

# North Carolina **Utilities Commission**



*Major Activities Through December 2017 With Statistical and Analytical Data Through 2016*



2017 Report - Volume XLVIII

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## State of North Carolina Utilities Commission

COMMISSIONERS  
EDWARD S. FINLEY, JR., CHAIRMAN  
BRYAN E. BEATTY  
TONOLA D. BROWN-BLAND

4325 Mail Service Center  
Raleigh, N.C. 27699-4300

COMMISSIONERS  
JERRY C. DOCKHAM  
JAMES G. PATTERSON  
LYONS GRAY  
DANIEL G. CLODFELTER

### LETTER OF TRANSMITTAL

November 20, 2017

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

Dear Governor Cooper:

We hereby present for your consideration the 2017 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 2016 with statistical and analytical data for the operations of the utilities through 2016.

Respectfully submitted,

Edward S. Finley, Jr., Chairman  
Bryan E. Beatty  
ToNola D. Brown-Bland  
Jerry C. Dockham  
James G. Patterson  
Lyons Gray  
Daniel G. Clodfelter

Prepared by

North Carolina Utilities Commission  
Fiscal Management Division  
4325 Mail Service Center  
Raleigh, NC 27699-4300  
Telephone No. 919-733-7680

## **I. ORGANIZATION AND HISTORY**

**A. COMMISSION STAFF AND ORGANIZATION CHART**

There were seven Commissioners and 53 Commission Staff positions as of January 26, 2016. 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 January 26, 2016

**Commissioners**

Edward S. Finley, Jr., Chairman

Bryan E. Beatty  
Commissioner

Jerry C. Dockham  
Commissioner

ToNola D. Brown-Bland  
Commissioner

James G. Patterson  
Commissioner

Don M. Bailey  
Commissioner

Lyons Gray  
Commissioner

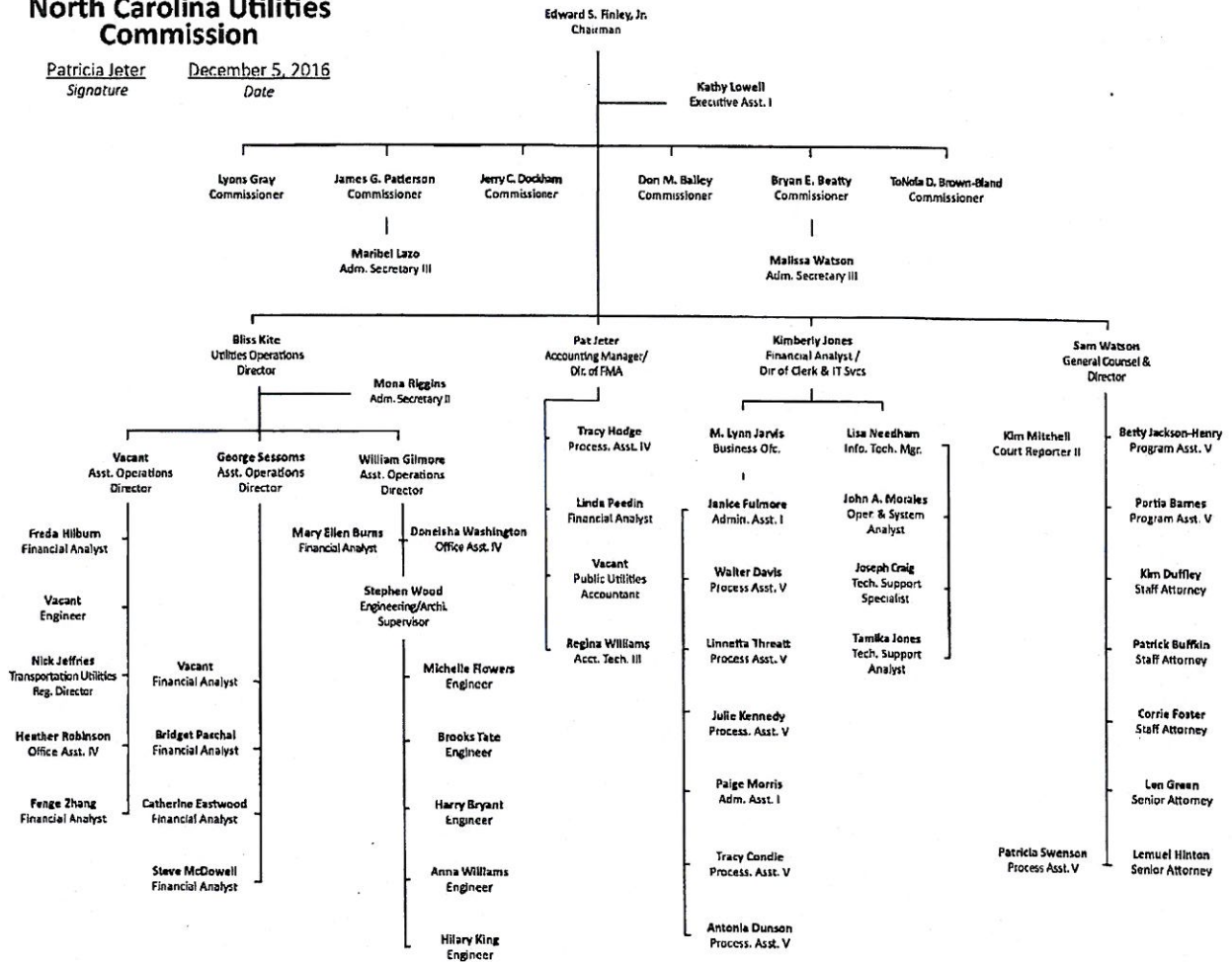
**Chief Clerk and Division Directors**

Chief Clerk..... Lynn Jarvis  
Legal and Administration Division .....Sam Watson  
Operations Division .....Bliss Kite  
Fiscal Management Division .....Patricia R. Jeter

**FIGURE NO. 1-1**  
**COMMISSION STAFF-ORGANIZATION CHART**  
**December 5, 2016**

**North Carolina Utilities  
Commission**

Patricia Jeter      December 5, 2016  
*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)

**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)**

- \* 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)
- 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- )\*\*
- 63. Bryan E. Beatty (2009- )
- 64. Susan Warren Rabon (2009-2015)
- 65. ToNola D. Brown-Bland (2009- )
- 66. Lucy T. Allen (2010-2013)
- 67. Don M. Bailey (2013- )
- 68. Jerry C. Dockham (2013- )
- 69. James G. Patterson (2013- )
- 70. Lyons Gray (2016- )

\* 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**

### **EDWARD S. FINLEY, JR., CHAIRMAN:**

Chairman Finley was born in North Wilkesboro, North Carolina. He holds a Bachelor of Arts degree in history from the University of North Carolina at Chapel Hill and a Juris Doctor from the University of North Carolina School of Law.

Between 1974 and 2007 he practiced law in Raleigh, North Carolina, with the firm of Joyner & Howison from 1974 to 1980 and the firm of Hunton & Williams from 1980 to 2007, after a merger of the two firms. His primary area of practice was public utility regulation.

Governor Easley appointed Finley to the Commission on January 23, 2007, to fill a term that expired on June 30, 2011. Governor Perdue reappointed Finley to the Commission effective July 1, 2011, for a term that expires on June 30, 2019.

Governor Easley appointed Finley as Chairman of the Commission on April 10, 2007, to fill a Chair term that expired on June 30, 2009. Governor Perdue reappointed Finley as Chairman effective July 1, 2009, for a Chair term that expired on June 30, 2013. Governor McCrory reappointed Finley as Chairman effective July 1, 2013, for a chair term that expires on June 30, 2017.

Chairman Finley is active in community and civic affairs. He and his wife, Ginger, have two sons.

### **BRYAN E. BEATTY, COMMISSIONER:**

Commissioner Beatty was appointed to the North Carolina Utilities Commission by Governor Mike Easley for a term that commenced on January 7, 2009 and expired on June 30, 2009. Governor Beverly Perdue reappointed him for the term that commenced on July 1, 2009 and ends on June 30, 2017.

Born in Englewood, New Jersey and a graduate of Salisbury High School in Salisbury, North Carolina, he earned his B.A. in Political Science from the State University of New York at Stony Brook in 1980. Beatty received his Juris Doctorate in 1987 from the University of North Carolina School of Law and is a 1981 graduate of the N.C. State Bureau of Investigation Academy at Salemburg.

Beatty served as the Secretary of the N.C. Department of Crime Control and Public Safety from 2001 until 2009 and was in charge of the state's homeland security coordination. He also served as director of the State Bureau of Investigation from October 1999 to January 2001.

During his tenure at the Department of Justice, he also served as an SBI agent, an associate attorney general representing the UNC Hospital System, an assistant attorney general in the Motor Vehicles section, the state's first inspector general, and deputy attorney general for policy and planning.

Beatty is the past chair of the State Emergency Response Commission and served on the N.C. Lottery Commission. He has also served as a member of the Governor's Crime Commission, on the Board of Directors of the Criminal Justice Information Network, and as chair of the Governor's Terrorism Preparedness Task Force.

Beatty received the National Governors' Association Award for Distinguished Service to State Government in August 2003 for his leadership in North Carolina's terrorism preparedness efforts. In November 2002, he was honored by the University of North Carolina at Chapel Hill with the Harvey E. Beech Outstanding Alumni Award, established to recognize black alumni who are "stellar leaders within the University community or in his or her local community." In 2005, Beatty received

the Charles Dick Medal of Merit Award from the National Guard Association of the United States. Also, in 2005 he received the Distinguished Civilian Service Award from the State of North Carolina.

In 2008, Governor Mike Easley awarded Beatty the Order of the Long Leaf Pine, the highest service award that can be given to a North Carolina citizen.

Beatty and his wife Rhonda have three children, Bryan Jr., Nicole and Michael.

**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.

**DON M. BAILEY, COMMISSIONER:**

Commissioner Bailey was born in Rutherfordton, NC and grew up in Shelby and Lexington, NC. He is a graduate from Lexington Sr. High School. In 1975 he graduated with a BS Degree in Civil Engineering from NC State University. He also did graduate engineering course work toward a MS Degree in Geotechnical Engineering from the University of South Carolina. Bailey is a Professional Engineer licensed in North Carolina since 1979.

Commissioner Bailey is currently a member of both the Electricity Committee and the Critical Infrastructure Committee of

the National Association of Regulatory Utility Commissioners.

Commissioner Bailey is retired from ATI Allvac in Monroe, NC after a (31) year career at this heavy industrial manufacturer of Nickel Based Superalloys and Titanium alloys. He held positions of Plant Engineer, Director of Engineering, Director of Forge Operations and General Manager of Engineering while at the company. During his entire career at the company, Bailey also performed as the company's primary Energy / Utilities Engineer as well as the company's Environmental Engineer for the first seven years in the company. During his career as the head facility engineer, in addition to supervising Design and Project Engineers, he directed major project management of large capital expansion projects for the company.

Prior to working for ATI Allvac, for a two year period Bailey was the Regional Engineer for DENR's Land Quality Section in Mooresville, NC. Before working for the State of NC, Bailey was a Design Engineer with the Engineering Dept. for the City of High Point, NC working on new roadway and storm water projects for three years.

Commissioner Bailey was appointed June 24, 2013 by Governor Pat McCrory to fill an existing vacancy on the Utilities Commission with the term to expire June 30, 2017.

Bailey remains active in his church and engineering societies of which he is a member. Bailey and wife Brenda have two married sons and three grandchildren.

**JERRY C. DOCKHAM, COMMISSIONER:**

Commissioner Dockham is a lifelong resident of Denton, North Carolina. He graduated with a Bachelor of Science degree in Business from Wake Forest University. Between 1972 to 2010, he was the proprietor of Nationwide Insurance Company in Denton, NC.

Commissioner Dockham was first appointed to the North Carolina House of Representatives in 1990, where he has served twenty-three years. He most recently served as Vice-Chair of the House Committee on Public Utilities. He has also served as Chairman of the Committee on Insurance, as Vice-Chairman Committee on Banking, and as a member on the Appropriations Subcommittee on Transportation, Commerce & Job Development, and Education. In the past, Commissioner Dockham has served on both the Ethics and Rules Committees, and the N.C. Electrical De-regulation Study Commission. While serving in the General Assembly, he was consistently ranked in the top 10% (out of 120 members) by N.C.F.R.E.E., and was named the 1998 Legislator of the Year by the N.C. Society of Anesthesiologists. Dockham also received the 1999 Emergency Medicine Advocate of the Year Award by the N.C. College of Emergency Physicians.

Commissioner Dockham is a Fellow of the North Carolina Institute of Political Leadership, a Trustee at Davidson County Community College, from 1987 to present and a member of NCSL (National Conference of State Legislatures).

Commissioner Dockham is active in many community and civic affairs. He is a member of the Thomasville Chamber of Commerce and for the past 35 years a member of the Denton Lions Club.

He and his wife Louise have two sons, Andy and Matthew and daughter-in-law, Kelly. Commissioner Dockham is a member of Central United Methodist Church.

Governor Pat McCrory appointed Commissioner Dockham to the N.C. Utilities Commission effective July 1, 2013 for a term to expire June 30, 2019.

**JAMES G. PATTERSON, COMMISSIONER:**

Governor Pat McCrory appointed Commissioner Patterson to the North Carolina Utilities Commission for a term beginning July 1, 2013, and expiring June 30, 2019. Patterson's business career spans over thirty years of experience consulting with major corporate clients. He is the founder of Patterson Partners, Inc., a public relations and marketing firm. His experience includes a broad category of public relations counsel, marketing support, fundraising, and crisis management. He has also served in senior-level posts in higher education.

Commissioner Patterson has served on college and corporate boards. He also served as Chairman of the Small Business and Agricultural Council of The Federal Reserve Bank of Richmond.

Before founding Patterson Partners, he served as President of B&C Associates in High Point, NC; Vice President for Advancement at Voorhees College in Denmark, SC; Vice President for Planning and Development at Livingstone College in Salisbury, NC and Director of Public Relations at the Robert R. Moton Institute in New York City, NY.

Among the accomplishments Commissioner Patterson is most proud of is leading his company's effort to pass a \$3.1 billion bond referendum for higher education facilities in North Carolina. The bond was and still is the largest ever passed in the United States for higher education. He also served as a Distinguished Executive Lecturer – Gardner Webb University Broyhill School of Management and Visiting Lecturer – North Carolina A & T State University.

He received his B.S. Degree from California Miramar University and his M.B.A. from Bernelli University, Trentino, Italy.

**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.

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

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

Christopher J. Ayers was appointed Executive Director of the North Carolina Utilities Commission Public Staff by Governor Pat McCrory for a six year term that began on July 1, 2013. Mr. Ayers is a native of Rutherford County, North Carolina. He graduated magna cum laude from Duke University with a B.A. in Political Science and Sociology in 1999. Mr. Ayers received his Juris Doctor with Honors from the University of North Carolina at Chapel Hill in 2002 where he also served as Managing Editor of the North Carolina Law Review. 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, administrative and appellate law. He also served a two-year term on the Environmental Management Commission from July 2011 through June 2013. Mr. Ayers is active in church, community and civic affairs, serving 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 January 26, 2016, there were 80 funded positions, including the Executive Director, comprising the Public Staff of the North Carolina Utilities Commission.

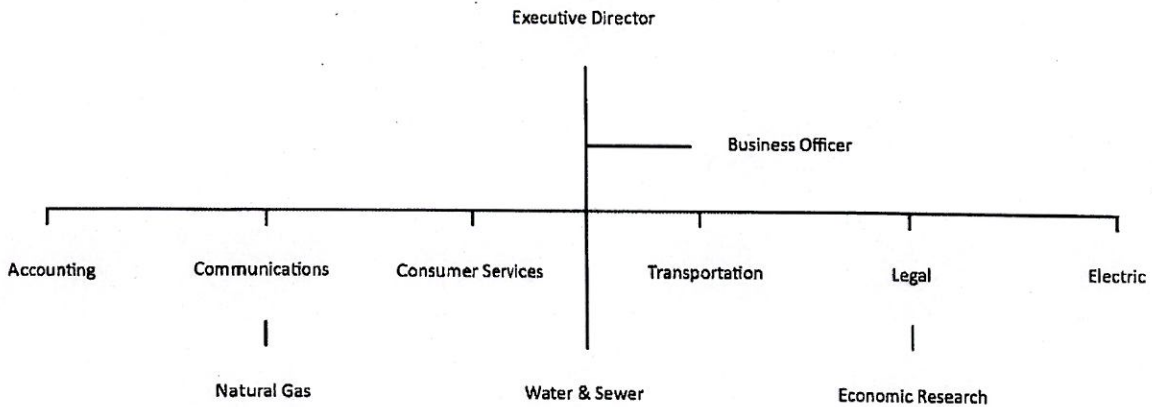
**PUBLIC STAFF  
NORTH CAROLINA UTILITIES COMMISSION**

**January 26, 2016**

Executive Director  
Christopher J. Ayers

Business Officer .....	Carl Goolsby
Accounting Division .....	Mike Maness
Consumer Services Division .....	Vickie Debnam
Economic Research Division .....	John R. Hinton
Electric Division .....	James McLawhorn
Legal Division .....	David Drooz
Natural Gas Division .....	Julie Perry
Transportation Division .....	Cynthia Smith
Water & Communications 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.

**FIGURE NO. 1-3**  
**NORTH CAROLINA UTILITIES COMMISSION**  
**RECEIPTS AND EXPENDITURES**  
**Fiscal Year ending June 30, 2016**

<u>Source</u>	<u>Commission Staff</u>	<u>Public Staff</u>	<u>Total</u>
<u>Fees Collected by the Commission:</u>			
Regulatory Fee	\$16,306,984	\$0	\$16,306,984
Interest	37,791	0	37,791
Fines and Penalties	2,000	0	2,000
<u>Office of Chief Clerk:</u>			
Duplicating Services	121	0	121
Filing Fees	43,865	0	43,865
Publication Sales	515	0	515
Miscellaneous Revenues	20,233	0	20,233
Sell of Surplus Property	29	66	95
Reimbursement of Contractual Expenses	94,015	0	94,015
<u>Federal Funds:</u>			
US Gas Safety Program	278,050	0	278,050
<b>TOTAL RECEIPTS</b>	<b>\$16,783,603</b>	<b>\$66</b>	<b>\$16,783,669</b>
<u>Expenditures:</u>			
Salaries and Wages	\$4,330,448	\$5,504,225	\$9,834,673
Fringe Benefits	1,267,192	1,607,040	2,874,232
Legal & Consulting Fees	67,180	0	67,180
Contractual Services	226,877	9,805	236,682
Repairs of Building & Equipment	2,995.00	288	3,283
Service & Maintenance Contracts	19,394	8,664	28,058
Rent - Building, Offices & Equipment	331,812	277,899	609,711
Travel	152,383	29,502	181,885
Registration Fees	20,566	12,468	33,034
Telephone, Postage, Printing & Copying	71,563	66,726	138,289
Data Processing Service	887	0	887
Insurance	930	1,074	2,004
Employee Educational Expenses	4,410	131	4,541
Materials and Supplies	39,365	1,331	40,696
Office Furniture, Equipment	6,188	7,269	13,457
Data Processing Equipment & Software	62,966	78,345	141,311
Library Resources	32,449	4,477	36,926
Dues & Subscriptions	106,367	35,522	141,889
Other Services and Expenses	26,259	734	26,993
Indirect Cost/Agency Administration Fees	101,099	145,299	246,398
Intragovernmental Transfer - Legislative Mandate	0	0	0
Intragovernmental Transfer of Fines Collected	70,700	0	70,700
<b>TOTAL EXPENDITURES</b>	<b>\$6,942,030</b>	<b>\$7,790,799</b>	<b>\$14,732,829</b>
<b>BUDGETED POSITIONS</b>	<b>60</b>	<b>81</b>	<b>141</b>

**II. SELECTED COMMISSION ACTIVITIES  
THROUGH DECEMBER 2016**

**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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Total Formal Hearings Held</b>	<b>105</b>	<b>105</b>	<b>114</b>	<b>112</b>
<b>Number of Hearings Held Away From Raleigh, in Utility Service Areas</b>	<b>47</b>	<b>23</b>	<b>24</b>	<b>24</b>
<b>Percent of Total Hearings Held Away From Raleigh</b>	<b>45%</b>	<b>22%</b>	<b>21%</b>	<b>22 %</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 2016 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.

In September 1998, the first IRP filings were made under the revised rules. The Commission concluded, as a part of its Order ruling on these filings, that the reserve margins forecast by Progress, Duke and NC Power indicated a much greater reliance upon off-system purchases and interconnections with neighboring systems to meet unforeseen contingencies than had been the case in the past. The Commission stated that it would closely monitor this issue in future IRP reviews.

In June 2000, the Commission stated in response to the investor-owned electric utilities' (IOUs) 1999 IRP filings that it did not believe that it was appropriate to mandate the use of any particular reserve margin for any jurisdictional electric utility at that time. The Commission

concluded that it would be more prudent to monitor the situation closely, to allow all parties the opportunity to address this issue in future filings with the Commission, and to consider this matter further in subsequent integrated resource planning proceedings. The Commission did, however, want the record to clearly indicate its belief that providing adequate service is a fundamental obligation imposed upon all jurisdictional electric utilities, that it would be actively monitoring the adequacy of existing electric utility reserve margins, and that it would take appropriate action in the event that any reliability problems developed.

Further orders required that IRP filings include a discussion of the adequacy of the respective utility's transmission system and information concerning levelized costs for various conventional, demonstrated, and emerging generation technologies.

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.

2016 Biennial Integrated Resource Plans were filed by Duke Energy Progress, LLC; Duke Energy Carolinas, LLC; and Dominion North Carolina Power in Docket No. E-100, Sub 147. In addition, each of the three IOUs filed 2016 REPS compliance plans.

The following parties were allowed to intervene in this docket: Aleva USA, Inc. (Aleva); Carolina Industrial Group for Fair Utility Rates I, II, and III (CIGFUR); Carolina Utility Customers Association, Inc. (CUCA); Environmental Defense Fund (EDF); Grant Millin; Mid-Atlantic Renewable Energy Coalition (MAREC); North Carolina Sustainable Energy Association

(NCSEA); North Carolina Waste Awareness and Reduction Network (NC WARN); Nucor Steel-Hertford (Nucor); and jointly, Southern Alliance for Clean Energy, Sierra Club, and the Natural Resources Defense Council (SACE, NRDC, and the Sierra Club). The Public Staff's intervention is recognized pursuant to G.S. 62-15(d) and Commission Rule R1-19(e). The Attorney General's intervention is recognized pursuant to G.S. 62-20.

A Public Hearing was held in Raleigh on February 27, 2017. The Commission's June 2017 Order Accepting Integrated Resource Plans and Accepting 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 2016 Annual Report Regarding Long Range Needs for Expansion of Electric Generation Facilities for Service in North Carolina.

## **C. CONSUMER POCKETBOOK ISSUES**

### **1. General Rate Case Decisions 2010 – 2016**

A summary of the Commission decisions in general rate cases for the years 2010 through December 31, 2016, for the electric, gas, and telephone 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. There were no general rate cases during calendar year 2014 and 2015 as nothing was requested.

On March 31, 2016, Virginia Electric and Power Company, d/b/a in North Carolina as Dominion North Carolina Power (DNCP), filed an Application for Adjustment of Rates and Changes Applicable to Electric Service in North Carolina. Public hearings were held as scheduled in Halifax, Elizabeth City, Manteo, Williamston, and Raleigh. An expert witness hearing began on October 4, 2016 and concluded on October 5, 2016. The Commission issued an Order Approving Rate Increase and Cost Deferrals and Revising PJM Regulatory Conditions on December 22, 2016 (Docket No. E-

22, Sub 532). The Commission's Order stated that DNCP shall be allowed to increase its rates and charges effective for service rendered on and after January 1, 2017, so as to produce an increase in gross annual revenue for its North Carolina retail operations of \$25,790,000, consisting of an increase of \$34,732,000 in base non-fuel revenues, and a decrease of \$8,942,000 in base fuel revenues.

Many factors such as interest rates, quality of service, cost of fuel, availability of gas supplies, future demands for utility service and utility managerial efficiency contribute to the final decisions reached by Commissioners in general rate case decisions. All of these factors are thoroughly investigated and evaluated by the Public Staff and the Commission for each rate case and then presented to the Commission for consideration as to treatment of the case. Additionally, the Company and intervenors representing various groups and viewpoints offer expert testimony and their counsel engages in extensive cross examination of all pertinent testimony presented during the hearings. Some facts, however, lie beyond the control of the Commission and can account for even larger increases than the rate cases themselves. Cost of gas to the gas companies from the State's only major supplier, Transcontinental Gas Pipeline Corporation (TRANSCO) requires an adjustment to consumers' gas rates, but this type of adjustment is made through a staff conference rather than through a general rate case. Fuel consumed for the generation of electricity was adjusted at intervals through regular open conference and modified several times over the years until the current procedure of annual filings for rate adjustments for fuel cost was adopted on May 1, 1984. For both gas companies and electric companies, the price, or cost adjustment to the ultimate consumer is not necessarily the result of just general rate cases. In fact, these cost adjustments can have as much or an even greater effect on the cost of services to the ultimate consumer than any other aspect of the industry.

## **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 increased 2.08% from 708.5 in 2015 to 723.2 in 2016.

Figure No. 2-3 shows the electric, gas, and telephone utility costs compared to the CPI-U for the years of 1990 through 2000 and 2001 to 2016.

## **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 2016 was \$16,382,732. The fee rate for the same period of time was 0.1350% from January to June and 0.140% from July to December.

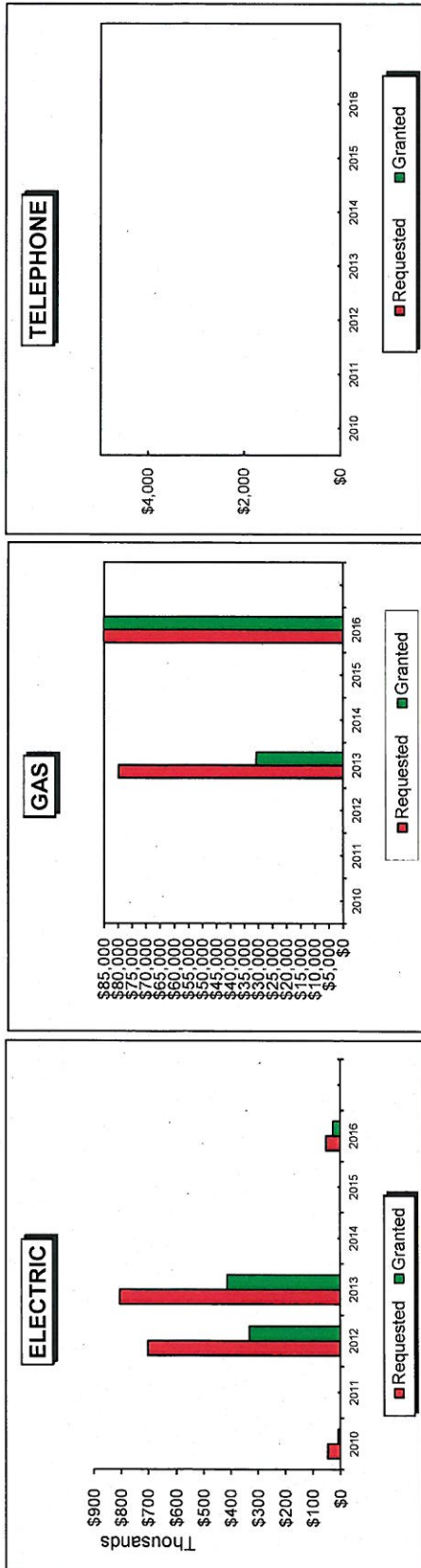
**FIGURE NO. 2-1****FILINGS AND ORDERS BY INDUSTRY GROUP**

Calendar Year 2016

Industry	Orders	Filings
Electric	445	1,925
Electric Reseller	16	99
Telephone	151	948
Shared Tenant Service	0	0
Natural Gas	104	723
Water / Wastewater, including Resellers	1,526	3,132
Household Goods Movers	207	1,001
Payphone Service Providers	23	34
Other (Bus/Broker, Electric Merchant Plant, EMC, Ferry, Small Power Producer, & Misc.)	1,187	6,437
<b>Total</b>	<b>3,659</b>	<b>14,299</b>

FIGURE NO. 2-2

ELECTRIC, GAS, AND TELEPHONE GENERAL RATE CASE DATA AMOUNTS REQUESTED AND GRANTED (000's) FOR THE CALENDAR YEARS 2010-2016



Gas Cases	\$ Amount Requested	\$ Amount Granted	% Granted
2010	0	0	0.0
2011	0	0	0.0
2012	0	0	0.0
2013	79,826	30,658	38.4
2014	0	0	0.0
2015	0	0	0.0
2016	41,583,020	19,054,160	45.8
<b>Total</b>	<b>41,662,846</b>	<b>19,084,818</b>	<b>45.8</b>

Electric Cases	\$ Amount Requested	\$ Amount Granted	% Granted
2010	46,100	7,682	16.7
2011	0	0	0.0
2012	701,377	330,987	47.2
2013	805,333	413,192	51.3
2014	0	0	0.0
2015	0	0	0.0
2016	51,073	25,790	50.5
<b>Total</b>	<b>1,603,883</b>	<b>777,651</b>	<b>48.5</b>

Telephone Cases	\$ Amount Requested	\$ Amount Granted	% Granted
2010	46,100	7,682	16.7
2011	0	0	0.0
2012	701,377	330,987	47.2
2013	885,159	443,850	50.1
2014	0	0	0.0
2015	0	0	0.0
2016	41,634,093	19,079,950	45.8
<b>Total</b>	<b>43,266,729</b>	<b>19,862,469</b>	<b>45.9</b>

Telephone Cases	\$ Amount Requested	\$ Amount Granted	% Granted
2010	0	0	0
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0
2016	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</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>
1990	\$7.55	\$6.00	\$22.61	386.1
1991	\$7.58	\$6.08	\$23.00	408.0
1992	\$7.71	\$6.32	\$23.83	420.3
1993	\$7.74	\$6.80	\$23.40	432.7
1994	\$7.58	\$7.10	\$23.10	444.0
1995	\$7.61	\$6.77	\$24.35	456.5
1996	\$7.55	\$7.35	\$25.81	469.9
1997	\$7.61	\$8.71	\$29.01	480.9
1998	\$7.62	\$8.48	\$29.76	488.3
1999	\$7.61	\$8.07	\$31.19	496.9
2000	\$7.61	\$9.23	\$32.29	515.6
<b>1990-2000</b>				
<b>% Change</b>	<b>0.79%</b>	<b>53.83%</b>	<b>42.81%</b>	<b>33.54%</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
<b>2015-2016</b>				
<b>% Change</b>	<b>-1.99%</b>	<b>4.18%</b>	<b>**</b>	<b>2.08%</b>

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

**III. SUMMARY OF THE COMMISSION  
ACTIVITIES AND OPERATIONS  
2016 AND PRIOR YEAR**

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

At December 31, 2016, there were 3,332 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 2015 to 2016 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 2016 there were 112 formal hearings. Of the 112 formal hearings, 24 were held out of town and 24 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 14,299 filings and issued 3,659 orders in 2016.

The number of pages transcribed by the court reporters for the years 1990 through 2016 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

The Commission currently has one court reporter on its staff.

Commission hearings continued to generate keen public interest in 2016. 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 9,884 complaints in 2016.

3 Gross Plant Allocated to Serve North Carolina Customers). In 2016 there were 1,383,230 telephone access lines reported compared to 1,539,682 in 2015.

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

In 2016, 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 0.1% in 2016 compared to 2015. The gas company's gross operating revenues also increased by 23.5%.

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 2016 compared to the previous year, making a total of over \$53 billion as of December 31, 2016 (\$53,979,275,000). The increased plant investment will serve the electric and gas customers which numbered 4,564,741 in 2016 compared to 4,512,494 in 2015. (Figure No. 3-

FIGURE NO. 3-1

HIGHLIGHTS OF ACTIVITIES  
ELECTRIC, GAS & TELEPHONE UTILITIES  
2015 VS. 2016  
(Dollars in Thousands)

	ELECTRIC - MAJOR COMPANIES			GAS - MAJOR COMPANIES			TELEPHONE - ALL CLASSES		
	2015	2016	% Change	2015	2016	% Change	2015	2016	% Change
<b>HIGHLIGHTS OF ACTIVITIES</b>									
<b>Revenues and Expenses (N.C. Only):</b>									
Operating Revenues	\$10,353,278	\$10,365,738	0.1	\$1,246,343	\$1,538,672	23.5	\$0	\$0	N/A
Operating Expenses	8,727,308	8,542,643	(2.1)	1,044,092	1,020,585	(2.3)			N/A
Net Operating Income Including Taxes	\$1,625,970	\$1,823,095	12.1	\$202,251	\$518,087	156.2	\$0	\$0	N/A
Other Income (Deductions) Net (A)	167,809	99,332	(40.8)	38,200	44,358	16.1	N/A	N/A	N/A
Fixed Charges	529,782	553,942	4.6	81,937	86,609	5.7	N/A	N/A	N/A
<b>Net Income</b>	<b>\$1,263,997</b>	<b>\$1,368,485</b>	<b>8.3</b>	<b>\$158,514</b>	<b>\$475,836</b>	<b>200.2</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Plant (N.C. Only):</b>									
Gross Plant (B)	\$53,203,682	\$53,979,275	1.5	\$6,215,784	\$6,833,579	9.9			N/A
Accumulated Depreciation	20,706,575	21,026,996	1.5	2,009,513	2,121,625	5.6			N/A
<b>Net Plant</b>	<b>\$32,497,107</b>	<b>\$32,952,279</b>	<b>1.4</b>	<b>\$4,206,271</b>	<b>\$4,711,954</b>	<b>12.0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Capital Structure:</b>									
Stockholders' Equity	\$4,993,999	\$2,308,942	(53.8)	\$427,110	\$1,969,572	361.1	N/A	N/A	N/A
Long-Term Debt	24,217,928	27,127,802	12.0	\$1,519,124	\$2,338,372	53.9	N/A	N/A	N/A
Total Capitalization	\$29,211,927	\$29,436,744	0.8	\$1,946,234	\$3,029,608	55.7	N/A	N/A	N/A
Long-Term Debt % of Total Capitalization	82.9	92.2	11.2	78.1	77.2	(1.1)	N/A	N/A	N/A
<b>Other Statistics (N.C. Only):</b>									
Total Customers Yearly Average	3,379,327	3,426,756	1.4	1,133,167	1,157,454	2.1			
Average Number of kWhs Per Residential Customer	13,280	13,299	0.1	55	52	(5.5)			
Average Revenue Per Residential Customer:									
Electric Residential Customer (Cents Per kWh)	\$10.78	\$10.57	(1.9)	\$11.01	\$11.49	4.4			
Gas Residential Customer (\$ Per Dekatherm)									
Total Access Lines in Service							1,539,682	1,383,230	(10.2)

(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

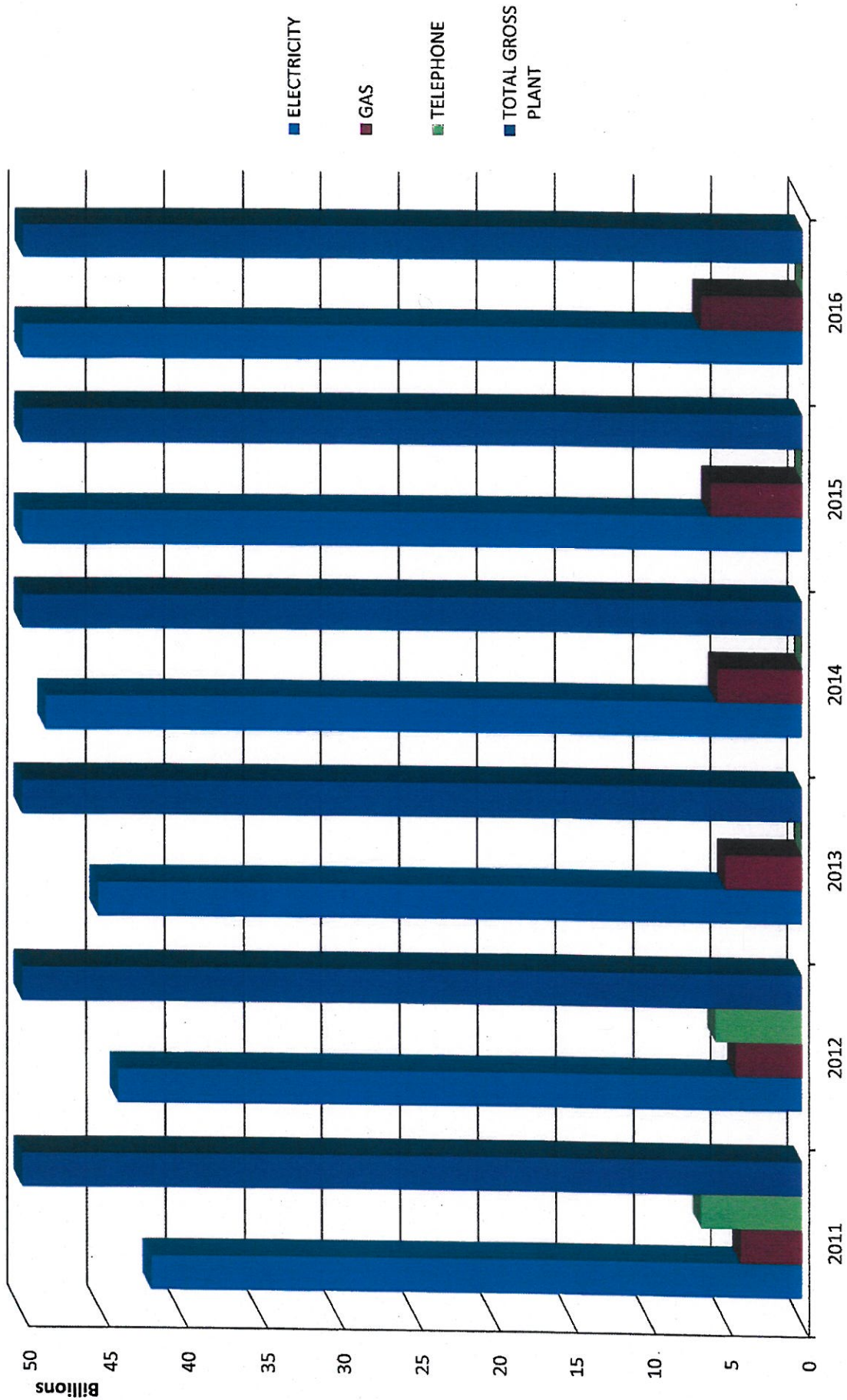
NOTE: Effective in 2011, telephone companies are no longer required to file financial information; thus, it is no longer available.

FIGURE NO. 3-2

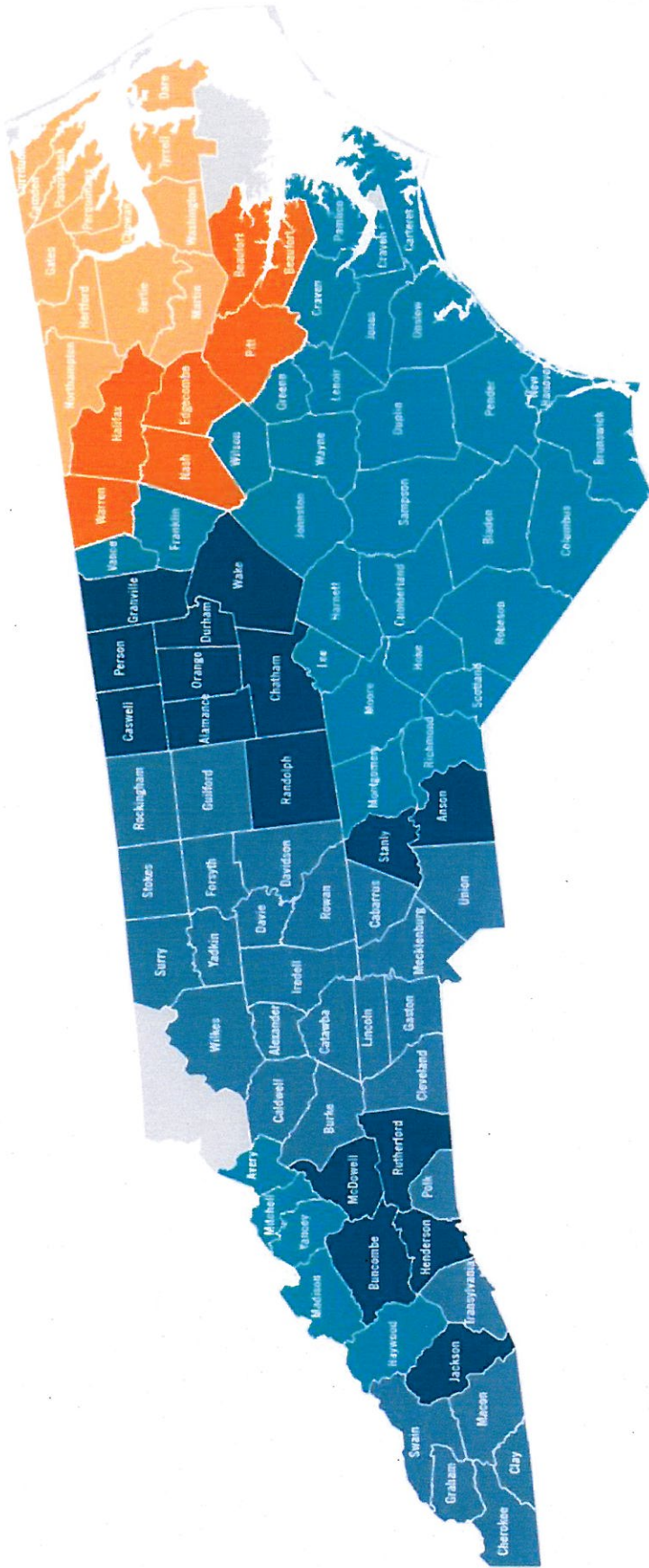
MAJOR UTILITIES REGULATED AND REPORTING TO THE  
NORTH CAROLINA UTILITIES COMMISSION  
AS OF DECEMBER 31, 2016

<u>UTILITY</u>	<u>QTY</u>
BUS / BROKER	12
ELECTRIC	5
ELECTRIC COOPERATIVES	32
ELECTRIC MERCHANT PLANTS	10
ELECTRIC RESELLER	46
FERRIES	9
NATURAL GAS:	
LOCAL DISTRIBUTION COMPANIES	6
INTRASTATE PIPELINE	0
MOTOR CARRIERS OF HOUSEHOLD GOODS	287
SMALL POWER PRODUCERS	1076
TELEPHONE:	
COMPETING LOCAL PROVIDERS	168
INCUMBENT LOCAL PROVIDERS	16
LONG DISTANCE CARRIERS	259
PAYPHONE SERVICE PROVIDERS	44
SHARED TENANT SERVICES	16
WATER / WASTEWATER	103
WATER RESELLER	1243
TOTAL	3,332

**FIGURE NO. 3-3**  
**Gross Plant Allocated to Serve NC Customers**  
**Electric-Gas-Telephone (2011-2016)**



## **IV. ELECTRIC POWER INDUSTRY**

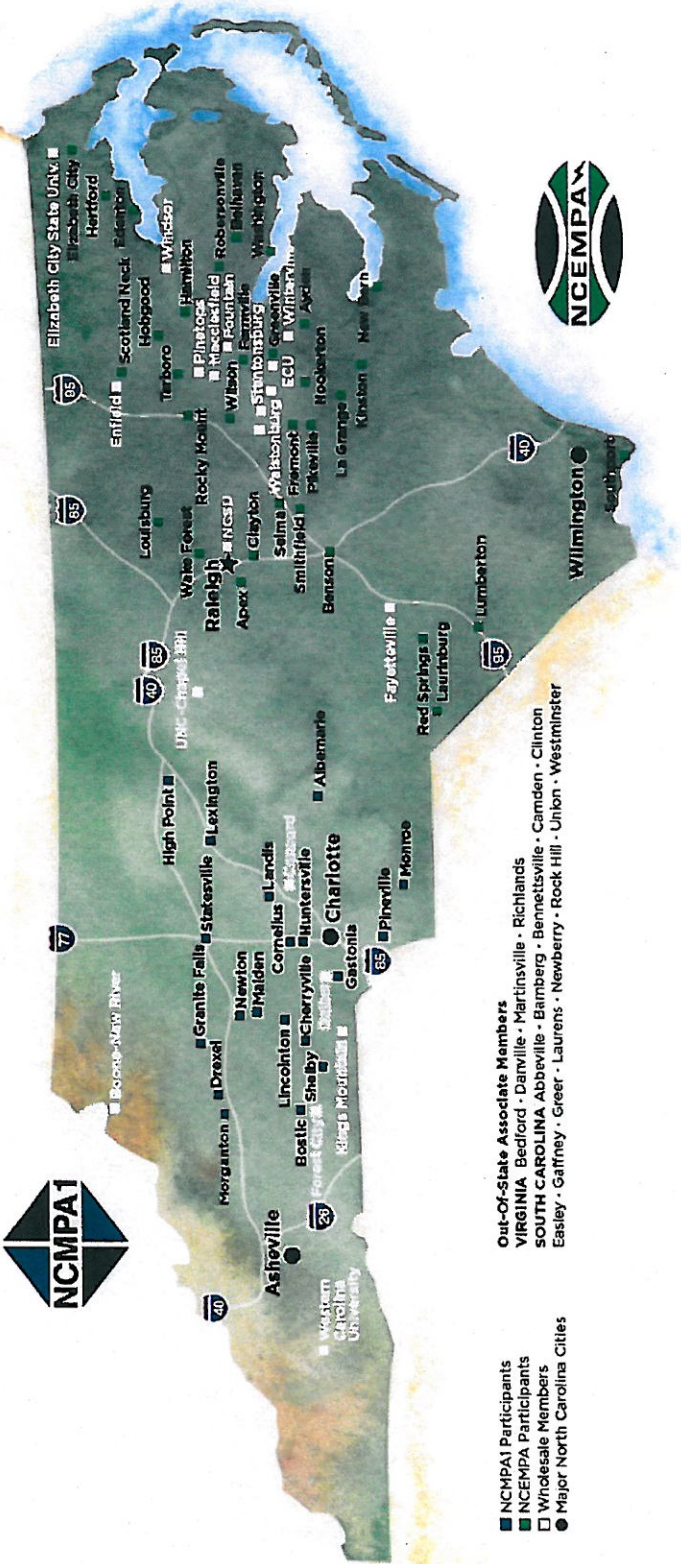


**SERVICE TERRITORIES**  
(counties served)

- Duke Energy Carolinas
- Duke Energy Progress
- Duke Energy Carolinas/  
Duke Energy Progress overlapping counties

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

# North Carolina Public Power Communities



- NCMPA1 Participants
- NCEMPA Participants
- Wholesale Members
- Major North Carolina Cities

- Out-Of-State Associate Members
- VIRGINIA Bedford · Danville · Martinsville · Richlands
- SOUTH CAROLINA Abbeville · Bamberg · Bennettsville · Camden · Clinton
- Easley · Gaffney · Greer · Laurens · Newberry · Rock Hill · Union · Westminster

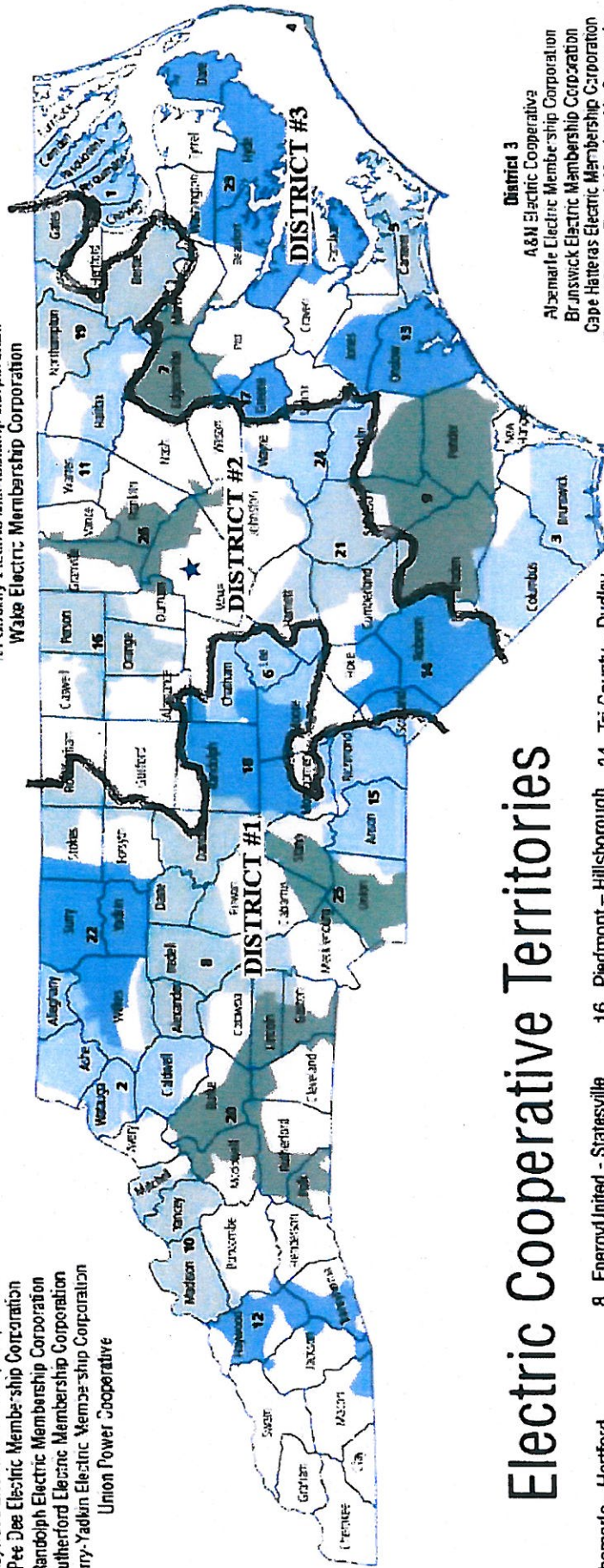
## TEMA Directorate Districts

### District 1

- BARC Electric Cooperative
- Blue Ridge Electric Membership Corporation
- Central Electric Membership Corporation
- Energy/United 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
- Pinna George Electric Cooperative
- Roanoke Electric Membership Corporation
- South River Electric Membership Corporation
- Southside Electric Cooperative
- Tri County Electric Membership Corporation
- Wake Electric Membership Corporation



## Electric Cooperative Territories

- 1 Albemarle - Herford
- 2 Blue Ridge - Lenoir
- 3 Brunswick - Shallotte
- 4 Cape Hatteras - Buxton
- 5 Carter-Craven - Morehead City
- 6 Central - Sanford
- 7 Edgecombe-Martin County - Tarboro
- 8 Energy/United - Statesville
- 9 Four County - Burgaw
- 10 French Broad - Marshall
- 11 Halifax - Enfield
- 12 Haywood - Waynesville
- 13 Jones-Onslow - Jacksonville
- 14 Lumbee River - Red Springs
- 15 Pee Dee - Wadesboro
- 16 Piedmont - Hillsborough
- 17 Pitt & Greene - Farmville
- 18 Randolph - Asheboro
- 19 Roxanne - Ahoskie
- 20 Rutherford - Forest City
- 21 South River - Dunn
- 22 Surry-Yadkin - Dobson
- 23 Tideland - Pantego
- 24 Tri-County - Dudley
- 25 Union - Monroe
- 26 Wake - Wake Forest

### District 3

- A&N Electric Cooperative
- Albemarle Electric Membership Corporation
- Brunswick Electric Membership Corporation
- Cape Hatteras Electric Membership Corporation
- Carter-Craven Electric Membership Corporation
- Edgecombe-Martin County Electric Membership Corporation
- Four County Electric Membership Corporation
- Jones-Onslow Electric Membership Corporation
- Pitt & Greene Electric Membership Corporation
- South River Electric Cooperative
- Tideland Electric Membership Corporation

★ NCEMC/NCAC/TEMA -Raleigh



## FIGURE 4-3

### MAJOR ELECTRIC COMPANIES

At December 31, 2016  
(Fully Regulated)

**Duke Energy Progress, Inc.**  
**D/B/A DUKE ENERGY PROGRESS**  
**411 Fayetteville Street**  
**Raleigh, North Carolina 27601-1748**  
 Organized: April 6, 1926; merged 7/2/2012  
 States Served: North Carolina and  
 South Carolina

**Duke Energy Corporation**  
**D/B/A DUKE ENERGY CAROLINAS, LLC**  
**526 S. South Church Street**  
**Charlotte, North Carolina 28202**  
 Organized: May 1917  
 States Served: North Carolina and  
 South Carolina

**Virginia Electric And Power Company**  
**D/B/A DOMINION NORTH CAROLINA**  
**POWER**  
**One James River Plaza**  
**Richmond, Virginia 23219**  
 Organized: June 29, 1909  
 States Served: North Carolina  
 and Virginia

### SMALL ELECTRIC COMPANIES

At December 31, 2016

COMPANY	COUNTY ***
New River Power & Light	Watauga
Western Carolina University	Jackson

\*\*\*Entire County is not served by the companies listed.

### MUNICIPAL ELECTRIC SYSTEMS AND SOURCE OF POWER\*

(Not Regulated)

MUNICIPALITY	SOURCE OF POWER
Albemarle	NCMPA No. 1
Apex	NCEMPA
Ayden	NCEMPA
Belhaven	NCEMPA
Benson	NCEMPA
Black Creek	City of Wilson
Bostic	NCMPA No. 1
Cherryville	NCMPA No. 1
Clayton	NCEMPA
Concord	Duke Energy
Cornelius	NCMPA No. 1
Dallas	Duke Energy
Drexel	NCMPA No. 1
Edenton	NCEMPA
Elizabeth City	NCEMPA
Enfield	VEPCO
Farmville	NCEMPA
Fayetteville	Duke Energy Progress
Forest City	Duke Energy
Fountain	Town of Farmville
Fremont	NCEMPA
Gastonia	NCMPA No. 1
Granite Falls	NCMPA No. 1
Greenville	NCEMPA
Hamilton	NCEMPA
Hertford	NCEMPA
High Point	NCMPA No. 1
Highlands	NCMPA No. 1
Hobgood	NCEMPA
Hookerton	NCEMPA
Huntersville	NCMPA No. 1
Kings Mountain	Duke Energy
Kinston	NCEMPA
LaGrange	NCEMPA
Landis	NCMPA No. 1
Laurinburg	NCEMPA
Lexington	NCMPA No. 1
Lincolnton	NCMPA No. 1
Louisburg	NCEMPA
Lucama	City of Wilson

**FIGURE 4-3 (continued)**

**MUNICIPALITY      SOURCE OF POWER\***

Lumberton	NCEMPA
MacClesfield	Edgecombe County
Maiden	NCMPA No. 1
Monroe	NCMPA No. 1
Morganton	NCMPA No. 1
Murphy	NCMPA NO.1
New Bern	NCEMPA
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

**NCMPA No. 1 = North Carolina Municipal  
Power Agency Number 1**

**NCEMPA = North Carolina Eastern  
Municipal Power Agency**

**Total: 71**

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

December 31, 2016  
(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	Shallotte	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
Jones-Onslow	Jacksonville	NCEMC, SEPA
Lumbee River	Red Springs	NCEMC, SEPA
Pee Dee	Wadesboro	NCEMC, SEPA
Piedmont	Hillsborough	NCEMC-IM, SEPA
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, 2016

<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); Duke Energy Carolinas, LLC (Duke); and Virginia Electric and Power Company (VEPCO) which does business in North Carolina under the name Dominion North Carolina Power (NC Power).

**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 2016 Progress provided electricity to 1,358,000 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 supply about 95% of the utility-generated electricity consumed in the state. Approximately 20% of the IOUs' 2015 total electric sales 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 1,921,000 North Carolina customers in 2015. 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 120,000 North Carolina customers in 2016. 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 31 EMCs serving 1,071,000 customers in North Carolina, including 26 that are headquartered in the state. The other five are headquartered in adjacent states. These EMCs serve customers in 95 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**

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, 19

codified at 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 2015, requiring investor-owned utilities to meet 6% of their NC retail sales renewable and EE sources. 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, 2016, the Commission submitted its ninth annual report to the Governor, the Environmental Review Commission, and the Joint Legislative Commission on Governmental Operations regarding Commission implementation of, and electric power supplier compliance with, the REPS. 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 the 2012-2015 general REPS requirements and the solar resource requirements, and appear on track to meet those requirements in 2016. Although the electric power suppliers also met the modified poultry waste resource requirements in 2015, most electric suppliers could not meet the swine waste resource requirements despite making reasonable efforts to do so. Again, that prompted the Commission in 2016 to delay the swine waste resource requirements and to modify the poultry waste requirements. The report is available on the Commission's web site, [www.ncuc.net](http://www.ncuc.net).

### **REPS Compliance**

As described above, each electric power supplier serving retail customers in the State is subject to the REPS requirements, including the specific requirements for 20 producing or purchasing electricity from solar, swine, and poultry waste resources. In 2015, the general REPS requirement increased to 6% of 2014 NC retail sales, the solar resource requirement increased to 0.07% of NC retail sales, the modified statewide aggregate poultry waste resource requirement was set by

the Commission at 170,000 MWh, and the swine waste resource requirement was again delayed.

The Commission monitors compliance with the REPS requirements through each electric power supplier's annual filing of a compliance report and compliance plan. The compliance report looks back at the previous year and provides details on the electric power supplier's compliance efforts. The compliance plan is a forward-looking forecast of an electric power supplier's REPS requirements and its plan for meeting those requirements. When the Commission concludes its review of each electric power supplier's REPS compliance report, the associated RECs are permanently retired. In addition, the Commission holds annual proceedings to consider approval of a REPS rider for each electric public utility, allowing for recovery of REPS compliance costs subject to the annual per account limits in G.S. 62-133.8(h) (cost caps).

As described in the Commission's October 1, 2016 report, the electric power suppliers met the 2012-2015 general REPS requirements and the solar resource requirements, and appear on track to meet those requirements in 2016. Although the electric power suppliers also met the modified poultry waste resource requirements in 2015, most electric suppliers could not meet the swine waste resource requirements despite making reasonable efforts to do so. On August 16, 2016, in Docket No. E-7, Sub 1106, the Commission issued an Order approving Duke's 2015 compliance report and retiring the RECs in Duke's 2015 compliance sub-account. On December 20, 2016, in Docket No. E-22, Sub 535, the Commission issued an order approving NC Power's 2015 compliance report and retiring the RECs in NC Power's compliance sub-account. In these Orders, the Commission concluded that the Utilities met their REPS requirements and costs were within the limits of G.S. 62-133.8(h). Approval of the other electric power suppliers' compliance reports are pending before the Commission. Of note, Progress states in its REPS Rider application that its REPS

compliance costs would have exceeded the cost limits of G.S. 62-133.8(h), and the expenses over that limit were re-allocated to other customer classes. Consideration of approval of that re-allocation method is pending before the Commission as part of Progress's REPS Rider proceeding. The other electric power suppliers appear on track to meet the REPS requirements within the cost limits.

On October 17, 2016, in Docket No. E-100, Sub 113, the Commission issued an Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief, delaying the swine waste resource requirements by one year and modifying the poultry waste resource requirement by maintaining the current requirement that the electric power suppliers, in the aggregate, produce 170,000 MWh from poultry waste resources and delaying scheduled increases in that requirement. That Order represents the fifth time that the Commission has taken similar action since enactment of the REPS statute. In that Order, the Commission found that the electric power suppliers made a reasonable effort to comply with the 2016 swine and poultry waste requirements but will not be able to do so. The inability to meet these requirements is largely due to the fact that the technology of power production from animal waste, particularly, swine waste continues to be in its early stages of development. The Commission's Order continued to require electric power suppliers to participate in semiannual reporting and stakeholder meetings, and noted encouraging developments that could allow compliance in future years.

### **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, NC Power, EnergyUnited, Halifax, and GreenCo have filed for and received approval for EE and DSM programs.

### **NC GreenPower**

Founded in 2003, NC GreenPower was launched as a voluntary program to supplement the State's existing power supply with more green energy - electricity generated from renewable energy sources like the sun, wind, water, and organic matter. NC GreenPower is a 501(c)(3) nonprofit organization improving our state's environment not only by supporting renewable energy, but also carbon offset projects and by providing grants for solar installations at North Carolina K-12 schools.

Following a two-year strategic planning process, NC GreenPower announced on April 1, 2015 a new pilot program to provide matching grants for the installation of solar photovoltaic (PV) arrays at schools, providing them with clean, green renewable energy. NC GreenPower will divert a portion of its current donations to help North Carolina K-12 schools acquire a solar PV system. The NC GreenPower Solar Schools pilot will give teachers valuable tools to educate students about renewable energy. Currently in its second year, the pilot program expects to award five schools in 2016 with a 3 kW solar PV array, monitoring equipment and curriculum for educators. In addition, the State Employees' Credit Union (SECU) members via the SECU Foundation will provide a total investment of up to \$140,000, awarding a \$10,000 matching challenge grant to 14 K-12 public schools that meet NC GreenPower's program requirements for the installation of a pole-mounted solar PV system on school campuses. The Foundation's matching challenge grant will increase each school to a 5 kW solar array system. Year one of the pilot successfully funded four schools with grants to install 5 kW solar PV systems.

On September 20, 2016, Duke Energy Carolinas announced that it will provide \$300,000 to NC GreenPower for "Schools Going Solar," which aims to provide 100% of the cost of solar installations for up to 10 schools in its North Carolina service territory. NC GreenPower will administer the program in conjunction with and in addition to its own statewide Solar Schools pilot program.

Contributions to NC GreenPower continue to help support the 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 utility bill or directly to NC GreenPower on its website. All current projects are located within North Carolina.

## **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 14, 2016, report stated that 8 major transmission projects are needed in North Carolina by the end of 2025 at an estimated cost of \$156 million. For more information, visit the NCTPC's website at [www.nctpc.net/nctpc](http://www.nctpc.net/nctpc).

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 new 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 NC Power 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 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.”

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 is to convene a workgroup of interested parties on or before May 2017 to discuss whether the State’s small generator interconnection standards require additional revisions.

On July 26, 2016, Governor McCrory signed SB 770, a bill allowing certain renewable energy facilities fueled by swine and poultry waste to be moved to the front of the interconnection study queue.

On August 16, 2016, the Commission issued an Order allowing four animal waste projects to move to the front of the interconnection study queue and requiring the Public Staff to convene a stakeholder process by the end of October 2016, to discuss future interconnections of animal waste projects. As of September 30, 2016, more than a combined total of 7,300 MW are in DEC and DEP’s interconnection queues and more than 6,600 MW are solar.

### **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 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, following hearings on its then-current net metering rule, the Commission issued an order requiring Duke, NC Power, and Progress 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 generating to offset off-peak consumption; any remaining on-peak generating 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.

On February 24, 2014, NCSEA filed a Motion for Disclosure and Equitable Relief requesting that the Commission direct Duke and Progress to: (1) guarantee, at a minimum, the continued availability of the current net-metering terms and conditions for 10 years for each residential and commercial customer who installs a net-metered rooftop solar system prior to issuance of a final order in any net-metering proceeding initiated in the coming year; and (2) disclose the analysis upon which Duke was basing its messaging that net metering in North Carolina is unfair. The Commission requested comments on NCSEA's motion. On May 28, 2014, the Commission issued an Order Denying Motion stating that there is no petition before the Commission to change the current net-metering policy, and that NCSEA's request for disclosure had become moot because Duke's analysis had become public.

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. However, on April 13, 2016, in Docket Nos. E-2, Sub 1106 and E-7, Sub 1113, Duke and Progress requested that the Commission waive certain provisions of Commission Rules R8-66 and R8-67 with regard to the reporting requirements for participants receiving service under their respective net metering tariffs under a schedule other than a time-of-use schedule with demand rates. That matter is pending before the Commission.

## **FEDERAL ENERGY INITIATIVES**

### **Open Access Transmission Tariff**

In April 1996, the FERC issued Order Nos. 888 and 889, which established rules governing open access to electric transmission systems by wholesale customers and required

the construction and use of an Open Access Same-time Information System (OASIS). In Order No. 888, the FERC also required utilities to file standard, non-discriminatory open access transmission tariffs (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**

In December 1999, the FERC issued Order No. 2000 encouraging the formation of regional transmission organizations (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 South Carolina Electric and Gas (SCEG) filed a proposal to form GridSouth Transco, TLC (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, NC Power's parent, 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 North Carolina

Utilities 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. That request remains pending before the Commission.

The Commission has continued to provide oversight over NC Power and PJM by using its own regulatory authority, engaging in regional cooperation with other state commissions, and 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).

### **Transmission Rate Filings**

In 2010, the Commission and the Public Staff jointly intervened in a NC Power transmission rate case before the FERC, arguing that some transmission costs should not be passed onto all transmission customers. Specifically, the Commission and the Public Staff argued that North Carolina citizens should not be required to pay the incremental cost of undergrounding several electric transmission lines located in Virginia when viable, less-costly overhead options were available. FERC agreed that it was unjust and unreasonable for wholesale transmission customers with loads outside Virginia to be allocated the incremental costs of undergrounding these projects and ordered a hearing and settlement judge procedures to establish the specific dollar values that should be excluded from wholesale transmission rates. Subsequently an administrative law judge issued his initial decision on February 16, 2016, determining the amount of the incremental costs of undergrounding certain projects and requiring Dominion to refund certain Virginia customers and North Carolina customers this incremental cost that has been paid. The parties are awaiting FERC approval of this decision.

### **Cyber Security**

Federal and State regulators are increasingly concerned about cyber security and physical threats to the nation's power system.

Cyber security threats may be posed by foreign nations or others intent on undermining the United States' electric grid. North Carolina's utilities are working to comply with federal standards that require them to identify critical components of their infrastructure and install additional protections from cyberattacks. The NC Utilities Commission meets with utility officials periodically to understand the cyber threats the utilities are facing and the actions they are taking to address these threats.

### **Physical Security**

In April of 2013 a substation near San Jose, California, suffered a well-planned attack during which firearms were used to severely damage electric equipment. In response to this and other incidents, the FERC on March 7, 2014, required NERC to quickly develop new reliability standards that would require each owner and operator of the bulk electric system to perform a risk assessment of its systems to identify critical facilities; evaluate potential threats to, and vulnerabilities of those facilities; and develop and implement a security plan to protect against attacks on those facilities. NERC developed the physical security standards and filed them with FERC on May 23, 2014. On July 17, 2014, FERC proposed modifications to the draft standards, including the ability for governmental authorities to add or subtract facilities from the list of critical facilities for which physical security measures would be required. After receiving comments, on November 20, 2014, FERC issued Order No. 802. That order requires NERC to remove wording that FERC believes could reduce the number of "critical facilities" that would be subject to the rule. The order did not adopt FERC's earlier proposal that would have allowed governmental authorities to add or remove facilities from the list of critical facilities. The rules became effective June 1, 2015.

### **EPA's Proposal to Regulate Carbon Emissions From Existing Power Plants**

On August 3, 2015, the U.S. Environmental Protection Agency (EPA) finalized regulations for reducing CO2 emissions from existing power plants, relying on authority from the Clean Air Act. These regulations establish CO2 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.

In North Carolina the Department of Environmental Quality (NCDEQ) is the lead agency for compliance with the Clean Air Act. On October 23, 2015, NCDEQ joined with 24 other 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 argued that EPA over-stepped its authority in promulgating the rules, that EPA lacks expertise and authority to regulate the energy grid, and that the 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 CO2 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, and remains pending.

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

In 2016, the three major electric utilities experienced a customer growth rate between 0.46% and 1.46% for their North Carolina operations. The net customer increase from December 31, 2015, to December 31, 2016, for

these companies was 47,429 bringing the total number of customers in 2016, to 3,426,756 as shown in Figure No. 4-5.

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

The annual consumption of kilowatt-hours per residential customer in 2016 for the three major companies was 13,212 kWhs as shown in Figure No. 4-6. This was a 1.0% decrease from 2015. The U.S. average annual residential consumption of kilowatt-hours for 2016 was 10,764. This is 22.7% lower than the North Carolina residential average usage. The average cost per kilowatt-hour for North Carolina residential customers is 11.03 cents versus the national average of 12.55 cents.

The average monthly electricity use by North Carolina residential customers of major electric companies is 1,101 kilowatt-hours compared to the U.S. average of 897. Residential customers constitute about 85% 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 2012-2016.

Figure No. 4-8 illustrates the General Rate Increases approved for Electric Companies. There was one rate increase approved in 2016.

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

In Figure No. 4-9 a typical residential electric bill as of January 1, 2017, 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 2017 North Carolina, in comparison to the 10 selected states, is the first lowest at the 500 kWh, 750 kWh, and the 1,000 kWh level.

In a comparison with the United States average, North Carolina monthly bills are the 10th lowest 500 kWh, 8<sup>th</sup> lowest for 750 kWh and

8th 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 2016 electric operating revenue dollar are shown by the pie charts on Figure No. 4-10. In 2016, fuel costs (excluding purchased power) required 23 cents while the remaining operation and maintenance costs required 29 cents. 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 2016. The chart in Figure No. 4-12 shows the fuel costs as a percent of total operational and maintenance expenses for the period 2012-2016.

#### **H. ENERGY SALES**

The major companies' total energy sales in North Carolina reflected an increase of 3.2% in 2016 with more than 129,475 million kilowatt-hours sold. Figure No. 4-13 shows energy sales by class of customer for the years 2012-2016.

#### **I. STATISTICAL SUMMARY DATA**

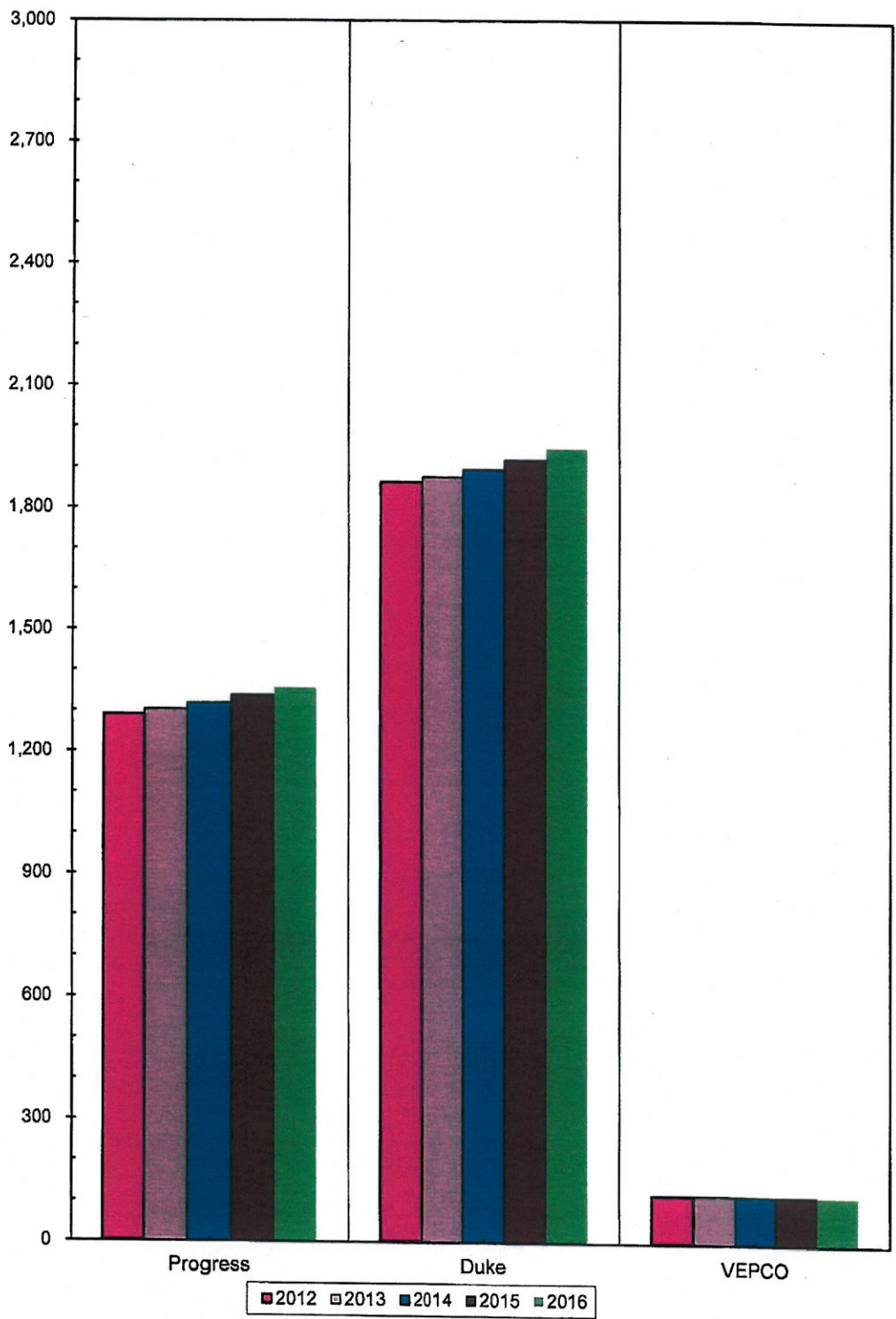
As shown in Figure No. 4-14(a), (b), and (c), the total operating revenues for North Carolina operations for the major electric utilities decreased 0.1% in 2016 compared to 2015.

North Carolina net operating income for the major electric companies increased 12.7% in 2016 over 2015.

Total company net income available for common shareholders of the major companies was \$11,258,533 for 2016 compared to \$10,507,060 for 2015. The number of common shares outstanding at year-end was 274,723,000 in 2016. The average earnings per share (year-end outstanding) at December 31, 2016, were \$40.98.

Total salaries and wages paid North Carolina employees by major companies for 2016 was \$1,629,072, an increase of 5.6% from 2015. In 2016 the number of employees residing in North Carolina was 13,974 compared to 14,608 in 2015.

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



**FIGURE NO. 4-6**

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

2012, 2013, 2014, 2015, and 2016  
(Three Privately Owned Major Utilities Only)

UTILITIES	2012	2013	2014	2015	2016
N.C. Statewide Average	12,924	13,176	13,632	13,356	13,212
N.C. (Charlotte & Raleigh)(a)	13,288	13,288	13,645	13,253	13,294
S.C. (Columbia & Charleston)(b)	11,141	13,045	13,887	13,361	13,430
U. S. Average	10,848	10,908	10,932	10,812	10,764
N.C. (Charlotte & Raleigh) Higher/Lower(-) than S.C. (Columbia & Charleston)	19.3%	1.9%	-1.7%	-0.8%	-1.0%
Higher than U.S. Average	19.1%	20.8%	24.7%	23.5%	22.7%

(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, 2014,

The Energy Information Administration web site.

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

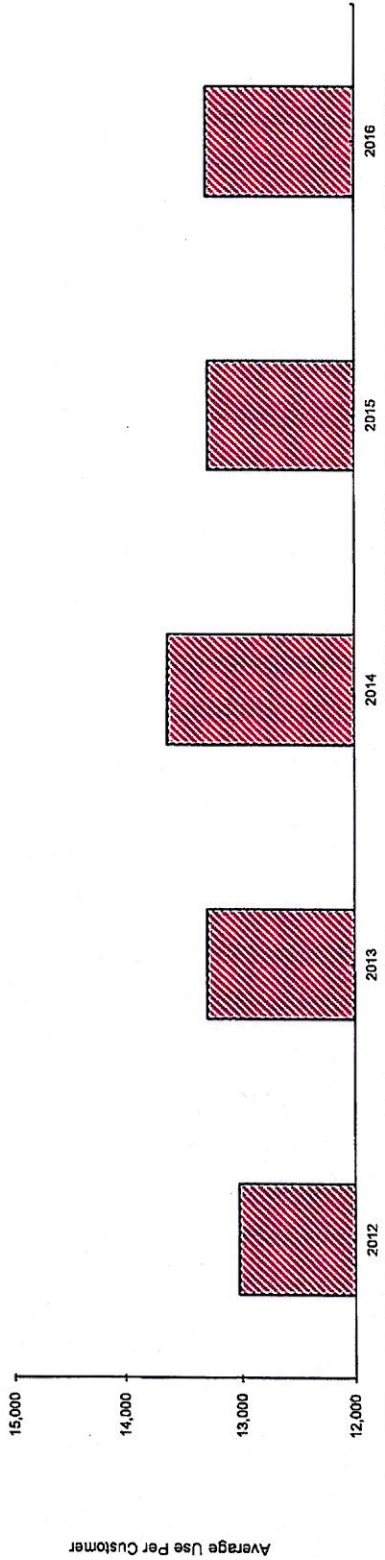
S.C. (Columbia & Charleston)--S.C. Electric & Gas Co.

U.S. Average--Calculated From Table 5. U.S. Average Monthly Bill by Sector, Census Division and State, 2014,

The Energy Information Administration web site.



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



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

	2012	2013	2014	2015	2016
Average kWh Usage	13,026	13,285	13,630	13,280	13,299
Cents Per kWh	10.31	10.37	10.55	10.78	10.57

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

	2012	2013	2014	2015	2016
Progress	10.43	10.61	10.55	11.01	10.78
Duke	10.21	10.16	10.56	10.62	10.43
VEPCO	10.38	10.69	10.44	10.63	10.47

**FIGURE NO. 4-8**

**General Rate Increases Approved for Electric Companies  
For the Year 2016**

Company	Date Filed	Docket Number	Amount Requested (000s)	Amount Approved (000s)	% Approved of Amount Requested	Date of Final Order
Dominion North Carolina Power	3/31/2016	E-22, Sub 532	\$ 51,073	\$ 25,790	50.00%	12/22/2016
<b>Total</b>			<b>\$ 51,073</b>	<b>\$ 25,790</b>	<b>50.50%</b>	

FIGURE NO. 4-9

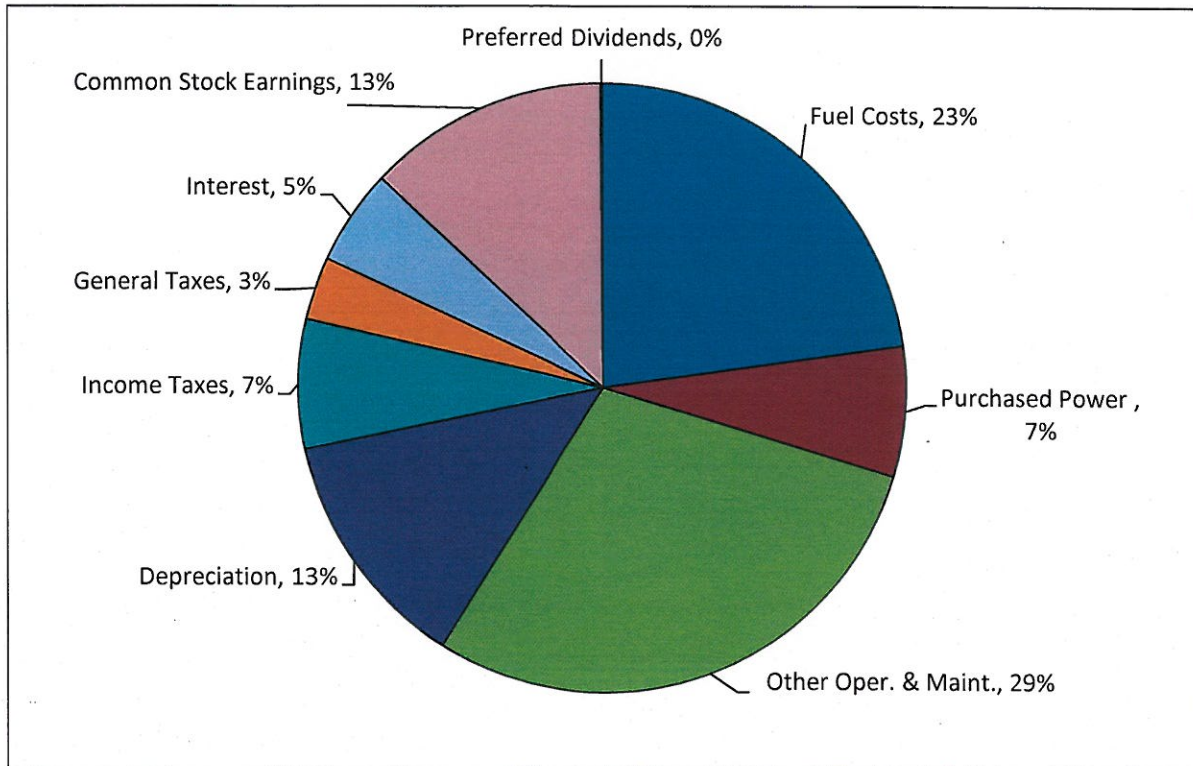
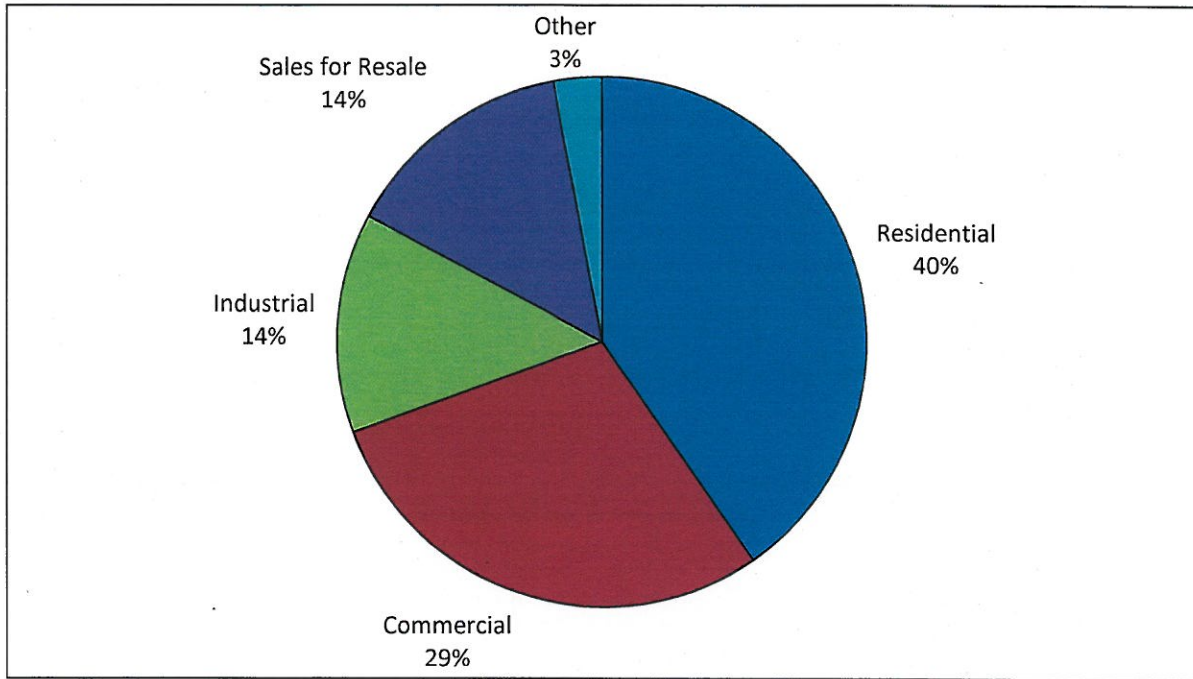
COMPARATIVE TYPICAL RESIDENTIAL ELECTRIC BILLS  
 NINE SELECTED STATES, NORTH CAROLINA, AND U.S. AVERAGE  
 STATE AVERAGE MONTHLY BILLS-RESIDENTIAL SERVICE  
 (Cities of 2,500 Population and Over) Data as of January 1 of each year

STATE:	500 kWh Assumed Consumption					750 kWh Assumed Consumption					1000 kWh Assumed Consumption							
	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017
North Carolina	\$54.77	\$55.87	\$59.46	\$59.75	\$58.56	\$ 57.17	\$77.68	\$79.03	\$ 83.26	\$ 83.63	\$ 81.86	\$ 79.59	\$100.59	\$102.19	\$107.06	\$107.52	\$105.17	\$102.00
Alabama	67.85	67.85	\$67.85	\$71.12	\$71.05	\$ 74.09	94.33	94.33	\$ 94.33	\$ 99.21	\$ 99.12	\$103.68	117.74	117.74	117.74	\$124.26	\$124.15	\$130.22
California	76.15	80.44	\$83.11	\$94.15	\$94.78	\$102.75	135.13	144.54	\$152.66	\$164.75	\$164.63	\$175.88	199.57	214.10	226.13	\$239.84	\$238.70	\$253.98
Florida	60.94	59.27	\$64.65	\$65.47	\$65.14	\$ 65.32	86.78	83.61	\$ 90.68	\$ 91.79	\$ 91.19	\$ 91.25	112.83	107.94	116.71	\$118.12	\$117.23	\$117.19
Indiana	64.40	65.47	\$67.93	\$68.97	\$66.74	\$ 72.92	89.28	90.90	\$ 94.54	\$ 96.17	\$ 92.83	\$101.30	114.17	116.32	121.16	\$123.37	\$118.91	\$129.68
Maine	79.58	77.16	\$77.46	\$81.57	\$79.61	\$ 78.97	119.36	115.74	\$116.18	\$122.35	\$119.41	\$118.45	159.15	154.32	154.90	\$163.13	\$159.20	\$157.93
Michigan	69.33	70.27	\$73.01	\$73.35	\$75.47	\$ 78.20	99.94	101.39	\$105.34	\$105.89	\$108.97	\$112.70	130.57	132.53	137.69	\$138.45	\$142.50	\$147.22
Ohio	64.90	64.32	\$67.90	\$72.40	\$69.34	\$ 64.49	119.36	95.03	\$ 99.15	\$104.27	\$100.12	\$ 92.73	122.64	121.41	126.75	\$134.22	\$130.44	\$120.57
South Carolina	58.97	60.55	\$63.93	\$60.59	\$60.87	\$ 66.99	109.68	86.95	\$ 91.76	\$ 86.32	\$ 86.74	\$ 95.69	109.68	112.33	118.57	\$110.80	\$111.38	\$123.37
Virginia	54.41	56.75	\$57.73	\$65.76	\$66.31	\$ 59.58	77.38	80.89	\$ 82.02	\$ 94.50	\$ 95.17	\$ 84.79	99.11	103.79	105.08	\$122.22	\$123.65	\$108.78
United States	66.16	67.05	\$69.40	\$72.53	\$70.68	\$ 71.25	95.50	96.84	\$100.28	\$104.43	\$101.68	\$102.30	124.31	126.11	130.54	\$136.01	\$132.12	\$132.87
N. C. Rank (Low to High) (10 States Listed)	2nd lowest	1st lowest	2nd lowest	2nd lowest	1st lowest	1st lowest	2nd lowest	1st lowest	2nd lowest	1st lowest	1st lowest	1st lowest	2nd lowest	1st lowest	2nd lowest	1st lowest	1st lowest	1st lowest
N. C. Rank (Low to High) (50 States & DC)	20th lowest	19th lowest	21st lowest	21st lowest	15th lowest	10th lowest	20th lowest	17th lowest	19th lowest	15th lowest	13th lowest	8th lowest	22nd lowest	19th lowest	21st lowest	14th lowest	13th lowest	8th lowest
% U.S. Average Higher/Lower(-) Than NC Average	20.80%	20.01%	16.72%	21.39%	20.70%	24.63%	22.94%	22.54%	20.44%	24.87%	24.21%	28.53%	23.56%	23.41%	21.93%	26.50%	25.63%	30.26%

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

**FIGURE NO. 4-10**

**Source and Disposition of the Operating Revenue Dollar  
2016 Electric Companies (N. C. Operations Only)**



## FIGURE NO. 4-11

2016

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	\$4,116,453	40.37%
Commercial	2,964,068	29.07%
Industrial	1,367,953	13.42%
Sales for Resale	1,450,073	14.22%
Other	298,152	2.92%
<b>Total</b>	<b>\$10,196,699</b>	<b>100.00%</b>

<b>DISPOSITION:</b>		
Fuel Costs	2,325,973	22.81%
Purchased Power	704,426	6.91%
Other Oper. & Maint.	2,985,841	29.28%
Depreciation	1,304,666	12.79%
Income Taxes	699,114	6.86%
General Taxes	341,871	3.35%
Interest	520,074	5.10%
Common Stock Earnings	1,314,734	12.89%
Preferred Dividends	0	0.10%
<b>Total</b>	<b>10,196,699</b>	<b>100.00%</b>

**FIGURE NO. 4-12**

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

ITEM	2012	2013	2014	2015	2016
Fuel Costs (1)	\$2,517,046	\$2,718,313	\$2,923,889	\$2,590,103	\$2,325,973
Purchased Power Costs (Fuel and Nonfuel)	\$822,427	\$632,601	798,326	678,934	704,426
Other Operating & Maintenance Expenses	\$2,647,817	\$2,650,098	\$2,715,332	\$3,180,185	\$2,985,841
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$5,648,976</b>	<b>\$5,987,290</b>	<b>\$6,001,012</b>	<b>\$6,437,547</b>	<b>\$6,016,240</b>
Fuel Costs as a % of Total Operating & Maintenance Expenses (2)	44.56%	45.40%	48.72%	40.23%	38.66%

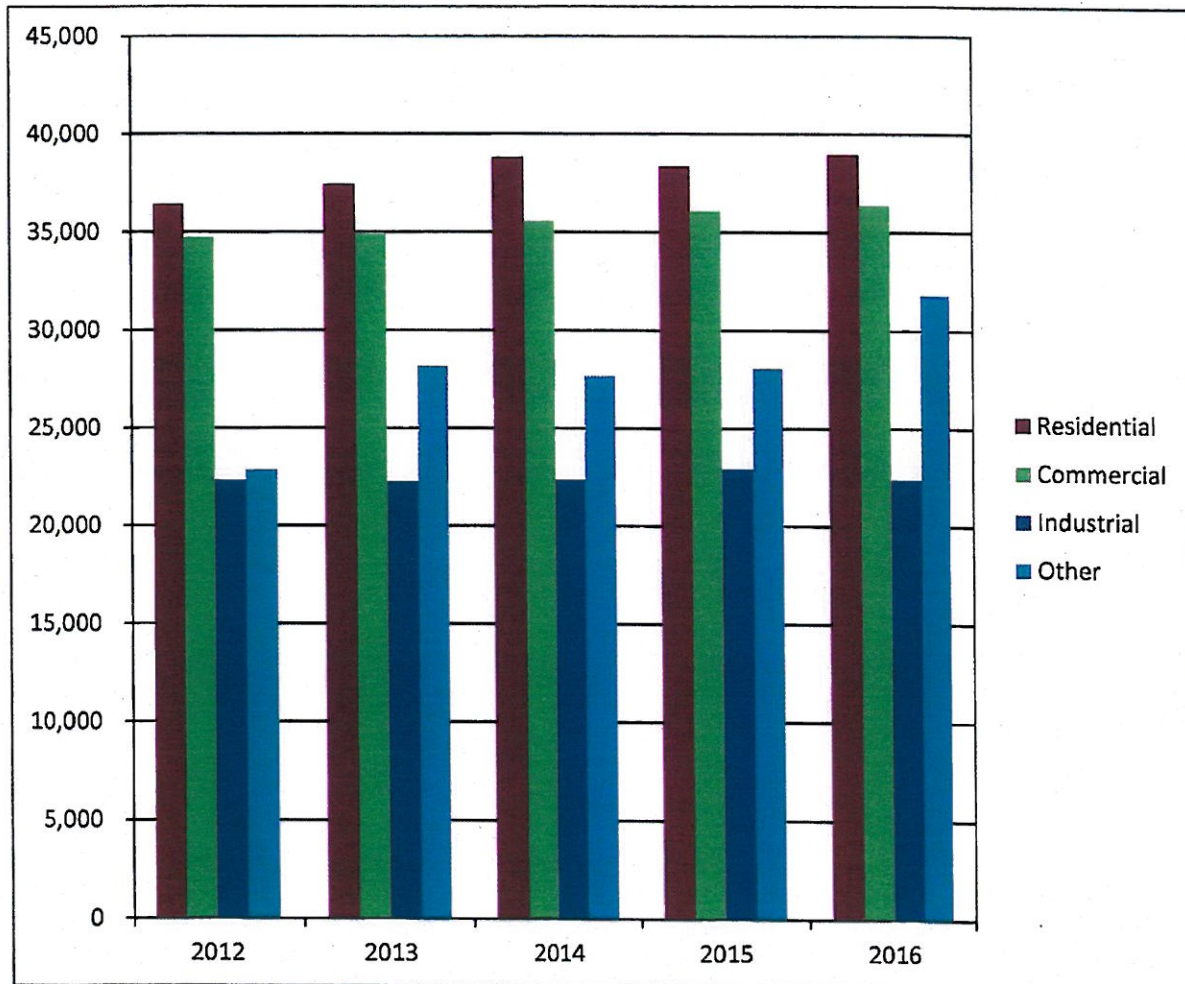
(1) Source: FERC Form No. 1: Annual Report of Major Electric Utilities

(2) Fuel Costs percentage does not include Purchased Power

**FIGURE NO. 4-13**

**2016 Energy Sales by Classes**  
*(expressed in thousands - 000)*  
**North Carolina Data Only**

Class	2012	2013	2014	2015	2016
Residential	36,395	37,420	38,812	38,340	38,948
Commercial	34,738	34,898	35,573	36,071	36,373
Industrial	22,352	22,261	22,366	22,940	22,386
Other	22,844	28,169	27,646	28,057	31,767
<b>Total</b>	<b>116,329</b>	<b>122,748</b>	<b>124,397</b>	<b>125,408</b>	<b>129,475</b>
<b>% Change</b>		<b>5.5%</b>	<b>1.3%</b>	<b>0.8%</b>	<b>3.2%</b>



MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA

Income Statement, Balance Sheet, and Other Statistical Items (Dollars in 000s)

For the Years 2012, 2013, 2014, 2015 and 2016

Item	2012	2013	2014	2015	2016	% Change 2015-2016
No. of Companies Regulated and Included in this Data	3	3	3	3	3	
<b>INCOME STATEMENT (NC ONLY):</b>						
Income Items:						
Residential Sales	\$3,751,546	\$3,879,012	\$4,095,145	\$4,132,128	\$4,116,453	(0.4)
Commercial Sales	2,841,898	2,881,501	2,924,236	\$2,949,453	\$2,964,068	0.5
Industrial Sales	1,395,880	1,390,477	1,406,096	\$1,447,452	\$1,367,953	(5.5)
Sales for Resale	1,138,205	1,435,144	1,456,057	\$1,398,524	\$1,450,073	3.7
All Other Operating Revenue	496,403	550,408	554,694	\$425,721	\$467,191	9.7
<b>Total Operating Revenue</b>	<b>\$9,623,932</b>	<b>\$10,136,542</b>	<b>\$10,436,228</b>	<b>\$10,353,278</b>	<b>\$10,365,738</b>	<b>0.1</b>
Expense Items:						
Power Production Expense	\$4,661,763	\$4,690,957	\$5,185,825	\$5,040,404	\$4,754,172	0.9
Transmission Expense	111,645	94,813	93,288	89,322	88,027	(1.4)
Distribution Expense	249,574	271,171	352,998	317,440	364,476	14.8
Customer Accounts Expense	106,149	104,646	83,392	112,644	108,897	(3.3)
Customer Service & Informational Expense	63,931	69,708	21,763	20,383	21,336	4.7
Sales Expense	2,433	2,692	9,194	11,894	13,288	11.7
Administrative & General Expense	791,795	767,025	691,087	687,872	666,044	(3.2)
Depreciation Expense	1,035,155	1,038,026	1,164,605	1,264,773	1,304,666	3.2
<b>Total Expenses Before Taxes</b>	<b>\$7,022,445</b>	<b>\$7,039,038</b>	<b>\$7,602,152</b>	<b>\$7,544,732</b>	<b>\$7,320,906</b>	<b>(3.0)</b>
State Taxes:						
Income Tax	(\$14,014)	\$17,027	\$55,593	\$14,633	\$12,708	(13.2)
Gross Receipts Tax	230,753	260,600	133,058	10,543	5,909	(44.0)
Property Tax	98,023	101,510	133,060	140,405	148,815	6.0
Other Operating Taxes	171,863	86,900	110,832	151,404	173,289	14.5
<b>Total State Taxes</b>	<b>\$486,625</b>	<b>\$466,037</b>	<b>\$432,543</b>	<b>\$316,985</b>	<b>\$340,721</b>	<b>7.5</b>
Federal Taxes:						
Income Tax	(\$60,777)	\$47,696	(\$3,929)	\$130,361	\$17,283	(90.3)
Provision for Deferred Income Tax	631,261	719,643	589,111	555,944	669,123	20.4
Income Tax Deferred in Prior Years	0	0	0	0	0	N/COMP
Investment Tax Credit	(10,664)	(10,708)	(10,398)	(10,246)	(6,686)	(34.7)
Payroll, Unemployment, & Other Federal Taxes	5,096	32,244	33,658	37,462	29,117	(22.3)
<b>Total Federal Taxes</b>	<b>\$1,538,166</b>	<b>\$788,875</b>	<b>\$608,442</b>	<b>\$713,521</b>	<b>\$708,837</b>	<b>(0.7)</b>
<b>Total State &amp; Federal Taxes</b>	<b>\$2,024,791</b>	<b>\$1,254,913</b>	<b>\$1,040,985</b>	<b>\$1,030,506</b>	<b>\$1,049,558</b>	<b>1.8</b>
<b>Other Operating Expenses</b>	<b>\$103,707</b>	<b>\$86,900</b>	<b>\$169,759</b>	<b>\$152,070</b>	<b>\$172,179</b>	<b>13.2</b>
<b>Total Operating Expenses</b>	<b>\$8,177,693</b>	<b>\$8,422,760</b>	<b>\$8,812,896</b>	<b>\$8,727,308</b>	<b>\$8,542,643</b>	<b>(2.1)</b>
<b>Net Operating Income</b>	<b>\$1,446,239</b>	<b>\$1,714,278</b>	<b>\$1,623,828</b>	<b>\$1,628,246</b>	<b>\$1,834,808</b>	<b>12.7</b>
<b>Other Income &amp; Expenses:</b>						
Other Income	\$51,119	\$61,322	\$124,852	\$115,615	\$72,538	(37.3)
Allowance for Funds Used During Construction	178,711	107,664	114,873	115,240	121,142	5.1
Deductions From Income	226,684	54,904	74,594	29,725	93,268	68.1
Taxes on Other Income	(77,504)	29,603	59,541	35,597	12,793	(64.1)
<b>Net Other Income &amp; Expense</b>	<b>\$18,356</b>	<b>\$84,479</b>	<b>\$105,591</b>	<b>\$165,533</b>	<b>\$87,619</b>	<b>(47.1)</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 2012, 2013, 2014, 2015 and 2016

Item	2012	2013	2014	2015	2016	% Change 2015-2016
<b>Fixed Charges:</b>						
Interest on Funded Debt	\$515,522	\$518,219	\$508,010	\$544,086	\$563,382	3.5
Other Fixed Charges	44,510	(9,935)	47,734	32,538	34,654	6.5
AFUDC	75,148	45,593	38,005	46,842	44,093	(5.9)
<b>Total Fixed Charges</b>	<b>\$484,884</b>	<b>\$462,691</b>	<b>\$517,739</b>	<b>\$529,782</b>	<b>\$553,942</b>	<b>4.6</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>\$1,382,873</b>	<b>\$1,335,562</b>	<b>\$1,211,680</b>	<b>\$1,263,997</b>	<b>\$1,368,485</b>	<b>8.3</b>
<b>BALANCE SHEET:</b>						
<b>Assets:</b>						
Utility Plant	\$43,992,867	\$45,223,540	\$48,469,015	\$53,203,682	\$53,979,275	1.5
Depreciation Reserve	17,932,026	18,353,752	18,956,069	20,706,575	21,026,996	1.5
<b>Net Plant</b>	<b>\$26,060,841</b>	<b>\$26,869,788</b>	<b>\$29,512,945</b>	<b>\$32,497,107</b>	<b>\$32,952,279</b>	<b>1.4</b>
Nonutility Property	87,712	86,751	87,176	87,621	85,702	(2.2)
Other Investments	3,199,350	3,975,790	4,990,069	4,661,940	7,199,820	54.4
Cash	27,704	35,577	(59,601)	(21,046)	19,722	(1.9)
Temporary Cash Investments	0	0	0	0	0	N/COMP
Customer Accounts Receivable	1,014,689	1,118,439	859,022	1,202,837	1,109,905	(7.7)
Plant Material & Operating Supplies	843,768	981,471	1,106,435	1,232,385	1,247,683	1.2
Prepayments	62,596	53,716	33,293	40,547	46,380	14.4
Interest & Dividends Receivable	17,153	266	171	76	398	80.9
Other Current & Accrued Assets	7,588,558	4,765,353	6,675,858	7,256,783	445,771	(93.9)
Unamortized Debt Expense	64,276	64,860	62,072	69,458	73,277	5.5
Miscellaneous Deferred Debits	878,298	914,994	767,687	957,580	1,287,783	34.5
Accumulated Deferred Income Taxes	2,814,278	2,786,514	3,294,592	3,847,675	3,963,807	3.0
Other Deferred Debits	92,799	83,705	79,942	65,452	58,420	(10.7)
<b>Total Assets</b>	<b>\$42,742,022</b>	<b>\$41,737,224</b>	<b>\$47,409,660</b>	<b>\$51,898,414</b>	<b>\$48,490,947</b>	<b>(6.6)</b>
<b>Liabilities &amp; Stockholder's Equity:</b>						
<b>Liabilities:</b>						
Accounts Payable	\$1,186,701	\$1,156,991	\$1,402,160	1,243,445	\$1,479,906	19.0
Notes Payable	361,268	443,892	86,606	260,911	245,445	(5.9)
Total Long-Term Debt	10,930,716	11,159,916	11,434,083	12,327,045	12,752,160	3.4
Taxes Accrued	40,152	155,817	133,705	133,705	129,752	(3.0)
Miscellaneous Current & Accrued Liabilities	5,309,291	4,386,907	7,794,816	6,363,711	844,846	(86.7)
Current & Accrued Liabilities	2,577,697	146,823	159,679	2,459,135	2,878,028	17.0
Accumulated Deferred Investment Tax Credit	244,247	234,817	224,989	266,308	279,487	4.9
Accumulated Deferred Income Tax	8,599,026	9,096,897	10,350,013	11,312,155	11,667,145	3.1
Other Deferred Credits	1,149,673	1,770,065	2,003,565	2,164,147	2,363,802	9.2
<b>Total Liabilities</b>	<b>\$30,398,771</b>	<b>\$28,552,125</b>	<b>\$33,589,616</b>	<b>\$36,530,562</b>	<b>\$32,640,570</b>	<b>(10.6)</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 2012, 2013, 2014, 2015 and 2016

Item	2012	2013	2014	2015	2016	% Change 2015-2016
<b>Stockholder's Equity:</b>						
Preferred Stock	60,697	8,729	0	0	0	N/COMP
Common Stock	1,737,033	1,762,924	1,752,211	212,858	208,268	(2.2)
Other Paid in Capital	3,204,706	3,209,969	3,219,586	5,306,409	5,283,746	(0.4)
Retained Earnings	7,625,495	8,488,301	9,071,131	10,133,770	10,392,922	2.6
Other	(284,680)	(286,612)	(224,671)	(286,968)	(213,366)	(25.6)
<b>Total Stockholder's Equity</b>	<b>\$12,343,251</b>	<b>\$13,183,311</b>	<b>\$13,818,257</b>	<b>\$15,366,069</b>	<b>\$15,671,570</b>	<b>2.0</b>
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>\$40,895,376</b>	<b>\$46,774,715</b>	<b>\$47,409,660</b>	<b>\$51,898,414</b>	<b>\$53,518,272</b>	<b>3.1</b>
<b>STATISTICAL INFORMATION (N.C. ONLY):</b>						
Systems Sales to Ultimate Consumer (kWh in 000s)	115,935,450	117,064,249	98,690,867	99,279,408	99,597,329	0.3
System Sales for Resale (kWh in 000s)	22,529,032	27,403,509	25,695,765	26,167,155	29,877,232	14.2
Total Sales to Ultimate Customers & For Resale (000s)	138,464,482	144,467,758	124,386,632	125,446,563	129,474,561	3.2
Total Customers--Yearly Average	3,819,531	3,850,570	3,334,451	3,379,327	3,426,756	1.4
Average Number kWhs Used per Residential Customer	13,026	13,285	13,630	13,280	13,299	0.1
Average Revenue per kWh--Residential Customer (cents)	10.31	10.37	10.55	10.78	10.57	(1.9)
Number of Employees Residing in N. C.	12,321	12,776	13,760	14,608	13,974	(4.3)
Wages & Salaries Paid N. C. Employees	\$1,289,034	\$1,436,987	\$1,481,520	\$1,542,948	\$1,629,072	5.6
<b>SYSTEMWIDE DATA:</b>						
Operating Revenues	\$18,572,492	\$19,184,712	\$20,101,643	\$20,136,829	\$20,174,328	0.2
Operating Expenses	9,808,191	9,727,394	10,387,496	9,850,243	9,045,720	(8.2)
Net Operating Income	\$8,764,301	\$9,457,318	\$9,714,147	\$10,286,586	\$11,128,608	8.2
<b>Net Other Income (Expense)</b>	<b>172,963</b>	<b>178,026</b>	<b>171,953</b>	<b>220,474</b>	<b>129,925</b>	<b>(41.1)</b>
<b>Net Income</b>	<b>\$8,937,264</b>	<b>\$9,635,344</b>	<b>\$9,886,100</b>	<b>\$10,507,060</b>	<b>\$11,258,533</b>	<b>7.2</b>
Preferred Dividends	(19,460)	(16,296)	(10,869)	0	0	0.0
Net Income for Common Shareholders	\$8,956,724	\$9,651,640	\$9,896,969	\$10,507,060	\$11,258,533	7.2
<b>STATISTICAL INFORMATION (SYSTEMWIDE):</b>						
Long-Term Debt	\$20,063,209	\$21,521,179	\$22,654,487	\$24,217,928	\$27,127,802	12.0
Total Capitalization	24,039,973	25,676,702	26,737,227	29,211,927	29,436,744	0.8
Long-Term Debt % of Total Capitalization	83.50%	83.80%	84.73%	82.9%	92.2%	11.2
Shares of Common Stock Outstanding-- Year End (000s)	434,331	434,331	434,331	274,723	274,723	0.0
Average Earnings Per Share--Shares at Year End (After Preferred Stock Dividends)	\$20.62	\$22.22	\$22.79	\$38.25	\$40.98	7.1

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 2016. 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 548,889 natural gas customers in 28 counties in the piedmont and mountain areas of North Carolina in 2016. 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. 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)** 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, 724,906 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 3,436 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.

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 418 miles of distribution main, 71 miles of which are in North Carolina. Toccoa serves approximately 6,481 customers with most of them in Georgia. There are 683 customers in North Carolina; of which 445 are residential, 236 are commercial, and 2 are miscellaneous.

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 2016 calendar year. As of December 2016, their combined North Carolina total gross investment was \$6,638,201 for the two major regulated gas utilities. This represents an increase of 10.0% from the preceding year. Figure No. 5-4 shows the gross plant investment for the natural gas companies for the period 1983-2016.

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

In 2016, 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 1985-2016. Figure No. 5-6 shows graphically the customer growth for the years 2012-2016 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 2012-2016 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 2012-2016.

In 2016 industrial sales totaled more than 6.8 million dekatherms. This reflects a 1.1% increase from the 2015 sales. Total industrial sales of dekatherms accounted for 3.1% of total natural gas sales in North Carolina by the regulated natural gas companies. Residential sales accounted for 27.1% of the total dekatherm sales; an decrease of 4.3% from 2015.

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 2015 and 2016.

The municipals experienced a 26.75% increase in the number of customers in 2016 over 2015, and the two major regulated gas utilities increased by 2.08%, resulting in a combined increase of 3.7%. Revenues from the sales of gas in 2016 decreased at a rate of 14.5% for the two major regulated gas companies and decreased at a rate of 10.7% for the municipals, resulting in a combined increase of 11.6%. The quantity of gas sold and transported in terms of dekatherms in 2016 increased 36.0% for the regulated companies and increased 7.6% for the municipals, for a combined increase of 32.2%.

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 2016 constituted 110.3 million dekatherms or 50.6% 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:** In January 2016, Duke Energy Corporation and Piedmont filed an application to engage in a business combination transaction. 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 merger pursuant to G.S. 62-11(a) subject to compliance with the provisions of its Order, the Public Staff settlement, the CUCA (Carolina Utility Customers Association, Inc.) Agreement, the EDF (Environmental Defense Fund) Agreement, and the Regulatory Conditions and Code of Conduct. The Commission ordered Piedmont to credit \$10 million to its North Carolina customers through a one-time bill credit to be completed by December 31, 2016. See Figure No. 5-12.

**Rate Cases:** PSNC filed a general rate case in 2016 in Docket No. G-5, Sub 565. Piedmont requested an increase of \$41,583,020, but the amount approved was \$19,054,160 which is 45.82% of the amount requested. See Figure No. 5-12.

**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 2016.

**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 4,193 miles of transmission mains and 30,792 miles of distribution mains serving 1,452,272 customers in North Carolina.

**Enforcement Activity:** Taking into consideration the fact that there were multiple inspectors working on the same day on different inspections during 2016, the Gas Pipeline Safety Section of the Commission spent the equivalent of 579 days inspecting 19 natural gas operators. Of the 81 units inspected, 7 violations were detected. By the end of the year, all of the violations had been

corrected. The cost of conducting the pipeline program for 2016 was \$796,099 of which \$478,843 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 2006 through 2016. 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 2016.

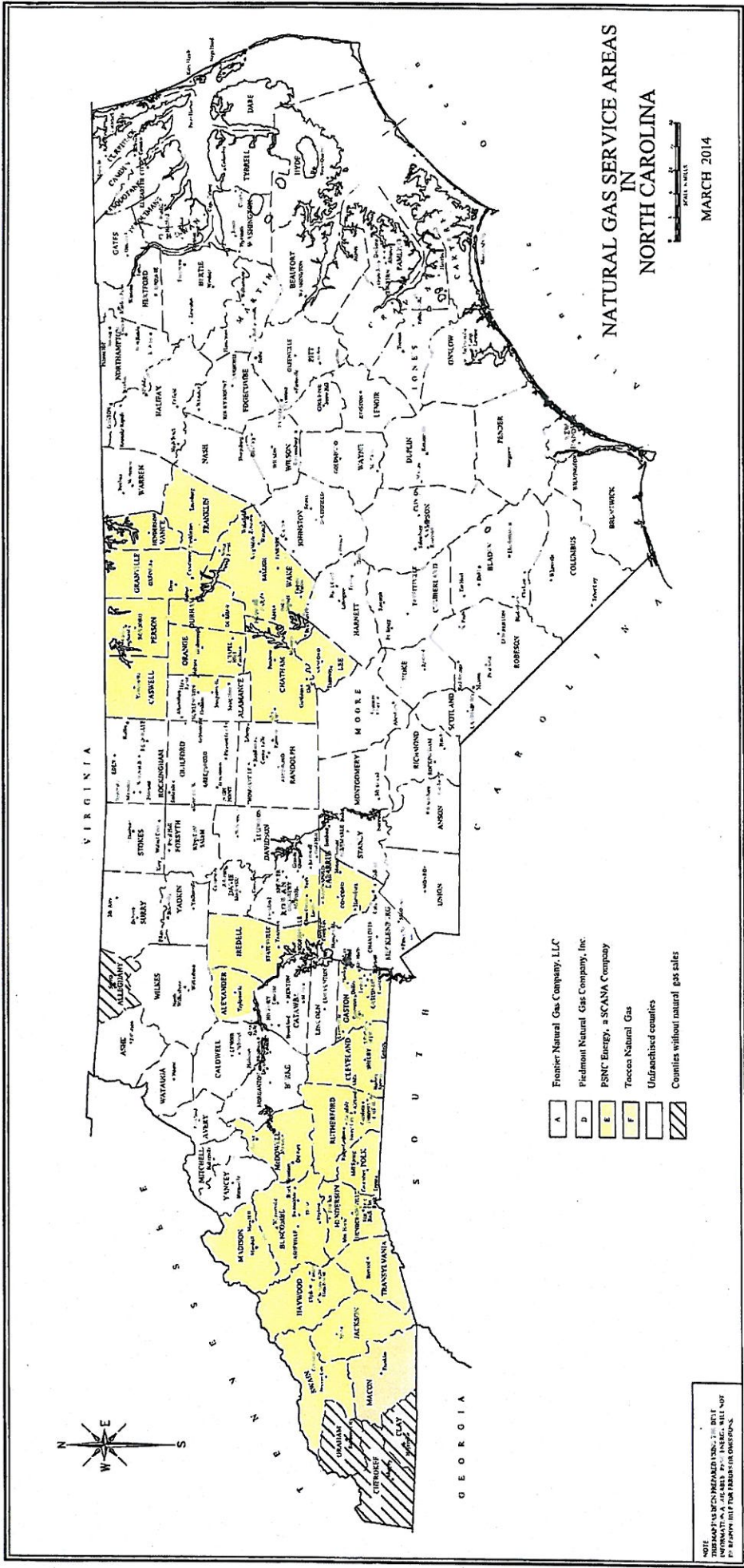
#### **H. STATISTICAL SUMMARY DATA**

The total gross operating revenues for the Class A natural gas North Carolina companies was approximately \$1.5 billion in 2016. Operating expenses including taxes increased 23.5% in 2016.

The average number of full-time employees in 2016 totaled 2,236 an increase of 4 people or 0.2% from 2015. The total wages paid these employees equaled \$166.7 million; a 12.5% decrease from the previous year.

Figure No. 5-15 A, B and C has additional financial and operating statistical data for the years 2012 through 2016.





NATURAL GAS SERVICE AREAS  
IN  
NORTH CAROLINA

MARCH 2014

- A Frontier Natural Gas Company, LLC
- B Piedmont Natural Gas Company, Inc.
- C PSNC Energy, a SCANA Company
- D Tecum Natural Gas
- E Unfranchised counties
- F Counties without natural gas sales

NOTE: COUNTY BOUNDARIES AND SERVICE AREAS ARE BASED ON THE BEST AVAILABLE INFORMATION AS OF THE DATE OF THIS REPORT. PSNC ENERGY, A SCANA COMPANY, IS NOT RESPONSIBLE FOR ERRORS OR OMISSIONS.

**FIGURE NO. 5-2  
NORTH CAROLINA GAS COMPANIES  
As of December 31, 2016**

**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, 2016**

**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)  
 1983-2016

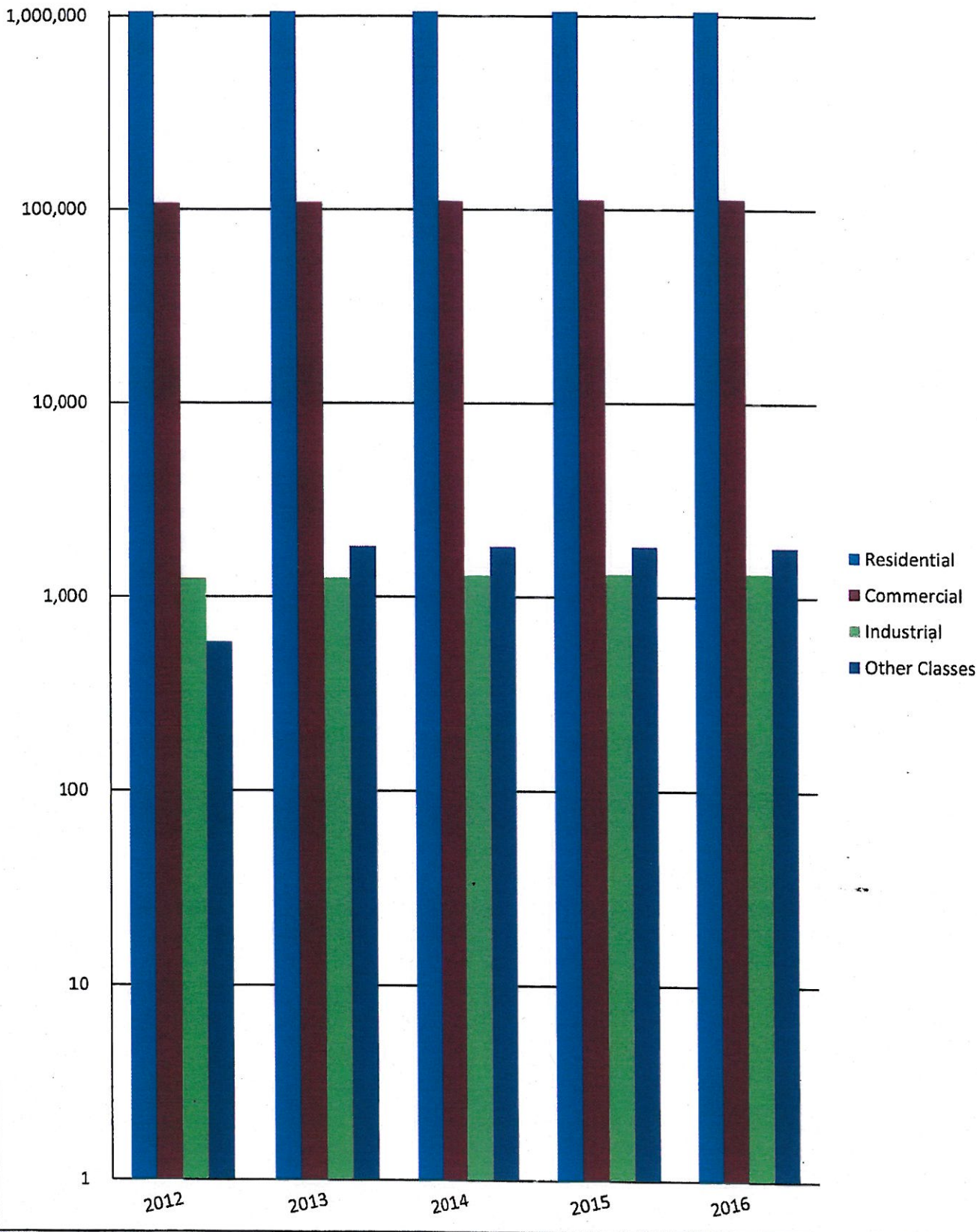
Year	North Carolina Natural Gas Company	NUI North Carolina Gas	Piedmont Natural Gas Company	Public Service Co. of N. C.	Totals	% Change From Prior Year
1983	92,729	6,834	189,714	199,101	488,378	7.8 %
1984	98,956	7,061	206,014	219,625	531,656	8.9 %
1985	113,096	7,439	224,957	239,663	585,155	10.1 %
1986	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 %
<b>Percent Change</b>						
2016 over 2015			9.9	10.4	10.0	

FIGURE NO. 5-5

**CUSTOMERS BY CLASSIFICATION (YEARLY AVERAGE)**  
**(N.C. Data Only)**  
**1985-2016**

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 %
<b>Percent Change</b>						
2016 over 2015	2.1 %	1.0 %	1.1 %	(0.5) %	2.0 %	

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



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

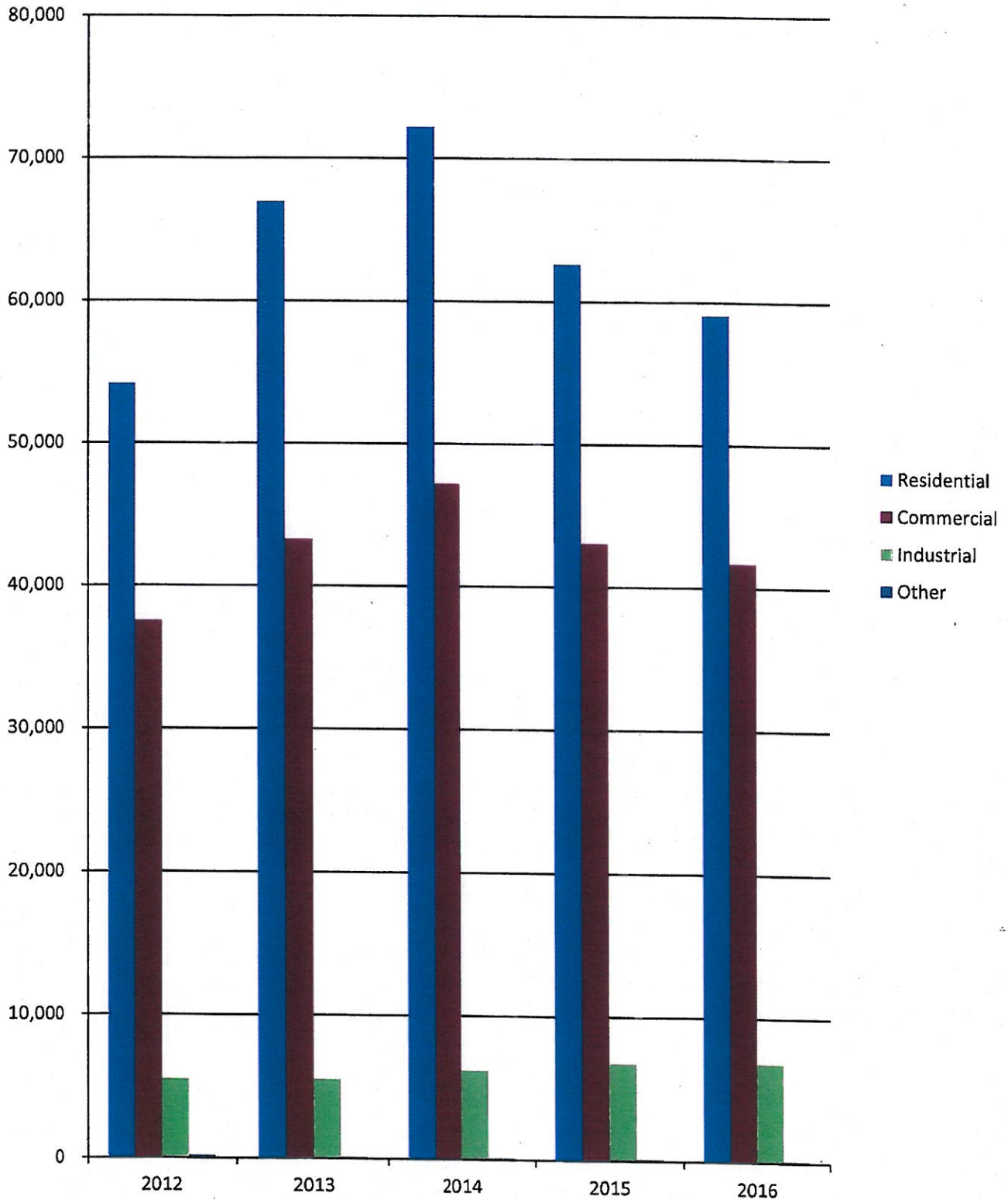


FIGURE NO. 5-8 A

Summary of Natural Gas Deliveries of  
 Dekatherms, Revenues and Customers by Classification  
 With Percent of Totals Shown  
 Calendar Years 2011, 2012, 2013, 2014, 2015 and 2016

<u>Sales--DTs (000s)</u>	2014	% of Total	2015	% of Total	2016	% of Total
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>

<u>Revenues: (\$000s)</u>	2014	% of Total	2015	% of Total	2016	% of Total
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>

<u>Customers: (Year End)</u>	2014	% of Total	2015	% of Total	2016	% of Total
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>

<u>Sales--DTs (000s)</u>	2011	% of Total	2012	% of Total	2013	% of Total
Residential	58,533	29.8 %	54,168	27.6 %	66,925	30.1 %
Commercial	38,713	19.7	37,509	19.1	43,239	19.4
Industrial	5,831	3.0	5,506	2.8	5,509	2.5
Other	675	0.3	177	0.1	82	0.0
<b>Total Sales</b>	<b>103,752</b>	<b>52.7</b>	<b>97,360</b>	<b>49.6</b>	<b>115,755</b>	<b>52.0</b>
Gas Transported for Others	92,970	47.3	98,893	50.4	106,735	48.0
<b>Total Throughput of Gas</b>	<b>196,722</b>	<b>100.0 %</b>	<b>196,253</b>	<b>100.0 %</b>	<b>222,490</b>	<b>100.0 %</b>

<u>Revenues: (\$000s)</u>	2011	% of Total	2012	% of Total	2013	% of Total
Residential	\$717,565	58.2 %	\$645,466	57.4 %	\$771,139	56.9 %
Commercial	361,707	29.3	314,594	28.0	389,165	28.7
Industrial	41,227	3.3	31,781	2.8	17,164	1.3
Other Sales	7,877	0.6	824	0.1	7,368	0.5
<b>Total Sales of Gas</b>	<b>1,128,376</b>	<b>91.5</b>	<b>992,665</b>	<b>88.3</b>	<b>1,184,836</b>	<b>87.4</b>
Gas Transported for Others	98,857	8.0	124,837	11.1	169,108	12.5
Other Operating Revenues	6,261	0.5	6,773	0.6	1,883	0.1
<b>Total Revenues</b>	<b>\$1,233,494</b>	<b>100.0 %</b>	<b>\$1,124,275</b>	<b>100.0 %</b>	<b>\$1,355,827</b>	<b>100.0 %</b>

<u>Customers: (Year End)</u>	2011	% of Total	2012	% of Total	2013	% of Total
Residential	1,054,162	90.6 %	1,071,973	90.8 %	1,089,315	90.7 %
Commercial	106,217	9.1	107,346	9.1	108,484	9.0
Industrial	1,265	0.1	1,247	0.1	1,256	0.1
Other	1,588	0.1	584	0.0	1,818	0.2
<b>Total Customers</b>	<b>1,163,232</b>	<b>100.0 %</b>	<b>1,181,150</b>	<b>100.0 %</b>	<b>1,200,873</b>	<b>100.0 %</b>

FIGURE NO. 5-8 B

**Percent Change in Deliveries of Gas: (Dekatherms)**

<u>Sales--DTs (000s)</u>	<u>2013-2014</u>			<u>2014-2015</u>		<u>2015-2016</u>	
	<u>2013</u>	<u>2014</u>	<u>% Change</u>	<u>2015</u>	<u>% Change</u>	<u>2016</u>	<u>% Change</u>
Residential	66,925	72,703	8.6 %	62,598	(13.9) %	59,075	(5.6) %
Commercial	43,239	47,178	9.1	43,028	(8.8)	41,689	(3.1)
Industrial	5,509	6,187	12.3	6,768	9.4	6,845	1.1
Other	82	91	11.0	103	13.2	84	(18.4)
<b>Total Sales</b>	<b>115,755</b>	<b>125,659</b>	<b>8.6 %</b>	<b>112,497</b>	<b>(10.5) %</b>	<b>107,693</b>	<b>(4.3) %</b>
Gas Transported for Others	106,735	109,614	2.7	111,537	1.8	110,382	(1.0)
<b>Total Throughput of Gas</b>	<b>222,490</b>	<b>235,273</b>	<b>5.7 %</b>	<b>224,034</b>	<b>(4.8) %</b>	<b>218,075</b>	<b>(2.7) %</b>

<u>Sales--DTs (000s)</u>	<u>2011-2012</u>			<u>2012-2013</u>	
	<u>2011</u>	<u>2012</u>	<u>% Change</u>	<u>2013</u>	<u>% Change</u>
Residential	58,533	54,168	(7.5) %	66,925	23.6 %
Commercial	38,713	37,509	(3.1)	43,239	15.3
Industrial	5,831	5,506	(5.6)	5,509	0.1
Other	675	177	(73.8)	82	(53.7)
<b>Total Sales</b>	<b>103,752</b>	<b>97,360</b>	<b>(6.2) %</b>	<b>115,755</b>	<b>18.9 %</b>
Gas Transported for Others	92,970	98,893	6.4	106,735	7.9
<b>Total Throughput of Gas</b>	<b>196,722</b>	<b>196,253</b>	<b>(0.2) %</b>	<b>222,490</b>	<b>13.4 %</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)		
	2015	2016	% Change 2015-2016	2015	2016	% Change 2015-2016	2015	2016	% Change 2015-2016
<b>Class A:</b>									
Piedmont Natural Gas	713,982	724,906	1.53 %	\$656,863	\$798,734	21.6 %	67,809	64,826	(4.4) %
Public Service Co. of N.C.	533,845	548,889	2.82	407,728	419,867	3.0	44,688	88,128	97.2
<b>Total--Regulated Utilities</b>	<b>1,247,827</b>	<b>1,273,795</b>	<b>2.08 %</b>	<b>\$1,064,591</b>	<b>\$1,218,601</b>	<b>14.5 %</b>	<b>112,497</b>	<b>152,954</b>	<b>36.0 %</b>
<b>Municipals:</b>									
Bessemer City	1,244	6,572	428.30 %	\$1,310	\$1,150	(12.2) %	87	74	(14.9) %
Greenville, City of	22,840	29,717	30.11	36,391	36,482	0.3	3,458	4,206	21.6
Kings Mountain, City of	3,773	3,765	(0.21)	5,177	3,873	(25.2)	678	615	(9.3)
Lexington, City of	9,275	13,739	48.13	12,693	14,063	10.8	2,233	3,193	43.0
Monroe, City of	10,889	13,628	25.15	17,261	16,292	(5.6)	3,357	3,450	2.8
Rocky Mount, City of	17,033	16,903	(0.76)	26,994	20,218	(25.1)	2,131	1,733	(18.7)
Shelby, City of	9,645	13,040	35.20	19,937	16,240	(18.5)	3,640	3,826	5.1
Wilson, City of	13,167	14,009	6.39	18,969	15,619	(17.7)	1,533	1,314	(14.3)
<b>Total--Municipals</b>	<b>87,866</b>	<b>111,373</b>	<b>26.75 %</b>	<b>\$138,732</b>	<b>\$123,937</b>	<b>(10.7) %</b>	<b>17,117</b>	<b>18,411</b>	<b>7.6 %</b>
<b>GRAND TOTALS--ALL GAS SYSTEMS</b>	<b>1,335,693</b>	<b>1,385,168</b>	<b>3.70 %</b>	<b>\$1,203,323</b>	<b>\$1,342,538</b>	<b>11.6 %</b>	<b>129,614</b>	<b>171,365</b>	<b>32.2 %</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 2011, 2012, 2013, 2014, 2015 and 2016

Company	Annual Dekatherm Use*						Rate per Dekatherm						Total Annual Cost						
	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	
N. C. Gas Companies: (N.C. Data Only)																			
Piedmont Natural Gas Co., Inc.	55	55	61	65	55	48	12.61	12.20	11.07	11.42	11.41	12.95	693.38	670.82	675.24	742.47	627.69	621.78	
Public Service Co. of N.C., Inc.	56	56	62	66	55	55	11.79	11.54	12.12	11.46	10.48	10.03	660.18	645.99	751.67	756.68	576.54	551.63	
<b>Average</b>	56	56	62	66	55	52	\$12.20	\$11.87	\$11.60	\$11.44	\$10.95	\$11.49	\$676.78	\$658.41	\$713.46	\$749.58	\$602.12	\$586.70	

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

**FIGURE NO. 5-11**

**GAS TRACKING CHANGES APPROVED  
2016**

Company	Date Filed	Docket No.	Increase/ (Decrease)	Increase/ (Decrease) Per Dekatherm
Piedmont Natural Gas Company, Inc.	10/19/2016*	G-9, Sub 695	\$50,662,419	\$0.7642
Public Service Company of NC, Inc.	12/15/2016**	G-5, Sub 572	\$37,253,221	\$0.7573
<b>Total</b>			<b>\$87,915,640</b>	

\* Rate Change was approved October 31, 2016 and was effective November 1, 2016.

\*\* Rate Change was approved December 22, 2016 and was effective January 1, 2017.

FIGURE NO. 5-12

GENERAL RATE INCREASES APPROVED  
GAS COMPANIES  
2016

Company	Date Filed	Docket No.	Amount Requested (\$)	Amount Approved (\$)	% Approved Of Amount Requested	Date of Final Order
Piedmont Natural Gas Company, Inc.	None in 2016					
Public Service Company of NC, Inc.	10/31/16	G-5, Sub 565	\$41,583,020	\$19,054,160	45.82%	10/28/16
Total			\$41,583,020	\$19,054,160	45.82%	

**FIGURE NO. 5-13**

**SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR**

(N.C. DATA ONLY)

For the Years 2006-2016

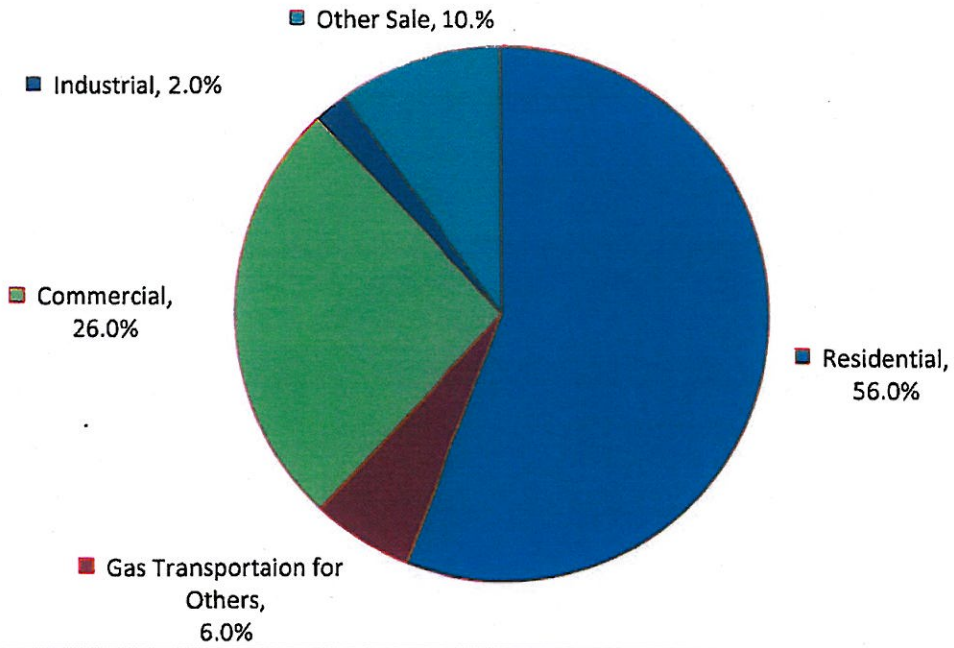
Source	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Residential	55%	55%	55%	58%	59%	58%	57%	57%	56%	55%	56%
Commercial	30%	28%	29%	31%	30%	29%	28%	29%	28%	27%	26%
Industrial	8%	9%	9%	4%	4%	3%	3%	1%	3%	3%	3%
Other	7%	8%	7%	7%	7%	10%	12%	13%	13%	15%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Disposition	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cost of Purchased Gas	65%	64%	78%	68%	66%	59%	55%	60%	61%	50%	47%
Other Operating Expenses	15%	15%	0%	-1%	3%	2%	2%	0%	0%	-1%	-4%
Depreciation & Amortization	6%	6%	6%	8%	8%	10%	10%	11%	11%	15%	16%
Income Taxes	3%	3%	4%	6%	5%	6%	6%	7%	6%	8%	8%
General Taxes	2%	2%	2%	3%	3%	3%	9%	3%	3%	4%	6%
Interest & Preferred Dividends	0%	-2%	-1%	5%	5%	4%	3%	3%	3%	4%	4%
Common Stock Earnings	9%	12%	11%	11%	10%	14%	15%	17%	16%	20%	24%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Figure No. 5-14**

**Source and Disposition of the Revenue Dollar  
Gas Companies (North Carolina Data Only) for 2016**

**SOURCE:**



**DISPOSITION:**

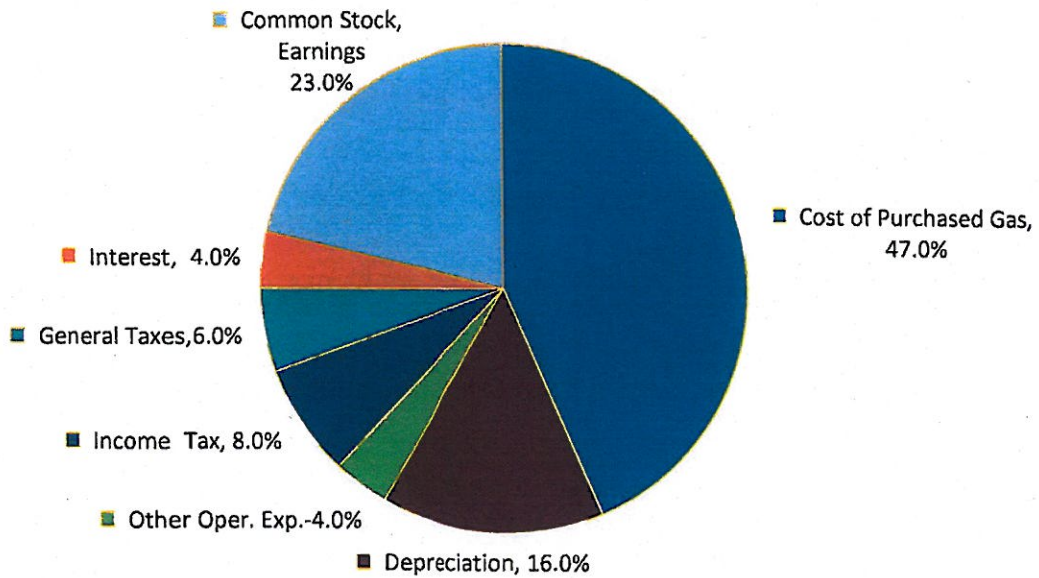


FIGURE NO. 5-15A  
CLASS A GAS COMPANIES  
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS  
For the Years 2012, 2013, 2014, 2015 and 2016

ITEM	2012	2013	2014	2015	2016	% Change 2015-2016
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	\$ 645,466	\$ 771,139	\$ 826,072	\$ 689,287	\$ 1,515,359	119.8 %
Commercial	314,594	389,165	409,940	335,136	745,076	122.3
Industrial	31,781	17,164	42,587	38,992	81,579	109.2
Other Sales	824	7,368	1,235	1,177	2,412	104.9
Total Sales of Gas	992,665	1,184,836	1,279,834	1,064,592	1,330,648	25.0
Gas Transported for Others	124,837	169,108	83,590	76,400	197,326	158.3
Other Operating Revenues	6,773	1,883	105,549	105,351	10,698	(89.8)
<b>Total Gas Operating Revenues</b>	<b>\$1,124,275</b>	<b>\$ 1,355,827</b>	<b>\$ 1,468,973</b>	<b>\$ 1,246,343</b>	<b>\$ 1,538,672</b>	<b>23.5 %</b>
<b>Expense Items:</b>						
Production Expense	\$ 487,113	\$ 676,482	\$ 748,346	\$ 485,775	\$ 1,234,121	154.1 %
Transmission Expense	11,707	2,548	12,798	12,095	24,893	105.8
Distribution Expense	61,972	11,656	64,837	69,364	134,201	93.5
Customer Accounts Expense	24,855	62,429	29,645	29,169	58,814	101.6
Sales Expense	8,073	27,771	8,730	8,346	17,076	104.6
Administrative & General Expense	144,258	3,598	166,391	174,868	341,259	95.2
Depreciation Expense	115,546	8,479	131,110	142,328	273,438	92.1
Natural Gas Storage	2,795	151,603	3,144	2,976	6,120	105.6
Customer Service & Informational Expense	3,903	125,801	3,736	3,734	7,470	100.1
Other Expense	(75,808)	(3,225)	(4,046)	(4,510)	(4,085)	N/C
<b>Total Operating Expenses Before Taxes</b>	<b>\$784,414</b>	<b>\$ 1,067,142</b>	<b>\$ 1,164,691</b>	<b>\$ 924,145</b>	<b>\$ 909,290</b>	<b>(1.6) %</b>
<b>State Taxes:</b>						
Income Tax	10,532	11,046	9,987	6,208	(3,518)	(156.7) %
Gross Receipts Tax	-	-	350	1,176	1,577	N/C
Property Tax	78,764	25,085	26,966	29,325	30,571	N/C
<b>Total State Taxes</b>	<b>\$89,296</b>	<b>\$ 36,131</b>	<b>\$ 37,303</b>	<b>\$ 36,709</b>	<b>\$ 28,630</b>	<b>(22.0) %</b>
<b>Federal Taxes:</b>						
Income Tax	\$ 59,489	\$ 50,003	\$ 35,939	\$ 25,059	\$ (43,364)	(273.0) %
Provision for Deferred Taxes	(558)	13,772	29,208	48,735	114,419	N/C
Investment Tax Credit	(322)	(275)	(167)	(143)	(138)	(3.5)
Payroll, Unemployment & Other Federal Taxes	28,414	9,176	9,698	9,587	11,747	22.5
<b>Total Federal Taxes</b>	<b>\$87,023</b>	<b>\$72,676</b>	<b>\$74,678</b>	<b>\$83,238</b>	<b>\$82,664</b>	<b>(0.7) %</b>
<b>Total State &amp; Federal Taxes</b>	<b>\$176,319</b>	<b>\$108,807</b>	<b>\$111,981</b>	<b>\$119,947</b>	<b>\$111,294</b>	<b>(7.2) %</b>
<b>Total Operating Expenses</b>	<b>\$960,733</b>	<b>\$1,175,949</b>	<b>\$1,276,672</b>	<b>\$1,044,092</b>	<b>\$1,020,585</b>	<b>(2.3) %</b>
<b>Net Operating Income</b>	<b>\$163,542</b>	<b>\$ 179,878</b>	<b>\$ 192,301</b>	<b>\$ 202,251</b>	<b>\$ 518,087</b>	<b>156.2 %</b>
<b>Other Income &amp; Expenses</b>						
Other Income	\$ 37,545	\$ 38,363	\$ 53,331	\$ 57,453	\$ 118,542	106.3 %
Allowance for Funds Used During Construction	20,106	23,223	14,274	10,597	4,001	(62.2)
Deductions from Income	2,199	4,866	4,404	11,056	21,491	94.4
Taxes on Other Income & Deductions	20,802	20,547	22,416	20,796	58,692	182.2
<b>Total Other Income &amp; Expense</b>	<b>\$34,650</b>	<b>\$ 36,174</b>	<b>\$ 40,785</b>	<b>\$ 36,198</b>	<b>\$ 42,360</b>	<b>17.0 %</b>
<b>Fixed Charges</b>						
Interest on Funded Debt	\$ 51,484	\$ 62,148	\$ 66,531	\$ 73,791	\$ 82,396	11.7 %
Other Fixed Charges	5,201	3,435	10,770	8,775	5,228	(40.4)
Allow. for Borrowed Funds Used During Construction	92	415	1,232	(632)	(1,014)	60.4
<b>Total Fixed Charges</b>	<b>\$56,999</b>	<b>\$ 65,998</b>	<b>\$ 78,533</b>	<b>\$ 81,934</b>	<b>\$ 86,609</b>	<b>5.7 %</b>
Extraordinary Items	0	0	0	0	0	N/C
<b>Net Income</b>	<b>\$140,459</b>	<b>\$152,883</b>	<b>\$ 159,016</b>	<b>\$ 158,514</b>	<b>\$ 475,836</b>	<b>200.2 %</b>

N/C = Not Comparable

FIGURE NO. 5-15B  
CLASS A GAS COMPANIES  
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS  
For the Years 2012, 2013, 2014, 2015 and 2016

ITEM	2012	2013	2014	2015	2016	% Change 2015-2016
<b>BALANCE SHEET (000s):</b>						
Utility Plant in Service	\$4,355,929	\$5,011,151	\$5,568,418	\$6,033,869	\$6,638,201	10.0 %
Construction Work in Progress	332,435	288,334	144,570	179,572	189,562	5.6
Acquisition Adjustments	4,806	2,323	2,311	2,343	0	(100.0)
<b>Total Utility Plant</b>	<b>\$4,693,170</b>	<b>\$5,301,808</b>	<b>\$5,715,299</b>	<b>\$6,215,784</b>	<b>\$6,833,579</b>	<b>9.9 %</b>
Depreciation Reserve	1,428,886	1,543,041	1,885,943	2,009,513	2,121,625	5.6
<b>Net Utility Plant</b>	<b>\$3,264,285</b>	<b>\$3,758,767</b>	<b>3,829,356</b>	<b>4,206,271</b>	<b>4,711,954</b>	<b>12.0 %</b>
<b>Other Property &amp; Investments:</b>						
Nonutility Property - Net	23	13	7	4	2	(50.0)
Investments in Associated Companies	0	0	0	0	0	N/C
Other Investments	(139,673)	(116,974)	(114,929)	(143,841)	501,818	(448.9)
<b>Total Other Property &amp; Investments</b>	<b>(\$139,650)</b>	<b>(\$116,961)</b>	<b>(114,922)</b>	<b>(123,561)</b>	<b>503,697</b>	<b>N/C</b>
Cash	39,072	37,795	29,625	25,807	27,501	6.6 %
Special Deposits	68	71	70	71	72	1.4
Working Funds	181	167	103	232	24	(89.7)
Customer Accounts Receivable	245,948	322,942	322,469	237,156	284,685	20.0
Less Accum. Prov. for Uncollectible Acct. Credit	(2,517)	(2,903)	(3,182)	(2,806)	(2,766)	(1.4)
Materials, Supplies, Merchandise	7,627	9,280	11,027	11,750	11,792	0.4
Stores Expense Undistributed	0	0	0	0	0	N/C
Temporary Cash Investments	0	0	0	0	0	N/C
Gas Stored Underground	87,354	92,809	107,100	80,578	57,417	(28.7)
Liquidified Natural Gas Stored	25,296	23,608	28,434	23,264	19,737	(15.2)
Deferred Cost of Purchased Gas	0	0	0	0	0	N/C
Prepayments	5,415	8,374	9,504	10,274	7,799	(24.1)
Miscellaneous Current & Accrued Assets	34,147	44,222	38,573	16,264	39,814	144.8
Other Assets	360,203	283,485	301,005	348,999	544,013	55.9
<b>Total Assets</b>	<b>\$3,977,428</b>	<b>\$4,461,657</b>	<b>\$4,559,162</b>	<b>\$4,834,300</b>	<b>6,205,738</b>	<b>28.4 %</b>
<b>Liabilities &amp; Stockholder's Equity:</b>						
Common Stock	320,472	450,487	469,826	540,695	645,143	19.3
Other Paid-in Capital	637,312	633,741	636,559	633,348	634,681	0.2
Premium on Capital Stock	0	0	0	0	0	N/C
Retained Earnings	305,055	352,372	390,804	427,109	691,236	61.8
<b>Total Stockholder's Equity</b>	<b>\$1,262,839</b>	<b>\$1,436,600</b>	<b>\$1,497,189</b>	<b>\$1,601,152</b>	<b>\$1,969,572</b>	<b>23.0 %</b>
Total Long-Term Debt	1,043,989	1,215,165	1,393,540	1,519,124	2,338,372	53.9 %
Notes Payable	410,084	441,840	385,311	430,267	319,399	(25.8)
Accounts Payable	133,919	154,517	162,361	113,147	191,171	69.0
Customer Deposits	23,965	23,619	24,507	24,442	18,215	(25.5)
Taxes Accrued	11,474	13,559	2,375	(8,241)	(9,931)	20.5
Interest Accrued	22,676	25,780	27,979	30,046	31,176	3.8
Other Current and Accrued Liabilities	263,038	302,089	132,409	113,000	85,358	(24.5)
Accumulated Deferred Investment Tax Credits	1,209	1,004	853	743	629	(15.3)
Accumulated Deferred Income Taxes	604,626	690,070	780,511	869,680	982,164	12.9
Miscellaneous Noncurrent	154,542	115,373	122,598	129,675	249,280	92.2
Other Liabilities	(4,933)	42,039	29,528	27,582	30,334	10.0
<b>Total Liabilities</b>	<b>\$2,664,589</b>	<b>\$3,025,055</b>	<b>3,061,972</b>	<b>3,249,463</b>	<b>4,236,166</b>	<b>30.4 %</b>
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>\$3,927,428</b>	<b>\$4,461,657</b>	<b>4,559,162</b>	<b>4,834,300</b>	<b>6,205,738</b>	<b>28.4 %</b>



FIGURE NO. 5-15C  
 CLASS A GAS COMPANIES  
 INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS  
 For the Years 2012, 2013, 2014, 2015 and 2016

ITEM	2012	2013	2014	2015	2016	% Change 2015-2016
<b>SYSTEMWIDE DATA:</b>						
<b>BALANCE SHEET ITEMS (000s):</b>						
Long-Term Debt	1,043,989	1,215,165	1,393,540	1,519,124	2,338,372	53.9 %
Retained Earnings	307,458	352,372	390,804	427,109	691,236	61.8 %
Total Capitalization	1,351,447	1,567,537	1,784,344	1,946,234	3,029,608	55.7 %
Long-Term Debt % of Total Capitalization	75.5%	77.5%	78.1%	78.1%	77.2%	(1.2) %
Average Number of Common Shares Outstanding (Actual)	201,000	201,000	201,000	201,000	301,000	49.8 %
Earnings Per Average Common Shares Outstanding (After Preferred Dividends)	\$0.70	\$0.76	\$0.79	\$0.79	\$1.58	100.0 %
<b>CUSTOMER AND MISCELLANEOUS DATA (NC DATA):</b>						
Average Annual Use--Residential Customers (DTs)	51	61	67	57	57	0.0 %
Total Residential Customers	1,071,973	1,089,315	1,111,016	1,133,167	1,137,985	0.4 %
Grand Total--All Type Customers	1,181,150	1,200,873	1,224,338	1,247,827	1,263,480	1.3 %
Average Number Full-Time Employees	2,090	2,096	2,181	2,232	2,236	0.2 %
Total Salaries and Wages Paid Employees (\$000s)	142,787	148,289	160,116	190,515	166,734	(12.5) %
Average Annual Compensation Per Employee	\$68,319	\$70,749	\$73,414	\$85,356	\$74,568	(12.6) %

N/C = Not Comparable

## **VI. COMMUNICATIONS INDUSTRY**

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

At March 31, 2017, there were sixteen (16) local exchange telephone companies (LECs), two hundred fifty-three (253) interexchange long distance carriers (IXCs), and one hundred sixty-five (165) competing local providers (CLPs) under the jurisdiction of the North Carolina Utilities Commission.

Figure No. 6-1 lists the sixteen (16) LECs and the sixteen (16) shared-tenant service (STS) providers authorized to operate by the Utilities Commission as of March 31, 2017. 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 2015. **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, 2017, two hundred fifty-three (253) 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, 2017, one LEC operate under Commission Authorized Price Regulation Plan including: Citizens Telephone Company d/b/a/ Comporium. Currently, no LECs remain 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 February 17, 2017, eleven (11) LECs and eight (8) CLPs have elected Subsection (h) Price Plans: dishNet Wireline, LLC (CLP); Barnardsville Telephone Company; Service Telephone Company; Saluda Mountain Telephone Company; Ellerbe Telephone Company (ILEC); ETC Communications, LLC (CLP); Frontier Communications of America Inc. (CLP); Frontier Communications of the Carolinas, LLC (ILEC); North State Telephone Company (ILEC); Onvoy, LLC (CLP); Rosebud Telephone, LLC (CLP); SCTG Communications (CLP); Smithville Telecom, LLC (CLP); Town of Pineville (ILEC); Tri-County Communications, Inc. (CLP); Verizon South, Inc. (ILEC); Windstream Concord Telephone, LLC (ILEC); Windstream Lexcom Communications, LLC (ILEC); and Windstream North Carolina, LLC (ILEC).

#### **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 May 4, 2016, thirteen companies have elected Subsection (m) Price Plans: AT&T Corporation (CLP); BellSouth Telecommunications, LLC (ILEC); Carolina Telephone and Telegraph Company (ILEC); Central Telephone Company (ILEC); CenturyLink Communications, LLC (CLP);

Comporium, Inc. (CLP); Crosstel Tandem, Inc. (CLP); Lightrunner, LLC (CLP); MebTel, Inc. (ILEC); 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 sixteen shared tenant service (STS) providers operating in North Carolina as of June 30, 2016. 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 43 of these still certified as of March 31, 2017. 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 1,383,230 access lines in service at December 31, 2016; 1,539,682 as of December 31, 2015; 1,732,222 as of December 31, 2014; 1,923,265 as of December 31, 2013; 2,123,059 as of December 31, 2012, and 2,364,232 as of December 31, 2011. This is a decrease of 12% from 2015 to 2016. 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. For a definition of access line see Figure No. 6-3.

#### **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 ILECs, 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 (ILECs) 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 ILECs 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 publically 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 MARCH 31, 2017**

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)  
dba MEBTEL Communications  
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)  
dba PTC Communications  
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 MARCH 31, 2017**

Duke University (STS-3)  
Box 90210  
Durham, NC 27708

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

East Carolina University (STS-18)  
Joyner Library  
Greenville, NC 27858-4353

University of NC at Chapel Hill (STS-15)  
CB 1830  
Giles Horney Building  
Chapel Hill, NC 27599-1830

Fayetteville State University (STS-29)  
1200 Murchison Road  
Fayetteville, NC 28301-4298

University of NC at Greensboro (STS-11)  
1000 Spring Garden Street  
Greensboro, NC 27412

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

University of NC at Pembroke (STS-14)  
P. O. Box 1510  
Pembroke, NC 28372-1510

High Point University (STS-20)  
University Station  
33 Montlieu Avenue  
High Point, NC 27262-3598

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

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

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

North Carolina Central University (STS-22)  
1801 Fayetteville Street  
Durham, NC 27707

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

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

Winston Salem State University (STS-16)  
P. O. Box 19394  
Winston Salem, NC 27110



## 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 2012 THROUGH 2016

Telephone Companies	Number of Access Lines				
	2012	2013	2014	2015	2016
<b>Class A &amp; B:</b>					
BellSouth	849,777	728,304	617,393	515,826	435,412
Carolina Telephone Co.	604,049	569,981	535,705	496,104	465,967
Central Telephone Co.	139,191	129,301	119,632	109,448	101,606
Citizens Telephone Co.	15,582	14,707	14,037	13,212	12,318
Ellerbe Telephone Co.	1,605	1,500	1,400	1,309	1,241
Frontier	180,605	167,888	154,199	140,898	126,883 <sup>1</sup>
MEBTEL, Inc.	10,559	10,171	9,790	9,371	9,071
North State Telephone Co.	67,589	61,355	53,510	48,443	44,235
Pineville Telephone Co.	1,446	1,419	1,315	1,089	934
Verizon South, Inc.	368	343	303	266	235 <sup>2</sup>
Windstream Concord	74,867	70,945	67,716	60,500	54,652
Windstream Lexcom	18,515	17,711	16,795	15,698	14,644
Windstream NC	155,726	146,663	137,646	124,877	113,631
<b>Totals: Class A &amp; B</b>	<b>2,119,879</b>	<b>1,920,288</b>	<b>1,729,441</b>	<b>1,537,041</b>	<b>1,380,829</b>
<b>Class C &amp; D:</b>					
Barnardsville Telephone Co.	999	923	856	802	682
Saluda Mountain Tel. Co.	1,377	1,311	1,235	1,206	1,165
Service Telephone Co.	804	743	690	633	554
<b>Totals: Class C &amp; D</b>	<b>3,180</b>	<b>2,977</b>	<b>2,781</b>	<b>2,641</b>	<b>2,401</b>
<b>Grand Totals <sup>3</sup></b>	<b>2,123,059</b>	<b>1,923,265</b>	<b>1,732,222</b>	<b>1,539,682</b>	<b>1,383,230</b>
<b>United States Totals <sup>4</sup></b>	<b>82,114,000</b>	<b>75,082,000</b>	<b>69,382,000</b>	<b>66,872,000</b>	<b>61,535,000</b>

#### North Carolina as % of

#### United States Total

2.6%

2.6%

2.5%

2.3%

2.2%

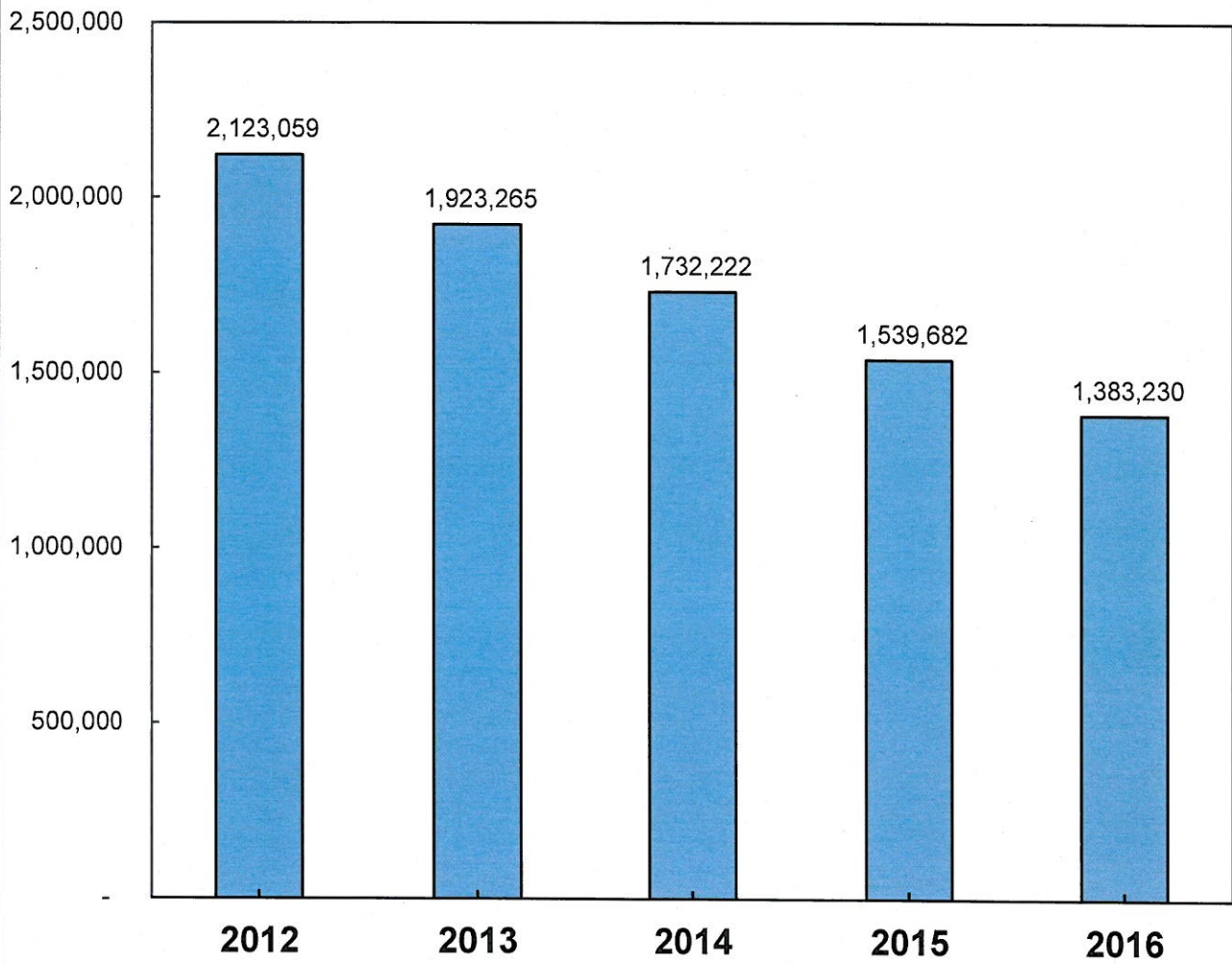
<sup>1</sup> Verizon transferred to Frontier (except the Knotts Island Exchange).

<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.

**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, 2016, there were approximately 1,346 regulated water and sewer systems in North Carolina owned by 122 companies as reported on the 2016 annual reports. These are comprised of 1,353 water and 284 sewer systems. The Commission also regulated 1,243 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 and 7-2 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 118 water and sewer companies franchised to operate in 2016, current statistical and operating data is available for 70 companies. This data is found in Figure No. 7-3. For the other 48 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 2016 is included to illustrate the total scope of the regulated water and sewer industry in North Carolina. Some of the 48 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 seven general rate cases involving water and sewer companies during 2016. These cases affected 8,812 water customers and 3,485 sewer customers. Of the cases decided, the total requested increase in water revenues was \$1,041,112 annually, and the Commission approved \$425,924. The requested increase in sewer revenues was \$257,440 annually, and the Commission approved \$128,806. 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., Carolina Water Service, Inc. of North Carolina, and two of the former CWS Systems, Inc.'s service areas. These additional WSIC/SSIC revenues approved by the Commission affected approximately 101,771 water customers and 32,006 sewer customers. The total requested increase in WSIC revenues was \$898,187 annually, which was approved by the Commission. The total requested increase in SSIC revenues was \$150,187 annually, which was also approved by the Commission.

The Commission approved 12 tariff revisions for the purpose of passing through to customers the increased cost of purchasing water/sewer utility service from other utilities, affecting 3,688 customers and increasing annual water and sewer revenues by \$150,187.

North Carolina Session Law 2015-6 House Bill 41 required the Utilities Commission to adjust rates due to reductions in state income

taxes and the repeal of the Gross Receipts Tax for water and sewer companies. During 2016, the Commission issued orders to make these rate adjustments that became effective January 1, 2016, and additional orders to further reduce rates effective January 1, 2017.

There were other cases filed with the Commission in 2016, regarding regulated water and sewer utilities. There were 37 applications for new franchises or notifications of contiguous extensions; 8 applications for transfer of franchises between utilities; 15 bond filings; 4 formal complaint; 1 emergency operator appointed; and 2 miscellaneous filing.

The Commission also regulates resale of water/sewer utility service in apartment complexes and mobile home parks. There were 1,064 resale filings with the Commission during 2016. There were 168 applications for resale authority affecting 35,460 customers, resulting in annual revenues of \$17,677,317. There were 83 applications to transfer resale authority affecting 20,189 customers, resulting in net increased annual revenues of \$194,212. There were 681 filings to revise rates affecting 153,123 customers, resulting in net increased annual revenues of \$2,999,604. Resale authority was cancelled for 50 service areas, affecting 10,156 customers, and annual revenues of \$5,655,320. 82 filings were withdrawn or rendered moot 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 2016, the Commission had granted certificates of authority for resale of water and/or sewer service for approximately 1,243 apartment complexes or mobile home parks.

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

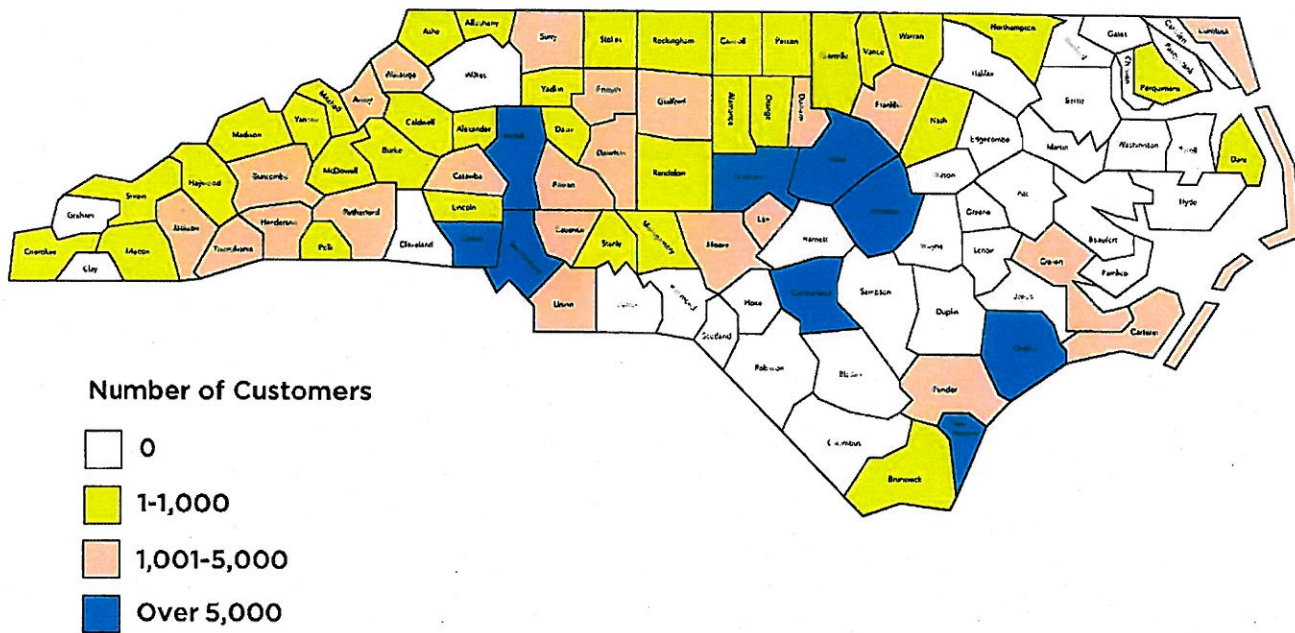
Comparative monthly charges for residential water service of selected non-regulated municipal systems and regulated water systems in North Carolina are shown in Figure No. 7-6.

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

The number of regulated utility companies furnishing water and sewer service in North Carolina was 118, an increase of

companies from 2015, however, 48 of these companies did not file 2016 annual reports. The current companies operated 1,346 water systems and 284 sewer systems within the State, with the noncurrent companies' most recent data showing 45 water systems and 15 sewer systems. The current companies served 116,365 water and 53,483 sewer customers and received \$130,035,327 in annual revenues, with the noncurrent companies serving 22,174 customers and receiving annual revenues of \$8,292,207. 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, 2016**

COUNTY	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
Alamance	425	-	7	-
Alexander	176	-	7	-
Alleghany	427	79	2	1
Ashe	488	252	3	2
Avery	2,207	2,058	6	2
Brunswick	-	795	-	1
Buncombe	926	831	7	4
Burke	138	-	2	-
Cabarrus	1,561	96	27	2
Caldwell	258	-	2	-
Carteret	1,105	1,380	4	15
Caswell	40	-	1	-
Catawba	3,351	157	74	5
Chatham	1,061	5,181	12	18
Cherokee	357	75	1	1
Craven	1,916	2,279	1	2
Cumberland	14,882	170	110	2
Currituck	112	2,156	1	5
Dare	-	648	-	2
Davidson	-	1,115	-	6
Davie	30	-	1	-
Durham	1,408	93	20	2
Forsyth	1,415	1,361	21	11
Franklin	1,987	6	6	1
Gaston	6,491	252	123	2
Granville	22	-	1	-
Guilford	3,910	205	69	3
Haywood	113	50	1	1
Henderson	1,037	782	14	8
Hoke	-	-	-	-
Iredell	5,137	762	67	19
Jackson	2,041	745	5	3
Johnston	4,786	2,345	61	37
Lee	1,887	1,597	3	1
Lincoln	394	-	8	-
Macon	273	-	2	-
Madison	700	58	1	1
McDowell	134	-	3	-
Mecklenburg	5,736	4,245	32	20
Mitchell	66	-	1	-
Montgomery	696	25	2	1
Moore	2,620	582	7	3
Nash	131	-	3	-
New Hanover	4,569	2,708	43	30
Northampton	109	-	2	-
Onslow	20	7,707	1	7
Orange	665	-	11	-
Pender	1,735	1,482	3	6
Perquimans	-	494	-	1
Person	46	-	1	-
Poik	59	39	3	1
Randolph	573	64	12	2
Rockingham	518	-	12	-
Rowan	1,319	47	27	1
Rutherford	1,256	437	3	1
Stanly	-	31	-	1
Stokes	38	125	1	1
Surry	1,632	-	46	-
Swain	116	116	1	1
Transylvania	2,242	1,142	6	1
Union	212	2,160	1	8
Vance	77	-	2	-
Wake	28,092	5,108	436	37
Warren	385	-	9	-
Watauga	1,871	1,443	10	5
Yadkin	148	-	4	-
Yancey	239	-	1	-
<b>Grand Total</b>	<b>116,365</b>	<b>53,483</b>	<b>1,353</b>	<b>284</b>



**FIGURE 7-2A**  
**DISTRIBUTION SUMMARY OF CUSTOMERS AND SYSTEMS OF ALL NC REGULATED**  
**WATER AND SEWER UTILITIES BY COUNTIES AS OF DECEMBER 31, 2016**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>Alamance</b>	<b>425</b>	<b>-</b>	<b>7</b>	<b>-</b>
Aqua	216		6	
Saxapahaw Utility Company	209		1	
<b>Alexander</b>	<b>176</b>	<b>-</b>	<b>7</b>	<b>-</b>
Aqua	176		7	
<b>Alleghany</b>	<b>427</b>	<b>79</b>	<b>2</b>	<b>1</b>
Aqua	150	79	1	1
Carolina Water Services Inc. of NC	277		1	
<b>Ashe</b>	<b>488</b>	<b>252</b>	<b>3</b>	<b>2</b>
A & D Water Service, Inc	43	44	1	1
Aqua	187		1	
JL Golf Management LLC	258	208	1	1
<b>Avery</b>	<b>2,207</b>	<b>2,058</b>	<b>6</b>	<b>2</b>
Aqua	1		1	
Carolina Water Services Inc. of NC	1,891	1,930	3	1
Elk River Utilities, Inc.	299	128	1	1
Linville Heights, LP	16		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>926</b>	<b>831</b>	<b>7</b>	<b>4</b>
A & D Water Service, Inc	76		1	
Aqua	78		2	
Carolina Water Services Inc. of NC	306	690	1	2
Christmount Christian Assembly, Inc.	103	103	1	1
Ridgecrest Water Utility	325		1	
Town & Country MHP	38	38	1	1
<b>Burke</b>	<b>138</b>	<b>-</b>	<b>2</b>	<b>-</b>
Aqua	138		2	
<b>Cabarrus</b>	<b>1,561</b>	<b>96</b>	<b>27</b>	<b>2</b>
Aqua	1,005		20	
Carolina Water Services Inc. of NC	272		1	
Cook, William d/b/a Green Oaks Water	16		1	
Corriher Water Service, Inc.	204		3	
Pace Utilities Group, Inc.	61	61	1	1
Silver Maples Mobile Estates	3	35	1	1
<b>Caldwell</b>	<b>258</b>	<b>-</b>	<b>2</b>	<b>-</b>
Carolina Water Services Inc. of NC	144		1	
Joyceton Water Works, Inc.	114		1	
<b>Carteret</b>	<b>1,105</b>	<b>1,380</b>	<b>4</b>	<b>15</b>
Aqua	216	150	3	4
C & P Enterprises, Inc.		89		2
Carolina Water Services Inc. of NC	889	951	1	2
Enviracon Utilities, Inc.		2		2
Harkers Island Sewer Company, LLC		85		1
Old North State Company, LLC		2		1
Sugarloaf Utility, Inc.		101		3

**FIGURE 7-2A**  
**DISTRIBUTION SUMMARY OF CUSTOMERS AND SYSTEMS OF ALL NC REGULATED**  
**WATER AND SEWER UTILITIES BY COUNTIES AS OF DECEMBER 31, 2016**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>Caswell</b>	<b>40</b>	<b>-</b>	<b>1</b>	<b>-</b>
Aqua	40		1	
<b>Catawba</b>	<b>3,351</b>	<b>157</b>	<b>74</b>	<b>5</b>
Aqua	3,311	157	73	5
Corriher Water Service, Inc.	40		1	
<b>Chatham</b>	<b>1,061</b>	<b>5,181</b>	<b>12</b>	<b>18</b>
Aqua	1,061	2,691	12	13
Fitch Creations, Inc. dba Fearington Utilities		1,299		4
Old North State Company, LLC		1,191		1
<b>Cherokee</b>	<b>357</b>	<b>75</b>	<b>1</b>	<b>1</b>
Carolina Water Services Inc. of NC	357	75	1	1
<b>Craven</b>	<b>1,916</b>	<b>2,279</b>	<b>1</b>	<b>2</b>
Carolina Water Services Inc. of NC		401		1
CWS Systems Inc.	1,916	1,878	1	1
<b>Cumberland</b>	<b>14,882</b>	<b>170</b>	<b>110</b>	<b>2</b>
Aqua	14,101		103	
Carolina Water Services Inc. of NC	298		3	
Maxwell Water Company	35		1	
Old North Utility Services, Inc.	1	1	1	1
Overhills Water Company, Inc.	278		1	
Whispering Pines Village	169	169	1	1
<b>Currituck</b>	<b>112</b>	<b>2,156</b>	<b>1</b>	<b>5</b>
Carolina Water Services Inc. of NC		1,017		2
Pine Island - Currituck LLC		717		2
Ponderosa Enterprises, Inc.	112		1	
Sandler Utilities at Mill Run, LLC		422		1
<b>Dare</b>	<b>-</b>	<b>648</b>	<b>-</b>	<b>2</b>
Carolina Water Services Inc. of NC		641		1
Pine Island - Currituck LLC		7		1
<b>Davidson</b>	<b>-</b>	<b>1,115</b>	<b>-</b>	<b>6</b>
Aqua		698		5
Meadowlands Development, LLC		417		1
<b>Davie</b>	<b>30</b>	<b>-</b>	<b>1</b>	<b>-</b>
Aqua	30		1	
<b>Durham</b>	<b>1,408</b>	<b>93</b>	<b>20</b>	<b>2</b>
Aqua	1,305	93	19	2
CWS Systems Inc.	103		1	
<b>Forsyth</b>	<b>1,415</b>	<b>1,361</b>	<b>21</b>	<b>11</b>
Aqua	604	637	16	8
Carolina Water Services Inc. of NC	805	718	4	2
Mount Tabor Place Phase II LLC	6	6	1	1
<b>Franklin</b>	<b>1,987</b>	<b>6</b>	<b>6</b>	<b>1</b>
Aqua	142		4	
CWS Systems Inc.	50		1	
Total Environmental Solutions, Inc.	1,795	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, 2016**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>Gaston</b>	<b>6,491</b>	<b>252</b>	<b>123</b>	<b>2</b>
Aqua	5,852		117	
Carolina Water Services Inc. of NC	639	252	6	2
<b>Granville</b>	<b>22</b>	<b>-</b>	<b>1</b>	<b>-</b>
Aqua	22		1	
<b>Guilford</b>	<b>3,910</b>	<b>205</b>	<b>69</b>	<b>3</b>
Aqua	3,706	11	66	1
JPC Utilities, LLC	40	40	1	1
Old North State Company, LLC	10		1	
YES AF Utilities EXP, LLC	154	154	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>1,037</b>	<b>782</b>	<b>14</b>	<b>8</b>
A & D Water Service, Inc	230	344	5	5
Aqua	476		6	
Carolina Water Services Inc. of NC	319		2	
Etowah Sewer Company		437		2
Fairfield Water Company	12		1	
JACABB Utilities, LLC		1		1
<b>Hoke</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Aqua	-	-	-	-
<b>Iredell</b>	<b>5,137</b>	<b>762</b>	<b>67</b>	<b>19</b>
Aqua	3,208	685	63	18
Carolina Water Services Inc. of NC	1,618		2	
Corriher Water Service, Inc.	234		1	
Watercrest Estates	77	77	1	1
<b>Jackson</b>	<b>2,041</b>	<b>745</b>	<b>5</b>	<b>3</b>
CWS Systems Inc.	1,801	741	2	1
Dillsboro Water and Sewer, Inc	3	4	1	1
High Hampton, Inc.	200		1	
JACABB Utilities, LLC	37		1	1
<b>Johnston</b>	<b>4,786</b>	<b>2,345</b>	<b>61</b>	<b>37</b>
Aqua	4,001	2,123	56	34
Carolina Water Services Inc. of NC	785	222	5	3
<b>Lee</b>	<b>1,887</b>	<b>1,597</b>	<b>3</b>	<b>1</b>
Carolina Trace Utilities, Inc.	1,650	1,597	1	1
Carolina Water Services Inc. of NC	174		1	
Farm Waterworks	63		1	
<b>Lincoln</b>	<b>394</b>	<b>-</b>	<b>8</b>	<b>-</b>
Aqua	394		8	
<b>Macon</b>	<b>273</b>	<b>-</b>	<b>2</b>	<b>-</b>
Carolina Water Services Inc. of NC	142		1	
Riverbend Estates Water Systems, Inc.	131		1	
<b>Madison</b>	<b>700</b>	<b>58</b>	<b>1</b>	<b>1</b>
Carolina Water Services Inc. of NC	700	58	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, 2016**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>McDowell</b>	<b>134</b>	<b>-</b>	<b>3</b>	<b>-</b>
Aqua	44		1	
Bear Den Acres Development, Inc.	49		1	
Carolina Water Services Inc. of NC	41		1	
<b>Mecklenburg</b>	<b>5,736</b>	<b>4,245</b>	<b>32</b>	<b>20</b>
Aqua	1,490	1,225	16	17
Bradfield Farms Water Company	1,069	1,245	1	1
Carolina Water Services Inc. of NC	3,031	1,775	13	2
Mauney, William K	-	-	-	-
Water Resources, Inc.	146		2	
<b>Mitchell</b>	<b>66</b>	<b>-</b>	<b>1</b>	<b>-</b>
Aqua	66		1	
<b>Montgomery</b>	<b>696</b>	<b>25</b>	<b>2</b>	<b>1</b>
Baytree Waterfront Properties, Inc.		25		1
Carolina Water Services Inc. of NC	696		2	
<b>Moore</b>	<b>2,620</b>	<b>582</b>	<b>7</b>	<b>3</b>
Aqua	918	581	4	2
Carolina Water Services Inc. of NC	1,701		2	
Old North Utility Services, Inc.	1	1	1	1
<b>Nash</b>	<b>131</b>	<b>-</b>	<b>3</b>	<b>-</b>
Aqua	81		2	
CWS Systems Inc.	50		1	
<b>New Hanover</b>	<b>4,569</b>	<b>2,708</b>	<b>43</b>	<b>30</b>
Aqua	4,261	2,708	41	30
Carolina Water Services Inc. of NC	13		1	
CWS Systems Inc.	295		1	
<b>Northampton</b>	<b>109</b>	<b>-</b>	<b>2</b>	<b>-</b>
Aqua	109		2	
<b>Onslow</b>	<b>20</b>	<b>7,707</b>	<b>1</b>	<b>7</b>
Aqua	20	362	1	1
Carolina Water Services Inc. of NC		1,074		2
Old North State Company, LLC		1,312		1
Pluris, LLC		4,572		1
Rock Creek Environmental Company, Inc.		255		1
The Pines Utilities, Inc.		132		1
<b>Orange</b>	<b>665</b>	<b>-</b>	<b>11</b>	<b>-</b>
Aqua	665		11	
<b>Pender</b>	<b>1,735</b>	<b>1,482</b>	<b>3</b>	<b>6</b>
Aqua	292	419	1	2
Carolina Water Services Inc. of NC	1,443	860	2	2
Old North State Company, LLC		138		1
Pluris Hampstead, LLC		65		1
<b>Perquimans</b>	<b>-</b>	<b>494</b>	<b>-</b>	<b>1</b>
Albemarle Utility Co., Inc		494		1
<b>Person</b>	<b>46</b>	<b>-</b>	<b>1</b>	<b>-</b>
Aqua	46		1	

**FIGURE 7-2A**  
**DISTRIBUTION SUMMARY OF CUSTOMERS AND SYSTEMS OF ALL NC REGULATED**  
**WATER AND SEWER UTILITIES BY COUNTIES AS OF DECEMBER 31, 2016**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>Polk</b>	<b>59</b>	<b>39</b>	<b>3</b>	<b>1</b>
Aqua	59	39	3	1
<b>Randolph</b>	<b>573</b>	<b>64</b>	<b>12</b>	<b>2</b>
Aqua	573	64	12	2
<b>Rockingham</b>	<b>518</b>	-	<b>12</b>	-
Aqua	489		11	
Billingsley, John T. et al	29		1	
<b>Rowan</b>	<b>1,319</b>	<b>47</b>	<b>27</b>	<b>1</b>
Aqua	914	47	19	1
Corriher Water Service, Inc.	405		8	
<b>Rutherford</b>	<b>1,256</b>	<b>437</b>	<b>3</b>	<b>1</b>
Aqua	124		2	
CWS Systems Inc.	1,132	437	1	1
<b>Stanly</b>	-	<b>31</b>	-	<b>1</b>
Pfeiffer University		31		1
<b>Stokes</b>	<b>38</b>	<b>125</b>	<b>1</b>	<b>1</b>
Aqua	38	125	1	1
<b>Surry</b>	<b>1,632</b>	-	<b>46</b>	-
Aqua	1,592		44	
Woods Water Works, Inc.	40		2	
<b>Swain</b>	<b>116</b>	<b>116</b>	<b>1</b>	<b>1</b>
Conleys Creek Limited Partnership	116	116	1	1
<b>Transylvania</b>	<b>2,242</b>	<b>1,142</b>	<b>6</b>	<b>1</b>
A & D Water Service, Inc		129		1
Aqua	596		4	
Carolina Water Services Inc. of NC	260		1	
Transylvania Utilities, Inc.	1,386	1,013	1	
<b>Union</b>	<b>212</b>	<b>2,160</b>	<b>1</b>	<b>8</b>
Aqua		1,435		7
Carolina Water Services Inc. of NC		725		1
JAARS, Inc.	212		1	
<b>Vance</b>	<b>77</b>	-	<b>2</b>	-
Aqua	77		2	
<b>Wake</b>	<b>28,092</b>	<b>5,108</b>	<b>436</b>	<b>37</b>
Aqua	25,001	3,140	407	32
Carolina Water Services Inc. of NC	1,182	1,487	9	2
Chatham Utilities, Inc.	144	144	1	1
CWS Systems Inc.	927		10	
Gensinger, John W.	33		1	
MECO Utilities, Inc.	270	270	1	1
Mobile Hills Estate	36		1	
Old North State Company, LLC	219		3	
Prior Construction Company, Inc.	213		2	
Rolesville MHP, LLC	67	67	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, 2016**

County	Number of Customers		Number of Systems	
	Water	Sewer	Water	Sewer
<b>Warren</b>	<b>385</b>	-	<b>9</b>	-
Aqua	385		9	
<b>Watauga</b>	<b>1,871</b>	<b>1,443</b>	<b>10</b>	<b>5</b>
Aqua	31		1	
Carolina Water Services Inc. of NC	1,026	466	6	1
GGCC Utility, Inc.	265	191	2	1
Hawknest Utilities, Inc.		2		1
Water Quality Utilities, Inc.		639		1
Water Resources Management, Inc.	549	145	1	1
<b>Yadkin</b>	<b>148</b>	-	<b>4</b>	-
Aqua	148		4	
<b>Yancey</b>	<b>239</b>	-	<b>1</b>	-
Carolina Water Services Inc. of NC	239		1	
<b>Grand Total</b>	<b>116,365</b>	<b>53,483</b>	<b>1,353</b>	<b>284</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, 2016

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
904 Georgetown Treatment Plant LLC	Brunswick	W-1141		\$222,720		795		1
A & D Water Service, Inc.	(1) footnote	W-1049	\$260,387	\$276,891	349	517	7	7
Albamarle Plantation Utility Co., Inc	Perquimans	W-1189		\$229,725		494		1
Aqua	(2) footnote	W-218	\$40,009,387	\$13,611,538	78,439	17,469	1,189	187
Baytree Waterfront Properties, Inc.	Montgomery	W-938		\$11,149		25		1
Bear Den Acres Development, Inc.	McDowell	W-1040	\$19,911		49		1	
Billingsley, John T. et al	Rockingham	W-632	\$4,494		29		1	
Bradfield Farms Water Company	Mecklenburg/Cabarrus	W-1044	\$259,005	\$517,286	1,069	1,245	1	1
C & P Enterprises, Inc.	Carteret	W-1063		\$63,926		89		2
Carolina Trace Utilities, Inc.	Lee	W-1013	\$591,587	\$1,132,168	1,650	1,597	1	1
Carolina Water Services Inc. of NC	(3) footnote	W-354	\$10,814,839	\$9,016,791	19,248	13,342	72	28
Chatham Utilities, Inc.	Wake	W-1240	\$62,762	\$75,760	144	144	1	1
Christmount Christian Assembly, Inc.	Buncombe	W-1079	\$57,904	\$34,241	103	103	1	1
Conleys Creek Limited Partnership	Swain	W-1120	\$57,211	\$34,271	116	116	1	1
Cook, William dba Green Oaks Water	Cabarrus	W-1262	\$7,689		16		1	
Corriher Water Service, Inc.	(4) footnote	W-233	\$319,897		883		13	
CWS Systems	(5) footnote	W-779	\$3,030,579	\$1,688,677	6,274	3,056	18	3
Dillsboro Water and Sewer, Inc	Jackson	W-1303	\$88,284	\$14,967	3	4	1	1
Elk River Utilities, Inc.	Avery	W-1058	\$121,061	\$51,309	299	128	1	1
Enviracon Utilities, Inc.	Carteret	W-1236		\$156,552		2		2
Etowah Sewer Company	Henderson	W-933		\$164,235		437		2
Fairfield Water Company	Henderson	W-1226	\$16,411		12		1	
Farm Water Works	Lee	W-844	\$34,753		63		1	
Fearrington Utilities, Fitch.Creations, Inc. dba	Chatham	W-661		\$352,462		1,299		4
Gensinger, John W. (Pineview Estates)	Wake	W-549	\$8,612		33		1	
GGCC Utility Inc.	Watauga	W-755	\$157,771	\$98,010	265	191	2	1
Harkers Island Sewer Company, LLC	Carteret	W-1297		\$57,258		85		1
Hawknest Utilities, Inc.	Watauga	W-1077		\$28,900		2		1
High Hampton Inn Water Service	Jackson	W-574	\$50,883		200		1	1
JAARS, Inc.	Union	W-1136	\$41,890		212		1	1

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, 2016

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
JACABB Utilities, LLC	Jackson	W-1298	\$17,483	\$9,768	37	1	1	2
JL Golf Management LLC	Ashe	W-1296	\$81,351	\$117,404	258	208	1	1
Joyceton Water Works, Inc.	Caldwell	W-4	\$32,136		114		1	
JPC Utilities, LLC	Guilford	W-1263	\$88,302	\$83,358	40	40	1	1
Linville Heights, LP	Avery	W-1137	\$3,282		16		1	
Maxwell Water Company	Cumberland	W-339	\$17,631		35		1	
Meadowlands Development, LLC	Davidson	W-1259		\$219,474		417		1
MECO Utilities, Inc.	Wake	W-1166	\$124,015	\$158,468	270	270	1	1
Mobile Hills Estates Water System (EO)	Wake	W-224	\$17,698		36		1	
Mount Tabor Place Phase II, LLC	Forsyth	W-1283	\$3,578	\$3,382	6	6	1	1
Old North State Company, LLC	Onslow/Pender/Wake	W-1300	\$81,579	\$1,105,597	229	2,643	4	4
Old North Utility Services	Cumberland / Moore	W-1279	\$25,058,915	\$10,791,344	2	2	2	2
Overhills Water Company	Cumberland	W-175	\$131,038		278		1	
Pace Utilities Group, Inc.	Cabarrus	W-1046	\$12,917	\$29,173	61	61	1	1
Pfeiffer University	Stanly	W-1207		\$10,949		31		1
Pine Island - Currituck, LLC	Currituck / Dare	W-1072		\$451,623		717		2
Pluris, LLC	Onslow	W-1282		\$3,313,292		4,572		1
Pluris Hampstead, LLC	Pender	W-1305		\$73,494		65		1
Ponderosa Mobile Home Park	Currituck	W-1086	\$24,110		112		1	
Prior Construction Co., Inc.	Wake	W-567	\$54,066		213		2	
Ridgecrest Water Utility	Buncombe	W-71	\$110,603		325		1	
Riverbend Estates Water Systems, Inc.	Macon	W-390	\$46,610		131		1	
Rock Creek Environmental Company	Onslow	W-830		\$94,825		255		1
Rolesville MHP LLC	Wake	W-1270	\$21,403	\$28,394	67	67	1	1
Sandler Utilities at Mill Run, L. C.	Currituck	W-1130		\$264,280		422		1
Saxapahaw Utility	Alamance	W-1250	\$105,306		209		1	
Silver Maples Mobile Estates	Cabarrus	W-776	\$452	\$4,318	3	35	1	1
Springdale Water Company	Haywood	W-406	\$20,512	\$14,539	113	50	1	1
Sugarloaf Utility, Inc.	Carteret	W-1154		\$180,585		101		3
The Pine Utilities, Inc.	Onslow	W-822		\$30,528		139		1
Total Environmental Solutions, Inc.	Franklin	W-1146	\$966,963	\$56,347	1,795	6	1	2
Town & Country MHP	Buncombe	W-1193	\$12,005	\$14,672	38	38	1	1
Transylvania Utilities, Inc.	Transylvania	W-1012	\$737,748	\$512,306	1,386	1,013	1	1



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, 2016

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Water Quality Utilities, Inc.	Watauga	W-1264		\$380,558		639		1
Water Resources Management, Inc.	Watauga	W-1073	\$130,946	\$49,068	549	145	1	1
Water Resources, Inc.	Mecklenburg	W-1034	\$67,229		146		2	
Watercrest Estates	Iredell	W-1021	\$24,285	\$37,330	77	77	1	1
Whispering Pines Village	Cumberland	W-1042	\$20,339	\$3,225	169	169	1	1
Woods Waterworks, Inc.	Surry	W-735	\$15,730		40		2	
YES AF Utilities EXP, LLC	Guilford	W-1302	\$29,163	\$35,478	154	154	1	1
<b>TOTAL</b>			<b>\$84,072,712</b>	<b>\$45,962,615</b>	<b>116,365</b>	<b>53,483</b>	<b>1,353</b>	<b>284</b>

Total Number of Current Companies 70

- (1) Ashe, Buncombe, Gaston, Henderson, and Transylvania
- (2) 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.
- (3) Alleghany, Avery, Buncombe, Cabarrus, Caldwell, Carteret, Cherokee, Craven, Cumberland, Currituck, Dare, Forsyth, Gaston, Henderson, Iredell, Johnston, Lee, Macon, Madison, McDowell, Mecklenburg, Montgomery, Moore, Pender, Transylvania, Wake, Watauga, and Yancey.
- (4) Cabarrus, Catawba, Iredell, and Rowan Counties.
- (5) Craven, Durham, Franklin, Jackson, Nash, New Hanover, Rutherford, and Wake Counties.

**FIGURE NO. 7-4**

**NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED  
BY THE NORTH CAROLINA UTILITIES COMMISSION  
As of Calendar Year 2016**

Company	County	Docket Number	Date of Data	Annual Revenues		Number of Customers		Number of Systems	
				Water	Sewer	Water	Sewer	Water	Sewer
Asheville Property Management, Inc.	Buncombe	W-1145	2014	\$14,088	17,218	58	58	1	1
B & C Development, Inc.	Brunswick	W-924	NR						
Beaon's Reach Master Association, Inc.	Carteret	W-966	NR						
Blue Creek Utilities, Inc.	Onslow	W-857	NR						
Bradfield Farms Water Company * (can 09/27/2016)	Cabarrus / Mecklenburg	W-1044	2015	\$259,005	\$517,286	1,079	1,235	1	1
Britthaven Utilities	Rockingham	W-1015	NR						
CBL & Associates Management, Inc.		W-1311	NR						
Clark Utilities, Inc.	Wake/Franklin	W-1205	NR						
Clear Meadow Water, Inc.	Mecklenburg	W-715	2014	\$17,935		62		1	
Crosby Utilities, Inc.	Wake	W-992	NR						
Cross-State Development (EO)	Ashe	W-408	2013	70,124		220		5	
CWS Systems Inc. (can 9/26/2016)	(1) footnote	W-778	2015	\$3,030,579	1,688,677	9,070	5,227	18	3
Deerfield Shores Utility Co., Inc.	Carteret	W-925	NR						
Dry Ridge Properties, LLC	Buncombe	W-1129	NR						
Dutchman Creek, Inc.	Wake	W-1082	2014	\$28,293		72		1	
Earth Environmental Services	Buncombe	W-1129	NR						
Elk River Utilities (can 9/27/2016)	Avery	W-1058	2015	\$121,061	\$51,309	299	128	1	1
Enviro-Tech of North Carolina, Inc.	Currituck	W-1165	NR						
First Investment Mortgage Advisers	Durham	W-515	N/R						
Flat Creek Utilities, LLC	Buncombe	W-1272	NR						
Ginguite Woods Water Reclamation Assoc. (EO)	Dare	W-1139	2008		28,080		38		1
Greenfield Heights Development Co., Inc.	Craven	W-205	NR						
Harrco Utility (EO)	Wake/Durham	W-796	N/R						
Horse Creek Farms Utilities Corporation (can 9/19/2016)	Onslow	W-888	2016		\$70,244		341		1
IA Matthews Sycamore, LLC	Mecklenburg	W-1304	2014	\$24,922		38		1	
Jactaw Properties, LLC	Buncombe	W-1209	2014	\$11,670	\$9,319	39	39	1	1
KDHWWTP, LLC	Dare	W-1160	2014		\$622,818		221		1
KRJ Utilities, LLC	Wake	W-1075	NR						
Linville Heights, L.P.	Avery	W-1137	2014	\$3,850		12		1	
Mauney, William K	Mecklenburg	W-560	NR						
Mayfaire I, LLC	New Hanover	W-1249	N/R						
McCullers Pines Water System (EO)	Wake	W-727	N/R						
Mount Tabor Place Phase II, LLC	Forsyth	W-1283	N/R						
Mountain Air Utilities Corporation	Yancey	W-1148	NR						
Mountain Ridge Estates Water	Watauga	W-975	2014	\$33,635		29		1	

**FIGURE NO. 7-4**

**NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED  
BY THE NORTH CAROLINA UTILITIES COMMISSION  
As of Calendar Year 2016**

Company	County	Docket Number	Date of Data	Annual Revenues		Number of Customers		Number of Systems	
				Water	Sewer	Water	Sewer	Water	Sewer
Mountain View Park, LLC (can 5/23/2016)	Buncombe	W-1089	2016	\$10,237	\$10,322	32	32	1	1
Outer Banks Kinnakeet Associates, LLC	Dare	W-1125	NR						
Piedmont Water & Sewer LLC	Guilford / Randolph	W-1294	2014	\$89,137		159		7	
Pluris Hampstead, LLC (new - 11/3/2015)	Pender	W-1305	N/R						
Royal Palms Water and Sewer	New Hanover	W-1105	NR						
Santeehah Shores, Inc. (EO)	Graham	W-577	N/R						
Scientific Water and Sewerage Corp.	Onslow	W-176	NR						
Sedgefield Development Corp (EO)	Wake	W-1036	N/R						
South Asheville Water Works	Buncombe	W-1104							
Transylvania Utilities, Inc. * (can 9/27/2016)	Transylvania	W-1012	2015	\$737,748	\$512,306	1,581	1,009	1	1
University Heights (EO)	Jackson	W-760	2013	16,176		44		1	
Vila Pump Company	Moore	W-945	2014	\$24,038		67		1	
Webb Creek Water & Sewage, Inc. (EO)	Onslow	W-864	2015		\$272,129		985		1
<b>Total (48)</b>				<b>\$4,492,499</b>	<b>\$3,799,708</b>	<b>12,861</b>	<b>9,313</b>	<b>43</b>	<b>13</b>

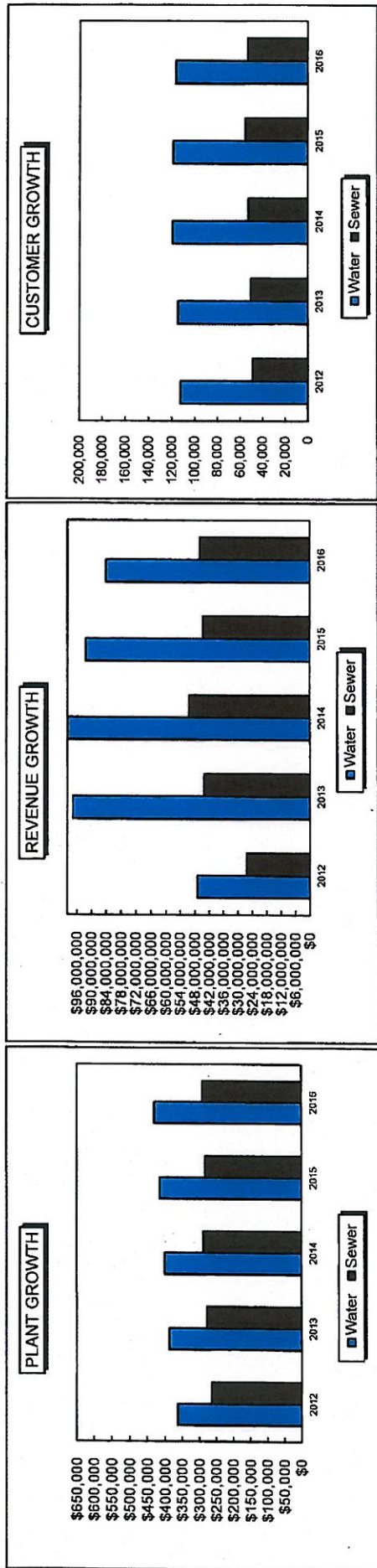
\* Company Certificate Cancelled, \*\* Transferred to another company/county EO=Emergency Operator N/R = No Report

(1) Craven, Durham, Franklin, Jackson, Nash, New Hanover, Rutherford, Transylvania, and Wake Counties.

FIGURE NO. 7-5

PLANT, REVENUE AND CUSTOMER GROWTH OF ALL REGULATED WATER & SEWER COMPANIES IN NORTH CAROLINA

For the Years 2012, 2013, 2014, 2015 and 2016



	2012	2013	2014	2015	2016
<b>Water:</b>					
Plant	\$362,798,189	\$387,670,705	\$401,440,819	\$415,376,363	\$397,074,282
Revenues	\$46,953,835	\$97,781,536	\$99,969,977	\$92,419,417	\$79,335,432
Customers	112,221	114,551	119,407	118,770	109,039
<b>Sewer:</b>					
Plant	\$262,881,665	\$278,064,901	\$288,749,252	\$282,586,510	\$272,836,781
Revenues	\$26,450,369	\$44,176,037	\$50,225,781	\$44,654,551	\$42,149,152
Customers	49,032	50,559	52,996	55,577	45,757
Total Number of Companies	124	119	115	112	122

\*\* FOOTNOTE: Water and Sewer Revenues increased greatly in 2013 primarily due to revenue increases for W-1279 Old North Utilities which serves Fort Bragg and Fort McCall. Revenues from Water and Sewer in 2012 was around \$3M but in 2013 Water was \$46M and Sewer was \$11M.

FIGURE NO. 7-6

COMPARATIVE MONTHLY CHARGES FOR RESIDENTIAL  
WATER & SEWER SERVICE IN NORTH CAROLINA  
As of January 2016

<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>
<b>Publicly Owned Systems <sup>1</sup></b>			
Asheville	\$23.03	\$33.70	\$60.37
Charlotte	12.88	18.34	46.31
Greensboro	12.32	19.83	41.08
Raleigh	34.71	51.58	93.76
Cape Fear Public Utility Authority	23.92	31.26	49.61
Average-(Simple)	\$21.37	\$30.94	\$58.23
<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>
<b>Privately Owned Systems Regulated by Commission <sup>2</sup></b> (Class B or Larger)			
Aqua North Carolina, Inc.	\$34.28	\$45.16	\$72.36
CWSNC	\$41.72	\$54.56	\$86.66
Carolina Trace	\$29.27	\$39.41	\$64.76
Corriher Water Service	\$25.01	\$32.11	\$49.86
Average-(Simple)	\$32.57	\$42.81	\$68.41
<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>
<b>Publicly Owned Systems</b>			
Metropolitan Sewage District of Buncombe Co. <sup>3</sup>	\$25.53	\$37.27	\$66.61
Cape Fear Public Utility Authority <sup>4</sup>	\$28.23	\$37.35	\$60.15
Charlotte-Mecklenburg Utilities	\$39.00	\$55.00	\$109.00
Greensboro	\$17.56	\$26.86	\$50.12
Raleigh	\$28.14	\$39.69	\$68.56
Average-(Simple)	\$27.69	\$39.23	\$70.89
<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>
<b>Privately Owned Systems Regulated by Commission</b> (Class B or Larger)			
Aqua North Carolina, Inc. (Flat Rate)	\$65.10	\$65.10	\$65.10
CWSNC	\$51.23	\$57.05	\$71.60
Carolina Trace	\$60.75	\$77.58	\$119.62
Pluris (Flat Rate)	\$58.21	\$58.21	\$58.21
Average-(Simple)	\$58.82	\$64.48	\$78.63

<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, 2016, there were 290 household goods movers with certificates to operate within North Carolina. There were 246 annual reports filed with the North Carolina Utilities Commission for the year ended December 31, 2016.

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 2016, a total of 127 representatives from the moving industry attended these 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 2016. 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, 2016	Line Haul Revenue	Hourly Revenue	Packing & Accessorail Revenue	NC Intrastate Jurisdictional Revenue	Number of Employee	Total Salaries and Wages Paid Employees
1-800-Pack-Rat, LLC	\$0.00	\$0.00	\$0.00	\$0.00	258	\$7,677,227.00
24 Hour Movers Amanda Faye Sheppard	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
A A Movers, Move Mom & More, Movealldotcom, LLC	\$0.00	\$22,185.00	\$0.00	\$22,185.00	0	\$0.00
A & A Moving (Pitt Movers, Inc. d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	5	\$44,510.00
A & D Relocation, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	16	\$157,182.97
A 1 Pack Load and Moving (A 1 Pack and Load, Inc. d/b/a)	\$11,890.00	\$58,821.00	\$4,650.00	\$75,361.00	36	\$1,679,767.00
A Few Good Men Moving & Storage, LLC	\$56,795.06	\$384,977.00	\$60,573.77	\$502,345.83	3	\$55,700.00
A+ Moving and Storage (A+ Relocation Services, Inc. d/b/a)	\$19,793.00	\$56,800.00	\$5,469.00	\$83,062.00	28	\$631,310.75
A-1 Clean-Up & Movers, Inc.	\$0.00	\$123,189.25	\$0.00	\$123,189.25	8	\$270,080.00
AAA Logistics, LLC	\$69,442.47	\$318,963.97	\$26,292.24	\$414,698.68	21	\$578,030.92
AAA Storage Company, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	12	\$155,508.62
ABC Moving and Storage, Inc.	\$130,258.28	\$89,710.10	\$72,478.43	\$292,446.81	14	\$120,811.63
Absolute Moving & Storage, Inc.	\$57,319.50	\$218,233.00	\$25,733.20	\$301,285.70	25	\$895,341.93
ACE Movers (ACE Group Corporation Inc. d/b/a)	\$92,000.00	\$401,297.33	\$109,449.12	\$602,746.45	14	\$385,010.00
Acme Movers & Storage Company, Inc.	\$50,564.58	\$78,930.55	\$4,570.72	\$134,065.85	0	\$0.00
Advance Moving & Storage, Inc.	\$160,361.00	\$276,335.00	\$29,010.00	\$465,706.00	2	\$87,440.78
Ahlgren's Transport, LLC	\$0.00	\$63,262.00	\$0.00	\$63,262.00	147	\$5,477,789.01
All American Moving & Storage of Fayetteville, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	67	\$1,411,941.00
All American Relocation, Inc.	\$281,593.51	\$348,947.03	\$213,891.82	\$844,432.36	54	\$1,211,579.00
All My Sons Moving and Storage of Raleigh (SG of Raleigh, Inc. d/b/a)	\$748,836.45	\$2,875,163.28	\$499,994.54	\$4,123,994.27	12	\$71,406.75
All My Sons Moving and Storage (Boumias, Inc. d/b/a)	\$360,272.00	\$2,726,522.00	\$182,341.00	\$3,269,135.00	0	\$0.00
All Pro Packing and Moving, LLC	\$40,183.32	\$94,302.70	\$5,055.50	\$139,541.52	41	\$372,712.17
All Ways Moving, Inc.	\$9,067.00	\$61,778.00	\$5,150.00	\$75,995.00	12	\$159,900.00
Allen's Moving Service of Fayetteville, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	44	\$993,523.00
Allstar Moving and Storage Co., Inc.	\$0.00	\$0.00	\$0.00	\$0.00	10	\$75,189.00
American Moving & Hauling, Inc.	\$68,200.00	\$364,208.00	\$19,537.26	\$471,945.26	1	\$21,000.00
American Van Lines, Inc.	\$347,582.00	\$174,308.00	\$46,632.00	\$568,522.00	2	\$900.00
Andy Anderson Moving Company (Craig M. Anderson d/b/a)	\$0.00	\$130,457.61	\$4,742.48	\$135,200.09	0	\$12,230.00
Apartment Movers Plus (Derric Pearce Fozard, d/b/a)	\$0.00	\$20,893.51	\$0.00	\$20,893.51	5	\$69,291.00
Appalachian Movers Transport (Douglas Tracy Carpenter d/b/a)	\$17,816.42	\$37,435.80	\$5,407.85	\$60,660.07	12	\$42,501.00
Appalachian Moving & Storage, LLC	\$64,804.00	\$57,150.00	\$33,222.00	\$155,176.00	68	\$5,165,904.97
Armor Bearer Discount Movers (Christopher Devon Brown d/b/a)	\$0.00	\$49,806.00	\$7,744.00	\$57,550.00	39	\$3,474,225.00
Armstrong Relocation (Armstrong Relocation Co., Inc.-Raleigh, North Carolina d/b/a)	\$203,625.67	\$115,477.91	\$475,104.53	\$794,208.11	11	\$1,941,332.00
Armstrong Transfer & Storage Co., Inc./ Armstrong Relocation Company	\$100,482.00	\$42,769.00	\$105,350.00	\$248,601.00	0	\$0.00
Arpin Van Lines, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
ASE Moving Services (American Star Enterprises, Inc. d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	2	\$0.00
Ashe Van Lines Moving & Storage (dba: Jamie Gordan Eaker)	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Atlantic Moving Systems (Murray Transfer & Storage Company, Inc., d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	57	\$413,748.65
Austin's Moving Company, LLC	\$97,858.47	\$214,318.49	\$21,964.25	\$334,141.21	0	\$0.00
Ballantyne & Beyond Moving, LLC	\$74,121.00	\$862,114.00	\$45,884.00	\$982,119.00	0	\$0.00
Barringer Moving & Storage, LLC	\$127,398.26	\$442,195.02	\$93,427.24	\$663,020.52	20	\$1,322,049.95
Bay Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	6	\$65,440.00
Bellhops, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	2	\$15,071.00
Beltmann Group Incorporated	\$3,223.00	\$0.00	\$4,540.00	\$7,763.00	0	\$0.00
Berger Transfer & Storage, Inc.	\$63,248.00	\$87,139.00	\$153,754.00	\$304,141.00	2	\$12,480.00
Best Bet Moving & Labor (Abdulraoul Bassam Allamadani d/b/a)	\$0.00	\$62,029.00	\$0.00	\$62,029.00	0	\$0.00
Best Movers US Inc.	\$2,000.00	\$100,396.00	\$4,168.00	\$106,564.00	3	\$2,255.00
Bill Scott Trucking (William B. Scott d/b/a)	\$0.00	\$35,979.00	\$0.00	\$35,979.00	3	\$70,153.00
BMS Moving & Storage (Gayla Lynch Black d/b/a)	\$0.00	\$37,883.00	\$0.00	\$37,883.00	19	\$160,965.00
Branch Out Delivery	\$0.00	\$0.00	\$0.00	\$0.00	7	\$155,637.74
Bright's Moving (Susan Bright Melton d/b/a)	\$0.00	\$124,045.00	\$0.00	\$124,045.00	0	\$0.00
Brooks Coast to Coast Transport (Floyd Allen Brooks, Jr. d/b/a)	\$0.00	\$14,710.00	\$0.00	\$14,710.00	5	\$0.00
Browns Moving and Storage Co., LLC	\$0.00	\$37,301.00	\$0.00	\$37,301.00	0	\$0.00
Bruce's Transfer, Inc.	\$0.00	\$143,070.00	\$0.00	\$143,070.00	27	\$125,541.59
Bull City Movers Plus	\$0.00	\$0.00	\$0.00	\$0.00	51	\$560,205.00
Bulldog Moving, LLC	\$0.00	\$0.00	\$0.00	\$0.00	60	\$1,043,359.00
B & W Moving Dirul-Islam Henderson d/b/a	\$0.00	\$65,382.00	\$0.00	\$65,382.00	7	\$125,392.72
Byers, Sam A. & Sons Moving Service, Inc.	\$52,236.00	\$178,528.00	\$47,662.00	\$278,426.00	3	\$49,277.25
C & L Movers (Loretta Floyd Heimbach and Mary Catherine Floyd Lantz, d/b/a)	\$0.00	\$13,449.00	\$1,281.00	\$14,730.00	5	\$248,808.00
Cameron & Cameron, Assembly, Moving and Storage, Inc.	\$0.00	\$9,590.00	\$0.00	\$9,590.00	9	\$60,699.20
Campbell's Transfer & Storage Tommy Campbell d/b/a	\$48,461.00	\$0.00	\$0.00	\$48,461.00	134	\$1,441,736.57
Caraway Moving, Inc.	\$9,415.00	\$167,236.00	\$27,305.00	\$203,956.00	0	\$9,546.56
Carey Moving & Storage of Asheville, Inc.	\$52,964.37	\$91,088.05	\$40,416.75	\$184,469.17	55	\$2,151,559.00
Carey Moving & Storage of Charlotte, Inc.	\$27,034.11	\$39,451.83	\$31,045.49	\$97,531.43	30	\$937,670.00
Carolina Hunks, Inc.	\$0.00	\$52,099.00	\$0.00	\$52,099.00	4	\$13,357.00
Cary Moving (4 Sons, Inc., d/b/a)	\$0.00	\$168,938.14	\$4,021.33	\$172,959.47	8	\$263,690.00
Central Moving & Storage, Inc.	\$0.00	\$106,536.55	\$15,327.50	\$121,864.05	26	\$915,000.00
Chapel Hill Moving Company, Inc.	\$0.00	\$409,899.00	\$0.00	\$409,899.00	8	\$120,672.00
Charlie Powell's Model Moves, Inc.	\$33,105.33	\$66,326.81	\$8,169.68	\$107,601.82	2	\$54,026.00
Charlotte Van and Storage Co., Inc.	\$101,707.30	\$84,852.80	\$98,809.92	\$285,370.02	4	\$143,000.00
China Grove & Landis Moving	\$0.00	\$35,454.00	\$0.00	\$35,454.00	0	\$0.00
City Transfer & Storage Co.	\$465,858.00	\$917,944.00	\$328,682.00	\$1,712,484.00	14	\$568,819.00
Citywide Moving Systems, Inc.	\$81,120.00	\$974,363.00	\$143,643.00	\$1,199,126.00	215	\$1,937,437.42
Cli-Co Moving (RWW Enterprises, Inc., d/b/a)	\$8,436.91	\$33,277.00	\$0.00	\$41,713.91	5	\$115,470.00
Coastal Carrier Moving & Storage Company (Coastal Carriers, Inc., d/b/a)	\$164,296.00	\$421,789.00	\$124,196.00	\$710,281.00	29	\$424,923.17
Coastal Moving Company, Inc.	\$0.00	\$630.00	\$0.00	\$630.00	5	\$1,028,892.00
Coastline Relocation, LLC Bekins A-1 Movers, Inc.	\$8,772.20	\$11,423.10	\$12,583.89	\$32,779.19	0	\$0.00



FIGURE 8-1

Certificated Carriers Name as of December 31, 2016	Line Haul Revenue	Hourly Revenue	Packing & Accessorial Revenue	NC Intrastate Jurisdictional Revenue	Number of Employee	Total Salaries and Wages Paid Employees
Coast to Coast Moving & Storage, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	1	\$120,000.00
Coleman American Moving Services, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
College Hunks Hauling Junk and Moving (Steven Roper, Inc. d/b/a)	\$72,848.00	\$730,425.00	\$68,351.00	\$871,624.00	67	\$1,315,487.00
College Hunks Moving (Triad Expeditors, Inc. d/b/a)	\$32,112.24	\$249,468.55	\$2,795.00	\$284,375.79	1	\$9,000.00
CORE Lentz Moving Services (Carolinas Office Relocations Experts, LLC d/b/a)	\$44,199.00	\$58,283.00	\$45,472.00	\$147,954.00	0	\$0.00
Covan World-Wide Moving, Incorporated	\$74,067.44	\$23,134.72	\$44,440.59	\$141,642.75	9	\$100,315.00
Crabtree Family Moving, LLC	\$63,503.00	\$776,966.00	\$84,491.00	\$924,960.00	117	\$2,098,671.00
Crown Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	9	\$116,811.00
Custom Moving and Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	10	\$76,389.00
Custom Moving Solutions, LLC	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
D C Movers, LLC	\$0.00	\$378,160.78	\$0.00	\$378,160.78	7	\$46,901.28
Daehan Express, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	37	\$81,243.00
Dakydes Moving & Delivery LLC	\$0.00	\$0.00	\$0.00	\$0.00	2	\$31,461.83
Daniel's Moving & Storage, LLC	\$224,924.48	\$33,862.06	\$88,281.73	\$347,068.27	10	\$23,349.00
Dedmon Moving and Storage, Inc.	\$6,559.21	\$9,684.50	\$2,389.93	\$18,833.64	7	\$91,019.00
Dedmon, A.V., Trucking, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	9	\$158,212.00
DeHaven's Transfer & Storage of Greensboro, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	8	\$418,784.00
DeHaven's Transfer & Storage, Inc.	\$68,927.48	\$100,607.11	\$84,176.34	\$253,710.93	59	\$111,684.00
DeHaven's Transfer & Storage of Charlotte, Inc.	\$9,645.91	\$5,888.19	\$3,196.37	\$19,730.47	31	\$1,156,940.00
DeHaven's Transfer & Storage of Wilmington, Inc.	\$3,475.59	\$4,628.40	\$3,856.91	\$11,960.90	1	\$2,863,975.00
Delancey Street Moving & Transportation (Delancey Street North Carolina d/b/a)	\$31,975.31	\$199,882.99	\$33,673.67	\$265,531.97	0	\$0.00
DK Love Movers, LLC	\$12,652.80	\$67,633.75	\$0.00	\$80,286.55	58	\$72,738.19
Dry Ridge Moving and Transportation, LLC	\$38,102.00	\$140,694.00	\$0.00	\$178,796.00	56	\$1,682,909.00
DSR Moving Corporation	\$36,807.00	\$385,715.00	\$705.00	\$423,227.00	3	\$12,408.00
Duke, D.R., Moving, Inc.	\$0.00	\$52,202.00	\$0.00	\$52,202.00	12	\$224,562.97
Dunnagan's Moving & Storage (James G. Dunnagan d/b/a)	\$3,660.00	\$31,055.00	\$472.00	\$35,187.00	44	\$845,433.21
East Carolina Moving, LLC	\$0.00	\$184,426.00	\$0.00	\$184,426.00	0	\$0.00
East Coast Moving (East Coast Move Lady, Inc., d/b/a)	\$35,509.00	\$139,914.00	\$19,853.00	\$195,276.00	0	\$0.00
Easy Movers, Inc.	\$212,882.00	\$1,028,173.00	\$127,804.00	\$1,368,859.00	3	\$100,326.25
Everyday Moving & Storage, LLC	\$0.00	\$40,598.95	\$0.00	\$40,598.95	57	\$884,562.00
Excel Moving & Storage of Greensboro, Inc.	\$202,310.00	\$160,570.00	\$128,161.00	\$491,041.00	28	\$734,892.87
Excel Moving and Storage, Inc.	\$143,320.00	\$389,828.00	\$230,055.00	\$763,201.00	0	\$0.00
Excellence on the Move	\$0.00	\$10,423.00	\$0.00	\$10,423.00	5	\$129,016.00
Exclusive Moving & Delivery, LLC	\$30,215.47	\$65,164.87	\$2,100.00	\$97,480.34	9	\$25,954.00
Exodus Works (Exodus Outreach Foundation d/b/a)	\$0.00	\$23,822.00	\$0.00	\$23,822.00	116	\$5,888,261.00
Family Movers Express (Family Movers Express, LLC d/b/a)	\$15,157.91	\$297,567.86	\$0.00	\$312,725.77	0	\$0.00
EZZ Moving and Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Fayetteville Moving & Storage, Inc.	\$7,331.00	\$33,759.00	\$8,105.00	\$49,195.00	6	\$113,029.81
Ferguson, Gene, Moving Co., Inc.	\$0.00	\$11,443.66	\$0.00	\$11,443.66	14	\$381,020.00
Few Moves, LLC	\$150,809.50	\$334,815.52	\$17,073.17	\$502,698.19	0	\$0.00
Fidelity Moving & Storage Co., Inc.	\$58,828.05	\$17,299.95	\$300.00	\$76,428.00	13	\$293,527.00
First Choice Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	4	\$63,066.00
Fox Brothers of Boone, Inc.	\$37,443.73	\$33,645.00	\$18,127.46	\$89,216.19	152	\$8,935,629.55
Gasperson Transfer (WNC Moving & Storage, Inc. d/b/a)	\$110,871.00	\$547,881.00	\$327,142.00	\$985,894.00	0	\$0.00
Gentle Giant Moving Company (NC), LLC.	\$148,156.00	\$1,422,497.00	\$69,054.00	\$1,839,707.00	3	\$92,391.00
Get It Home, LLC	\$0.00	\$0.00	\$0.00	\$0.00	2	\$21,500.00
Gillespie's Local Moving Service (James Felton Gillespie, d/b/a)	\$0.00	\$25,237.00	\$0.00	\$25,237.00	38	\$973,303.14
Goldsboro Van & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	29	\$880,000.00
Grade A Movers, LLC	\$0.00	\$30,786.10	\$3,464.30	\$34,250.40	0	\$0.00
Graebel Moving Services (Graebel/North Carolina Movers, LLC, d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	3	\$80,450.00
Grand Strand Moving & Storage, LLC	\$12,027.35	\$0.00	\$0.00	\$12,027.35	0	\$0.00
Grove Stars Moving, LLC	\$0.00	\$0.00	\$0.00	\$0.00	4	\$79,527.00
Guardian Transfer and Storage, LLC	\$8,581.00	\$89,229.00	\$0.00	\$97,810.00	0	\$0.00
Hardin Furniture Company	\$12,989.85	\$60,111.10	\$4,810.00	\$77,910.95	18	\$191,954.00
Hardy Moving & Storage (Kitchen Distributors of North Carolina, Inc., d/b/a)	\$113,603.00	\$262,241.00	\$43,912.00	\$419,756.00	0	\$0.00
Harrison's Moving & Storage Co., Inc.	\$1,315.35	\$22,828.75	\$499.00	\$24,443.10	0	\$0.00
Harvel's, Cliff, Moving Company, Inc.	\$97,908.00	\$358,065.00	\$87,378.00	\$541,351.00	2	\$18,010.79
Here To There, Inc.	\$0.00	\$107,929.00	\$0.00	\$107,929.00	32	\$1,240,588.00
Herren's Carolina Moving & Storage, Inc.	\$64,874.00	\$78,473.00	\$105,724.00	\$249,071.00	2	\$35,969.89
Highland Moving & Storage Co/Bekins A-1 Movers, Inc.	\$3,002.19	\$0.00	\$3,788.54	\$6,790.73	0	\$0.00
Hilldrup Moving & Storage (Hilldrup Companies, Inc., d/b/a)	\$680,091.68	\$424,774.84	\$938,017.36	\$2,042,883.88	64	\$1,357,119.00
Home to Home in Guilford, LLC	\$77,922.00	\$119,635.00	\$0.00	\$197,557.00	1	\$363.00
Homeward Bound Moving, Inc.	\$27,965.00	\$70,425.00	\$5,016.90	\$103,406.90	3	\$25,464.00
Hood's MoversLinwood Hood d/b/a	\$0.00	\$31,022.00	\$0.00	\$31,022.00	18	\$313,222.08
Hornet Moving, LLC	\$3,286.00	\$326,446.26	\$2,739.40	\$332,471.66	21	\$325,372.00
Home Moving Systems, Inc.	\$83,604.57	\$61,954.09	\$64,791.52	\$210,350.16	2	\$9,552.00
Humphrey, Troy, Moving & Storage, Inc.	\$27,493.00	\$121,021.00	\$12,968.00	\$161,482.00	18	\$84,272.00
I. H. Hill Transfer & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	14	\$403,012.00
In & Out Moving and Delivery, LLC	\$55,018.10	\$82,673.03	\$15,750.55	\$153,441.68	0	\$0.00
International Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
JB Movers, Inc.	\$0.00	\$233,077.78	\$0.00	\$233,077.78	12	\$156,000.00
Jeff's Express, LLC	\$0.00	\$0.00	\$0.00	\$0.00	8	\$24,646.00
John's Moving & Storage (Dynamic Investment Group, Inc., d/b/a)	\$64,606.00	\$511,227.00	\$468,790.00	\$1,044,623.00	0	\$0.00
Joyful Movers (Joy Jessica Hall d/b/a)	\$0.00	\$305.00	\$0.00	\$305.00	2	\$8,549.60
Kelly Moving, Inc.	\$53,364.00	\$0.00	\$0.00	\$53,364.00	47	\$506,910.00
Ken's Pack and MoveKendrick (James Earl Sheppard d/b/a)	\$0.00	\$58,107.00	\$0.00	\$58,107.00	3	\$108,530.70
Kepley Moving and Storage, Inc.	\$0.00	\$10,981.25	\$873.70	\$11,854.95	28	\$865,000.00

FIGURE 8-1

Certificated Carriers Name as of December 31, 2016	Line Haul Revenue	Hourly Revenue	Packing & Accessorial Revenue	NC Intrastate Jurisdictional Revenue	Number of Employee	Total Salaries and Wages Paid Employees
L & J Moving and Storage Raleigh (L & J Transportation Companies, Inc., d/b/a)	\$39,134.00	\$15,845.00	\$66,927.00	\$121,906.00	45	\$1,072,385.87
Ladd, J.E. & Son Transfer, LLC	\$2,200.00	\$180,256.00	\$0.00	\$182,456.00	3	\$8,225.00
LaFayette Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	3	\$6,113.00
Lawrence Transportation Systems, Inc.	\$70,190.00	\$212,665.00	\$246,952.00	\$529,807.00	0	\$0.00
Let's Get Moving Services, LLC	\$8,637.50	\$13,960.00	\$20.00	\$22,617.50	44	\$1,942,581.02
Lightspeed Moving Company, LLC	\$22,229.00	\$58,541.00	\$7,741.00	\$88,511.00	2	\$650.00
Little Guys Movers of Greensboro Beso Del Sol Holdings, LLD, d/b/a	\$169,375.00	\$632,930.00	\$89,145.00	\$891,450.00	3	\$79,907.00
Little Guys Movers, Inc	\$156,662.00	\$626,648.00	\$88,025.00	\$871,335.00	1	\$390,355.00
Little Lloyd Moving & Transit (Kenneth Frederick Lloyd d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	3	\$40,500.00
Local Movers, LLC	\$0.00	\$266,479.00	\$2,421.00	\$268,900.00	0	\$0.00
Long Transfer, Inc.	\$7,210.00	\$313,041.00	\$54,110.00	\$374,361.00	33	\$517,203.30
Lytle's Transfer & Storage, Inc.	\$174,657.39	\$0.00	\$0.00	\$174,657.39	2	\$15,724.00
Make A Move (Fletcher Anneheim Dedicated Services, LLC d/b/a)	\$23,471.00	\$170,154.00	\$41,978.00	\$235,603.00	0	\$0.00
Marathon Moving Company, Inc.	\$14,900.70	\$71,092.25	\$22,690.84	\$108,683.79	0	\$0.00
Markethouse Moving and Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Mark's Movers (Mark John Rupsky, d/b/a)	\$0.00	\$40,900.00	\$3,619.00	\$44,519.00	73	\$1,386,693.12
Marrins' Mooving (Kine, LLC d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	21	\$70,939.00
Martin Movers (Martin Holdings, Inc., d/b/a)	\$49,105.33	\$38,070.79	\$0.00	\$87,176.12	56	\$1,460,002.39
Mather Brothers Moving Company, LLC	\$0.00	\$57,425.50	\$0.00	\$57,425.50	2	\$19,500.00
Matthews Moving Systems, Inc.	\$102,216.17	\$632,062.96	\$267,873.47	\$1,002,152.62	0	\$0.00
Me and My Team (Juan Alvarado-Parra d/b/a)	\$0.00	\$38,083.00	\$2,189.50	\$40,272.50	0	\$0.00
Meek Movers (Dwight Williams, d/b/a)	\$0.00	\$88,833.38	\$1,940.00	\$90,773.38	1	\$71,272.30
Men on the Move, Inc.	\$15,902.00	\$63,169.00	\$2,808.00	\$81,879.00	0	\$0.00
Merchants Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Metropolitan Moving, LLC	\$0.00	\$30,213.00	\$0.00	\$30,213.00	13	\$307,573.00
Milestone Relocation Solutions, Inc.	\$0.00	\$419,184.00	\$0.00	\$419,184.00	3	\$9,050.00
Miracle Movers (Samantha Lynn Piner d/b/a)	\$151,877.39	\$441,349.86	\$14,282.30	\$607,509.55	0	\$0.00
Miscellaneous Plus, Inc.	\$0.00	\$110,204.00	\$0.00	\$110,204.00	2	\$43,000.00
Mitchell Movers (Leo Mitchell d/b/a)	\$0.00	\$145,000.00	\$0.00	\$145,000.00	0	\$0.00
Modern Moving and Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	36	\$1,605,584.00
Moultrie Home Services, LLC	\$0.00	\$0.00	\$0.00	\$0.00	5	\$99,000.00
Move It Now (Jabear, Inc. d/b/a)	\$1,706.00	\$23,649.00	\$0.00	\$25,355.00	0	\$0.00
Movemart Relocation, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	25	\$632,472.15
Movers at Demand, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	45	\$723,424.39
Movin' On Movers, Inc.	\$296,478.17	\$1,587,405.87	\$344,314.25	\$2,228,198.29	24	\$1,053,423.00
Moving Simplified, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	22	\$144,910.86
Murray Transfer & Storage Company, Inc.	\$8,021.19	\$14,412.96	\$26,031.53	\$48,465.68	4	\$783.96
Muscle Movers, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	11	\$397,208.00
Naglee Moving and Storage	\$8,071.36	\$0.00	\$9,499.95	\$17,571.31	0	\$0.00
National Budget	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
New Beginnings Moving & Storage, Inc.	\$0.00	\$449,158.00	\$15,161.00	\$464,319.00	4	\$38,930.00
New Bell Storage (A & E Moving and Storage, Inc. d/b/a)	\$2,164.43	\$3,200.00	\$409.99	\$5,774.42	7	\$78,493.43
New World Van Lines, Inc.	\$165,912.86	\$0.00	\$337,549.24	\$503,462.10	2	\$16,122.00
Nilson Van & Storage, Inc.	\$13,771.00	\$0.00	\$11,951.00	\$25,722.00	42	\$664,796.00
North Star Movers (Igor Nesterenko d/b/a)	\$0.00	\$32,325.00	\$0.00	\$32,325.00	95	\$204,918.05
OBX Movers (Matthew Craig Hill d/b/a)	\$57,390.00	\$69,316.00	\$4,927.00	\$131,633.00	6	\$30,337.00
Oliver Moving Service (Garry Lafaye Oliver d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	32	\$966,359.00
Omni Moving and Storage, Inc.	\$0.00	\$6,243.00	\$0.00	\$6,243.00	0	\$0.00
Owen, Randy, Moving Service, LLC	\$0.00	\$155,908.00	\$0.00	\$155,908.00	0	\$0.00
Parks Moving & Storage, Inc.	\$4,748.50	\$6,320.00	\$487.97	\$11,554.47	0	\$0.00
Patterson Storage Warehouse Company, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	5	\$95,126.78
Paxton Van Lines of North Carolina, Inc.	\$17,939.76	\$0.00	\$22,190.90	\$40,130.66	45	\$574,838.00
Personal Touch Movers, Inc.	\$75,978.63	\$273,757.93	\$24,763.29	\$374,499.85	8	\$50,657.00
Piedmont Moving (Michael Theodore Handshoe d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	2	\$28,835.00
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	3	\$119,911.00
Pinehurst Moving & Storage Co., Inc.	\$0.00	\$0.00	\$0.00	\$0.00	5	\$15,368.59
Pinnacle Movers, LLC	\$3,618.31	\$69,969.69	\$7,918.50	\$81,506.50	15	\$1,346,912.00
Port City Movers, LLC	\$11,660.61	\$93,945.50	\$20,082.62	\$125,688.73	0	\$0.00
Preferred Moving Company, LLC	\$38,328.00	\$69,326.00	\$3,306.00	\$110,960.00	2	\$51,220.00
Premium Moving, Inc.	\$290,125.00	\$509,678.00	\$45,589.00	\$845,392.00	0	\$0.00
Primary Moving & Storage (Joseph Anthony Maldonado d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Pro Movers, LLC	\$0.00	\$0.00	\$0.00	\$0.00	2	\$195,078.00
QC Fast Moving and Storage	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Ray Moving & Storage, Inc.	\$212,810.00	\$256,659.00	\$340,163.00	\$809,632.00	0	\$0.00
RDU Delivered	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Redi-Care Movers, LLC	\$121,179.23	\$150,608.00	\$15,733.00	\$287,520.23	0	\$0.00
Relocate & Decorate Moving Services, LLC	\$3,440.00	\$3,310.00	\$2,520.00	\$9,270.00	10	\$0.00
Reliable Van & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Road Haugs, Inc.	\$17,605.00	\$74,285.00	\$7,630.00	\$99,520.00	38	\$999,919.48
Salisbury Moving and Storage	\$23,390.00	\$50,700.00	\$79,838.00	\$153,928.00	24	\$1,196,857.00
Sandhills Moving & Storage Co., Inc.	\$77,521.00	\$266,950.00	\$76,083.00	\$420,554.00	6	\$62,237.00
Sawyers E Z Move (Sawyer Enterprises of Pensacola, Inc. d/b/a)	\$23,121.00	\$25,721.00	\$18,707.00	\$67,549.00	5	\$1,220.00
Scooby Moving Company (Roy David Holloway d/b/a)	\$0.00	\$64,486.00	\$0.00	\$64,486.00	26	\$3,600.00
Seaboard Moving & Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	3	\$106,305.00
Sells Service, Inc.	\$7,488.00	\$30,906.00	\$1,020.00	\$39,414.00	69	\$3,510,386.04
SmartMove USA (Russell Edward Brown d/b/a)	\$0.00	\$53,103.37	\$0.00	\$53,103.37	4	\$128,733.00

FIGURE 8-1

Certificated Carriers Name as of December 31, 2016	Line Haul Revenue	Hourly Revenue	Packing & Accessorial Revenue	NC Intrastate Jurisdictional Revenue	Number of Employee	Total Salaries and Wages Paid Employees
Smith Dray Line & Storage Co., Inc.	\$69,245.00	\$113,597.00	\$191,058.00	\$373,900.00	5	\$39,345.00
Smith, W.E., Moving Co. (City Transfer Fayetteville, LLC, d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	19	\$92,545.17
Smoky Mountain Moving Co., Inc.	\$17,988.00	\$51,563.00	\$4,816.00	\$74,367.00	0	\$0.00
Smooth Move	\$0.00	\$0.00	\$0.00	\$0.00	8	\$178,046.00
Southeast Moving & Storage, INC.	\$3,055.00	\$6,462.00	\$3,271.00	\$14,788.00	5	\$160,132.00
Southern Moving & Storage, LLC	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Southern Moving, Inc.	\$246,603.77	\$0.00	\$0.00	\$246,603.77	10	\$344,362.00
Sparta Moving & Storage, LLC	\$76,140.00	\$37,508.00	\$8,758.00	\$122,406.00	18	\$555,710.00
Staley's Moving Vans (Donald Joseph Staley d/b/a)	\$11,372.25	\$68,186.50	\$0.00	\$79,558.75	35	\$1,131,199.00
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	7	\$292,853.18
Steele & Vaughn Moving & Storage (J Five Investments, Inc. d/b/a)	\$121,600.00	\$175,015.24	\$208,627.17	\$505,242.41	60	\$1,437,154.00
Stevens Van Lines, Inc.	\$28,392.00	\$0.00	\$0.00	\$28,392.00	156	\$1,501,663.00
Stewart Moving and Storage (The Wes Stewart Corporation, dba)	\$10,955.00	\$8,322.00	\$5,829.00	\$26,106.00	46	\$371,542.00
Suddath Relocation Systems (Suddath Relocation Systems of Charlotte, LLC, d/b/a)	\$80,376.00	\$106,134.00	\$60,116.00	\$246,626.00	9	\$397,504.00
Superior Moving Systems, Inc.	\$3,597.75	\$57,795.42	\$6,907.12	\$68,300.29	12	\$240,621.55
Sustainable Alamance (Phil Bowers d/b/a)	\$0.00	\$4,716.00	\$0.00	\$4,716.00	181	\$1,493,344.00
T & J Movers (Tyrone Lamount Levan d/b/a)	\$0.00	\$32,782.00	\$0.00	\$32,782.00	40	\$612,575.00
Taylor's Moving Company (Orlandus Dungee Taylor d/b/a)	\$0.00	\$221,100.00	\$0.00	\$221,100.00	94	\$953,554.00
Terminal Storage Company, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	26	\$520,339.12
Thomas, J.E., & Sons Moving, LLC	\$35,459.00	\$40,216.00	\$17,415.00	\$93,090.00	0	\$0.00
Titan Moving Systems, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	103	\$840,028.09
T-N-T Moving Systems, Inc.	\$7,518.00	\$222,833.00	\$5,682.00	\$236,033.00	7	\$99,785.00
Todd's Easy Moves (Todd Bentley Cummings, d/b/a)	\$27,518.45	\$142,023.87	\$19,697.56	\$189,239.88	34	\$1,371,637.00
Trading Post, Inc., The	\$0.00	\$5,925.00	\$675.00	\$6,600.00		\$454,125.00
Triangle Moving Service, Inc.	\$38,565.30	\$185,567.81	\$21,026.53	\$245,159.64	5	\$23,455.00
Tri-City Movers (Kelvin Plummer Kearney d/b/a)	\$79,889.00	\$471,547.00	\$0.00	\$551,236.00	20	\$353,746.42
Tropical Moves (Carson Commwell Gaines, d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
TROSA Moving (Michael Keene/TROSA for Substance Abusers, Inc. d/b/a)	\$240,803.00	\$2,264,102.00	\$518,584.00	\$3,023,489.00	87	\$1,348,732.00
Truckin' Movers Corporation	\$61,678.00	\$212,230.00	\$84,764.00	\$358,672.00	36	\$1,022,841.00
Tru-Pak Moving Systems, Inc.	\$61,235.00	\$26,211.00	\$44,434.00	\$131,880.00	0	\$0.00
Two Men And A Truck (VA Beach) White Moving Company d/b/a)	\$0.00	\$8,163.00	\$0.00	\$8,163.00	3	\$95,287.63
Two Men and A Truck of Asheville (AMS & Sons Moving Co., LLC d/b/a)	\$254,621.00	\$1,894,302.00	\$98,323.00	\$2,247,246.00	0	\$0.00
Two Men and A Truck of Charlotte (R & M Charlotte, LLC d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	2	\$57,541.00
Two Men and A Truck of Durham, (NC Oliver & Finley, LLC d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00		
Two Men and A Truck of Eastern (NCARRGH, LLC, d/b/a)	\$458,217.00	\$528,478.00	\$94,044.00	\$1,080,739.00	52	\$539,996.00
Two Men and A Truck of Fayetteville (Green Leaf Associates, Inc. d/b/a)	\$168,895.00	\$572,319.00	\$83,171.00	\$824,385	12	\$492,521.00
Two Men and A Truck of Mooresville (Lynnbrook, LLC)	\$133,103.01	\$501,808.29	\$62,209.91	\$697,121.21	16	\$320,828.72
Two Men and A Truck of Raleigh (Simply The Best Movers, LLC d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Two Men and A Truck of Rock Hill (Roeder & Moore, LLC d/b/a)	\$3,138.00	\$50,819.00	\$1,726.12	\$56,683.12	5	\$262,375.00
Two Men and A Truck of Wilmington (T & K Moving, Inc. d/b/a)	\$251,354.00	\$1,307,211.00	\$50,732.00	\$1,609,297	99	\$1,074,286.00
Two Men and A Truck of Winston-Salem (Kline, LLC d/b/a)	\$325,358.13	\$1,177,486.97	\$105,123.00	\$1,607,968.1	28	\$560,323.76
Two Men And A Truck, Norfolk (K And D Moving & Storage, Inc., d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Two Men and A Truck Greensboro (Movers LLC. d/b/a)	\$155,934.12	\$697,371.70	\$82,704.29	\$936,010.11	32	\$428,800.78
Two Strong Dudes Moving Company, LLC	\$0.00	\$476,302.00	\$9,318.00	\$485,620	7	\$182,989.00
Union Transfer and Storage Company, Inc.	\$181,345.81	\$332,029.45	\$184,517.53	\$697,892.8	34	\$1,455,378.35
Unity Moving and Storage, Inc.	\$61,735.00	\$355,187.00	\$41,233.00	\$458,155	9	\$386,493.00
Upwright Moving, LLC	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Valor Moving Company, Inc.	\$0.00	\$41,408.00	\$5,095.00	\$46,503	4	\$19,225.00
Wainwright Transfer Co. of Fayetteville, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Weathers Bros. Moving and Storage Co., Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Weathers Moving & Distribution (Weathers Bros. Transfer Co., Inc. d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Webb Co, Inc., The (The Webb Company of North Carolina d/b/a)	\$58,012.00	\$542,901.00	\$151,160.00	\$752,073	41	\$1,101,992.28
West Moving and Storage Company, LLC	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Wile Transfer and Storage Co., Inc.	\$39,038.27	\$114,711.91	\$74,497.79	\$228,247.97	3	\$89,782.25
Willis Moving and Storage, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
Winston-Salem Moving & Storage (Chad Raven Stewart, d/b/a)	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
You Move Me (McDowell & Lee, LLC d/b/a)	\$5,674.00	\$375,377.00	\$25,497.00	\$406,548	3	\$86,061.00
Zippy Shell of Charlotte	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
<b>TOTALS</b>	<b>\$13,384,534.81</b>	<b>\$48,735,989.14</b>	<b>\$10,918,490.32</b>	<b>\$73,039,014.27</b>	<b>261,711</b>	<b>\$111,229,789.23</b>

**Figure 8-2**  
**SUMMARY OF HHG OPERATIONS ANNUAL REPORT INFORMATION – 2016**

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

1.	Line Haul (MRT Section III)	\$ 13,384,534.81	18.33%
2.	Hourly (MRT Section II)	\$ 48,735,989.14	66.73%
3.	Packing and Accessorial (MRT Sections I & IV / Valuation)	\$ 10,918,490.32	14.95%
4.	<b>Total NC Jurisdictional Revenue:</b>	<b>\$ 73,039,014.27</b>	

**Section II. OPERATING STATISTICS**

5.	Number of regulated weight/distance <u>moves performed</u>	6819	8.44%
6.	Total bill of lading miles	989,282	
7.	Total bill of lading weight (in pounds)	52,092,000	
8.	Number of regulated hourly <u>moves performed</u>	74,010	91.56%
9.	Total hours billed	474,584	
10.	<b>TOTAL NUMBER OF REGULATED <u>MOVES PERFORMED</u></b>	<b>80,829</b>	
11.	Number of each type of estimate for <u>moves performed</u>		
	a) Non-binding (written)	24,451	31.55%
	b) Binding (Not-to-Exceed and Guaranteed) (written)	7,459	9.63%
	c) No written estimate	45,578	58.82%
	d) Total (should match Line 10)	<u>77,488</u>	
12.	Number of each type of valuation applicable for <u>moves performed</u>		
	a) Basic: (\$0.60/lb/article – No charge)	71,622	88.68%
	b) Full Value: (Customer charged \$0.75/\$100 of value)	9,147	11.32%
	c) Total (should match Line 10)	<u>80,769</u>	

**Section III. JURISDICTIONAL REVENUES**

13.	Quarter ended March 31, 2016	\$ 14,617,488.86	17.83%
14.	Quarter ended June 30, 2016	\$ 23,747,565.52	28.97%
15.	Quarter ended September 30, 2016	\$ 24,590,972.20	30.00%
16.	Quarter ended December 31, 2016	\$ 19,021,700.70	23.20%
17.	<b>Total of Regulatory Fee Reports for CY 2016</b>	<b>\$ 81,977,727.28</b>	

**Section IV. CARGO CLAIMS INFORMATION**

18.	Number of loss and damage claims filed	185
19.	Total dollar amount of claims settled	\$121,895.28

**Section V. NC EMPLOYEE DATA**

20 & 21	Number of full-time NC employees & contract workers (W-2's & 1099's)	261,711
22.	Total salaries/wages paid to full-time NC employees & contract workers	\$ 111,229,789.23

**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, 2016, there were 20 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 10 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 2016 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 2016 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 regard 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, 2016**

Greyhound Lines, Inc.                      B-7  
P. O. Box 660362  
Dallas, Texas 75201

Trolleys, Inc., dba                      B-704  
Sunway Charters  
2400 Queen City Drive  
Charlotte, NC 28208

**FIGURE NO. 9-1**  
**MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA**  
**AS OF DECEMBER 31, 2016**

<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, 2016

<u>Transportation Brokers</u>	<u>Docket #</u>	<u>Transportation Brokers</u>	<u>Docket #</u>	<u>Transportation Brokers</u>	<u>Docket #</u>
A & B Tours 944 Fire Tower Road Louisburg, N. C. 27549	B-524	Convenient Tours 4530 Main Street South Brunswick, NC 28470	B-410	Southern States Tours & Conventions 117 Hollyberry Lane Lexington, N. C. 27292	B-600
Carolina Tours, Inc. 42 Orchard Street Asheville, N. C. 28801	B-326	Creation Tours 7 Timberline Road Canton, N. C. 28716	B-512	USA Luxury Tours, Inc. 4210 Amesbury Lane Durham, N. C. 27707	B-673
Charlotte Arrangements 2315 N. Davidson Street Charlotte, N. C. 28205	B-615	JA-DE Tours & Charter 1224 Broad Street New Bern, N. C. 28560	B-573		
Christian Tours, Inc. 4643 Highway 16 South Maiden, N. C. 28650	B-689	Scurlock's Travel & Tours P.O. Box 424 Pittsboro, N. C. 27312	B-413		

**TOTAL BROKERS--10**

**FIGURE NO. 9-3**

**REGULAR ROUTE PASSENGER CARRIERS**  
**Summary of Total Revenues and Expenses**  
**For the Calendar Years 2015 and 2016**

Carrier	Docket Number	Total Company Operating Revenues		Total Company Operating Expenses		Total Company Operating Ratio	
		2015	2016	2015	2016	2015	2016
Greyhound Lines, Inc.	B-7	742,435,768	731,955,711	678,072,201	623,605,327	91.3%	85.2%
Trolleys, Inc. dba Sunway Charters	B-704	9,433,727	10,706,215	7,527,418	10,687,484	79.8%	99.8%
<b>TOTAL (2)</b>		<b>\$751,869,495</b>	<b>\$742,661,926</b>	<b>\$685,599,619</b>	<b>\$634,292,811</b>	<b>91.2%</b>	<b>85.4%</b>

Trolleys, Inc. certificate issued 06-10-2015

**FIGURE NO. 9-3**

**REGULAR ROUTE PASSENGER CARRIERS**  
**Summary of Total Revenues and Expenses**  
**For the Calendar Years 2015 and 2016**

Carrier	Docket Number	Total Company Operating Revenues		Total Company Operating Expenses		Total Company Operating Ratio	
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Trolleys, Inc. dba Sunway Charters	B-704	9,433,727	10,706,215	7,527,418	10,687,484	79.8%	99.8%
<b>TOTAL (2)</b>		<b>\$751,869,495</b>	<b>\$742,661,926</b>	<b>\$685,599,619</b>	<b>\$634,292,811</b>	<b>91.2%</b>	<b>85.4%</b>

Trolleys, Inc. certificate issued 06-10-2015

FIGURE NO. 9-4

MOTOR BOAT COMMON CARRIERS  
AS OF DECEMBER 31, 2016

Bald Head Island Transportation, Inc. (A-41) P. O. Box 3069 Bald Head Island, North Carolina 28461	Crystal Blue Holding Co., LLC dba Morehead City Ferry Service (A-76) 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
Barrier Island, Inc., dba Island Ferry Adventures (A-40) 240 West Beaufort Road Beaufort, North Carolina 28516	Davis Shore Ferry Service, LLC (A-65) 148 Willis Road Davis, North Carolina 28524	Portsmouth Island Boat Tours (A-30) P. O. Box 375 Ocracoke, North Carolina 27960
Cape Lookout Cabins & Camps Ferry Service (A-66) P.O. Box 251 Davis, North Carolina 28524	Island Express Ferry Service, LLC (A-75) 113 Turner Street Beaufort, North Carolina 28516	

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	\$ 5,165,754	\$ 5,678,705	302,125
Barrier Island, Inc., dba Island Ferry Adventures	From Beaufort to Carrot Island, Bird Shoales, Sand Dollar Island and Return	\$ 174,257	\$ 147,603	15,825
Cape Lookout Cabins & Camps Ferry Service	From Davis to Core Banks and Return	\$ 446,441	\$ 543,188	5,821
Davis Shore Ferry Service, LLC	From Davis to Core Banks and Return	\$ 359,977	\$ -	6,171
Island Express Ferry Service, LLC	From Beaufort andarkers Island to South Core Banks, Shackelford Banks and Return	\$ 1,341,824	\$ 1,319,341	90,419
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.	\$ 27,084	\$ 30,629	2,001
Morris Marina, Kabin Kamps & Ferry Service Inc.	Statewide in North Carolina via water	\$ 298,882	\$ 301,136	6,065
Portsmouth Island Boat Tours	From Ocracoke to Portsmouth Island and Return	\$ 38,705	\$ 10,739	2,001