

CHAPTER 15.

REGULATORY FEE FOR PUBLIC UTILITIES.

Rule R15-1. Regulatory Fee.

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Rule R15-1. REGULATORY FEE.

(a) *Fee Imposed.* G.S. 62-302 requires each public utility regulated by the North Carolina Utilities Commission to pay a quarterly regulatory fee to the Commission, which shall be used only to pay the expenses of the Commission and the Public Staff in regulating public utilities in the interest of the public and to maintain a reasonable margin for a reserve fund.

The electric membership corporation regulatory fee for each fiscal year is two hundred thousand dollars (\$200,000).

(b) *Procedure for Setting the Regulatory Fee Rate.* In the first half of each calendar year, the Commission shall review the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including a reasonable margin for the reserve fund allowed under G.S. 62-302, and shall, if there is a change in the regulatory fee rate or other reason, enter an order setting the regulatory fee rate effective for the next fiscal year. In making this determination, the Commission shall consider all relevant factors that may affect the cost of operating the Commission or the Public Staff or a possible unanticipated change in competitive and noncompetitive jurisdictional revenues.

If the estimated receipts provided for under this section are less than the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including the reasonable margin for the reserve fund, then the Commission may issue an order in Docket No. M-100, Sub 142 increasing the public utility regulatory fee rate on noncompetitive jurisdictional revenues effective for the next fiscal year. In no event may the percentage rate of the public utility regulatory fee on noncompetitive jurisdictional revenues exceed seventeen and one-half hundredths of one percent (0.175%).

If the estimated receipts provided for under this section are more than the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including the reasonable margin for the reserve fund, then the Commission shall issue an order in Docket No. M-100, Sub 142 decreasing the public utility regulatory fee rate on noncompetitive jurisdictional revenues effective for the next fiscal year.

(c) *Definitions.* As used in this rule:

- (1) "Noncompetitive jurisdictional revenues" means all revenues derived or realized from intrastate tariffs, rates, and charges approved or allowed by the Commission or collected pursuant to Commission order or rule, but not including tap-on fees or any other form of contributions in aid of construction. For telecommunications companies, all revenues and other receipts derived from access charges are to be included as noncompetitive jurisdictional revenues.

- (2) "Subsection (h) competitive jurisdictional revenues" means all revenues derived from retail services provided by local exchange companies and competing local providers that have elected to operate under G.S. 62-133.5(h), including all revenues and other receipts derived from yellow pages advertising.
- (3) "Subsection (m) competitive jurisdictional revenues" means all revenues derived from retail services provided by local exchange companies and competing local providers that have elected to operate under G.S. 62-133.5(m), including all revenues and other receipts derived from yellow pages advertising.

(d) *When Due.* The regulatory fee imposed by G.S. 62-302 is due and payable to the Commission on or before the 15th day of the second month following the end of each quarter. Each public utility subject to the regulatory fee shall, on or before the date the fee is due for each quarter, prepare and file a report, either electronically on the Commission's website or by hard copy, on the form prescribed by the Commission. The report shall state the public utility's total North Carolina jurisdictional revenues for the preceding quarter. Receipts shall be reported on an accrual basis. The form of the report shall be posted on the Commission's website at <http://www.ncuc.net/regfeereporting.html>.

If a public utility's report for the first quarter of any fiscal year shows that application of the percentage rate would yield a quarterly fee of six dollars and twenty-five cents (\$6.25) or less, the public utility shall pay an estimated fee for the entire fiscal year in the amount of twenty-five dollars (\$25.00)(\$6.25 x 4). The estimated fee of \$25.00 is on a per company basis. If, after payment of the estimated fee, the public utility's subsequent returns show that application of the percentage rate would yield quarterly fees that total more than twenty-five dollars (\$25.00) for the entire fiscal year, the public utility shall pay the cumulative amount of the fee resulting from application of the percentage rate, to the extent it exceeds the amount of fees, other than any surcharge, previously paid.

(e) *Use of Proceeds.* A special fund in the Office of the State Treasurer, the "Utilities Commission and Public Staff Fund," shall be created. The fees collected pursuant to G.S. 62-302 and all other funds received by the Commission and the Public Staff shall be deposited in the Utilities Commission and Public Staff Fund. The Fund shall be placed in an interest bearing account and any interest or other income derived from the Fund shall be credited to the Fund. Monies in the Fund shall only be spent pursuant to appropriation by the General Assembly.

The Utilities Commission and Public Staff Fund shall be subject to the provisions of the Executive Budget Act except that no unexpended surplus of the Fund shall revert to the General Fund. All funds credited to the Utilities Commission and Public Staff Fund shall be used only to pay the expenses of the Commission and the Public Staff in regulating public utilities in the interest of the public as provided by Chapter 62 of the North Carolina General Statutes.

(f) *Supporting Data.* Upon request of the Commission or the Public Staff, a utility shall supply supporting data and workpapers substantiating its Public Utility Regulatory Fee Report (NCUC FORM RF).

Utilities now filing quarterly reports with the Commission in compliance with the Commission's ongoing surveillance program (NCUC FORMS E.S.-1 and G.S.-1) shall include as part of those quarterly reports a schedule setting forth a detailed reconciliation of the noncompetitive jurisdictional revenues reflected in those reports to the level of noncompetitive jurisdictional revenues reflected in the Public Utility Regulatory Fee Report (NCUC FORM RF) for the same quarterly reporting period.

Utilities not now filing quarterly reports shall include as part of their annual reports to be filed with the Commission a schedule setting forth a detailed reconciliation of the total noncompetitive jurisdictional revenues reflected in those annual reports to the level of noncompetitive jurisdictional revenues reflected in the four quarterly Public Utility Regulatory Fee Reports encompassed by the 12-month period on which the annual report is based.

(g) *Failure to File.* Failure to complete and file the Public Utility Regulatory Fee Report (NCUC FORM RF) and pay the regulatory fee as prescribed may result in the imposition of a penalty, a fine, and/or cancellation of certificate.

(h) *Procedure to Reflect Regulatory Fee Change.* Effective July 1, 2015, if the rates of a utility include the regulatory fee, upon any change in the regulatory fee, rates shall be adjusted to reflect the change in the regulatory fee as follows:

- a. If a utility requests authority to adjust its base rates for a change in the regulatory fee obligation, the Commission shall issue an order authorizing the change in base rates. The Public Staff shall make a determination on the accuracy of the utility's requested change to its base rates and shall file with the Commission the results of the Public Staff's review within 15 days of the utility's request.
- b. If a utility does not file a request under subdivision (a), rates shall be adjusted in the next proceeding changing the utility's base rates or rider rates. A utility shall defer in a regulatory asset or regulatory liability account the difference between the regulatory fee included in base rates or rider rates and the new regulatory fee. The disposition of any deferral shall be addressed in the utility's next general rate case.

(NCUC Docket No. M-100, Sub 118, 9/15/89; NCUC Docket No. M-100, Sub 140, 12/03/13; NCUC Docket No. M-100, Sub 142, 8/15/2016; NCUC Docket No. M-100, Sub 142, 9/12/2016; NCUC Docket No. M-100, Sub 142, 7/26/2017.)

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

PUBLIC UTILITY REGULATORY FEE REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2009
(First Quarter of Fiscal Year 2009-2010)

(Please Note Any Address Corrections)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1.	Total North Carolina Jurisdictional Revenues (See instruction No. 1 on reverse)	\$ <input type="text"/>
2.	Less revenues included on Line 1 determined to be uncollectible	\$ <input type="text"/>
3.	Revenues subject to regulatory fee (Line 1 minus Line 2)	\$ <input type="text"/>
4.	Statutory regulatory fee percentage rate	<input type="text" value="0.0012"/>
5.	Amount of regulatory fee due (See instruction Nos. 2 & 3 on reverse)	\$ <input type="text"/>

NOTE: THE MINIMUM FEE OF \$25.00 IS DUE WITH THIS REPORT.

CHECK NO.

Checks should be SIGNED and made payable to N C DEPT OF COMMERCE/UTILITIES COMMISSION

CERTIFICATION

I hereby certify that the information contained in this report is true to the best of my knowledge and belief.

FEDERAL I.D. NO. IS REQUIRED

Authorized Signature and Title

Date

Contact Person (Print Clearly)

() -
Telephone Number

NOTE: This report and payment of the regulatory fee are due on or before November 15, 2009.
See Instruction Nos. 4, 5, and 6 on reverse

The Public Utility Regulatory Fee is imposed pursuant to N.C. General Statute 62-302.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**PUBLIC UTILITY REGULATORY FEE REPORT FOR THE
QUARTER ENDED SEPTEMBER 30, 2009
(First Quarter of Fiscal Year 2009-2010)**

(Please Note Any Address Corrections)

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3.	Revenues subject to regulatory fee (Line 1 minus Line 2)	\$ <input type="text"/>
4.	Statutory regulatory fee percentage rate	<input type="text" value="0.0012"/>
5.	Amount of regulatory fee due (See instruction Nos. 2 & 3 on reverse)	\$ <input type="text"/>

NOTE: THE MINIMUM FEE of \$25.00 is DUE WITH THIS REPORT.

CHECK NO.

Checks should be **SIGNED** and made payable to **N C DEPT OF COMMERCE/UTILITIES COMMISSION**

6.	Total Number of Payphones in Operation this Quarter	<input type="text"/>
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CERTIFICATION

I hereby certify that the information contained in this report is true to the best of my knowledge and belief.

FEDERAL I.D. NO. IS REQUIRED

Authorized Signature and Title

Date

Contact Person (Print Clearly)

() -
Telephone Number

NOTE: This report and payment of the regulatory fee are due on or before November 15, 2009.

See Instruction Nos. 5, 6, and 7 on reverse

The Public Utility Regulatory Fee is imposed pursuant to N.C. General Statute 62-302.

INSTRUCTIONS

1. **The term "North Carolina jurisdictional revenues"** means all revenues derived or realized from intrastate tariffs, rates, and charges approved or allowed by the Commission or collected pursuant to Commission order or rule, but not including tap-on fees or any other form of contributions in aid of construction. For telecommunication companies, all revenues and other receipts derived from access charges and yellow page advertising are to be included as North Carolina jurisdictional revenues.
2. **The minimum ANNUAL regulatory fee for all public utilities subject to the jurisdiction of the North Carolina Utilities Commission is \$25.00.** This fee is paid with the first quarter of each new Fiscal Year (the Quarter ending September 30th) or the first quarter a public utility has certification. (See Instruction No.3).
3. The amount to be shown on Line 5 is the greater of Line 3 multiplied by Line 4 or \$25.00 except as noted below:
 - (a) The minimum **annual fee of \$25.00** is due when a public utility's report for its first quarter of the fiscal year July 1, through June 30, shows that the application of the percentage rate of .0012, would yield a quarterly fee of \$25.00 or less. The \$25.00 minimum fee is considered to be **an estimated fee for the entire fiscal year** and no further payment is required **if fiscal year revenues do not exceed \$20,834.00** ($\$20,834.00 \times .0012 = \25.00).
 - (b) If, after payment of the \$25.00 minimum fee, the public utility's subsequent quarterly report(s) show that application of the percentage rate of .0012 would yield quarterly fees which total more than \$25.00 for the entire fiscal year, the public utility shall pay the cumulative amount of the fee resulting from application of the percentage rate, to the extent it exceeds the \$25.00 minimum fee.
 - (c) **A report for each quarter is required even if no additional fee is due.**
4. **DATE DUE** - The Public Utility Regulatory Fee Report and payment of the regulatory fee is **due on or before the 15th** day of the second month following the end of each calendar quarter. Thus, the quarterly due dates are November 15, February 15, May 15, and August 15. If, applicable, the check should be signed and made payable to **N C DEPT OF COMMERCE/ Utilities Commission.**
5. **MAIL TO** - The Public Utility Regulatory Fee Report along with a check or money order in the amount of the regulatory fee due must be mailed to the **Finance and Budget Group, North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.** Express Mail Address: 430 N Salisbury St, Rm. 4223, Dobbs Bldg, Raleigh, North Carolina 27603.
6. **QUESTIONS** - **For assistance** in completing this report, please contact **Sharron Goodwin at (919)733-5265; e-mail Goodwin@ncuc.net;** or write to the address contained in Instruction No. 5 above.

FAILURE TO COMPLETE AND FILE THIS REPORT AND TO MAKE PAYMENT OF THE REGULATORY FEE AS PRESCRIBED MAY RESULT IN THE IMPOSITION OF A PENALTY, A FINE, AND/OR CANCELLATION OF CERTIFICATE.

NCUC FORM RF/PSP

Revised 9/09

INSTRUCTIONS

1. **The term "North Carolina jurisdictional revenues"** means all revenues derived or realized from intrastate tariffs, rates, and charges approved or allowed by the Commission or collected pursuant to Commission order or rule.
2. **The minimum ANNUAL regulatory fee for all public utilities subject to the jurisdiction of the North Carolina Utilities Commission is \$25.00.** This fee is paid with the first quarter of each new Fiscal Year (the Quarter ending September 30th) or the first quarter a public utility has certification. (See Instruction No. 3).
3. The amount to be shown on Line 5 is the greater of Line 3 multiplied by Line 4 or \$25.00 except as noted below:
 - (a) The **minimum annual fee of \$25.00** is due when a public utility's report for its first quarter of the fiscal year July 1, through June 30, shows that the application of the percentage rate of .0012, would yield a quarterly fee of \$25.00 or less. The \$25.00 minimum fee is considered to be **an estimated fee for the entire fiscal year** and no further payment is required **if fiscal year revenues do not exceed \$20,834** ($\$20,834.00 \times .0012 = \25.00).
 - (b) If, after payment of the \$25.00 minimum fee, the public utility's subsequent quarterly report(s) show that application of the percentage rate of .0012 would yield quarterly fees which total more than \$25.00 for the entire fiscal year, the public utility shall pay the cumulative amount of the fee resulting from application of the percentage rate, to the extent it exceeds the \$25.00 minimum fee.
 - (c) **A report for each quarter is required even if no additional fee is due.**
4. **Line No. 6**--The data on this line should include the total number of payphones in operation at the end of this quarter. This data provides the Commission with useful information in its regulatory fee analysis work.
5. **DATE DUE** - The Public Utility Regulatory Fee Report and payment of the regulatory fee is **due on or before the 15th** day of the second month following the end of each calendar quarter. Thus, the quarterly due dates are November 15, February 15, May 15, and August 15. **If applicable**, all checks should be signed and made payable to **NC DEPT OF COMMERCE/UTILITIES COMMISSION**.
6. **MAIL TO** - The Public Utility Regulatory Fee Report along with a check or money order in the amount of the regulatory fee due must be mailed to the **Finance and Budget Group, North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325**. Express Mail Address: 430 N.Salisbury St, Dobbs Bldg, Rm 4223, Raleigh, North Carolina 27603.
7. **QUESTIONS** - **For assistance** in completing this report, please **contact Sharron Goodwin at (919)733-5265; e-mail Goodwin@ncuc.net**; or write to the address contained in Instruction No. 6 above.

FAILURE TO COMPLETE AND FILE THIS REPORT AND TO MAKE PAYMENT OF THE REGULATORY FEE AS PRESCRIBED MAY RESULT IN THE IMPOSITION OF A PENALTY, A FINE, AND/OR CANCELLATION OF CERTIFICATE.