$202,886	0	109	0	4	\$0	\$107,142
Total Environmental Solutions, Inc.	Franklin	W-1146	\$1,019,702	\$50,249	1,888	6	1	1	\$448,683	\$163,522
Water Quality Utilities, Inc.	Watauga	W-1264	\$0	\$427,492	0	760	0	1	\$0	\$519,000
Water Resources Management, Inc.	Watauga	W-1073	\$140,006	\$50,422	590	149	1	1	\$63,472	\$8,288
Water Resources, Inc.	Mecklenburg	W-1034	\$68,780	\$0	149	0	2	0	\$42,852	\$0
Watercrest Estates	Iredell	W-1021	\$26,998	\$41,970	80	80	1	1	\$24,488	\$24,488
Woods Waterworks, Inc.	Surry	W-735	\$12,811	\$0	47	0	2	0	\$17,000	\$0
YES AF Utilities EXP, LLC	Guilford	W-1302	-\$45,727	-\$35,260	220	220	1	1	\$109,363	\$177,283
<b>TOTAL</b>			<b>\$76,848,647</b>	<b>\$56,630,456</b>	<b>123,127</b>	<b>60,553</b>	<b>1,347</b>	<b>291</b>	<b>\$498,722,664</b>	<b>\$386,801,238</b>

Total Number of Current Companies 64

- (1) Alamance, Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Cabarrus, Carteret, Caswell, Catawba, Chatham, Cumberland, Davidson, Durham, Forsyth, Gaston, Granville, Guilford, Henderson, Hoke, Iredell, Johnston, Lincoln, McDowell, Mitchell, Mecklenburg, Moore, Nash, New Hanover, Onslow, Orange, Pender, Person, Polk, Randolph, Rockingham, Rowan, Rutherford, Stokes, Surry, Transylvania, Union, Vance, Wake, and Yadkin.
- (2) Alleghany, Ashe, Avery, Buncombe, Cabarrus, Caldwell, Carteret, Cherokee, Clay, Craven, Cumberland, Currituck, Dare, Durham, Forsyth, Franklin, Gaston, Henderson, Iredell, Jackson, Johnston, Lee, Macon, Madison, McDowell, Mecklenburg, Montgomery, Moore, Nash, New Hanover, Onslow, Pender, Rutherford, Transylvania, Union, Wake, Watauga, and Yancey.
- (3) Cabarrus, Catawba, Iredell, and Rowan.
- (4) Carteret, Chatham, Cumberland, Davidson, Durham, Franklin, Guilford, Onslow, Pender, Randolph, Rockingham, and Wake.

FIGURE NO. 7-4

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED  
BY THE NORTH CAROLINA UTILITIES COMMISSION  
As of Calendar Year 2019

Company	County	Docket Number	Date of Data	Annual Revenues		Number of Customers		Number of Systems	
				Water	Sewer	Water	Sewer	Water	Sewer
A & D Water Service, Inc.	(1) footnote	W-1049	2016	\$260,387	\$276,891	349	517	7	7
B & C Development		W-924	NR						
Beacon's Reach Master Assoc., Inc.		W-966	NR						
Blue Creek Utilities, Inc.		W-857	NR						
Britthaven Utilities	Rockingham	W-1015	2017	\$0	\$45,323	0	1	0	1
Christmount Christian Assembly, Inc.	Buncombe	W-1079	2018	\$60,530	\$36,356	103	103	1	1
Crosby Utilities		W-992	NR						
Cross-State Development Corp.		W-408	EO						
DFHC Corp		W-1315	NR						
Earth Environmental Services	Buncombe	W-1129	NR						
Enviro-Tech of NC	Currituck	W-1165	2018	\$0	\$130,197	0	212	0	1
First Investment Mortgage Advisers, Inc.		W-515	NR						
Flat Creek Utilities, LLC	Buncombe	W-1272	NR						
Ginguite Woods Water Reclamation Assoc. Inc.		W-1139	EO						
Greenfield Heights Development Co.		W-205	NR						
H H Water		W-1318	NR						
Harrco Utility Corp.		W-796	EO						
IA Matthews Sycamore		W-1304	NR						
Icebreaker Development		W-1313	NR						
Lake Junaluska Assembly, Inc.		W-1274	NR						
Linville Heights, L.P.	Avery	W-1137	2016	\$3,282	\$0	16	0	1	0
McCullers Pines Water System		W-727	EO						
Outer Banks/Kinnakeet Associates		W-1125	NR						
Overhills Water Company	Cumberland	W-175	2018	\$122,447	\$0	273	0	1	0
Pfeiffer University	Stanly	W-1207	2016	\$0	\$10,949		31	0	1
Ponderosa Mobile Home Park	Currituck	W-1086	2018	\$0	\$0	112	0	1	0
Santeetlah Shores		W-577	EO						
Scientific Water and Sewage Corp		W-176	NR						
Sedgefield Development Corp.	Wake	W-1036	EO						
South Asheville Water Works		W-1104	NR						
Tanglewood Parkway		W-1310	NR						
University Heights		W-760	EO						
Vila Pump Company		W-945	NR						
Webb Creek Water & Sewage, Inc.		W-864	EO						
34				\$446,646	\$499,716	853	864	11	11

\* Company Certificate Cancelled, \*\* Transferred to another company/county

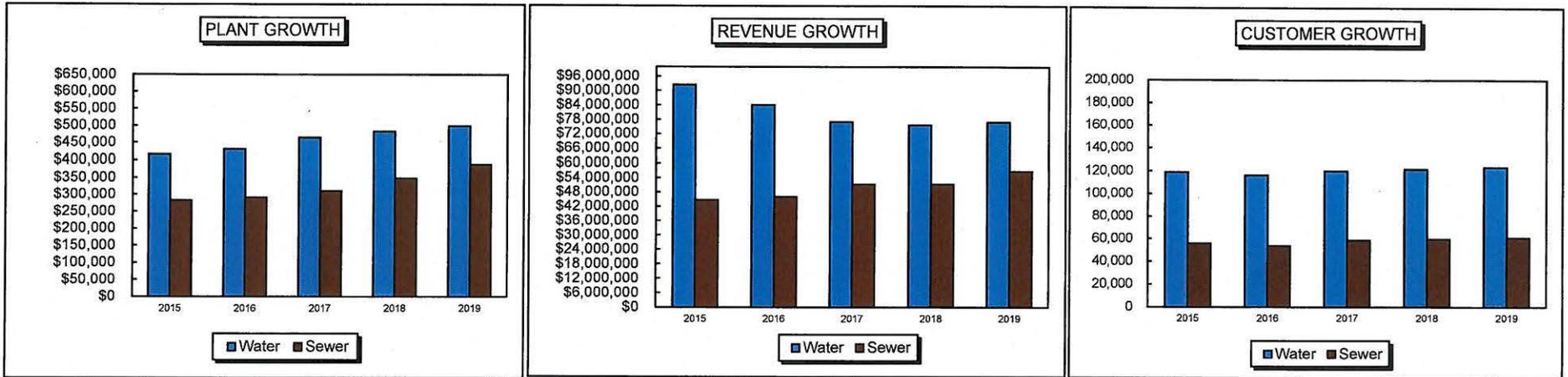
EO=Emergency Operator

N/R = No Report

(1) Ashe, Buncombe, Gaston, Henderson, and Transylvania

FIGURE NO. 7-5

PLANT, REVENUE AND CUSTOMER GROWTH OF ALL REGULATED  
**WATER & SEWER COMPANIES IN NORTH CAROLINA**  
 For the Years 2015, 2016, 2017, 2018 and 2019



	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Water:</u></b>					
Plant	\$415,376,363	\$430,200,431	\$464,229,303	\$482,079,923	\$498,722,664
Revenues	\$92,419,417	\$84,072,712	\$76,987,427	\$75,652,184	\$76,848,647
Customers	118,770	116,365	119,850	121,444	123,127
<b><u>Sewer:</u></b>					
Plant	\$282,586,510	\$291,419,729	\$310,406,543	\$348,133,243	\$386,801,238
Revenues	\$44,654,551	\$45,962,615	\$51,182,327	\$51,276,727	\$56,630,456
Customers	55,577	53,483	58,448	59,278	60,553
Total Number of Companies	112	122	103	102	100

**FIGURE NO. 7-6**

**COMPARATIVE MONTHLY CHARGES FOR RESIDENTIAL  
WATER & SEWER SERVICE IN NORTH CAROLINA  
As of January 2019**

**Publicly Owned Systems <sup>1</sup>**

Asheville
Charlotte
Greensboro
Raleigh
Cape Fear Public Utility Authority
Average-(Simple)

<b>WATER</b>		
<b>Nonregulated Systems - Inside City Limits</b>		
<b>3,000 gal.</b>	<b>5,000 gal.</b>	<b>10,000 gal.</b>
\$23.84	\$34.88	\$62.49
13.94	19.56	48.36
13.15	21.17	43.89
18.62	30.47	64.91
25.84	33.88	53.98
\$19.08	\$27.99	\$54.73

**Privately Owned Systems Regulated by Commission <sup>2</sup>**

(Class B or Larger)

Aqua North Carolina, Inc.
CWSNC-Uniform
CWSNC-Bradfield Farms/Fairfield Harbour
Corriher Water Service
Average-(Simple)

<b>WATER</b>		
<b>Regulated Systems - Inside Service Area</b>		
<b>3,000 gal.</b>	<b>5,000 gal.</b>	<b>10,000 gal.</b>
\$36.74	\$48.40	\$77.55
\$47.54	\$62.94	\$101.44
\$21.52	\$28.24	\$45.04
\$29.03	\$37.03	\$57.03
\$33.71	\$44.15	\$70.27

**Publicly Owned Systems**

Metropolitan Sewage District of Buncombe Co. <sup>3</sup>
Cape Fear Public Utility Authority <sup>4</sup>
Charlotte-Mecklenburg Utilities
Greensboro
Raleigh
Average-(Simple)

<b>SEWER</b>		
<b>Nonregulated Systems - Inside City Limits</b>		
<b>3,000 gal.</b>	<b>5,000 gal.</b>	<b>10,000 gal.</b>
\$26.80	\$39.13	\$69.94
\$28.44	\$37.70	\$60.85
\$30.49	\$42.92	\$74.01
\$18.77	\$28.72	\$53.58
\$29.53	\$41.64	\$71.92
\$26.81	\$38.02	\$66.06

**Privately Owned Systems Regulated by Commission**

(Class B or Larger)

Aqua North Carolina, Inc.
CWSNC-Uniform
CWSNC-Bradfield Farms/Fairfield Harbour (Flat Rate)
Pluris, LLC (Flat Rate)
Average-(Simple)

<b>SEWER</b>		
<b>Regulated Systems - Inside Service Area</b>		
<b>3,000 gal.</b>	<b>5,000 gal.</b>	<b>10,000 gal.</b>
\$72.04	\$72.04	\$72.04
\$55.30	\$61.52	\$77.07
\$41.40	\$41.40	\$41.40
\$58.08	\$58.08	\$58.08
\$56.71	\$58.26	\$62.15

<sup>1</sup> These rates represent the most current approved base rate plus the usage charge for the majority of the customers served by this utility.

<sup>2</sup> These rates may vary depending on area served and if the residence includes water and sewer or just one type of service.

<sup>3</sup> The City of Asheville provides the water service while the Metropolitan Sewage District of Buncombe Co. provides the wastewater services.

<sup>4</sup> The City of Wilmington is no longer reflected on this chart, Cape Fear Public Utility Authority now provides utility services.

**VIII. TRANSPORTATION INDUSTRY**  
**Household Goods Movers**

## **MOTOR CARRIERS – Household Goods Movers**

### **A. LEGISLATIVE ACTION**

As of January 1, 1995, the Interstate Commerce Commission (ICC) preempted states over jurisdiction of the trucking industry for all commodities other than household goods (HHG). The North Carolina Utilities Commission chose to retain regulation of Household Goods Movers.

### **B. DUTIES OF THE OPERATIONS DIVISION, TRANSPORTATION SECTION**

The Commission Staff's Transportation Section is responsible for administering the regulation of motor carriers of household goods operating within the borders of North Carolina. All applications for certificates of exemption, transfers of existing certificates, and cancellations of certificates are handled through this Division. Authority for this activity is found in North Carolina General Statute Article 12 - Sections G.S. 62-259 through 289 and Commission Orders in Docket No. T-100, Sub 49.

Effective January 1, 2003, all household goods carriers must apply for and be granted a certificate of exemption in compliance with Docket No. T-100, Sub 49, and Commission Rule R2-8.1. Such certificates are granted once the carrier has complied with the Commission's requirements concerning criminal history records checks, insurance coverage, and other elements as described in the application.

### **C. COMMISSION ACTIVITIES**

All household goods movers holding certificates to operate in North Carolina are required to file the Public Utility Regulatory Fee Report on a quarterly basis and pay any fees associated with that report. They are also required to file an annual report on their Calendar Year operations. Failure to file either of these reports could be grounds for the cancellation of their certificates by the

Commission. Enforcement and compliance with the filing of annual reports on a timely basis requires a continuing effort by both Commission personnel and the Public Staff's Transportation Rates Division.

On December 31, 2019, there were 321 household goods movers with certificates to operate within North Carolina. There were 264 annual reports filed with the North Carolina Utilities Commission for the year ended December 31, 2019.

The Transportation Section of the Operations Division and the Public Staff's Transportation Rates Division in conjunction with the North Carolina Movers Association hold monthly, day-long seminars throughout the state regarding the Commission's Maximum Rate Tariff (MRT), which governs all household moves within North Carolina. During the MRT Seminars, the tariff is thoroughly reviewed, and a hands-on training session is held in which participants' rate sample moves. In 2019, a total of 148 representatives from the moving industry attended 9 MRT seminars.

The Public Staff also offers technical assistance to the Commission and the general public in dealing with transportation matters, including damage claims.

### **D. SUMMARY OF OPERATING DATA**

A list of the household goods movers with selected operating financial data is shown in Figure No. 8-1. Figure 8-2 is a summary of household goods operations annual report information for 2019. It should be noted that the operating revenues for North Carolina are from household goods moved on intrastate tariffs regulated by the North Carolina Utilities Commission only; therefore, they may account for a small percentage of the total revenues generated by this group of carriers who also provide military, international, interstate, and other non-jurisdictional household goods relocation services.

FIGURE 8-1

Certificated Carriers Name as of December 31, 2019	Line Haul Revenue	Hourly Revenue	Packing & Accessorial Revenue	NC Intrastate Jurisdictional Revenue	Number of Employees	Total Salaries and Wages Paid Employees
485Movers Inc.						
A & A Moving	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
A & D Relocation, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
A 1 Pack Load and Moving	\$26,390.00	\$46,548.00	\$5,642.00	\$78,580.00	4	\$52,700.00
A A Movers, Move Mom & More	\$0.00	\$38,182.87	\$0.00	\$38,182.87	0	\$0.00
A+ Moving and Storage	\$32,612.33	\$30,090.00	\$26,685.51	\$89,387.84	21	\$795,527.38
AAA Moving & Storage, LLC				\$0.00		
AAA Storage Company, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	4	\$139,972.79
ABC Moving and Storage, Inc.	\$92,045.47	\$54,124.95	\$49,625.10	\$195,795.52	17	\$536,316.86
Absolute Moving & Storage, Inc.	\$151,133.40	\$540,759.77	\$101,817.23	\$793,710.40	600	\$0.00
Accelerated Deliveries	\$2,100.00	\$4,200.00	\$0.00	\$6,300.00	1	\$28,477.25
ACE Movers				\$0.00		
Acme Movers & Storage Company, Inc.	\$69,184.43	\$108,487.00	\$16,459.48	\$194,130.91	39	\$692,409.62
Advance Moving & Storage, Inc.	\$111,310.00	\$365,835.00	\$21,604.00	\$498,749.00	9	\$317,606.91
Affordable Moving and Storage	\$25,718.55	\$123,281.06	\$5,833.50	\$154,833.11	13	\$173,574.52
Ahlgren's Transport, LLC	\$0.00	\$103,471.00	\$0.00	\$103,471.00	4	\$42,000.00
Alamance Movers, LLC	\$0.00	\$160,554.75	\$0.00	\$160,554.75	8	\$15,000.00
All American Moving & Storage of Fayetteville, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	2	\$149,729.62
All American Relocation, Inc.	\$223,240.08	\$316,632.41	\$173,285.28	\$713,157.77	118	\$8,594,392.65
All in Movers (formerly) Onsite Solutions	\$34,485.00	\$121,650.00	\$0.00	\$156,135.00	6	\$44,676.00
All My Sons Moving and Storage	\$559,742.25	\$1,590,765.76	\$241,984.83	\$2,392,492.84	16	\$475,679.93
All My Sons Moving and Storage of Raleigh	\$630,494.10	\$2,888,226.62	\$578,247.38	\$4,096,968.10	12	\$554,185.12
All My Sons of Charlotte South, LLC	\$123,397.71	\$430,758.52	\$239,367.75	\$793,523.98	13	\$22,485.95
All My Sons of Greensboro, LLC	\$418,799.67	\$986,802.27	\$144,487.49	\$1,550,089.43	7	\$254,265.46
All My Sons of South Raleigh, LLC	\$84,627.96	\$1,317,238.70	\$206,835.19	\$1,608,701.85	7	\$257,591.63
All Pro Packing and Moving, LLC	\$38,034.83	\$90,653.00	\$9,446.39	\$138,134.22	11	\$95,816.20
All Ways Moving	\$48,920.00	\$90,708.00	\$12,311.34	\$151,939.34	3	\$65,325.00
Allen's Moving Service of Fayetteville, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Allstar Moving and Storage Co., Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
American Moving & Hauling, Inc.	\$197,400.00	\$358,270.00	\$30,550.00	\$586,220.00	9	\$360,000.00
American Van Lines, Inc.	\$446,517.00	\$243,165.00	\$50,359.00	\$740,041.00	50	\$776,526.00
Andy Anderson Moving Company	\$0.00	\$110,666.41	\$9,710.09	\$120,376.50	13	\$90,984.00
Apartment Movers Plus	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Appalachian Movers Transport	\$28,140.37	\$52,411.36	\$1,093.88	\$81,645.61	0	\$0.00
Appalachian Moving & Storage, LLC	\$69,776.00	\$91,744.00	\$46,332.00	\$207,852.00	9	\$208,661.00
Appropriate Movers, LLC						
Armor Bearer Discount Movers, LLC	\$0.00	\$78,231.00	\$2,810.00	\$81,041.00	18	\$76,830.50
Armstrong Relocation	\$138,896.00	\$120,800.00	\$243,941.00	\$503,637.00	79	\$7,639,666.00
Armstrong Transfer & Storage Co., Inc./ Armstrong Relocation Company	\$260,664.00	\$26,409.00	\$282,713.00	\$569,786.00	43	\$3,334,816.70
ASE Moving Services	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Ashe Van Lines, LLC				\$0.00		
Asheville Area Movers	\$274,905.90	\$916,352.97	\$117,816.81	\$1,309,075.68	63	\$603,982.37
Athens Moving Experts, Inc.	\$0.00	\$1,103,671.80	\$21,591.00	\$1,125,262.80	11	\$490,582.13
Atlantic Moving Systems, LLC	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Austin's Moving Company, LLC	\$123,370.92	\$341,892.67	\$22,657.77	\$487,921.36	0	\$0.00
Ballantyne & Beyond Moving, LLC	\$190,031.00	\$648,693.00	\$54,962.00	\$893,686.00	20	\$365,886.00
Barringer Moving & Storage, LLC	\$70,806.40	\$486,805.75	\$131,975.83	\$689,587.98	50	\$801,065.97
Bay Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Beeline Moving Co, LLC						
Beltmann Group Incorporated	\$18,477.00	\$12,588.00	\$30,744.00	\$61,809.00	0	\$0.00
Berger Transfer & Storage, Inc.	\$63,072.00	\$53,987.00	\$194,872.00	\$311,931.00	24	\$1,753,620.12
Best Bet Moving & Labor	\$0.00	\$52,746.56	\$0.00	\$52,746.56	3	\$91,642.00
Best Movers US Inc.	\$10,674.00	\$99,550.00	\$4,993.00	\$115,217.00	0	\$0.00
BMS Moving & Storage	\$0.00	\$62,800.00	\$2,780.00	\$65,580.00	3	\$0.00
Box and Dolly LLC	\$0.00	\$148,475.00	\$0.00	\$148,475.00	7	\$29,236.48
Branch Out Delivery, Inc.	\$9,506.46	\$256,999.04	\$22,745.92	\$289,251.42	10	\$139,502.02
Brazosmovers.com	\$10,667.03	\$150,225.84	\$6,911.00	\$167,803.87	5	\$132,759.74
Bright's Moving, LLC	\$0.00	\$127,826.00	\$0.00	\$127,826.00	0	\$0.00
Brooks Coast to Coast Transport	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Bruce's Transfer, Inc.	\$0.00	\$152,856.00	\$0.00	\$152,856.00	2	\$59,780.00
Building Blocks						
Bull City Movers	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Bulldog Moving, LLC				\$0.00		
Byers, Sam A. & Sons Moving Service, Inc.	\$66,863.54	\$191,618.60	\$46,409.73	\$304,891.87	16	\$207,432.78
C & L Movers	\$0.00	\$27,564.92	\$2,870.92	\$30,435.84	0	\$0.00
CK Movers, LLC.	\$0.00	\$85,686.92	\$5,728.71	\$91,415.63	0	\$18,455.00
Cameron & Cameron, Assembly, Moving and Storage, Inc.	\$0.00	\$6,787.76	\$1,877.50	\$8,665.26	25	\$232,226.00
Campbell's Transfer & Storage	\$58,103.00	\$0.00	\$0.00	\$58,103.00	2	\$14,470.50
Caraway Moving, Inc.	\$0.00	\$231,318.44	\$36,817.68	\$268,136.12	18	\$124,868.38
Carey Moving & Storage of Asheville, Inc.	\$61,983.20	\$91,819.60	\$42,371.60	\$196,174.40	34	\$1,596,835.23
Carey Moving & Storage of Charlotte, Inc.	\$42,578.40	\$25,965.04	\$46,364.16	\$114,907.60	49	\$2,337,255.81
Cary Moving	\$0.00	\$219,612.14	\$1,205.77	\$220,817.91	11	\$213,038.13
Cavemen Moving, LLC				\$0.00		
Central Moving & Storage, Inc.	\$0.00	\$81,300.50	\$3,713.10	\$85,013.60	3	\$47,260.75
Chapel Hill Moving Company, Inc.	\$0.00	\$576,623.00	\$0.00	\$576,623.00	10	\$345,563.00
Charlie Powell's Model Moves, Inc.	\$27,652.26	\$72,687.06	\$9,921.65	\$110,260.97	6	\$67,583.95
Charlotte Van and Storage Co., Inc.	\$94,352.03	\$176,989.47	\$80,147.59	\$351,489.09	33	\$1,321,735.00

FIGURE 8-1

Certificated Carriers Name as of December 31, 2019	Line Haul Revenue	Hourly Revenue	Packing & Accessorial Revenue	NC Intrastate Jurisdictional Revenue	Number of Employees	Total Salaries and Wages Paid Employees
City Transfer & Storage Co.	\$368,728.07	\$758,445.33	\$413,619.84	\$1,540,793.24	54	\$2,085,546.00
Citywide Moving Systems, Inc.	\$79,232.05	\$1,084,894.80	\$132,013.55	\$1,296,140.40	33	\$1,108,077.68
Cli-Co Moving	\$6,412.00	\$30,455.00	\$0.00	\$36,867.00	5	\$15,319.00
Cliff Harvel's Moving Company, Inc.	\$136,544.00	\$410,123.00	\$104,984.00	\$651,651.00	15	\$397,288.00
Coastal Carrier Moving & Storage Company.	\$194,704.00	\$474,405.00	\$231,006.00	\$900,115.00	9	\$399,715.00
Coastal Moving Company, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Coastline Relocation, LLC	\$14,278.15	\$25,311.02	\$5,315.91	\$44,905.08	0	\$0.00
Coleman American Moving Services, Inc.	\$11,131.46	\$39,564.21	\$35,967.84	\$86,663.51	6	\$449,188.86
College Dudes Help U Move						
College Hunks Hauling Junk & Moving (Wilmington)	\$45,482.36	\$484,413.85	\$86,044.20	\$615,940.41	6	\$154,247.46
College Hunks Hauling Junk and Moving	\$30,975.00	\$693,030.00	\$109,187.00	\$833,192.00	14	\$416,545.00
College Haulers, LLC/College Hunks/ Charlotte Hauling Junk and Moving	\$55,947.29	\$511,386.40	\$60,705.19	\$628,038.88	2	\$98,609.92
College Hunks Moving	\$49,522.81	\$419,396.26	\$8,559.10	\$477,478.17	3	\$264,424.51
CORE Lentz Moving Services	\$56,894.00	\$60,679.00	\$37,862.00	\$155,435.00	17	\$777,012.54
Covan World-Wide Moving, Incorporated	\$43,133.49	\$10,545.40	\$16,785.09	\$70,463.98	202	\$1,950,105.59
Covenant Moving Company LLC	\$6,580.00	\$117,579.00	\$0.00	\$124,159.00	7	\$52,419.15
Crabtree Family Moving, LLC	\$193,200.00	\$655,507.00	\$88,339.88	\$1,137,046.88	12	\$530,000.00
Crown Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	7	\$195,723.03
Custom Moving and Storage, Inc.0	\$0.00	\$0.00	\$0.00	\$0.00	8	\$1,899,234.80
CWTC Moving & Storage, LLC	\$6,062.40	\$160,674.05	\$5,947.17	\$172,683.62	1	\$14,615.48
DC Movers	\$66,527.50	\$356,651.20	\$4,255.00	\$427,433.70	8	\$215,000.00
Daehan Express, LLC				\$0.00		
Dedmon Moving and Storage, Inc.	\$4,564.06	\$15,375.00	\$3,941.64	\$23,880.70	1	\$1,000.00
Dedmon, A.V., Trucking, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
DeHaven's Transfer & Storage of Greensboro, Inc.				\$0.00		
DeHaven's Transfer & Storage, Inc.	\$43,105.01	\$71,417.93	\$44,147.24	\$158,670.18	10	\$338,707.09
DeHaven's Transfer & Storage of Charlotte, Inc.				\$0.00		
DeHaven's Transfer & Storage of Wilmington, Inc.				\$0.00		
Delancey Street Moving & Transportation	\$24,822.85	\$137,136.25	\$10,402.87	\$172,361.97	0	\$0.00
Dexterready Moving & Delivery, LLC	\$0.00	\$14,464.01	\$0.00	\$14,464.01	0	\$0.00
Dillard's Moving & Transport, LLC	\$0.00	\$38,169.25	\$0.00	\$38,169.25	24	\$88,283.76
DK Love Movers, LLC	\$10,042.52	\$107,362.50	\$0.00	\$117,405.02	0	\$0.00
Dry Ridge Moving and Transportation, LLC	\$30,180.00	\$171,672.12	\$0.00	\$201,852.12	1	\$33,800.00
D's Affordable Moving Service				\$0.00		
DSR Moving Corporation	\$15,434.34	\$96,676.87	\$0.00	\$112,111.21	5	\$8,170.41
Duke, D.R., Moving, Inc.	\$0.00	\$64,796.00	\$0.00	\$64,796.00	2	\$38,473.20
Dunnagan's Moving & Storage						
E.E. Ward Moving & Storage Co., LLC	\$174,090.69	\$38,276.99	\$282,421.63	\$494,789.31	16	\$1,426,273.88
East Coast Moving	\$33,581.00	\$171,979.00	\$26,798.00	\$232,358.00	16	\$135,364.00
Easy Movers, Inc.	\$190,296.17	\$731,594.02	\$140,866.18	\$1,062,756.37	8	\$562,814.34
Easy St Moving Services				\$0.00		
Elizabeth City Delivery & Moving	\$0.00	\$18,495.36	\$1,348.00	\$19,843.36	1	\$4,070.00
Empire Moving and Storage Inc				\$0.00		
Everyday Moving & Storage, LLC	\$0.00	\$29,900.00	\$0.00	\$29,900.00	9	\$121,820.00
Excel Moving & Storage of Greensboro, Inc.	\$207,979.00	\$96,810.00	\$204,835.00	\$509,624.00	72	\$3,159,155.00
Excel Moving and Storage, Inc.	\$133,022.00	\$222,505.00	\$213,739.00	\$569,266.00	165	\$6,020,365.00
Excellence on the Move				\$0.00		
Exclusive Moving & Delivery, LLC	\$26,373.37	\$182,579.93	\$7,764.37	\$216,717.67	3	\$56,225.00
Exodus Works	\$0.00	\$48,768.25	\$0.00	\$48,768.25	0	\$0.00
Faithful Movers Company						
Family Movers Express	\$0.00	\$67,756.69	\$0.00	\$67,756.69	0	\$0.00
Fayetteville Moving & Storage, Inc.	\$38,124.24	\$22,293.97	\$43,128.44	\$103,546.65	45	\$1,217,902.17
Few Moves, LLC				\$0.00		
Fidelity Moving & Storage Co., Inc.	\$5,523.49	\$7,827.60	\$2,089.12	\$15,440.21	27	\$745,989.09
Fire Logistics				\$0.00		
First Choice Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Fox Brothers of Boone, Inc.	\$39,345.72	\$7,965.00	\$10,281.70	\$57,592.42	2	\$73,282.50
Gasperson Transfer	\$117,830.00	\$299,744.00	\$77,144.00	\$494,718.00	39	\$683,511.43
Gentle Giant Moving Company (NC), LLC	\$51,723.00	\$1,881,876.00	\$61,188.00	\$1,994,787.00	21	\$559,757.00
Gillespie's Local Moving Service	\$0.00	\$20,930.00	\$0.00	\$20,930.00	0	\$0.00
Goldsboro Van & Storage, Inc	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Grade A Movers, LLC	\$0.00	\$3,703.75	\$0.00	\$3,703.75	3	\$9,574.80
Groovy Moving, LLC						
Hands 2 Hands Inc.				\$0.00		
Hardin Furniture Company	\$22,217.88	\$83,663.80	\$3,360.50	\$109,242.18	4	\$17,290.71
Hardy Moving & Storage	\$94,047.00	\$329,558.00	\$75,311.00	\$498,916.00	19	\$493,734.00
Harrison's Moving & Storage Co., Inc.	\$7,020.31	\$6,832.50	\$3,265.00	\$17,117.81	0	\$0.00
Hector and Sons	\$0.00	\$53,200.00	\$0.00	\$53,200.00	3	\$46,000.00
Herren's Carolina Moving & Storage, Inc.	\$90,540.93	\$61,224.49	\$130,723.82	\$282,489.24	10	\$675,551.00
Highland Moving & Storage Co	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Hill, I. H. Transfer & Storage, Inc.				\$0.00		
Hilldrup Moving & Storage	\$515,676.33	\$437,867.26	\$922,848.14	\$1,876,391.73	136	\$8,574,122.15
Home to Home in Guilford, LLC	\$65,379.02	\$69,556.11	\$0.00	\$134,935.13	0	\$0.00
Homeward Bound Moving, Inc.	\$42,151.25	\$84,447.50	\$8,172.96	\$134,771.71	3	\$61,762.88
Horne Moving Systems, Inc.	\$53,029.46	\$25,811.89	\$24,464.75	\$103,306.10	30	\$57,023,277.00
Hornet Moving, LLC	\$110,470.05	\$2,377,559.35	\$0.00	\$2,488,029.40	4	\$1,199,117.20
Humphrey, Troy, Moving & Storage, Inc.	\$5,364.00	\$148,786.00	\$3,018.00	\$157,168.00	26	\$755,926.00

FIGURE 8-1

Certificated Carriers Name as of December 31, 2019	Line Haul Revenue	Hourly Revenue	Packing & Accessorial Revenue	NC Intrastate Jurisdictional Revenue	Number of Employees	Total Salaries and Wages Paid Employees
In & Out Moving and Delivery, LLC	\$48,524.56	\$147,943.42	\$39,154.09	\$235,622.07	29	\$242,670.00
International Moving & Storage, Inc.				\$0.00		
It's Your Move, LLC.	\$0.00	\$118,970.85	\$0.00	\$118,970.85	0	\$0.00
JB Movers, Inc.	\$0.00	\$248,804.00	\$0.00	\$248,804.00	4	\$123,718.00
JENNY TO THE RESCUE, INC.				\$0.00		
John's Moving & Storage	\$77,781.83	\$370,577.42	\$382,946.12	\$831,305.37	44	\$499,323.32
Johnson Local Movers						
Johnson Moving Services, Inc.	\$1,905.76	\$20,760.00	\$744.24	\$23,410.00	0	\$0.00
Junk Pros of NC, LLC	\$11,730.30	\$89,500.48	\$1,950.00	\$103,180.78	9	\$121,895.25
Just Move It, LLC				\$0.00		
Kelly Moving, Inc.	\$0.00	\$34,630.10	\$0.00	\$34,630.10	1	\$34,630.10
Ken's Pack and Move	\$0.00	\$67,627.00	\$0.00	\$67,627.00	0	\$0.00
Kepley Moving and Storage, Inc.	\$1,525.83	\$17,344.27	\$1,099.49	\$19,969.59	3	\$21,145.00
L & J Moving and Storage Raleigh				\$0.00		
Ladd, J.E. & Son Transfer, LLC	\$1,290.00	\$183,348.00	\$0.00	\$184,638.00	2	\$44,481.50
LaFayette Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Latham Enterprise Moving & Delivery						
Lawrence Transportation Systems, Inc.	\$165,890.00	\$62,681.00	\$195,150.00	\$423,721.00	65	\$1,233,066.00
LibertyMovers, Inc	\$17,350.00	\$188,000.00	\$10,160.00	\$215,510.00		
Little Guys Movers of Greensboro	\$297,644.00	\$1,207,111.00	\$148,823.00	\$1,653,578.00	28	\$814,014.00
Little Guys Movers, Inc.	\$280,490.00	\$896,308.00	\$33,750.00	\$1,210,548.00	25	\$583,000.00
Little Lloyd Moving & Transit	\$0.00	\$56,108.75	\$0.00	\$56,108.75	4	\$10,132.00
Local Movers, LLC	\$0.00	\$13,378.00	\$0.00	\$13,378.00	8	\$128,553.29
Long Transfer, Inc.				\$0.00		
Lytle's Transfer & Storage, Inc.	\$247,604.00	\$4,904.00	\$0.00	\$252,508.00	0	\$0.00
Mainstream Movers	\$0.00	\$54,782.56	\$0.00	\$54,782.56	0	\$0.00
Make A Move	\$69,447.69	\$287,011.96	\$156,065.74	\$512,525.39	30	\$597,065.35
Manco Carriers						
Marathon Moving Company, Inc.	\$100,724.29	\$313,828.82	\$40,496.54	\$455,049.65	20	\$33,776,037.00
Markethouse Moving and Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Mark's Movers	\$0.00	\$23,659.00	\$0.00	\$23,659.00	1	\$3,919.00
Marrins' Mooving	\$1,065,597.55	\$0.00	\$0.00	\$1,065,597.55	32	\$1,170,312.00
Mather Brothers Moving Company, LLC	\$0.00	\$40,823.60	\$0.00	\$40,823.60	13	\$398,121.00
Matthews Moving Systems, Inc.	\$81,766.74	\$438,013.93	\$247,447.88	\$767,228.55	19	\$491,240.47
Me and My Team	\$0.00	\$32,767.50	\$250.00	\$33,017.50	2	\$5,675.00
Men on the Move, Inc.	\$13,145.10	\$81,629.68	\$4,095.79	\$98,870.57	0	\$0.00
Merchants Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Metropolitan Moving, LLC	\$0.00	\$36,775.00	\$0.00	\$36,775.00	4	\$51,650.05
Milestone Relocation Solutions, Inc.	\$552,634.01	\$0.00	\$0.00	\$552,634.01	0	\$0.00
Miracle Movers Asheboro LLC				\$0.00		
Miracle Movers Concord, LLC				\$0.00		
Miracle Movers Raleigh LLC	\$297,250.80	\$1,114,690.50	\$74,312.70	\$1,486,254.00	5	\$403,000.00
Miracle Movers of the Sandhills LLC	\$99,336.92	\$372,513.45	\$24,834.23	\$496,684.60	2	\$140,000.00
Miracle Movers (Wilmington)	\$264,225.36	\$990,845.10	\$66,056.34	\$1,321,126.80	3	\$110,000.00
Miscellaneous Plus, Inc.	\$0.00	\$183,741.00	\$0.00	\$183,741.00	3	\$81,750.00
Mitchell Movers, LLC				\$0.00		
Modern Moving and Storage, Inc.	\$0.00	\$660.00	\$0.00	\$660.00	35	\$614,484.07
Moultrie Home Services, LLC	\$27,500.00	\$38,360.00	\$0.00	\$65,860.00	4	\$11,950.00
Mountain Area Movers	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Move and Go, LLC						
Move Pack Clean						
Movemart Relocation, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Movers at Demand, Inc.				\$0.00		
Movers Near Me, LLC	\$3,851.20	\$47,285.00	\$2,373.70	\$53,509.90	1	\$11,384.78
Movin' On Movers, Inc.	\$309,751.00	\$1,519,994.00	\$366,327.00	\$2,196,072.00	63	\$1,289,074.00
Moving Ahead Services, LLC				\$0.00		
Murray Transfer & Storage Company, Inc.	\$4,022.60	\$4,829.50	\$3,991.70	\$12,843.80	38	\$738,690.21
Naglee Moving and Storage	\$8,752.35	\$0.00	\$17,761.95	\$26,514.30	0	\$0.00
Neighbor Moving LLC	\$4,351.70	\$53,860.00	\$0.00	\$58,211.70	8	\$32,709.12
NetMOVE						
New Beginnings Moving & Storage, Inc.	\$0.00	\$342,289.00	\$13,005.00	\$355,294.00	1	\$45,841.93
New World Van Lines, Inc.	\$288,187.73	\$0.00	\$268,620.01	\$556,807.74	47	\$1,894,117.52
Nilson Van & Storage, Inc.	\$6,354.00	\$0.00	\$4,103.00	\$10,457.00	12	\$288,963.00
OBX Movers	\$78,020.00	\$73,652.00	\$4,513.00	\$156,185.00	1	\$44,473.00
Omni Moving and Storage, Inc.	\$7,778.34	\$14,671.50	\$4,516.90	\$26,966.74	45	\$1,743,867.75
Orange County Moving and Storage	\$0.00	\$36,540.24	\$0.00	\$36,540.24	0	\$0.00
Parks Moving & Storage, Inc.				\$0.00		
Patterson Storage Warehouse Company, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	23	\$710,083.49
Paxton Van Lines of North Carolina, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	5	\$558,227.01
Personal Touch Movers, Inc.	\$84,697.95	\$289,386.49	\$35,675.15	\$409,759.59	21	\$176,302.27
Piedmont Moving	\$0.00	\$139,164.00	\$20,324.00	\$159,488.00	2	\$10,767.00
Piedmont Van and Storage Co.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Pilot Van Lines, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Pinehurst Moving & Storage Co., Inc	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Pinnacle Movers, LLC	\$0.00	\$79,967.00	\$8,331.00	\$88,298.00	5	\$49,190.00
Port City Moving	\$35,395.33	\$361,617.74	\$63,243.81	\$460,256.88	3	\$76,138.71
Preferred Moving Company, LLC	\$50,616.00	\$142,191.00	\$17,578.00	\$210,385.00	6	\$76,014.00

FIGURE 8-1

Certificated Carriers Name as of December 31, 2019	Line Haul Revenue	Hourly Revenue	Packing & Accessorial Revenue	NC Intrastate Jurisdictional Revenue	Number of Employees	Total Salaries and Wages Paid Employees
Premium Moving, Inc.	\$181,911.84	\$305,596.28	\$57,931.24	\$545,439.36	36	\$591,302.19
Pro Movers, LLC	\$0.00	\$108,816.87	\$3,488.00	\$112,304.87	12	\$58,878.00
Professional Relocation Moving Packing and Storage, LLC	\$9,239.00	\$145,743.00	\$11,297.00	\$166,279.00	32003	\$57,021.00
Purpose Moving, LLC	\$0.00	\$93,772.37	\$347.75	\$94,120.12	0	\$0.00
Quality Transports & Relocation				\$0.00		
Raleigh Moving Co. LLC	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Randy Owen Moving Service, LLC	\$0.00	\$177,772.00	\$0.00	\$177,772.00	0	\$0.00
Red Shoe Services, LLC	\$0.00	\$7,266.50	\$0.00	\$7,266.50	1	\$37,500.00
Redi-Care Movers, LLC	\$102,318.50	\$137,622.75	\$8,172.50	\$248,113.75	0	\$0.00
Reliable Van & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Relocate & Decorate Moving Services, LLC	\$79,634.52	\$145,623.00	\$79,934.03	\$305,191.55	8	\$109,727.92
Right Direction Moving & Transport LLC	\$9,030.50	\$10,299.50	\$1,500.00	\$20,830.00	0	\$0.00
Road Haugs, Inc.	\$112,824.10	\$323,507.29	\$59,263.89	\$495,595.28	5	\$391,044.61
Rocket Movers, LLC						
Roma Moving LLC				\$0.00		
Romero Movers, LLC	\$0.00	\$64,892.00	\$0.00	\$64,892.00	0	\$26,375.00
Royalty Moving Systems, LLC	\$0.00	\$382,115.15	\$0.00	\$382,115.15	0	\$382,115.00
Rye Moving and Packing, LLC	\$1,025.31	\$42,485.24	\$0.00	\$43,510.55	4	\$9,588.03
Safe & Sound Moving Company, LLC				\$0.00		
Salisbury Moving and Storage	\$53,879.41	\$64,093.75	\$92,145.20	\$210,118.36	5	\$98,110.38
Sandhills Moving & Storage Co., Inc.	\$120,309.00	\$271,563.00	\$77,101.00	\$468,973.00	100	\$0.00
Sasser Companies, Inc.				\$0.00		
Scooby Moving Company	\$0.00	\$236,731.00	\$0.00	\$236,731.00	2	\$176,488.00
Seaboard Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Sells Service, Inc	\$4,598.00	\$26,812.00	\$2,742.00	\$34,152.00	2	\$97,176.00
Sir Walter Holdings, LLC	\$0.00	\$104,200.00	\$3,000.00	\$107,200.00	4	\$55,718.00
Smart Move, LLC						
Smith Dray Line & Storage Co., Inc.	\$92,180.00	\$103,659.00	\$188,994.00	\$384,833.00	17	\$1,855,709.00
Smith W.E. Moving Co.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Smoky Mountain Moving Co., Inc.				\$0.00		\$0.00
Smooth Move	\$0.00	\$10,246.75	\$0.00	\$10,246.75	0	\$0.00
Southeast Moving and Storage, Inc.	\$50,161.00	\$115,509.00	\$20,154.00	\$185,824.00	15	\$204,281.55
Southern Moving & Storage, LLC	\$0.00	\$217,668.00	\$0.00	\$217,668.00	21	\$276,940.00
Space to Space Moving, Inc.	\$87,844.15	\$114,694.09	\$15,513.55	\$218,051.79	15	\$204,822.54
Staleys Moving Vans						
State Moving and Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
States Van Lines of North Carolina, LLC	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Steele & Vaughn Moving & Storage	\$68,955.25	\$152,000.00	\$104,760.32	\$325,715.57	22	\$395,725.00
Stevens Van Lines, Inc.				\$0.00		
Stewart Moving & Storage	\$22,481.14	\$19,530.20	\$5,591.53	\$47,602.87	29	\$1,685,737.75
Strong Moving Company				\$0.00		
Suddath Relocation Systems	\$52,079.00	\$113,279.00	\$89,908.00	\$255,266.00	27	\$1,939,553.00
Superior Moving and Logistics						
Superior Moving Systems, Inc.				\$0.00		
Sure-Safe Moving Inc.				\$0.00		
Sustainable Alamance	\$0.00	\$7,455.00	\$0.00	\$7,455.00	0	\$0.00
T & J Movers	\$0.00	\$48,512.00	\$0.00	\$48,512.00	67	\$15,500.00
Taylor's Moving Company	\$0.00	\$241,500.00	\$0.00	\$241,500.00	4	\$118,700.00
Terminal Storage Company, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	35	\$3,454,201.02
The \$20.00 Moving Truck LLC	\$0.00	\$72,719.81	\$0.00	\$72,719.81	4	\$36,280.00
The Movers Co, LLC.						
The Movers on Demand Network LLC				\$0.00		
The Open Box Moving Solutions						
Thomas, J.E., & Sons Moving, LLC	\$77,768.18	\$150,358.73	\$43,706.47	\$271,833.38	6	\$183,802.40
Titan Moving Systems, Inc.	\$0.00	\$363,739.85	\$10,048.75	\$373,788.60	20	\$200,401.95
T-N-T Moving Systems, Inc.	\$11,023.00	\$250,059.00	\$5,047.00	\$266,129.00	9	\$149,630.00
Todd's Easy Moves	\$34,735.96	\$174,701.75	\$33,902.13	\$243,339.84	6	\$95,106.56
Totable, Inc.				\$0.00		
Trading Post, Inc., The	\$0.00	\$8,372.00	\$1,591.65	\$9,963.65	0	\$2,392.50
Triangle Moving Service, Inc.	\$15,748.64	\$95,508.35	\$14,601.50	\$125,858.49	9	\$100,553.00
Tri-City Movers, LLC	\$198,745.00	\$857,392.00	\$0.00	\$1,056,137.00	0	\$0.00
Tropical Moves				\$0.00		
TROSA Moving	\$255,863.00	\$2,334,695.00	\$632,792.00	\$3,223,350.00	10	\$429,365.00
Truckin' Movers Corporation	\$57,709.48	\$230,050.06	\$129,015.47	\$416,775.01	25	\$620,765.12
Trunk Moving Co.				\$0.00		
Tru-Pak Moving Systems, Inc.	\$31,485.00	\$30,515.00	\$26,308.00	\$88,308.00	54	\$2,369,878.00
Two Men and A Truck of Asheville	\$255,228.00	\$2,013,371.00	\$134,559.00	\$2,403,158.00	9	\$460,383.00
Two Men and A Truck of Charlotte	\$228,788.73	\$2,292,386.25	\$160,882.00	\$2,682,056.98	232	\$1,785,692.00
Two Men and A Truck of Durham, NC	\$418,283.00	\$2,096,461.00	\$303,644.00	\$2,818,388.00	191	\$1,856,157.00
Two Men and A Truck of Eastern NC	\$474,399.00	\$687,432.00	\$101,820.00	\$1,263,651.00	82	\$819,700.00
Two Men and A Truck of Fayetteville	\$220,713.11	\$665,845.96	\$103,588.75	\$990,147.82	71	\$641,903.38
Two Men and A Truck of Greensboro	\$335,700.00	\$1,186,681.00	\$173,977.00	\$1,696,358.00	31	\$435,612.00
Two Men and A Truck of Mooresville	\$137,541.00	\$432,927.00	\$148,247.00	\$718,715.00	15	\$298,345.00
Two Men and A Truck of Raleigh	\$575,279.00	\$2,712,630.00	\$153,706.00	\$3,441,615.00	228	\$1,866,066.00
Two Men and A Truck of Rock Hill	\$9,070.34	\$115,395.68	\$15,623.47	\$140,089.49	3	\$73,621.42
Two Men and A Truck of Sanford	\$57,271.79	\$194,150.90	\$8,706.75	\$260,129.44	23	\$85,234.57
Two Men and A Truck of Wilmington				\$0.00		

**FIGURE 8-1**

Certificated Carriers Name as of December 31, 2019	Line Haul Revenue	Hourly Revenue	Packing & Accessorial Revenue	NC Intrastate Jurisdictional Revenue	Number of Employees	Total Salaries and Wages Paid Employees
Two Men and A Truck of Winston-Salem	\$295,474.00	\$1,096,646.00	\$233,660.00	\$1,625,780.00	27	\$575,347.00
Two Strong Dudes Moving Company, LLC	\$0.00	\$226,403.00	\$1,243.25	\$227,646.25		
Union Transfer and Storage Company, Inc.	\$162,896.76	\$486,638.66	\$129,003.26	\$778,538.68	34	\$1,449,777.00
Unity Moving and Storage, Inc.	\$37,742.00	\$376,739.00	\$31,225.00	\$445,706.00	8	\$214,742.00
Victory Run Moving Delivery Courier LLC	\$8,597.47	\$16,494.93	\$0.00	\$25,092.40	0	\$0.00
Virtues Moving Company	\$0.00	\$24,300.00	\$0.00	\$24,300.00	4	\$7,920.00
Wayforth Transportation, LLC	\$26,734.00	\$121,721.00	\$0.00	\$148,455.00	19	\$396,857.75
Weathers Bros. Moving and Storage Co., Inc.				\$0.00		
Webb Co, Inc., The	\$30,704.00	\$531,475.00	\$144,609.00	\$706,788.00	46	\$0.00
Wile Transfer and Storage Co., Inc.	\$24,811.10	\$127,026.77	\$219,112.19	\$370,950.06	3	\$96,171.00
Willis Moving and Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Winston-Salem Moving & Storage				\$0.00		
You Move Me	\$31,464.36	\$497,452.59	\$88,091.66	\$617,008.61	3	\$63,623.32
<b>TOTALS</b>	<b>\$18,121,350.14</b>	<b>\$66,742,552.33</b>	<b>\$13,160,724.00</b>	<b>\$98,024,626.47</b>	<b>36,937</b>	<b>\$208,959,607.23</b>

Blanks were either not reported or numbers were in dispute  
 Zero means the company did file, however, did not have N.C. income

**Figure 8-2**  
**SUMMARY OF HHG OPERATIONS ANNUAL REPORT INFORMATION – 2019**

**Section I. JURISDICTIONAL INTRASTATE HHG OPERATING REVENUE**

1.	Line Haul (MRT Section III)	\$ 18,121,350.14	18.49%
2.	Hourly (MRT Section II)	\$ 66,742,552.33	68.09%
3.	Packing and Accessorial (MRT Sections I & IV / Valuation)	\$ 13,160,724.00	13.43%
4.	<b>Total NC Jurisdictional Revenue:</b>	<b>\$ 98,024,626.47</b>	

**Section II. OPERATING STATISTICS**

5.	Number of regulated weight/distance <u>moves performed</u>	<u>12,418</u>	13.28%
6.	Total bill of lading miles	2,899,555	
7.	Total bill of lading weight (in pounds)	47,365,951	
8.	Number of regulated hourly <u>moves performed</u>	<u>81,114</u>	86.72%
9.	Total hours billed	445,835	
10.	<b>TOTAL NUMBER OF REGULATED <u>MOVES PERFORMED</u></b>	<b>93,533</b>	
11.	Number of each type of estimate for <u>moves performed</u>		
	a) Non-binding (written)	34,001	36.35%
	b) Binding (Not-to-Exceed and Guaranteed) (written)	10,119	10.82%
	c) No written estimate	<u>49,413</u>	52.83%
	d) Total (should match Line 10)	93,533	
12.	Number of each type of valuation applicable for <u>moves performed</u>		
	a) Basic: (\$0.60/lb/article – No charge)	77,686	83.06%
	b) Full Value: (Customer charged \$0.75/\$100 of value)	<u>15,847</u>	16.94%
	c) Total (should match Line 10)	93,533	

**Section III. JURISDICTIONAL REVENUES**

13.	Quarter ended March 31, 2019	\$ 23,180,889.73	23.71%
14.	Quarter ended June 30, 2019	\$ 25,256,664.52	25.83%
15.	Quarter ended September 30, 2019	\$ 25,363,772.82	25.94%
16.	Quarter ended December 31, 2019	<u>\$ 23,975,042.43</u>	24.52%
17.	<b>Total of Regulatory Fee Reports for CY 2019</b>	<b>\$ 97,776,369.50</b>	

**Section IV. CARGO CLAIMS INFORMATION**

18.	Number of loss and damage claims filed	17,264
19.	Total dollar amount of claims settled	\$899,107.44

**Section V. NC EMPLOYEE DATA**

20 & 21	Number of full-time NC employees & contract workers (W-2's & 1099's)	36,937
22.	Total salaries/wages paid to full-time NC employees & contract workers	\$ 208,959,607.23

**IX. TRANSPORTATION INDUSTRY**  
**Motor Passenger Carriers**

## **MOTOR PASSENGER CARRIERS**

### **A. GENERAL COMMENTS**

For the purpose of filing annual reports, both the Federal Motor Carrier Safety Administration (FMCSA) (formerly the Interstate Commerce Commission) and the North Carolina Utilities Commission (NCUC) in R2-48 authorized the following classifications effective January 1, 1980, for the motor passenger carriers:

#### **CLASSIFICATION REQUIREMENTS:**

<b>Class I</b>	\$3,000,000 or more annual operating revenue
<b>Class II</b>	\$500,000 - \$3,000,000 annual operating revenues
<b>Class III</b>	Under \$500,000 annual operating revenues

As of December 31, 2019, there were 16 transportation carriers/brokers holding authority under the regulation of the North Carolina Utilities Commission. (See Figure Nos. 9-1 and 9-2 for a list of the companies). These companies include 6 transportation brokers, 8 private ferryboat passenger and/or vehicle carriers, and 2 motor passenger carriers. Transportation brokers, as herein used, means any person not a bona fide employee or agent of a motor carrier who engages in the business of selling or offering for sale any transportation of passengers by motor carriers for compensation, either directly or indirectly. A transportation broker does not own or operate the vehicles used to transport passengers to whom he sells or arranges for this type of service. The 10 brokers involved in this report are not required to file annual reports; therefore, there is no operating data shown in this report. Operating data is included for 8 of the private ferryboat passenger and/or vehicle carriers as well as the 2 motor passenger carriers who filed 2019 annual reports with the Commission.

### **B. REGULAR ROUTE PASSENGER CARRIERS**

Financial data is presented for the 2 regulated regular route passenger carriers having separate operations during 2019 who filed annual reports with the North Carolina Utilities Commission. The carriers have franchise and operating rights to serve two or more points (from one city to another city) and are further classed and operate as common carriers over intrastate routes as regulated by the Commission. (See Figure No. 9-3)

### **C. PREEMPTION OF REGULATION OVER MOTOR CARRIERS OF PASSENGERS IN CHARTER BUS TRANSPORTATION**

In June 1998, Federal legislation was enacted which preempted the economic regulation of charter bus transportation on an intrastate and interstate basis. In summary, the legislation allows a state to continue safety regulatory authority with respect to motor vehicles and to continue to regulate carriers with regards to minimum amounts of financial responsibility relating to insurance requirements and self-insurance authorization. Preemption also does not apply to intrastate commuter bus operations nor does it apply to intrastate regular route passenger transportation. The certificates issued to charter bus transportation companies were canceled by Commission Order dated September 9, 1998.

### **D. FERRYBOAT PASSENGER AND/OR VEHICLE CARRIERS**

A ferryboat operator is required to obtain a Certificate from the Commission to transport passengers and/or vehicles over either fixed routes or irregular routes, as a common carrier in ferry operations by water. Certificated ferryboat operators are required to file their tariff of rates and charges with the Commission.

Figure 9-4 is a listing of carriers and operating data pertinent to each one.

**REGULAR ROUTE PASSENGER CARRIERS  
REGULATED BY THE COMMISSION AS OF  
DECEMBER 31, 2019**

Greyhound Lines, Inc. P. O. Box 660362 Dallas, Texas 75201	B-7
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Trolleys, Inc., dba Sunway Charters 2400 Queen City Drive Charlotte, NC 28208	B-704
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## FIGURE NO. 9-1

### MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA AS OF DECEMBER 31, 2019

<u>Class I Carriers</u>	<u>Docket #</u>
Greyhound Lines, Inc.	B-7
Trolleys, Inc. dba Sunway Charters	B-704
<b>Total Class I Carriers--2</b>	

#### Motor Boat Common Carriers:

Bald Head Island Transportation, Inc.	A-41
Barrier Island, Inc., dba Island Ferry Adventures	A-40
Cape Lookout Cabins & Camps Ferry Service	A-66
Davis Shore Ferry Service, LLC	A-65
Island Express Ferry Service, LLC	A-75
CrystalBlueHoldingCo.,LLCdbaMoreheadCityFerryService	A-76
Morris Marina, Kabin Kamps & Ferry Service, Inc.	A-26
Portsmouth Island Boat Tours	A-30
<b>Total Motor Boat Carriers--8</b>	

#### GRAND TOTAL CARRIERS--10

\*All carriers have intra-city authority pursuant to Commission Rule R2-69.

**FIGURE NO. 9-2**

**MOTOR PASSENGER BROKERS FRANCHISED TO OPERATE IN NORTH CAROLINA (All Inter-city)  
AS OF DECEMBER 31, 2019**

<b>Transportation Brokers</b>	<b>Docket #</b>	<b>Transportation Brokers</b>	<b>Docket #</b>	<b>Transportation Brokers</b>	<b>Docket #</b>
Charlotte Arrangements 2315 N. Davidson Street Charlotte, N. C. 28205	B-615	Convenient Tours 4530 Main Street South Brunswick, NC 28470	B-410	Southern States Tours & Conventions 117 Hollyberry Lane Lexington, N. C. 27292	B-600
Christian Tours, Inc. 4643 Highway 16 South Maiden, N. C. 28650	B-689	JA-DE Tours & Charter 1224 Broad Street New Bern, N. C. 28560	B-573	USA Luxury Tours, Inc. 4210 Amesbury Lane Durham, N. C. 27707	B-673
<b>TOTAL BROKERS--6</b>					

**FIGURE NO. 9-3**

**REGULAR ROUTE PASSENGER CARRIERS**  
**Summary of Total Revenues and Expenses**  
**For the Calendar Years 2018 and 2019**

Carrier	Docket Number	Total Company Operating Revenues		Total Company Operating Expenses		Total Company Operating Ratio	
		2018	2019	2018	2019	2018	2019
Greyhound Lines, Inc.	B-7	15,003,865	2,335,132	13,991,196	2,317,926	93.3%	99.3%
Trolleys, Inc. dba Sunway Charters	B-704	8,854,901	8,963,409	8,821,968	9,992,940	99.6%	111.5%
<b>TOTAL (2)</b>		<b>\$23,858,766</b>	<b>\$11,298,541</b>	<b>\$22,813,164</b>	<b>\$12,310,866</b>	<b>95.6%</b>	<b>109.0%</b>

**FIGURE NO. 9-4**

**MOTOR BOAT COMMON CARRIERS  
AS OF DECEMBER 31, 2019**

Bald Head Island Transportation, Inc. (A-41)  
P. O. Box 3069  
Bald Head Island, North Carolina 28461

Barrier Island, Inc., dba Island Ferry Adventures (A-40)  
240 West Beaufort Road  
Beaufort, North Carolina 28516

Cape Lookout Cabins & Camps Ferry Service (A-66)  
P.O. Box 251  
Davis, North Carolina 28524

Crystal Blue Holding Co., LLC dba Morehead City Ferry Service (A-76)  
113 Turner Street  
Beaufort, North Carolina 28516

Davis Shore Ferry Service, LLC (A-65)  
148 Willis Road  
Davis, North Carolina 28524

Island Express Ferry Service, LLC (A-75)  
113 Turner Street  
Beaufort, North Carolina 28516

Morris Marina, Kabin Kamps and Ferry Service, Inc. (A-26)  
1000 Morris Marina Road  
Atlantic, North Carolina 28511

Portsmouth Island Boat Tours (A-30)  
P. O. Box 375  
Ocracoke, North Carolina 27960

Company	Scope of Operation	Operating Revenues	Operating Expenses	No. of Tariffed Passengers
Bald Head Island Transportation, Inc.	From Southport to Bald Head Island and Return	\$ 6,277,198	\$ 6,425,998	357,202
Barrier Island, Inc., dba Island Ferry Adventures	From Beaufort to Carrot Island, Bird Shoales, Sand Dollar Island and Return	\$ 236,712	\$ 183,000	17,507
Cape Lookout Cabins & Camps Ferry Service	From Davis to Core Banks and Return	\$ 644,462	\$ 681,732	8,172
Davis Shore Ferry Service, LLC	From Davis to Core Banks and Return	\$ 307,749	\$ 93,525	5,713
Island Express Ferry Service, LLC	From Beaufort and Harkers Island to South Core Banks, Shackleford Banks and Return	\$ 1,469,662	\$ 1,598,970	84,657
Morehead City Ferry Service	From Morehead City to Sugarloaf Island, Carrot Island, Bird Shoal, Sand Dollar Island & Ret. From Bridge Pointe Marina to Union Point & Ret.	\$ 191,499	\$ 147,500	11,059
Morris Marina, Kabin Kamps & Ferry Service Inc.	Statewide in North Carolina via water	\$ 251,896	\$ 314,823	4,583
Portsmouth Island Boat Tours	From Ocracoke to Portsmouth Island and Return	\$ 27,315	\$ 11,862	1,480