



North Carolina

Utilities Commission

North Carolina's Public Utility Infrastructure & Regulatory Climate

Presented by

**NORTH CAROLINA
UTILITIES COMMISSION**



North Carolina

Utilities Commission

NORTH CAROLINA UTILITIES COMMISSION

Dobbs Building, 430 North Salisbury Street 27603-5918

4325 Mail Service Center, Raleigh, North Carolina 27699-4300

www.ncuc.gov Phone: 919-733-4249 Fax: 919-733-7300

Commissioners

Karen M. Kemerait, Chair

Jeffrey A. Hughes

Floyd B. McKissick, Jr.

William M. Brawley

Tommy Tucker

Steven J. Levitas



North Carolina

Utilities Commission



Chair
Kemerait



Commissioner
McKissick



Commissioner
Hughes



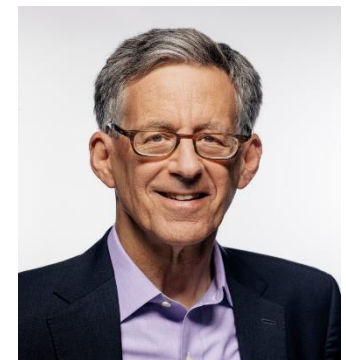
Vacant



Commissioner
Tucker



Commissioner
Brawley



Commissioner
Levitas



North Carolina

Utilities Commission

The Public Staff – North Carolina Utilities Commission

- The Public Staff was established as an independent agency in the Commission created in 1977 by legislation (*N.C. Gen. Stat. § 62-15*)
- Represents the using and consuming public of the State's investor-owned public utilities and intervenes on their behalf in all Commission proceedings affecting rates or service

Christopher J. Ayers, Executive Director

Dobbs Building, 430 North Salisbury Street 27603-5918

4326 Mail Service Center, Raleigh, North Carolina 27699-4300

■ ■ ■

www.publicstaff.nc.gov

Consumer Services Division (Consumer Complaints)

Phone: 919-733-9277 Toll-Free: 1-866-380-9816



North Carolina

Utilities Commission

Regulation of Public Utilities

- Purpose: Protect the public's interest in receiving adequate service at reasonable rates
- Regulatory Compact: Utilities exchange benefit of monopoly franchised service territory for obligation to provide adequate service at reasonable rates
- Commission's regulatory obligation: To be fair and reasonable to public utilities and their customers
- Commission's regulatory tools:
 - Certification of new facilities
 - Rate establishment or review, including performance-based regulation of electric public utilities and a multi-year Water and Sewer Investment Plan rate-making mechanism for water and sewer public utilities
 - Service quality oversight
- Regulation of certain utility industries and services by the Commission has become more complex due to changes in State and Federal laws and rules, and industry trends. Certain utility services have been fully or partially deregulated.



North Carolina

Utilities Commission

History of NC Utilities Commission

- Oldest regulatory body in state government: evolved from Railroad Commission (1891) to Corporation Commission (1899) to Utilities Commission (1933)
- History of significant legislative grants of, or limitation on, regulatory authority:
 - Railroad – 1891
 - Telephone – 1893
 - Electric, Gas, & Water – 1913
 - Wastewater – 1917
 - Housing – 1935
 - Hospitals – 1943
 - Buses/Brokers – 1949
 - Motor Carriers & Ferries – 1963
 - Electric Generation – 1965
 - Electric Membership Cooperatives – 1965
 - Payphone Service Providers – 1985
 - Long Distance Telephone Competition – 1985
 - Telephone Shared Tenant Service – 1987
 - Local Telephone Competition – 1995
 - Motor Carriers of Property, except Household Goods, Deregulation – 1995
 - Railroad Transferred to Dept. of Transportation – 1996
 - Water/Wastewater Resale – 1996
 - Charter Bus Deregulation – 1998
 - Long Distance Telephone Rate Deregulation – 2003
 - Electric Resale – 2011
 - Natural Gas Resale – 2017
 - Leasing of Solar Energy Facilities – 2017
 - Securitization Statute for Storm Recovery Costs - 2019
 - Multi-Year Water and Sewer Rate-Making - 2021
 - Performance-Based Regulation for Electric – 2021
 - Carbon Plan – 2021



North Carolina

Utilities Commission

NCUC Organization

- Administrative agency of General Assembly (*N.C. Gen. Stat. § 62-23*); legislative oversight by House Committee on Energy and Public Utilities, Senate Committee on Commerce and Insurance, and Joint Legislative Commission on Governmental Operations.
- Currently seven members serving staggered six-year terms. On June 30, 2025, the Commission will reduce to five members. Two members are appointed by the Governor, one by the State Treasurer, one by the General Assembly upon recommendation by the President Pro Temp, and one by the General Assembly upon recommendation by the Speaker of the House. (S.L. 2023-136; S.L. 2024-57)
- Chair: Elected by and from the members of the Commission for the succeeding three years, serves as the chief executive and administrative officer, organizes Commission's work and may designate various duties to other members. (*N.C. Gen. Stat. § 62-12, 13*; S.L. 2024-57).
- Commissioners are subject to standards of judicial conduct and prohibited by law from engaging in any other employment, business or profession while in office (*N.C. Gen. Stat. § 62-10[i]*).



North Carolina

Utilities Commission

NCUC Organization *cont.*

- Commission employs up to 73 people, current staffing is 66, organized among four divisions: Legal, Operations, Fiscal Management, and Clerk and IT Services.
- Certified FY 2024-2025 annual budget: \$ 12,058,729
 - NCUC budget: \$ 10,829,835
 - Gas Pipeline Safety budget: \$ 1,228,894
- Gas Pipeline Safety is housed in the Commission, has 8 staff members, is part of the Operations Division, and receives partial federal reimbursement
- NCUC is a fee-funded agency, supported by a regulatory fee percentage applied to jurisdictional revenues of public utilities. The Commission Chair and Public Staff Executive Director establish the regulatory fee percentage within statutory parameters. (N.C. Gen. Stat. § 62-302). Effective July 1, 2024, the regulatory fee percentage for noncompetitive jurisdictional revenues increased from 0.1475% to 0.17%.
- The Public Staff maintains its own budget which is separate from the Commission's budget but it is funded by the same regulatory fee.



North Carolina

Utilities Commission

NCUC's Responsibilities & Procedures

- For the 12-Month Period Ending 12/31/2024:
 - 9,835 formal proceedings instituted before NCUC
 - 68 hearings in contested cases
 - 21,398 filings in Chief Clerk's Office
 - 3,680 orders issued
 - 701 open dockets
- Appeals from general rate case decisions to NC Supreme Court; all others to NC Court of Appeals (absent federal jurisdiction)
- NCUC conducts proceedings pursuant to federal law and participates in proceedings before federal courts and regulatory agencies
(*N.C. Gen. Stat. § 62-48*)



North Carolina

Utilities Commission

NCUC's Responsibilities & Procedures *cont.*

- Publication requirements (*N.C. Gen. Stat. § 62-17*)
 - Annual reports to Governor include copies of general orders, regulations, comparative statistical data, rate comparisons, report of pending matters, and digest of principal decisions
 - Final decisions on merits in formal proceedings
- Limited jurisdiction over municipalities and cooperatives



North Carolina

Utilities Commission

Regulated Entities

(As of 12/31/2024)

	<u>QTY</u>
BUS / BROKER	7
ELECTRIC	5
ELECTRIC COOPERATIVES	32
ELECTRIC MERCHANT PLANTS	26
ELECTRIC RESELLER	85
ELECTRIC GENERATOR LESSOR	15
ELECTRIC SUPPLERS	1
FERRIES	8
MOTOR CARRIERS OF HOUSEHOLD GOODS	362
NATURAL GAS:	
– LOCAL DISTRIBUTION COMPANIES	3
– INTRASTATE PIPELINE	1
– GAS RESELLERS	1
– PROPANE COMPANY	1
SMALL POWER PRODUCERS	1,141
TELEPHONE:	
– COMPETING LOCAL PROVIDERS	119
– INCUMBENT LOCAL EXCHANGE COMPANIES	65
– LONG DISTANCE CARRIERS	84
– PAYPHONE SERVICE PROVIDERS	22
– SHARED TENANT SERVICES	4
WATER / WASTEWATER	84
WATER / WASTEWATER RESELLERS	2,340
WATER RESELLER NON-CONTIGUOUS	<u>74</u>
TOTAL	4,480



North Carolina

Utilities Commission

Industry Revenue Profile

- FY 2023-2024 Jurisdictional Revenues: \$14.147 billion
 - Electric: \$11.145 billion
 - Natural Gas: \$1.827 billion
 - Telecommunications: \$685 million
 - Includes Local and Long Distance Telephone Companies, Payphone Service Providers, and Shared Tenant Service Providers
 - Water and Wastewater: \$353 million
 - Includes Water/Wastewater Resale Companies
 - Transportation: \$137 million
 - Includes Brokers, Buses, Ferries, and Household Goods (HHG) Carriers



North Carolina

Utilities Commission

Filings & Orders by Industry Group

(For the 12-Month Period Ending 12/31/2024)

	<u>Filings</u>	<u>Orders</u>
• Electric	2,355	544
• Natural Gas	879	92
• Telephone	177	28
• Water/Wastewater	5,752	2,518
• Household Goods Movers	943	203
• Small Power Producers	9,805	200
• Other (PSP/Special Certificate, Shared Tenant, Bus/Broker, Electric Resell, EMC, Ferry, & Misc.)	<u>1,487</u>	<u>95</u>
TOTAL	21,398	3,680



North Carolina

Utilities Commission

Industry Specific Overview

- I Electric
- II Natural Gas
- III Telecommunications
- IV Transportation
- V Water and Wastewater
- VI Selected Financial and Operational Data



North Carolina

Utilities Commission

I Electric: Basic Facts

(For the 12-Month Period Ending 9/30/2024)

- 3 Investor-Owned Utilities (IOUs)
 - Duke Energy Carolinas – 2,195,000 customers in Piedmont and Western North Carolina
 - Duke Energy Progress – 1,589,000 customers in Eastern and Western North Carolina
 - Dominion Energy North Carolina – 126,000 customers in Northeastern North Carolina



North Carolina

Utilities Commission

EMC, Municipal-Owned, & University-Owned

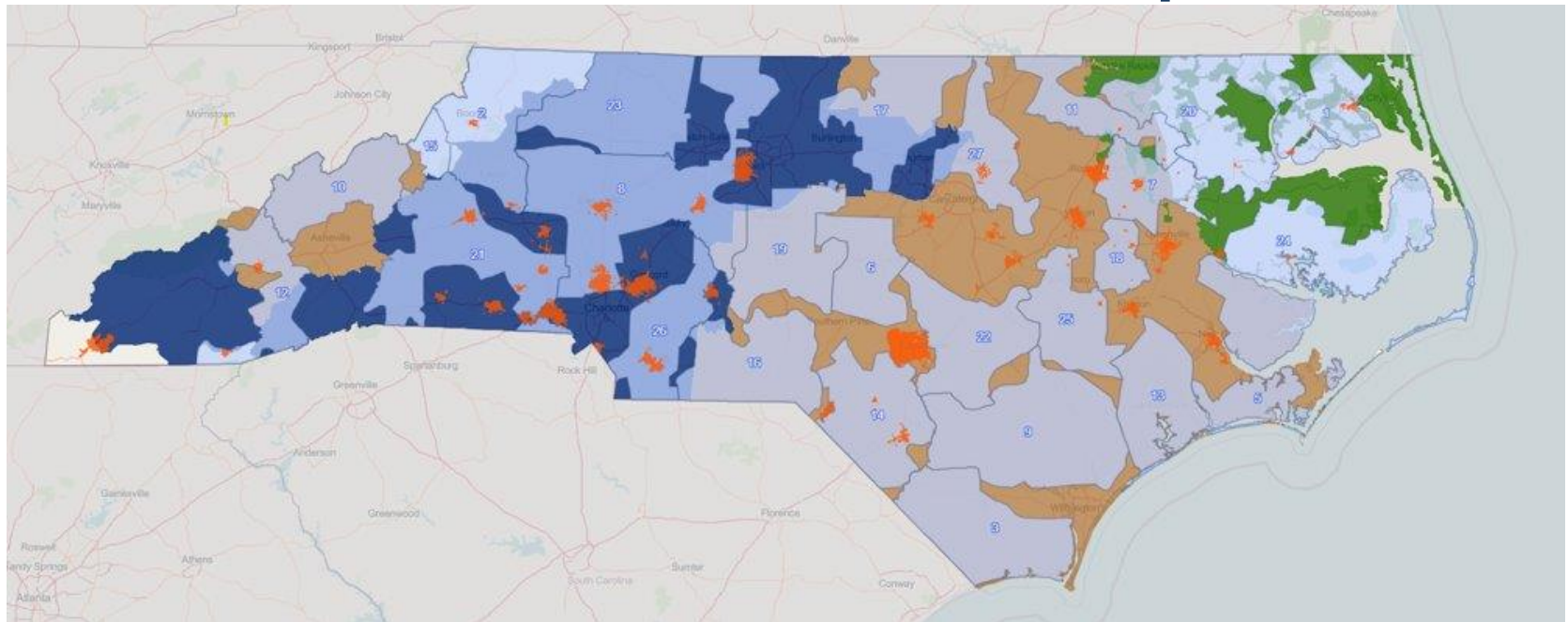
- 32 Electric Membership Corporations (EMCs) – Serving approximately 2.8 million customers in N.C. (26 are headquartered in N.C.)
- About 76 Municipal and University-owned electric distribution systems – Serving approximately 599,000 customers in N.C.
- Limited NCUC jurisdiction: EMCs, Munis, and certain University systems
 - Monitor subsidiary business activities of EMCs to prevent subsidization by electric customers (N.C. Gen. Stat. § 117-18.1)
 - The Commission oversees compliance for REPS (N.C. Gen. Stat. § 62-133.8) for all electric suppliers (IOUs, co-ops, and munis) (N.C. Gen. Stat. § 62-133.9)
 - Service territory issues (N.C. Gen. Stat. § 62-110.2)
 - Certification authority for construction of electric generating facilities (N.C. Gen. Stat. § 62-110.1) and electric transmission lines of 161 + kV (N.C. Gen. Stat. § 62-101)
 - Adjudicate pole attachment disputes (N.C. Gen. Stat. § 62-350) Safety jurisdiction over gas pipeline facilities operated by municipalities and similar entities (N.C. Gen. Stat. § 62-50)
 - Rates charged to customers of New River Light and Power (Boone) and Western Carolina University (Cullowhee) are regulated by the Commission



North Carolina

Utilities Commission

North Carolina Electric Service Area Map



 Duke Energy Carolinas

 Duke Energy Progress

 Electric Cooperatives

 Dominion Energy North Carolina

 Municipally Owned Electric Utilities

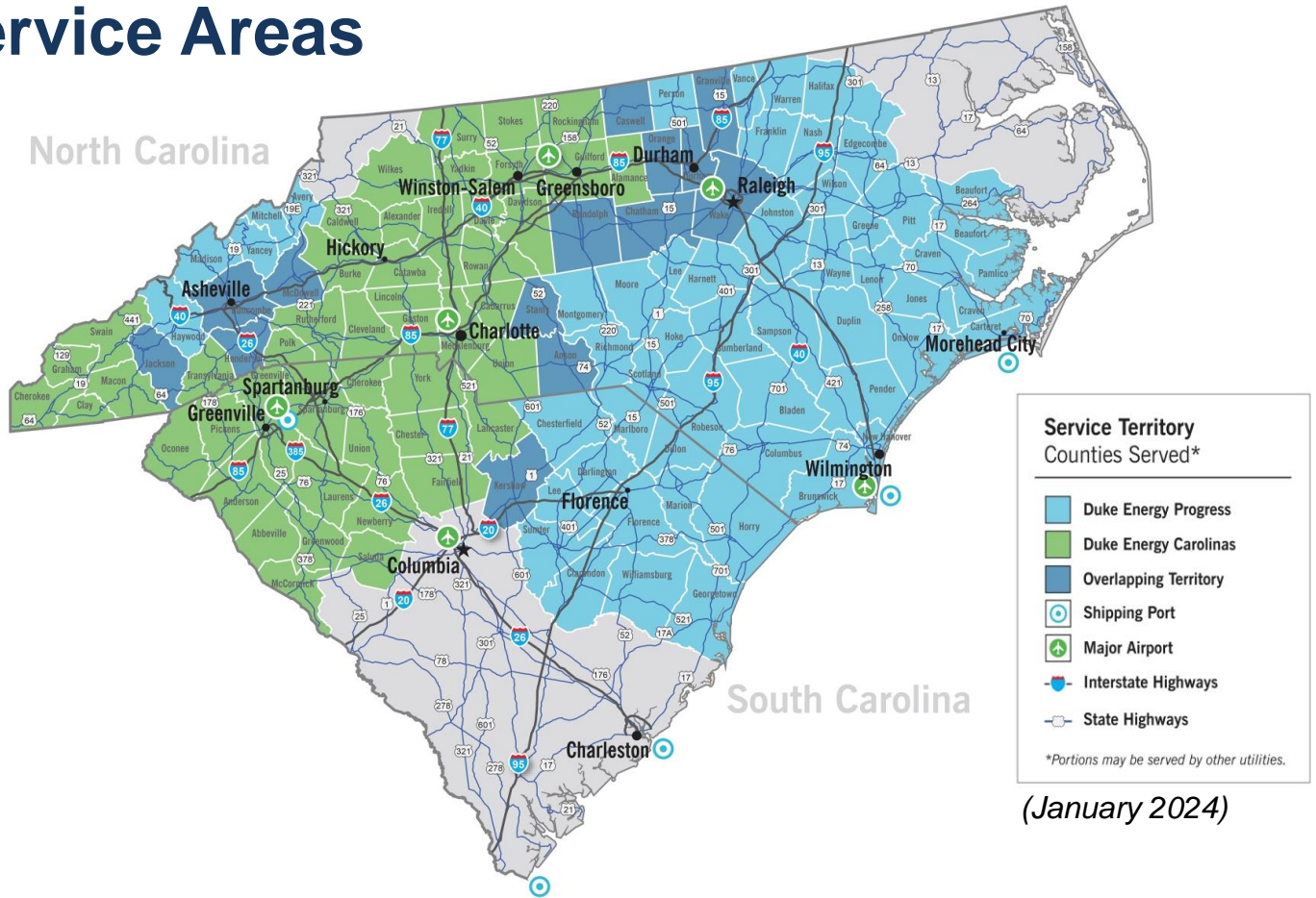
Source: <https://ncseamaps.maps.arcgis.com/apps/webappviewer/index.html?id=d142d97344df494aa20a519c74876e53> (January 2024)



North Carolina

Utilities Commission

Duke Energy's Carolinas and Progress NC & SC Service Areas

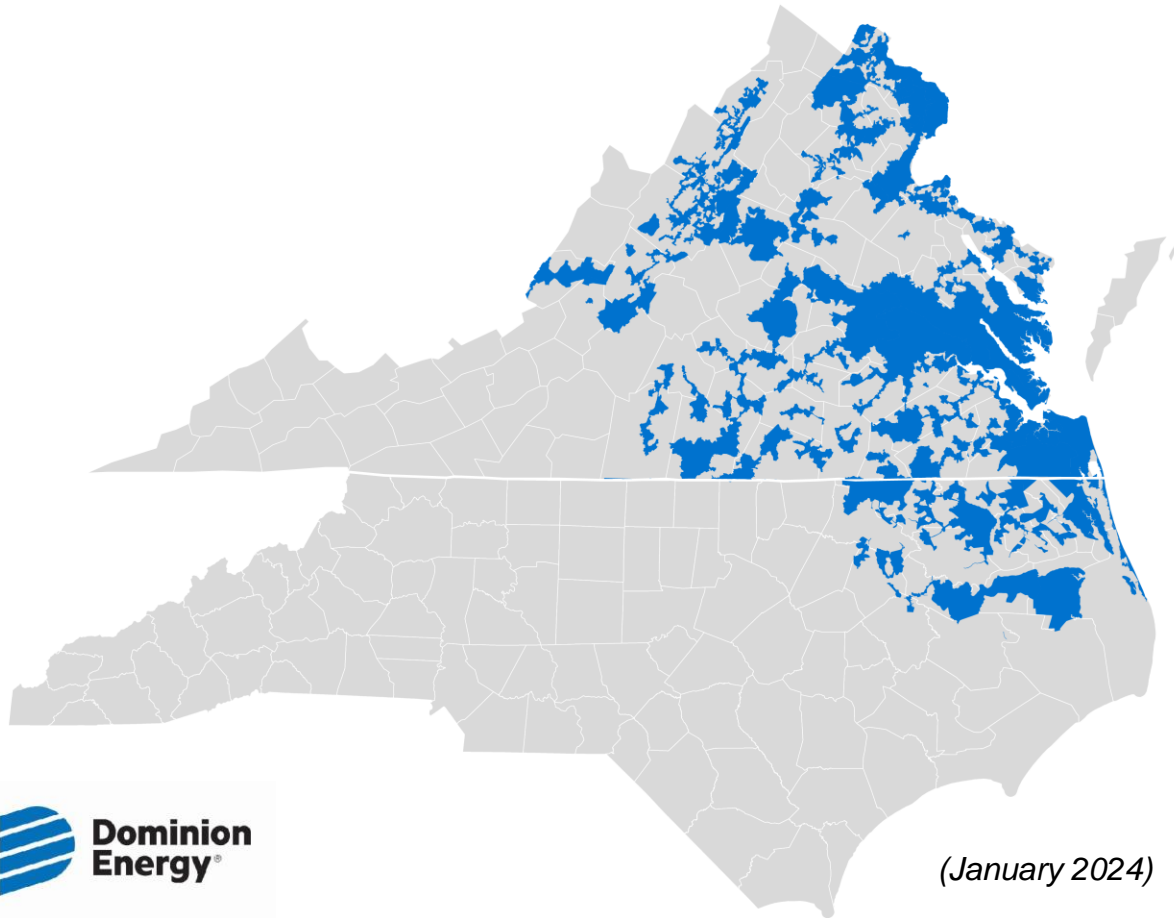




North Carolina

Utilities Commission

Dominion Energy NC & VA Service Areas



(January 2024)

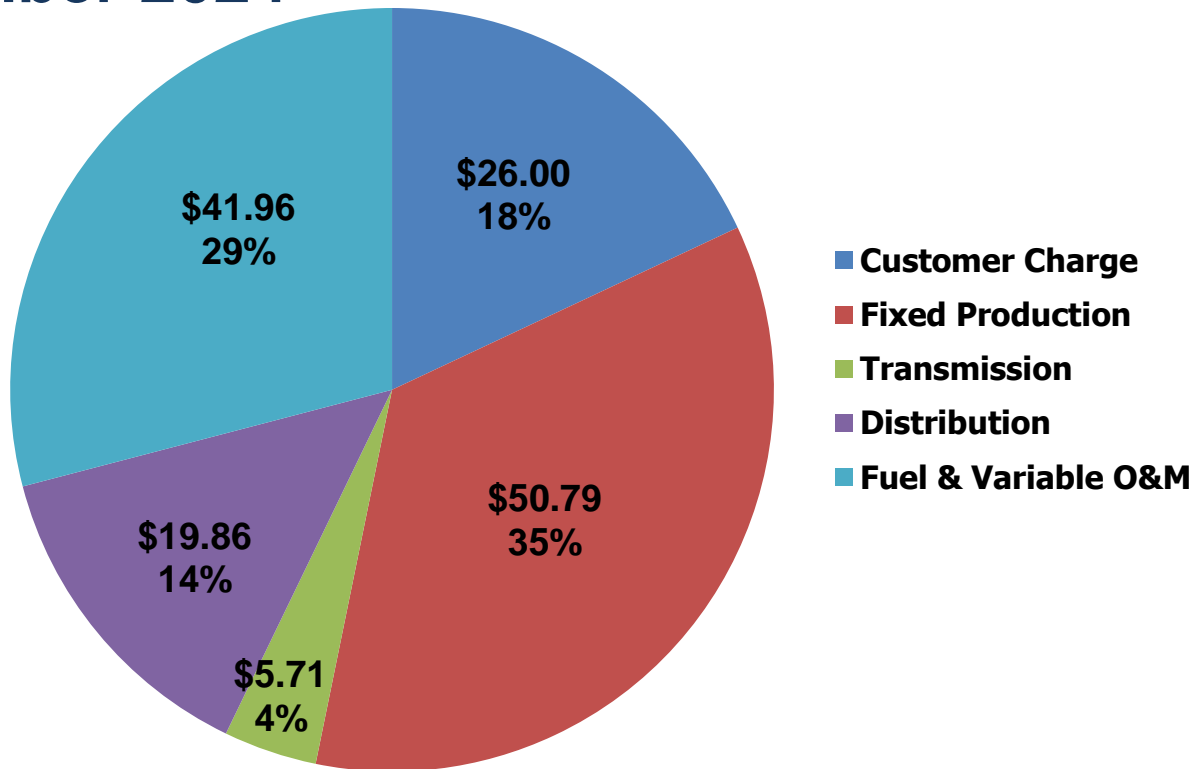


North Carolina

Utilities Commission

Duke Energy Carolinas

Typical Residential 1,000 kWh Monthly Bill Total \$144.32 September 2024



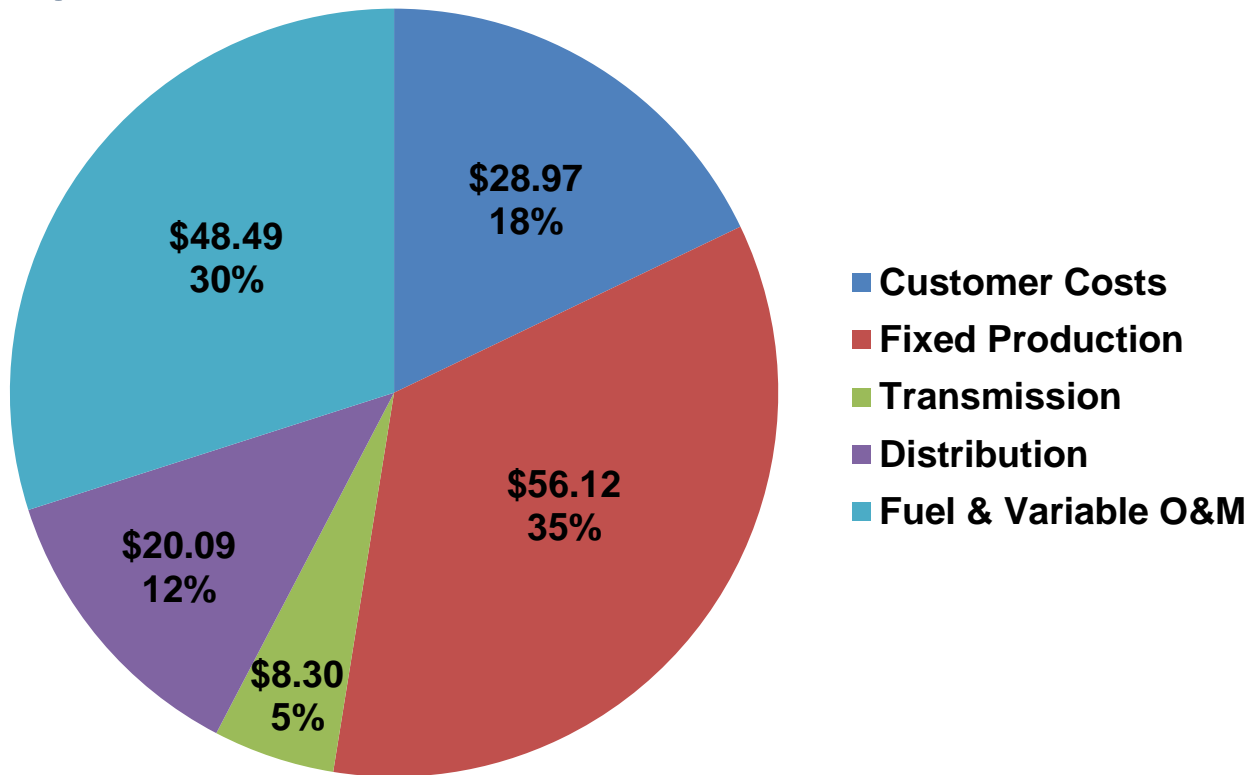


North Carolina

Utilities Commission

Duke Energy Progress

Typical Residential 1,000 kWh Monthly Bill Total \$161.97 October 2024

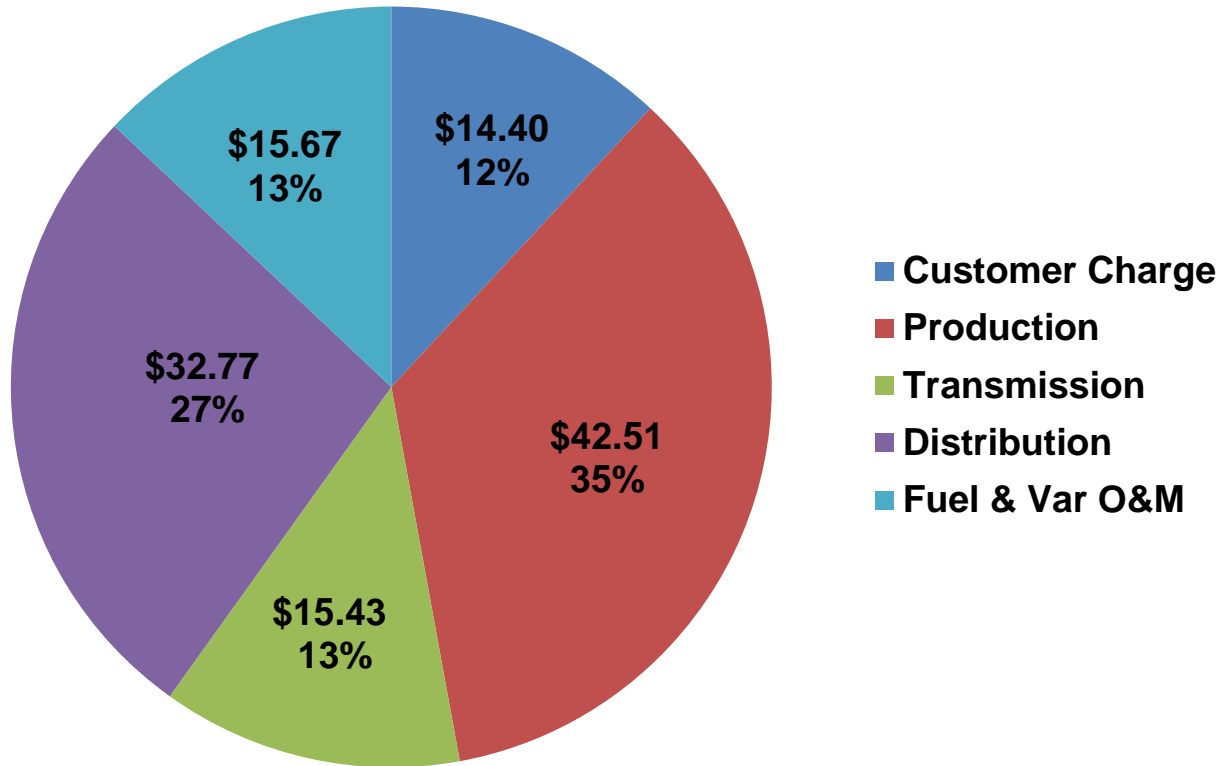




North Carolina

Utilities Commission

Dominion Energy North Carolina Typical Residential 1,000 kWh Monthly Bill Total \$120.78 February 2025





North Carolina

Utilities Commission

Reserve Margins

- DEP and DEC each currently utilize a minimum winter planning reserve margin of 17%, increasing to 22% by 2031.
- Dominion is a PJM member and participates in the PJM capacity planning process. Dominion Energy can participate in PJM's capacity planning process through either the RPM (reliability pricing model) forward capacity market or the FRR (fixed resource requirement) alternative, which allows local capacity coverage via self-generation or bilateral transactions. After opting for FRR in 2022/2023, the Company announced in 2024 its decision to return to RPM for 2025/2026 to meet its capacity obligations. PJM currently recommends using an overall installed reserve margin of 18.5% for delivery year 2025/2026.



North Carolina

Utilities Commission

Clean Energy & Energy Efficiency Portfolio Standard (CEPS)

- In 2007, North Carolina became the first State in Southeast to adopt a renewable energy portfolio standard – Session Law 2007-397 (Senate Bill 3)
- Pursuant to Session Law 2023-138, effective October 10, 2023, the Renewable Energy and Energy Efficiency Portfolio Standard (REPS) is now titled the Clean Energy and Energy Efficiency Portfolio Standard (CEPS), which added nuclear energy as a resource for compliance.
- CEPS requirement applies to investor-owned electric utilities (electric public utilities), electric membership corporations, and municipal utilities
- CEPS requirement may be met through combination of renewable energy generation and energy efficiency savings. A third-party renewable energy certificate (REC) tracking system became operational in 2010
- Specific requirements for energy derived from the sun and from poultry and swine waste, with solar requirement that began in 2010
- CEPS requirement increased from 3% of customer electricity use in 2012 to 12.5% in 2021 (for electric public utilities). Current annual requirement is 12.5%.
- Cap on incremental cost of compliance, including annual rate adjustments for investor-owned utilities
- Legislation adopting CEPS also provides timely cost recovery for new demand-side management programs and energy efficiency measures by electric public utilities, including the opportunity for utility incentives
- The Commission has approved about 1,264 renewable energy facilities (net of cancellations and revocations, as of 12/31/2024)



North Carolina

Utilities Commission

Carbon Plan

- The Commission issued its most recent [CPIRP order](#) on November 1, 2024, in Docket No. E-100, Sub 190.
- The Commission's decision followed a nine-day hearing in which many parties to the proceeding presented expert witness testimony. In addition, the Commission conducted five hearings across the State to receive public witness testimony, including one virtual hearing via Webex, at which 117 public witnesses testified. Further, the Commission received more than 1,400 consumer statements from interested members of the public.
- Consistent with the [initial Carbon Plan order](#), issued on December 20, 2022, in Docket No. E-100, Sub 179, the Commission directed Duke to investigate and pursue every available opportunity, including tax incentives and federal funding, to reduce costs for the benefit of all customers.
- In the order, the Commission accepted a settlement agreement between Duke and the Public Staff, the State's consumer advocate, as well as Walmart and the Carolinas Clean Energy Business Association.



North Carolina

Utilities Commission

Carbon Plan cont.

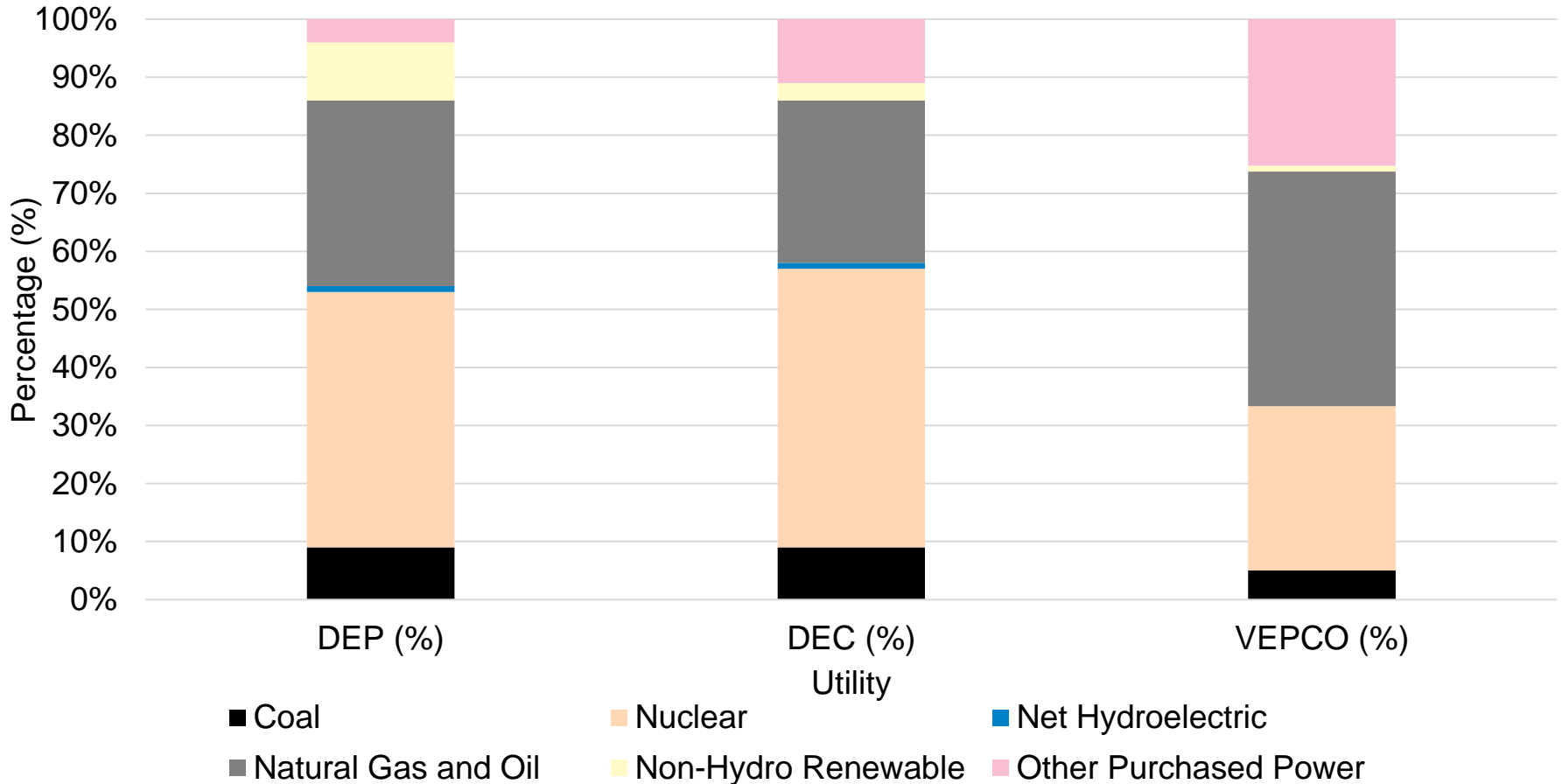
- The Commission accepted the system modeling work conducted by Duke and the Public Staff as being reasonable for planning purposes and approved a series of actions for Duke to take in the near term, which are intended to facilitate Duke's continued efforts toward providing reliable, affordable electric service while advancing toward a carbon-free future. Those actions include:
 1. Retire the remaining coal-fired generating units.
 2. Conduct additional competitive solar procurements.
 3. Procure standalone battery storage and battery storage paired with solar generation.
 4. Procure onshore wind and pursue the development of offshore wind.
 5. Develop new natural gas-fired CT and CC generation.
 6. Construct additional pumped storage hydropower facilities.
 7. Conduct early development activities for advanced nuclear generation.
 8. Extend operating licenses for Duke's existing nuclear fleet.
 9. Plan for 1% load reduction through demand-side management (DSM) and energy efficiency (EE) measures.
 10. Work with large customers to develop programs for managing and controlling load.



North Carolina

Utilities Commission

Energy Resources by Fuel Type (2023-2024)





North Carolina

Utilities Commission

II Natural Gas: Basic Facts

- Three parts of natural gas industry
 - Exploration and Production (E&P)
 - Interstate pipelines and storage facilities
 - Local Distribution Companies (LDCs) and intrastate pipeline
- E&P companies are not price-regulated
- Interstate companies are regulated by FERC (Federal Energy Regulatory Commission)
- LDCs are regulated by state commissions



North Carolina

Utilities Commission

Natural Gas Utilities

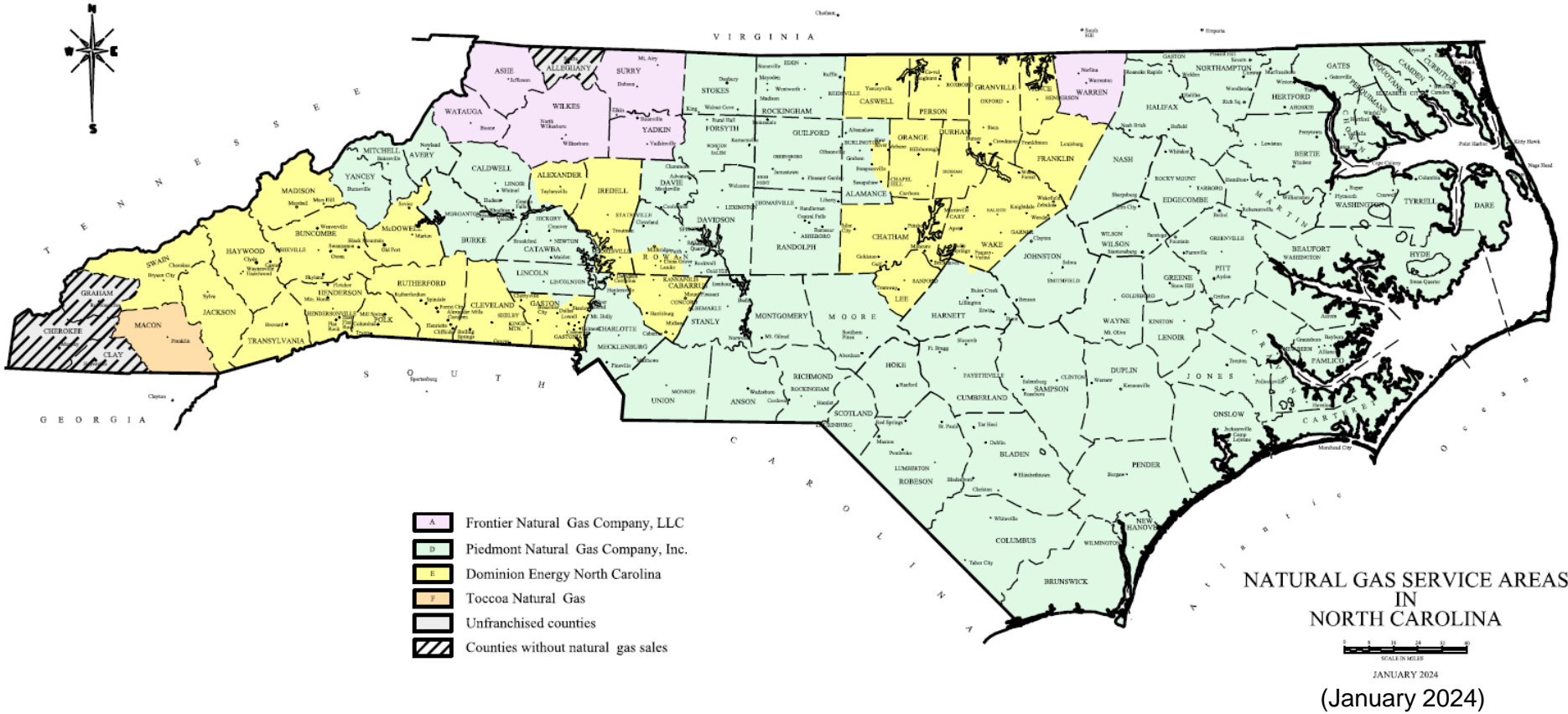
- 4 Local Distribution Companies (LDCs) in the state
 - Piedmont Natural Gas Company, Inc.
 - Public Service Company of North Carolina, Inc.
 - Frontier Natural Gas Company
 - Toccoa Natural Gas
- 1 Intrastate gas pipeline (Cardinal Pipeline Company, LLC)
- 8 Municipal gas systems – rates not regulated by NCUC
- 1 Interstate gas pipeline (Transco) crosses the State
 - 2 others (Columbia and Patriot) provide small volumes
 - The Mountain Valley Pipeline (MVP) was placed in service on June 14, 2024, and it extends the Equitrans transmission system in Wetzel County, WV to Transco's Zone 5 compressor station 165 in Pittsylvania County, VA.
 - The Southgate expansion would entrail a 30-inch diameter pipeline stretching about 31 miles from the terminus of the MVP in Pittsylvania County, VA, to new delivery points in Rockingham County, NC. FERC has allowed the developer until June 2026 to finish the proposed Southgate extension.
- 1 Interstate liquefied natural gas storage facility
 - (Pine Needle LNG Company, LLC)



North Carolina

Utilities Commission

Local Distribution Companies' Service Territories

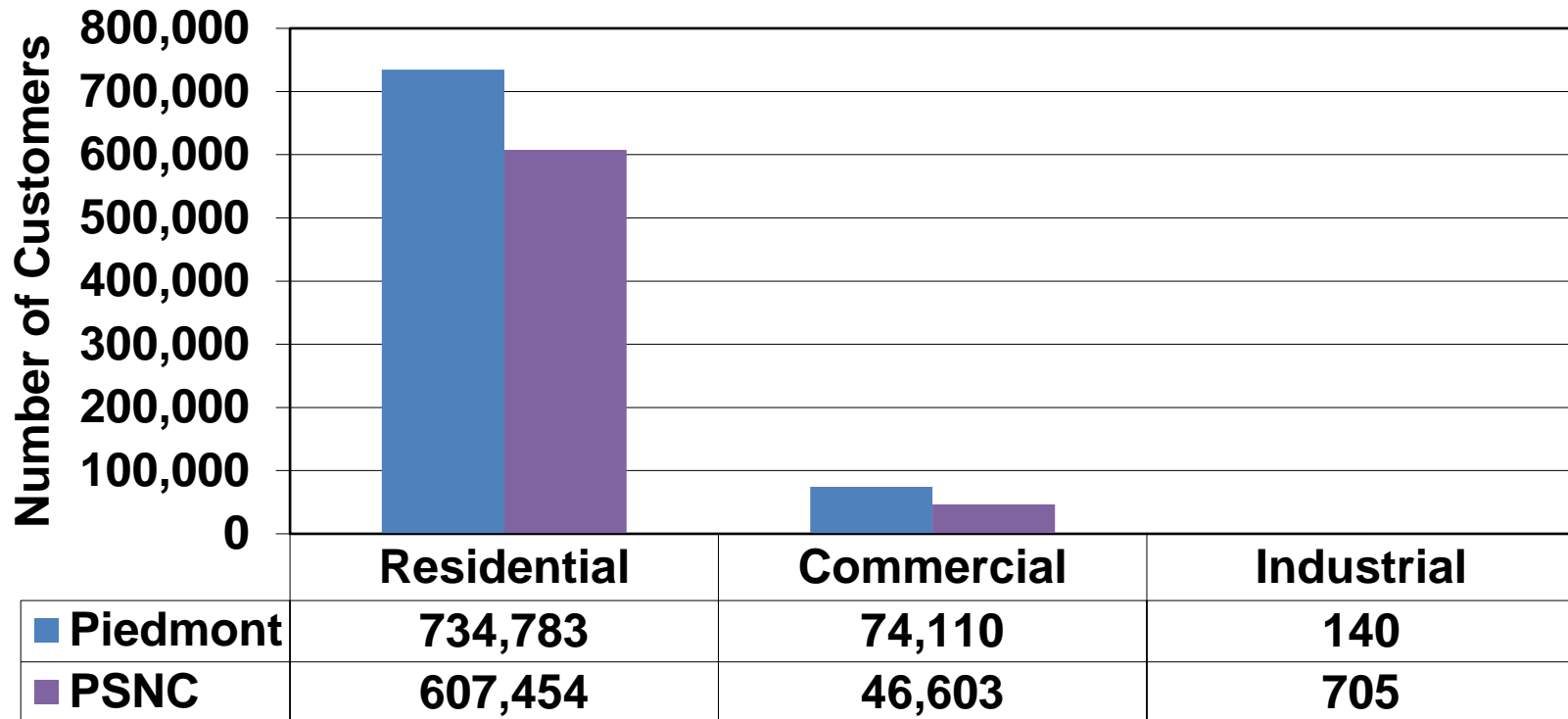




North Carolina

Utilities Commission

Major Local Distribution Companies' Number of Customers (As of 9/30/2024)



Note: "Industrial & Other" customers include gas transported for others and sales to public authorities.

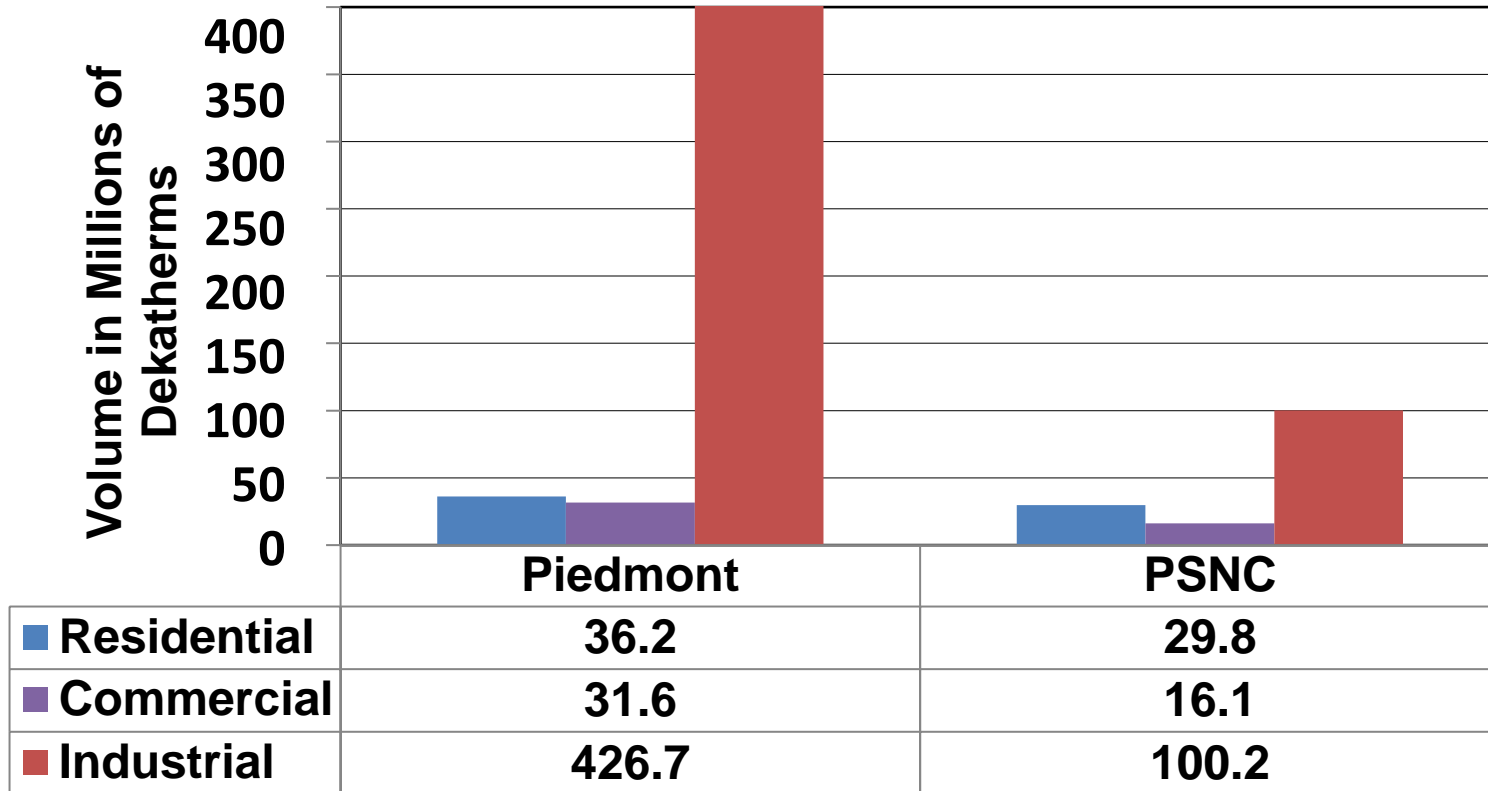


North Carolina

Utilities Commission

Major Local Distribution Companies' Volumes Delivered

(12-Month Period Ending 9/30/2024)



Note: "Industrial & Other" volumes include deliveries to gas-fired electric generators and gas transported; Piedmont's "Industrial" volumes include deliveries for resale to municipal gas systems.



North Carolina

Utilities Commission

State Regulatory Framework For Local Distribution Companies

Rates

- NCUC establishes the level of base rates in a general rate case
- LDCs earn a return on equity invested
 - Pass through prudently incurred costs
- LDCs may file for purchased gas adjustments at any time
 - To adjust gas cost portion of rates prospectively
 - To pass through the wholesale cost of natural gas
 - LDCs do not profit from high gas prices
- NCUC annually reviews each LDC's gas purchasing practices
 - Compares prudently incurred costs to costs recovered
 - Changes rates to "true up" under-recoveries or over-recoveries



North Carolina

Utilities Commission

State Regulatory Framework For Local Distribution Companies *cont.*

Tracker Mechanisms

- Laws allow for certain costs to be recovered outside of a rate case
 - N.C. Gen. Stat. § 62-133.7 – customer usage adjustment
 - N.C. Gen. Stat. § 62-133.7A – safety-related capital expenditure adjustment
- N.C. Gen. Stat. § 62-133.7 – Allows LDCs to adjust rates to track customer usage
 - Without this, reduced usage would cause LDCs to under-recover margin.
 - Would punish LDCs for promoting conservation and efficiency.
 - Tracker allows for rate adjustments to recover rate case margins.
- N.C. Gen. Stat. § 62-133.7A. – Lets LDCs put safety-related investments in rate base
 - Federal pipeline safety laws and regulations require major investments. Without this, LDCs might have to file frequent “pancaked” rate cases.



North Carolina

Utilities Commission

Renewable Natural Gas - Appendix F Pilot Program

- On June 19, 2018, in Docket No. G-9, Sub 698, the Commission issued an Order Approving Appendix F and Establishing Pilot Program (Appendix F Order) that sets the terms and conditions under which Piedmont will accept Alternative Gas or Renewable Natural Gas (RNG) into its system and deliver or redeliver it to Piedmont's customers.
- Alternative Gas is defined as gas capable of combustion in customer appliances or facilities which is similar in heat content and chemical characteristics to natural gas produced from traditional underground well sources and which is intended to act as a substitute or replacement for natural gas. Alternative Gas includes but is not limited to biogas, biomethane, and landfill gas, as well as any other type of natural gas equivalent produced or manufactured from sources other than traditional underground well sources.
- On September 6, 2024, the Commission issued an Order in Sub 698 that requested comments and extended the Appendix F pilot program until further order of the Commission.
- As of September 2024, the Commission has approved participation in the Appendix F pilot program by 20 RNG suppliers.



North Carolina

Utilities Commission

III Telecommunications: Basic Facts

(As of 12/31/24)

- 16 Incumbent Local Exchange Companies (ILECs)
 - No ILECs remain rate-of-return or price-plan regulated
 - 8 ILECs Subsection (h) price-plan elected, effective upon filing notice¹
(N.C. Gen. Stat. § 62-133.5[h])
 - 8 ILECs Subsection (m) price-plan elected, effective upon filing notice²
(N.C. Gen. Stat. § 62-133.5[m])
- Competing Local Providers (CLPs)
 - Rates are not regulated; may raise rates after 14 days customer notice
- Interexchange Long Distance Carriers (IXCs)
 - Senate Bill 814, signed into law on 5/30/2003, found long distance services sufficiently competitive and no longer subject to regulation by the Commission. However, the Commission has authority regarding certification and enforcement of slamming and cramming rules.

¹ Barnardville Telephone Company, Citizens Telephone Company, d/b/a Comporium, Ellerbe Telephone Company, Frontier Communications of the Carolinas, Inc., North State Telephone Company, Pineville Telephone Company, Saluda Mountain Telephone Company, and Service Telephone Company.

² BellSouth Telecommunications, Inc. d/b/a AT&T North Carolina, Brightspeed of Central North Carolina, LLC, Brightspeed of Eastern North Carolina, LLC, Brightspeed of North Carolina, LLC, Verizon South, Inc. (Knotts Island exchange only), Windstream Concord Telephone, LLC, Windstream Lexcom Communications, LLC, and Windstream North Carolina, LLC.



North Carolina

Utilities Commission

Telecom Utilities *cont.*

(As of 12/31/2024)

- 22 Payphone Service Providers (PSPs)
- 5 Shared Tenant Services (STS) Providers
- Commission does not regulate:
 - Telephone Membership Corporations
 - Cable and Satellite
 - Commercial Mobile Radio Service (*includes cellular and pagers*)
 - Data and Internet Service Providers
 - Long Distance Providers (*with the exceptions of certification and enforcement of slamming and cramming rules*)
 - Rates, terms, conditions, or availability of retail services of Subsection (h) and Subsection (m) price-plan entities (ILEC or CLP)



North Carolina

Utilities Commission

House Bill 1180

Subsection (h) Price Plans – (N.C. Gen. Stat. § 62-133.5[h])

- HB1180, signed into law on 6/30/2009, allows ILECs and CLPs to adopt a Subsection (h) price plan
- ILEC or CLP only needs to file notice of adoption of Subsection (h) price plan with the Commission which becomes effective immediately upon filing
- Commission cannot regulate the rates, terms, conditions, or availability of retail services for Subsection (h) price-plan companies
- Subsection (h) price-plan ILECs must continue to offer stand-alone basic residential lines to all customers who choose to subscribe to that service, and the rate for stand-alone basic residential service may not increase more than the GDP-PI on an annual basis
- Subsection (h) ILECs are not required to file financial information and are only required to provide, on an annual basis, a link to their financial filings with the SEC which does not provide North Carolina-specific data
- A list of ILECs and CLPs that have elected Subsection (h) regulation can be found [here](#).



North Carolina

Utilities Commission

Senate Bill 343

Subsection (m) Price Plans – (N.C. Gen. Stat. § 62-133.5[m])

- SB343, signed into law on 4/26/2011 allows ILECs and CLPs to adopt a Subsection (m) price plan
- ILEC or CLP only needs to file notice of adoption of Subsection (m) price plan with the Commission which becomes effective immediately upon filing
- The Commission cannot regulate the rates, terms, conditions, or availability of retail services for Subsection (m) price-plan companies, including stand-alone basic residential service
- A Subsection (m) companies do not have any carrier of last resort obligations, and are **not** required to offer stand-alone basic residential service
- A subsection (m) company forgoes receipt of any funding from a State funding mechanism that may be established to support universal service
- Subsection (m) ILECs are not required to file financial information and are only required to provide, on an annual basis, a link to their financial filings with the SEC which does not provide North Carolina-specific data
- A list of ILECs and CLPs that have elected Subsection (m) regulation can be found [here](#).



North Carolina

Utilities Commission

North Carolina Area Codes

<u>Area Code</u>	<u>Exhaust Date¹</u>
336/743	1 st Qtr. 2049
910/472	2 nd Qtr. 2046
252	2 nd Qtr. 2029
828 ²	3 rd Qtr. 2028
919/984	4 th Qtr. 2040
704/980	1 st Qtr. 2034

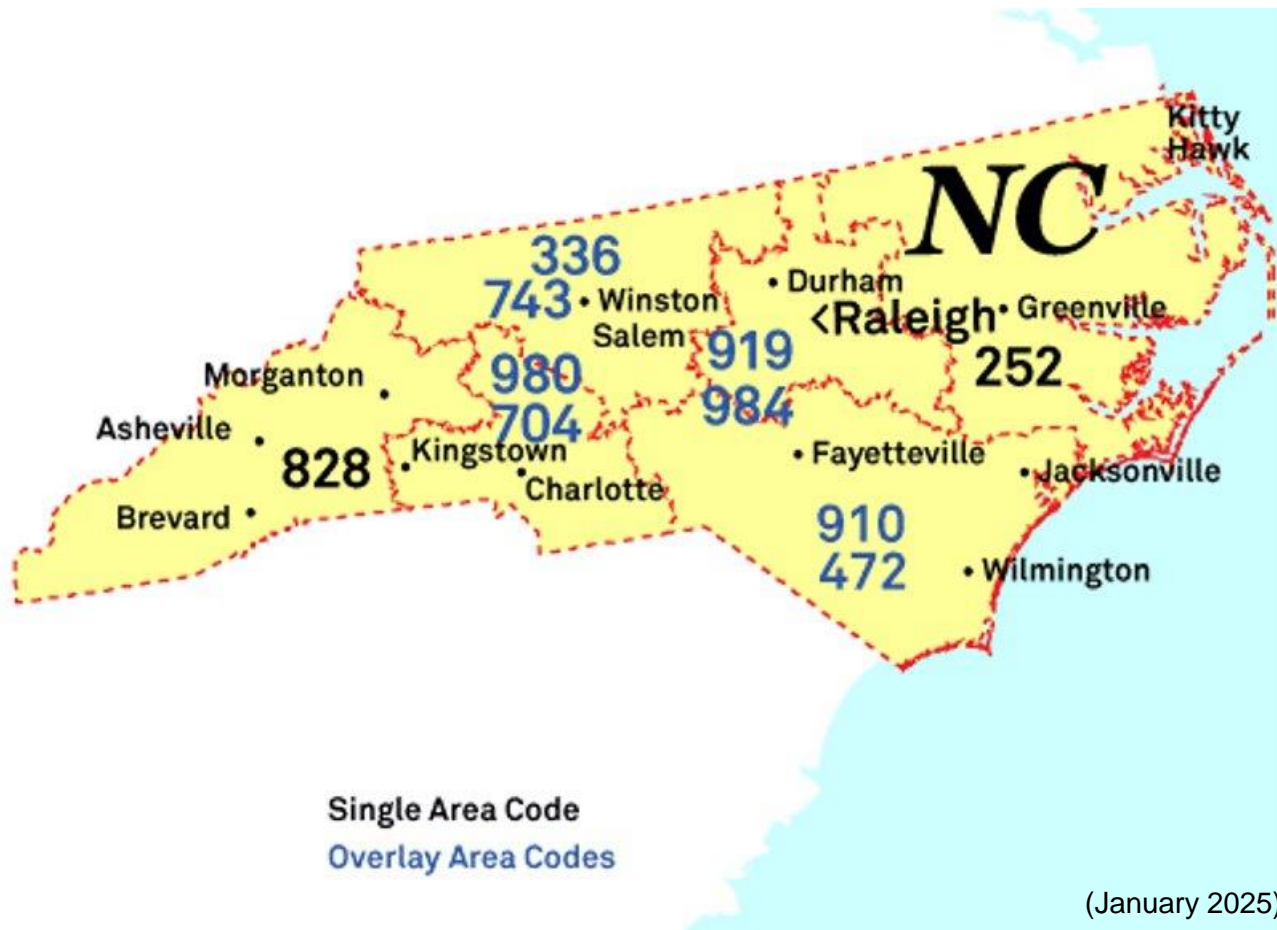
- 1) As of October 2024 NANPA Exhaust Analysis. Exhaust dates are current projections which are subject to change.
- 2) A numbering relief project for area code 828 is expected to begin in Q3 2025.
https://www.nationalnanpa.com/reports/reports_npa.html



North Carolina

Utilities Commission

North Carolina Area Code Map





North Carolina

Utilities Commission

IV Transportation: Basic Facts

(As of 12/31/2024)

- **Motor Carriers of Household Goods (HHG)**
 - 367 certificated movers
 - Provide intrastate transport of HHG
 - Subject to provisions of Maximum Rate Tariff, effective 1/1/2003, adjusted annually
 - Movers may petition the Commission for interim adjustment between annual adjustment dates with showing of just and reasonable cause
- **Regular Route Passenger Carriers**
 - 2 certificated bus companies
 - Provide passenger service over regular routes
- **Passenger Brokers**
 - 6 licensed brokers
 - Broker tours and trips with charter bus companies
- **Ferryboat Operators**
 - 8 certificated ferryboat operators
 - Provide passenger service via water over authorized routes
 - Commission does not regulate ferries operated by NCDOT's Ferry Division



North Carolina

Utilities Commission

V Water and Wastewater: Basic Facts

- Anyone furnishing water to the public for compensation or operating a public sewerage system for compensation is a public utility (*N.C. Gen. Stat. § 62-3(23)a.2*)
- Regulation does not include:
 - Water or Sewer Operations with less than 15 residential customers
 - Municipal or County systems
 - Sanitary Districts
 - Mobile Home Parks (where water/wastewater included in rent)
 - Homeowners' Associations
 - Nonprofit and consumer-owned corporations



North Carolina

Utilities Commission

Water/Wastewater Industry *cont.*

- NCUC grants certificates for specific service areas and regulates rates and service aspects of utility operation
- NCUC does not regulate drinking water quality, but requires compliance with NCDEQ, Division of Water Resources, Public Water Supply regulations
- NCUC does not regulate discharge of sewage being treated, but requires compliance with NCDEQ, Division of Water Resources, Water Quality regulations



North Carolina

Utilities Commission

Rates of Water/Wastewater Utilities

- Traditional Companies
 - NCUC establishes base rates in general rate case.
(*N.C. Gen. Stat. § 62-133 and N.C. Gen. Stat. § 62-133.1*)
 - In a general rate case, Company may seek approval of a water and/or sewer system improvement charge (WSIC and SSIC) rate adjustment mechanism for investment in eligible improvements and replacement of water and sewer facilities (*N.C. Gen. Stat. § 62-133.12*). Once mechanism is approved and eligible system improvements are completed and placed in service between rate cases, Company may seek approval to impose the WSIC and/or SSIC, subject to a statutory cap and NCUC procedures (*Rules R7-39 and R10-26*). Session Law 2021-149 increased statutory cap for the WSIC and SSIC from 5% to 7.5% and modified the definitions of “eligible water/sewer system improvements”
 - Company may request a pass-through rate adjustment, outside a general rate case, for changes in costs based on third-party supplier’s rates (*N.C. Gen. Stat. § 62-133.11*)
 - Company may request to establish rate base by using the fair value of the utility property instead of original cost when acquiring an existing water or wastewater system owned by a municipality or county or an authority or district established under Chapter 162A of the General Statutes.
(*N.C. Gen. Stat. § 62-133.1A and NCUC Rules R7-41 and R10-28*)



North Carolina

Utilities Commission

Rates of Water/Wastewater Utilities

- Traditional Companies
 - In general rate case, Company may seek approval of rate adjustment mechanism to track and true up variations in average per customer usage by rate schedule from levels adopted in general rate case proceeding (*N.C. Gen. Stat. § 62-133.12A and NCUC Rules R7-40 and R10-27*)
 - Utility may file a general rate application utilizing a Water and Sewer Investment Plan (WSIP) mechanism under which the Commission sets water and sewer base rates, revenue requirements through banding of authorized returns, authorizes annual rate changes for a three-year period based on reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the plan without the need for a base rate proceeding during the plan period.
 - A WSIP includes performance-based metrics that benefit customers and ensure the provision of safe, reliable, and cost-effective service by the water or sewer utility. Utility is required to file quarterly reports on earnings and status of capital projects. An annual review of earnings and established metrics by the Public Staff is required for a determination of incentives, penalties, or customer refunds, if any.
 - If the utility does not have a new general rate case in effect at the end of Rate Year Three, the rates in effect at the end of Rate Year Three remain in effect until further order of the Commission, with continued quarterly reporting of earnings and status of capital projects. (*N.C. Gen. Stat. § 62-133.1B and NCUC Rules R1-17A*)



North Carolina

Utilities Commission

Rates of Water/Wastewater Utilities cont.

- Resale Companies
 - For the purpose of encouraging water conservation, NCUC establishes rates based upon charges by a third-party supplier of service and an administrative fee that landlords may charge lessees of residential contiguous and non-contiguous premises. (*N.C. Gen. Stat. § 62-110[g]*)
 - NCUC grants a certificate of authority to the owner of the residential premises within 30 days of receipt of a completed application. (*NCUC Rule R18-3*)
 - Company may request a pass-through rate adjustment for changes in costs based on third-party supplier's revised rates. A valid rate adjustment is allowed to become effective after 14 days notice to the Commission, unless otherwise suspended or disapproved. (*N.C. Gen. Stat. § 62-110[g]*)



North Carolina

Utilities Commission

Rates of Water/Wastewater Utilities cont.

- Resale Companies
 - Landlord may pass through and charge lessees of residential premises the same flat rate for water or sewer services, rather than a rate based on metered consumption, and an administrative fee if the NCUC approves a flat rate to be charged by a water or sewer utility for the provision of water or sewer services for such premises.
(N.C. Gen. Stat. § 62-110[g][1b]. NCUC rules and procedures to be established.)
 - Landlord of any leased residential premises, as that term is defined under N.C. Gen. Stat. § 42-59(3), may equally divide the amount of the water and sewer bill for a unit among all the lessees in the unit and may send one bill to each lessee.
(N.C. Gen. Stat. § 62-110[g][1c]. NCUC rules and procedures to be established.)



North Carolina

Utilities Commission

Water/Wastewater Utilities

- Traditional Companies *(As of 12/31/2023)*
 - 32 Water and Wastewater
 - 24 Water only
 - 24 Wastewater only
 - Operating in 72 North Carolina counties
 - 139,283 Water and 65,533 Wastewater customers
- Resale Companies *(As of 12/31/2024)*
 - 2,340 Water and/or Wastewater

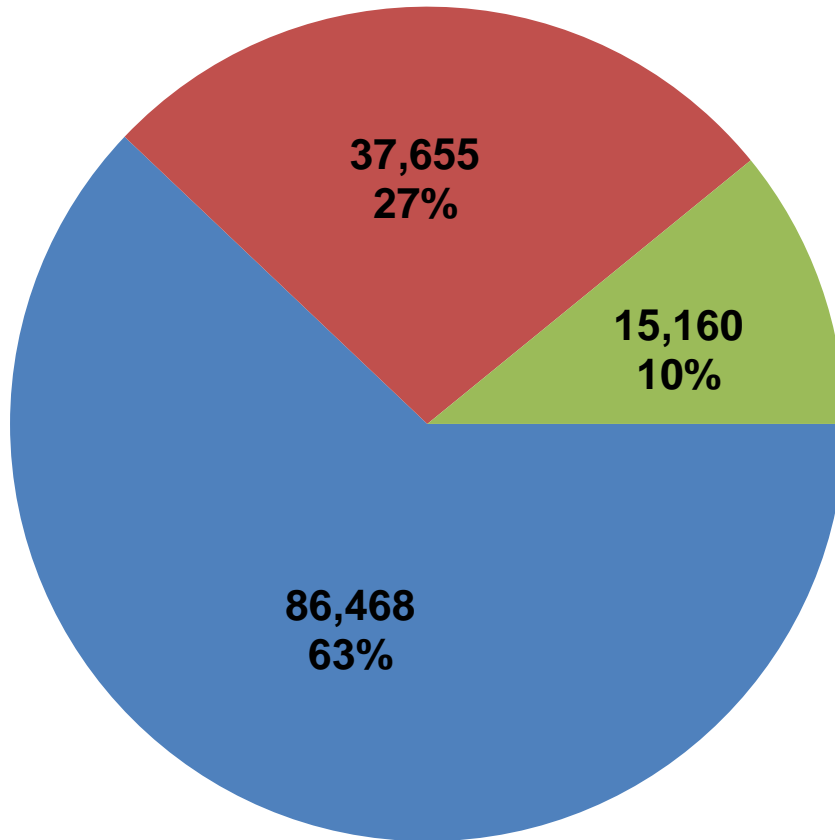


North Carolina

Utilities Commission

Water Customers (139,283 Total)

(As of 12/31/2023)



- Aqua North Carolina, Inc.
- Carolina Water Service, Inc. of NC
- Other

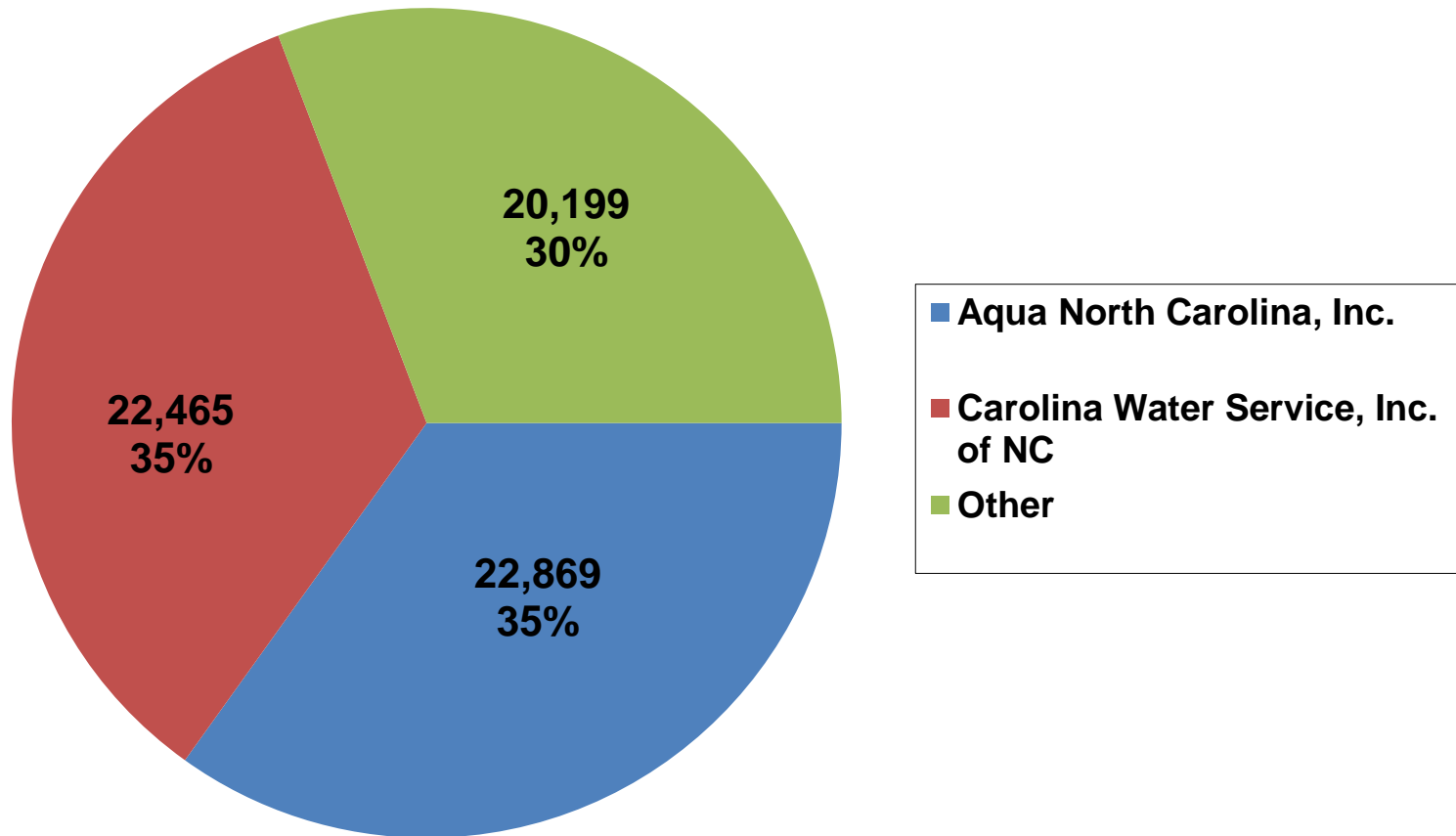


North Carolina

Utilities Commission

Wastewater Customers (65,533 Total)

(As of 12/31/2023)



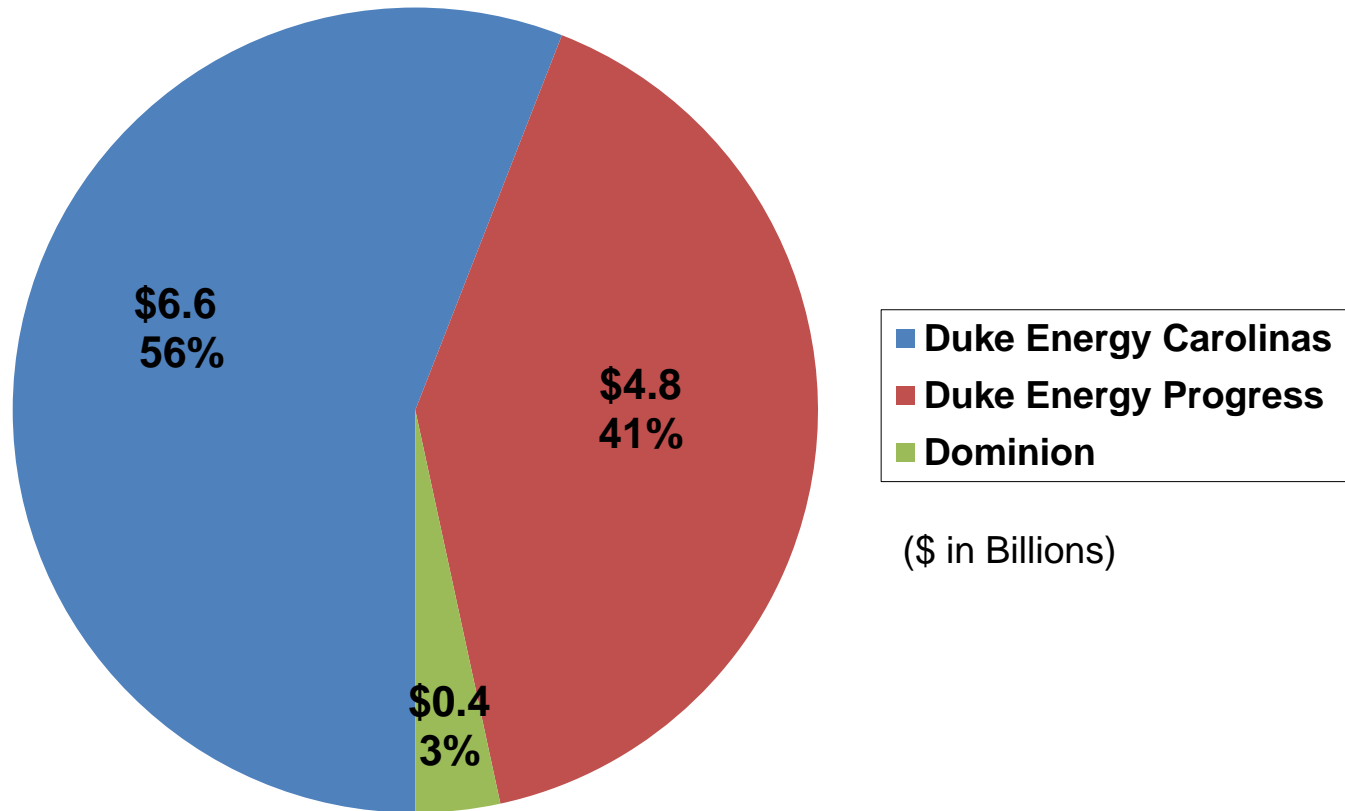


North Carolina

Utilities Commission

VI Selected Financial and Operational Data Operating Revenues by Electric Utility (\$11.8B Total)

(12-Month Period Ending 9/30/2024)



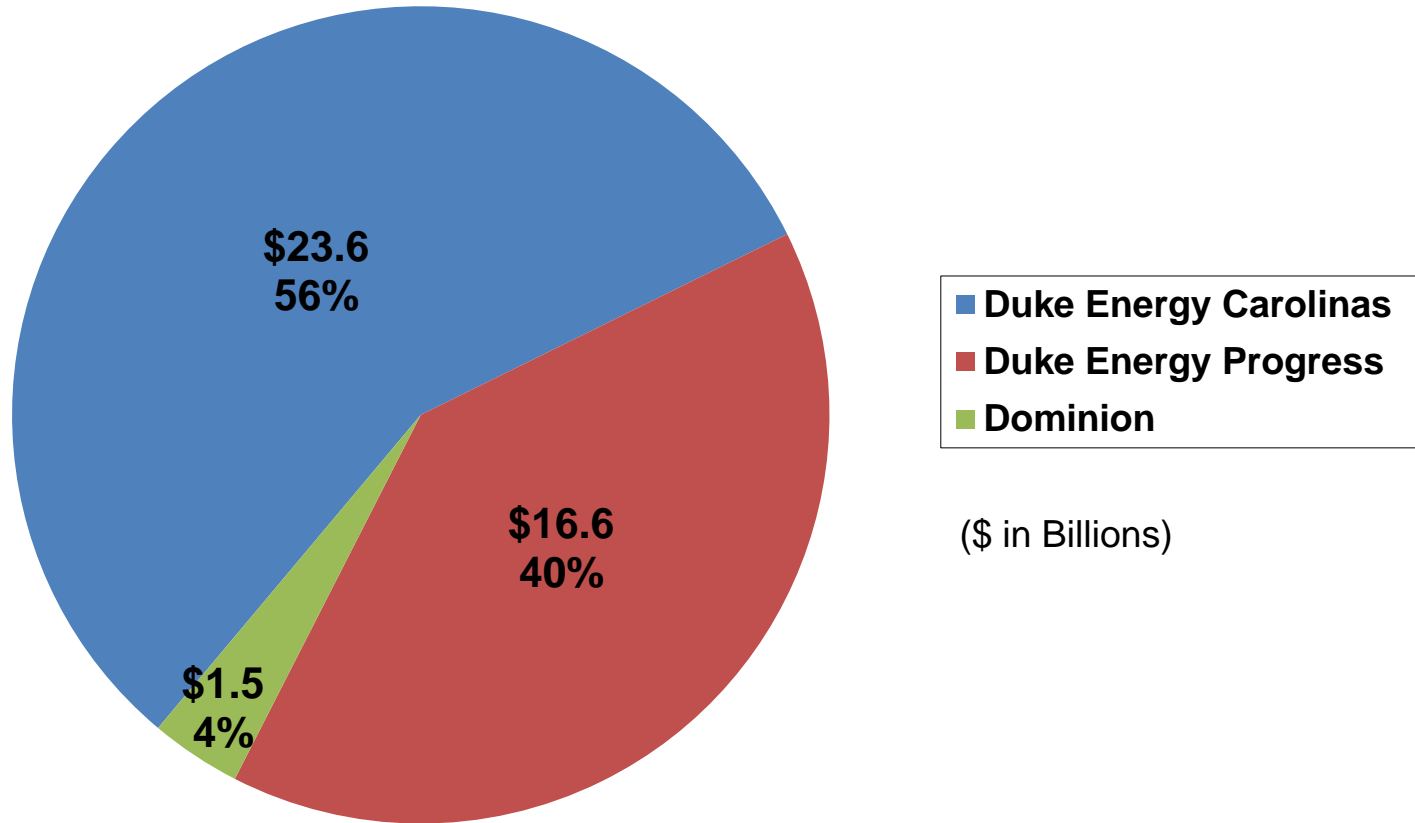


North Carolina

Utilities Commission

Net Plant Investment by Electric Utility (\$41.7B Total)

(As of 9/30/2024)



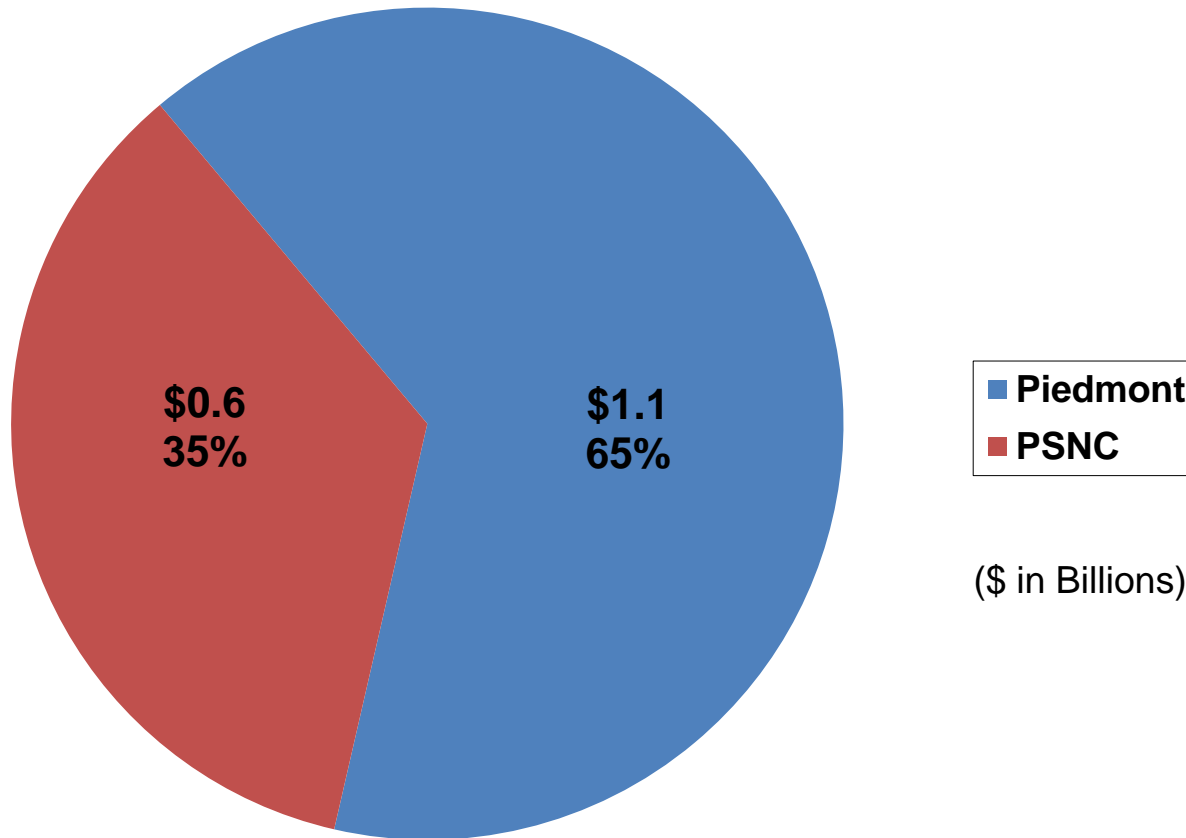


North Carolina

Utilities Commission

Operating Revenues by Natural Gas Utility (\$1.7B Total)

(12-Month Period Ending 09/30/2024)



(\$ in Billions)

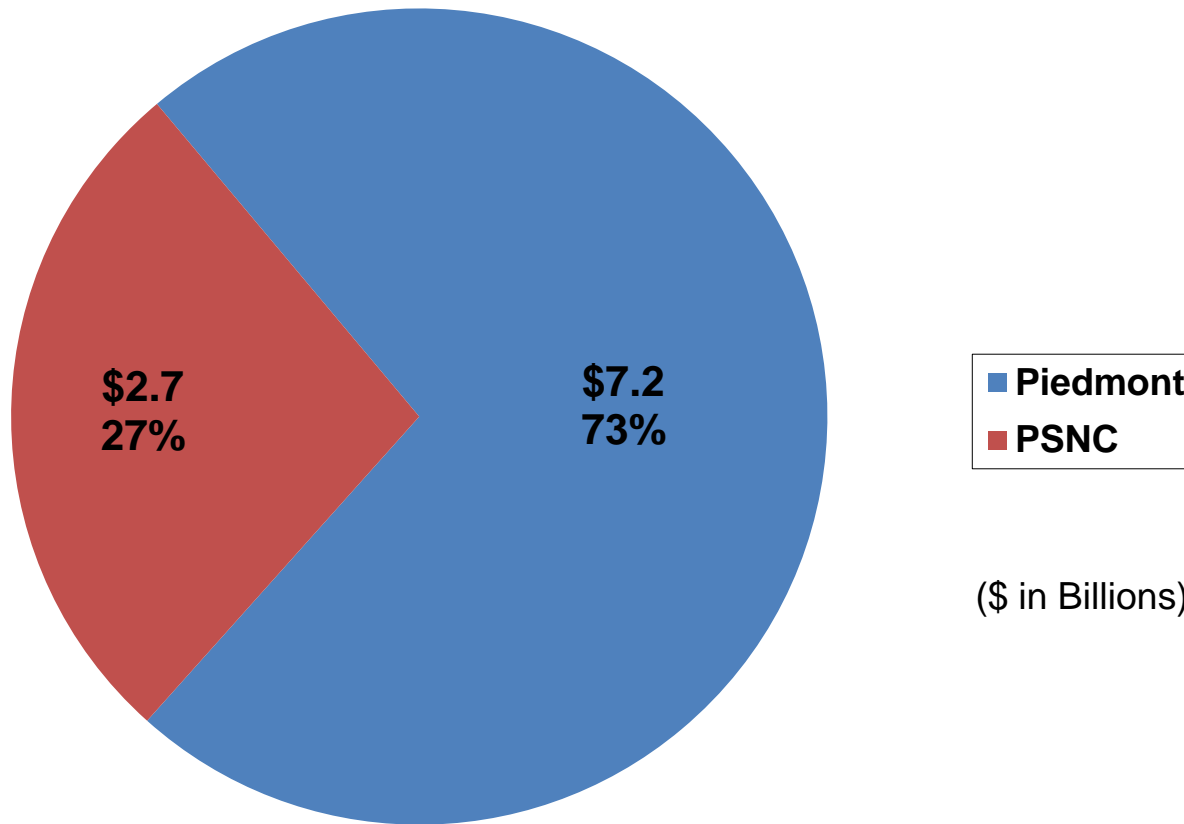


North Carolina

Utilities Commission

Net Plant Investment by Natural Gas Utility (\$9.9B Total)

(As of 9/30/2024)





North Carolina

Utilities Commission

Major Utilities: Last General Rate Case Order

(As of 2/1/2025)

- **Duke Energy Carolinas, LLC**
Docket No. E-7, Sub 1276; Multi-year; December 15, 2023
- **Duke Energy Progress, LLC**
Docket No. E-2, Sub 1300; Multi-year; August 18, 2023
- **Dominion Energy North Carolina**
Docket No. E-22, Sub 694; January 14, 2024
- **Piedmont Natural Gas Company, Inc.**
Docket No. G-9, Sub 837; January 7, 2025
- **Public Service Company of North Carolina, Inc.**
Docket No. G-5, Sub 632; January 21, 2022
- **Aqua North Carolina, Inc.**
Docket No. W-218, Sub 526; Multi-year; June 5, 2023
- **Carolina Water Service, Inc. of North Carolina**
Docket No. W-354, Sub 400; Multi-year; April 26, 2023



North Carolina

Utilities Commission

Selected Mergers and Acquisitions 2003 to Present

- Electric
 - In 2005, Dominion joined PJM Interconnection, LLC
 - In 2006, Duke Energy acquired Cinergy
 - In 2012, Progress Energy merged with Duke Energy
- Natural Gas
 - In 2003, Piedmont acquired NCNG and 50% interest in Eastern NCNG
 - In 2005, Piedmont acquired the remaining 50% interest in Eastern NCNG
 - In 2007, Energy West acquired Frontier
 - In 2016, Piedmont merged with Duke Energy
 - In 2017, BlackRock, Inc. acquired Frontier
 - In 2018, Dominion acquired PSNC's parent, SCANA
 - In 2021, Ullico Infrastructure Hearthstone, LLC acquired Frontier
 - In 2024, Enbridge (U.S.) Inc., acquired Public Service Company of North Carolina



North Carolina

Utilities Commission

Selected Mergers and Acquisitions 2004 to Present ***cont.***

- Water/Wastewater
 - In 2004, Aqua America acquired stock of Heater Utilities, Inc.
 - In 2006, Hydro Star acquired stock of Utilities, Inc., from nv Nuon
 - In 2007, Utilities, Inc. subsidiaries: Belvedere, Queens Harbor, Riverpointe, and Watauga Vista merged into Carolina Water
 - In 2008, Aqua America subsidiaries: Fairways, Glynnwood, Heater, Mountain Point, Rayco, and Willowbrook merged into Aqua NC
 - In 2010, Utilities, Inc. subsidiaries: Carolina Pines and Nero merged into Carolina Water
 - In 2012, Corix acquired stock of Utilities, Inc., from Hydro Star
 - In 2016, Utilities, Inc. subsidiaries: Bradfield Farms, Carolina Trace, CWS Systems, Elk River, and Transylvania merged into Carolina Water
 - In 2018, Pluris Webb Creek acquired the wastewater assets of Webb Creek Water and Sewage, Inc.
 - In 2022, Red Bird Utility Operating Company, LLC (Red Bird), acquired franchise serving Ocean Terrace and Pine Knoll Townes I, II, and III



North Carolina

Utilities Commission

Selected Mergers and Acquisitions 2004 to Present *cont.*

- Water/Wastewater
 - In 2023, Red Bird acquired franchises serving Lake Royale Subdivision; Bear Den Development; Baywood Forest and Cottonwood Subdivisions
 - In 2023, the wastewater treatment plant and wastewater system assets of Pluris, LLC, and Pluris Webb Creek, LLC, were sold to the Onslow County Water and Sewer Authority, an owner exempt from NCUC regulation
 - In 2023, the NCUC approved the business combination of Carolina Water, Corix, and SW Merger Acquisition Corp. The merger was consummated on April 1, 2024.
 - In 2023, Carolina Water acquired the Carteret County Water Systems under the fair value statute *N.C. Gen. Stat. § 62-133.1A*, a case of first impression



North Carolina

Utilities Commission

**Explore ncuc.gov
for additional information**