



North Carolina

Utilities Commission

North Carolina's Public Utility Infrastructure & Regulatory Climate

Presented by

**NORTH CAROLINA
UTILITIES COMMISSION**



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Utilities Commission

NORTH CAROLINA UTILITIES COMMISSION

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Floyd B. McKissick, Jr.

Tommy Tucker

Donald van der Vaart

John W. Gajda



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Chairman
Brawley



Commissioner
McKissick



Commissioner
van der Vaart



Commissioner
Tucker



Commissioner
Gajda



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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

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■ ■ ■

www.publicstaff.nc.gov

Consumer Services Division (Consumer Complaints)

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



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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.



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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
 - Modifications to Fuel Recovery, Carbon Plan, and CWIP Treatment – 2025



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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.
- Five members serving staggered six-year terms. 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]*).



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NCUC Organization *cont.*

- Commission employs up to 72 people, current staffing is 57, organized among four divisions: Legal, Operations, Fiscal Management, and Clerk and IT Services.
- Certified FY 2025-2026 annual budget: \$ 12,099,167
 - NCUC budget: \$ 10,914,498
 - Gas Pipeline Safety budget: \$ 1,184,669
- 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, 2025, the regulatory fee percentage for noncompetitive jurisdictional revenues remained unchanged at 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.



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NCUC's Responsibilities & Procedures

- For the 12-Month Period Ending 12/31/2025:
 - 9,496 formal proceedings instituted before NCUC
 - 52 hearings in contested cases
 - 18,433 filings in Chief Clerk's Office
 - 4,203 orders issued
 - 953 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*)



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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



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Regulated Entities

(As of 12/31/2025)

	<u>QTY</u>
BUS / BROKER	7
ELECTRIC	5
ELECTRIC COOPERATIVES	32
ELECTRIC MERCHANT PLANTS	27
ELECTRIC RESELLER	86
ELECTRIC GENERATOR LESSOR	22
ELECTRIC SUPPLERS	1
FERRIES	8
MOTOR CARRIERS OF HOUSEHOLD GOODS	331
NATURAL GAS:	
– LOCAL DISTRIBUTION COMPANIES	3
– INTRASTATE PIPELINE	1
– GAS RESELLERS	1
– PROPANE COMPANY	1
SMALL POWER PRODUCERS	1,146
TELEPHONE:	
– COMPETING LOCAL PROVIDERS	116
– INCUMBENT LOCAL EXCHANGE COMPANIES	69
– LONG DISTANCE CARRIERS	84
– PAYPHONE SERVICE PROVIDERS	22
– SHARED TENANT SERVICES	4
WATER / WASTEWATER	85
WATER / WASTEWATER RESELLERS	2,495
WATER RESELLER NON-CONTIGUOUS	<u>96</u>
TOTAL	4,620



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Industry Revenue Profile

- FY 2024-2025 Jurisdictional Revenues: \$14.996 billion
 - Electric: \$11.729 billion
 - Natural Gas: \$2.106 billion
 - Telecommunications: \$629 million
 - Includes Local and Long Distance Telephone Companies, Payphone Service Providers, and Shared Tenant Service Providers
 - Water and Wastewater: \$386 million
 - Includes Water/Wastewater Resale Companies
 - Transportation: \$146 million
 - Includes Brokers, Buses, Ferries, and Household Goods (HHG) Carriers



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Filings & Orders by Industry Group

(For the 12-Month Period Ending 12/31/2025)

	<u>Filings</u>	<u>Orders</u>
• Electric	2,094	690
• Natural Gas	924	92
• Telephone	214	35
• Water/Wastewater	4,469	2,556
• Household Goods Movers	872	259
• Small Power Producers	8,807	136
• Other (PSP/Special Certificate, Shared Tenant, Bus/Broker, Electric Resell, EMC, Ferry, & Misc.)	<u>1,053</u>	<u>135</u>
TOTAL	18,433	4,203



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Industry Specific Overview

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



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I Electric: Basic Facts

(For the 12-Month Period Ending 9/30/2025)

- **3 Investor-Owned Utilities (IOUs)**
 - Duke Energy Carolinas – 2,282,228 customers in Piedmont and Western North Carolina
 - Duke Energy Progress – 1,611,563 customers in Eastern and Western North Carolina
 - Dominion Energy North Carolina – 128,607 customers in Northeastern North Carolina



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EMC, Municipal-Owned, & University-Owned

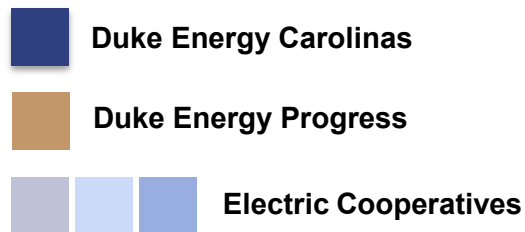
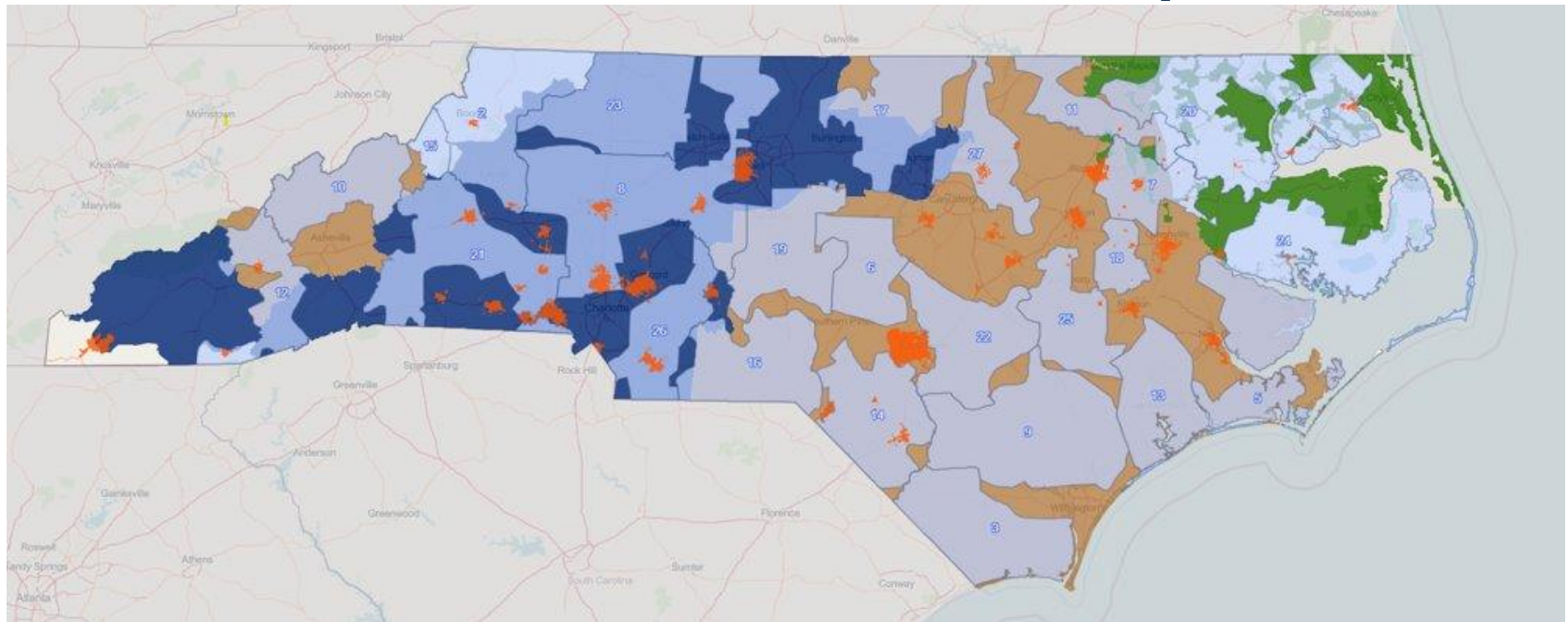
- 32 Electric Membership Corporations (EMCs) – Serving approximately 2.8 million customers in N.C. (26 are headquartered in N.C.)
- About 76 Municipal and University-owned electric distribution systems – Serving approximately 599,000 customers in N.C.
- Limited NCUC jurisdiction: EMCs, Munis, and certain 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



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North Carolina Electric Service Area Map



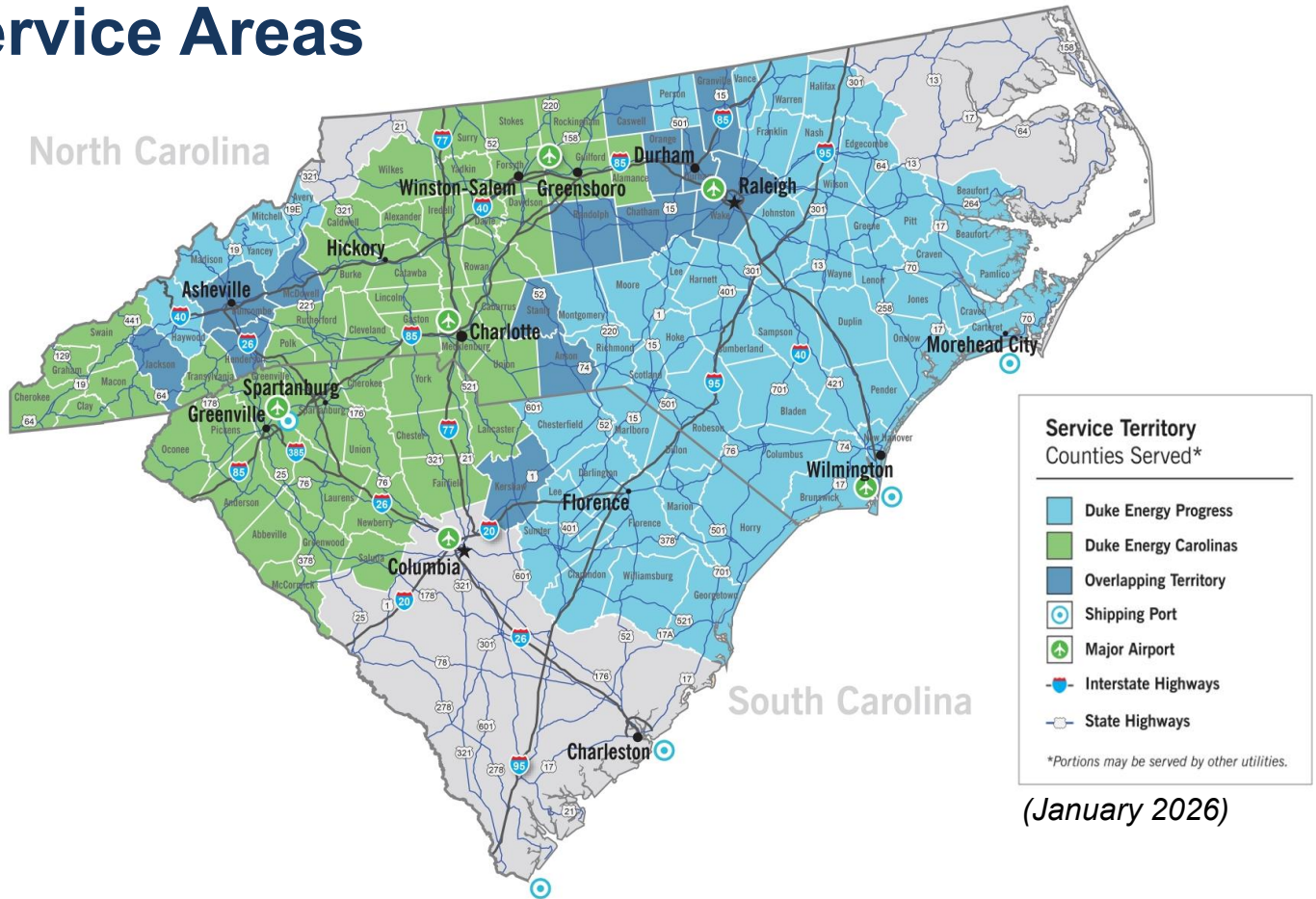
Source: <https://ncseamaps.maps.arcgis.com/apps/webappviewer/index.html?id=d142d97344df494aa20a519c74876e53> (January 2026)



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

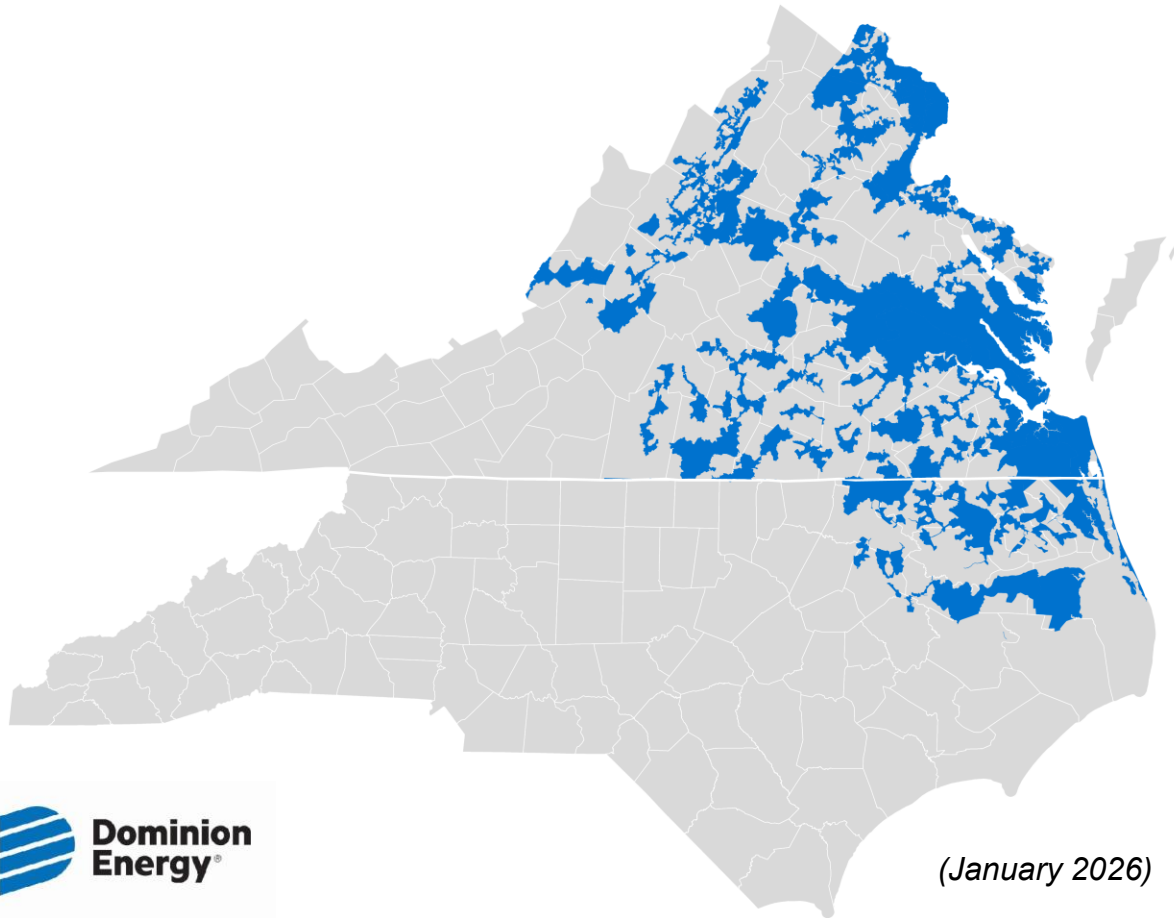




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Dominion Energy NC & VA Service Areas



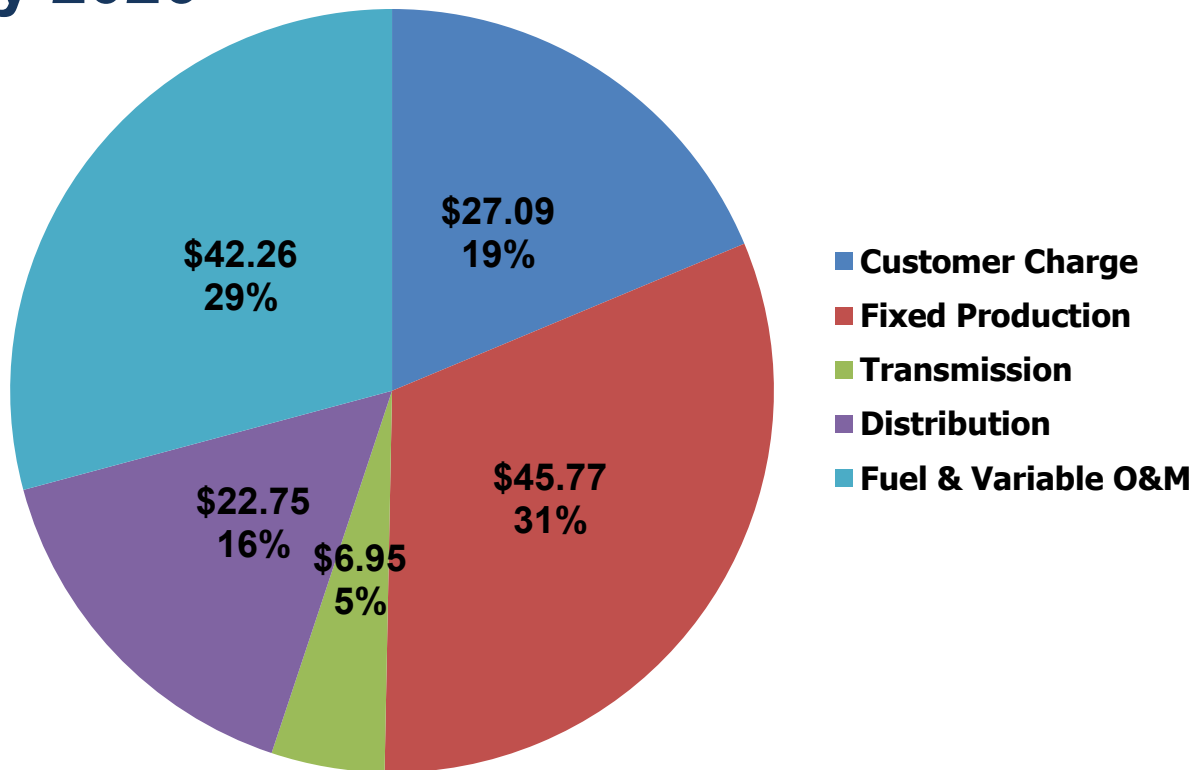


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Duke Energy Carolinas

Typical Residential 1,000 kWh Monthly Bill Total \$144.82
January 2026



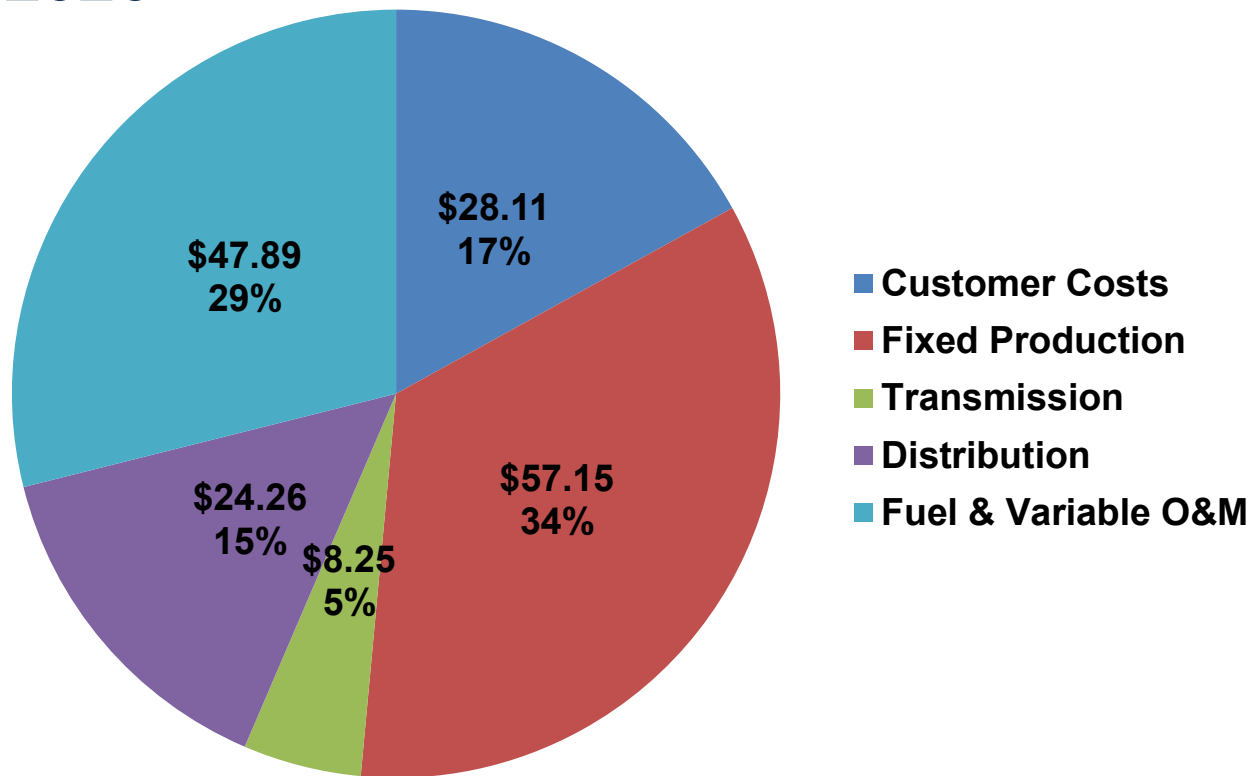


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Duke Energy Progress

**Typical Residential 1,000 kWh Monthly Bill Total \$165.66
January 2026**



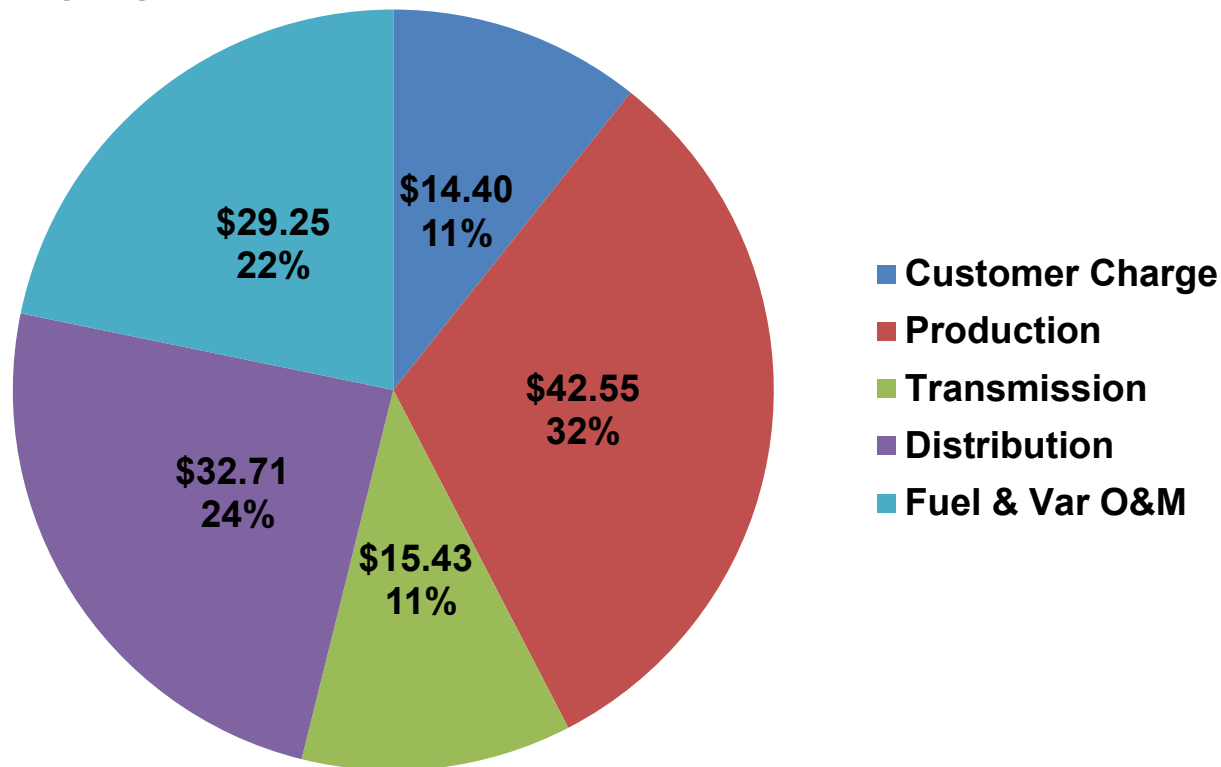


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Dominion Energy North Carolina

Typical Residential 1,000 kWh Monthly Bill Total \$134.35
February 2026





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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.



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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 and 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.
- 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%. Specific requirements for energy derived from the sun and from poultry and swine waste, with solar requirement that began in 2010.
- CAP on incremental cost of compliance, including annual rate adjustments for investor-owned utilities.
- In December 2024, Session Law 2024-57 created the Swine Waste Stimulus Statute, which gave additional REC credit for use of in-state sourced swine waste-to-energy projects located in certain NC counties.
- The Commission has approved about 1,238 renewable energy facilities (net of cancellations and revocations, as of 12/31/2025)



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Session Law 2021-165 (HB 951)

Carbon Plan (applies to DEC and DEP) ¹

- Requires 70% carbon reduction from 2005 levels by 2030 (repealed by S.L. 2025-78) and carbon neutrality by 2050.

Competitive Procurement of Renewable Energy

- Requires each electric public utility to file for Commission approval a program for competitive procurement of renewable energy.

Performance-Based Regulation Alternative Ratemaking Mechanism

- Authorizes performance-based regulation of electric public utilities, including:
 - a decoupling mechanism
 - one or more performance incentive mechanisms
 - a multi-year rate plan with both an earnings sharing mechanism. Revenue increase for rate years 2 and 3 capped at 4%.

Potential Modification of PPAs with Eligible Small Power Producers

Note 1: Applies to electric utilities serving at least 150,000 North Carolina Retail jurisdictional customers as of January 1, 2021.



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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.



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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.



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Carbon Plan Update – Elimination of Interim Target

- On July 29, 2025, Session Law 2025-78 (Senate Bill 266) became effective.
 - Among other changes, the new law revised N.C.G.S. § 62-110.9 by eliminating the requirement for Duke to achieve a 70% reduction in the emissions of carbon dioxide in the State from 2005 levels (Interim Target) by the year 2030.
 - The General Assembly left in place the Carbon Plan Statute's requirement to achieve carbon neutrality by 2050.
- On August 6, 2025, in Docket E-100, Sub 190, the Commission issued its Order Superseding Interim Target Requirements to address the modifications to N.C.G.S. § 62-110.9 by S.L. 2025-78 and directed Duke to:
 - Cease modeling scenarios designed to achieve the Interim Target by the earliest possible date.
 - Continue modeling scenarios to achieve the least cost path to carbon neutrality by 2050 while maintaining or improving upon the adequacy and reliability of the existing grid.



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Session Law 2025-78 (SB 266)

- **Certificates of Public Convenience and Necessity (N.C.G.S. § 62-110.1)**
 - Creates additional standard for CPCN approval, which requires the Commission to determine whether other resources would establish or maintain a more cost-effective and reliable generation system.
 - Creates an annual cost review process.
- **Construction Work in Progress (N.C.G.S. §§ 62-133 and 62-133.16)**
 - Allows an increase outside of base rate case proceeding to recover financing costs accrued on actual, reasonable, and prudent construction costs for baseload electric generating facilities from retail customers on a demand basis. Requires a finding of overall cost savings for customers over the life of the facility.
- **Fuel Rider (N.C.G.S. § 62-133.2)**
 - Amends definitions related to recovery of fuel costs.
 - Requires quarterly reports to Commission on over/under-recovery from customers compared to the authorized fuel rider rate, including an updated projection of the cumulative over- or under-recovered amount for the 12-month recovery period with rate adjustment required if difference exceeds 10%.



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Session Law 2025-78 (SB 266)

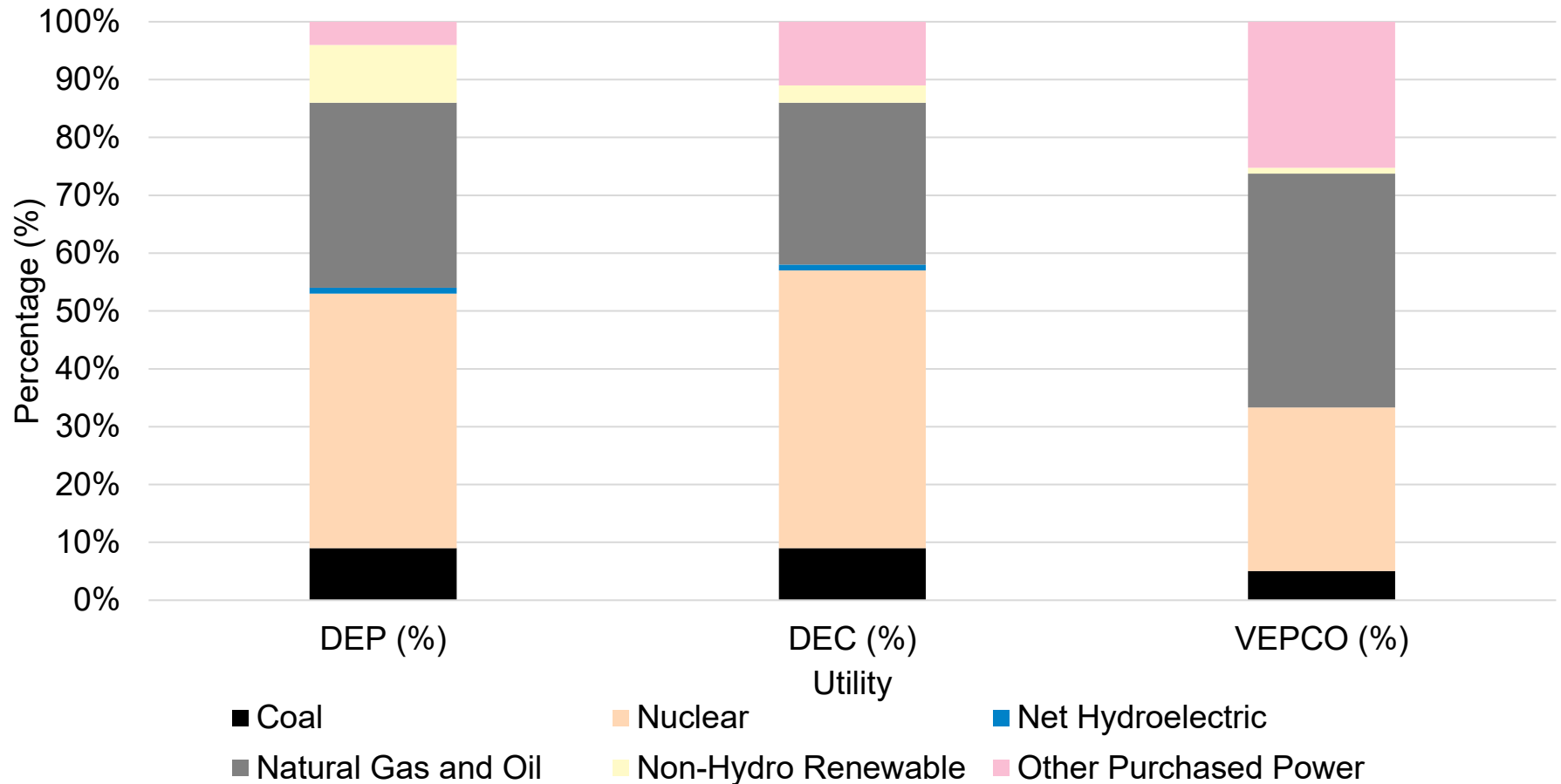
- **Performance-Based Regulation (N.C.G.S. § 62-133.16)**
 - Combustion turbine generating units which are not part of a combined cycle generating unit may be included in the multiyear rate plan subject to the 4% statutory limit.
 - Adds reporting requirements to supplement the annual review process concerning status and execution of approved capital projects.
 - Modifies timing of technical conference.
- **Securitization (N.C.G.S. § 62-172)**
 - Modifies storm securitization statute to also address securitization of sub-critical coal generating facilities.
 - Modifies quantifiable benefits test to compare the expected quantifiable benefits under securitization to the traditional rate case method of recovery.



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Energy Resources by Fuel Type (2023-2024)





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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



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Natural Gas Utilities

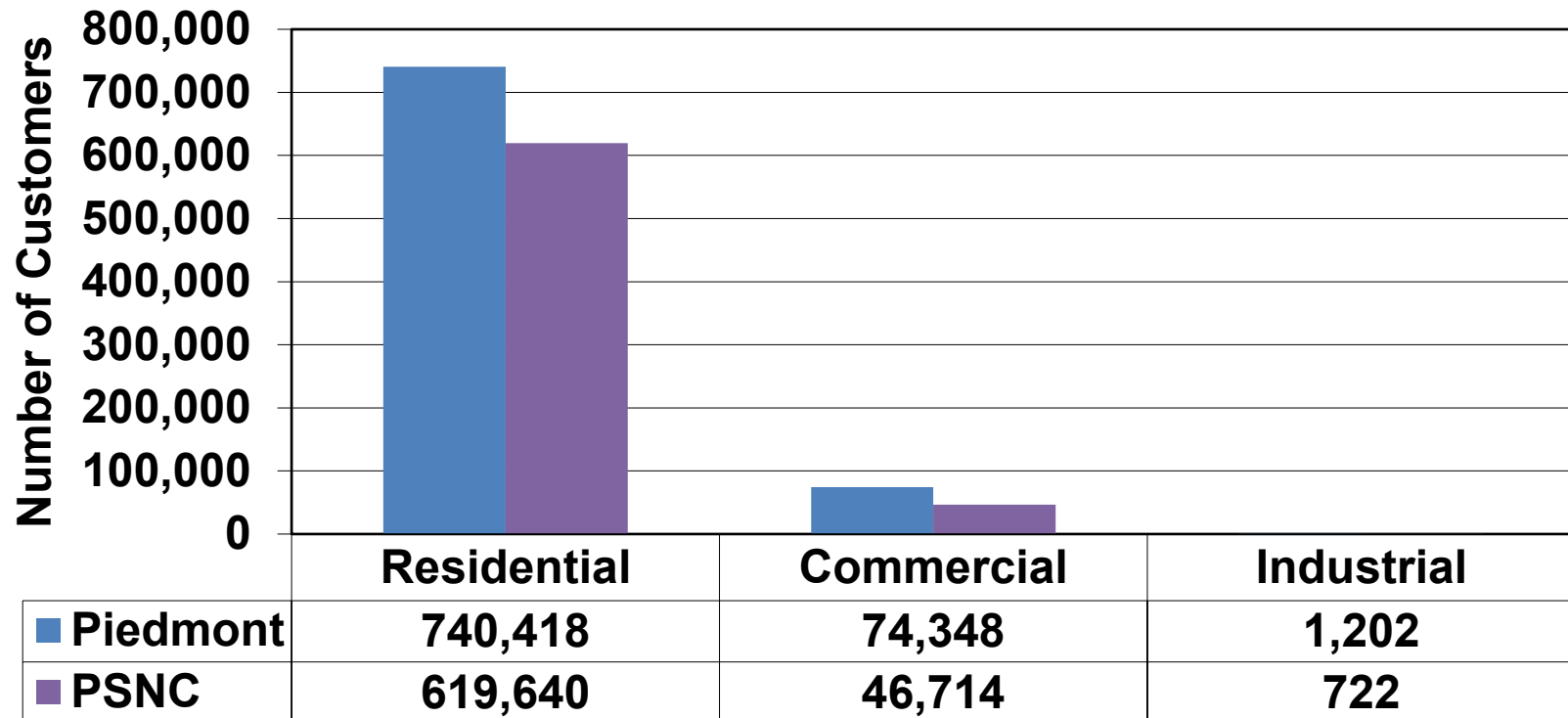
- 4 Local Distribution Companies (LDCs) in the state
 - Piedmont Natural Gas Company, Inc.
 - Public Service Company of North Carolina, Inc.
 - Frontier Natural Gas Company
 - Toccoa Natural Gas
- 1 Intrastate gas pipeline (Cardinal Pipeline Company, LLC)
- 8 Municipal gas systems – rates not regulated 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)



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Major Local Distribution Companies' Number of Customers (As of 9/30/2025)



Note: "Industrial & Other" customers include gas transported for others.

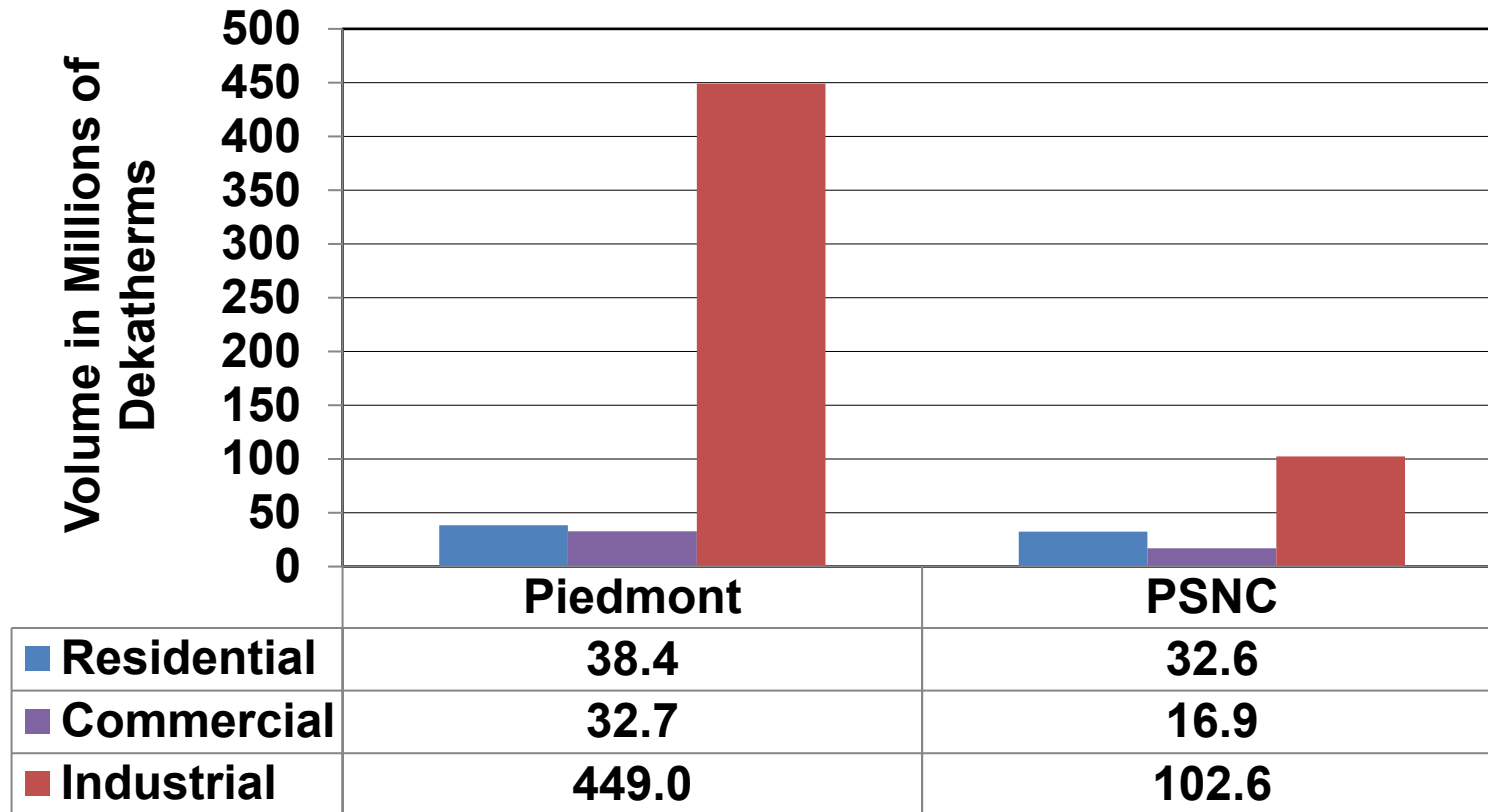


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Major Local Distribution Companies' Volumes Delivered

(12-Month Period Ending 9/30/2025)



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.



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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



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State Regulatory Framework For Local Distribution Companies *cont.*

Tracker Mechanisms

- Laws allow for certain costs to be recovered outside of a rate case upon approval of the rate adjustment mechanism in a general rate case proceeding
 - 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 and true-up variations in average per customer usage from levels approved in the rate case proceeding
 - 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. – Allows LDCs to adjust rate biannually for prudently-incurred capital investments required to comply with federal pipeline safety requirements
 - Federal pipeline safety laws and regulations require major investments. Without this, LDCs might have to file frequent “pancaked” rate cases to timely recover these capital investments.



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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.



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III Telecommunications: Basic Facts

(As of 12/31/25)

- 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 Barnardsville 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.



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Telecom Utilities *cont.*

(As of 12/31/2025)

- 22 Payphone Service Providers (PSPs)
- 4 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)



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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](#).



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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	4 th Qtr. 2065
910/472	4 th Qtr. 2048
252	2 nd Qtr. 2030
828 ²	3 rd Qtr. 2028
919/984	4 th Qtr. 2045
704/980	1 st Qtr. 2036

- 1) As of October 2025 NANPA Exhaust Analysis. Exhaust dates are current projections which are subject to change.
- 2) A numbering relief project for area code 828 was filed with the Commission on 11/24/25 in [P-100 Sub 137E](#)

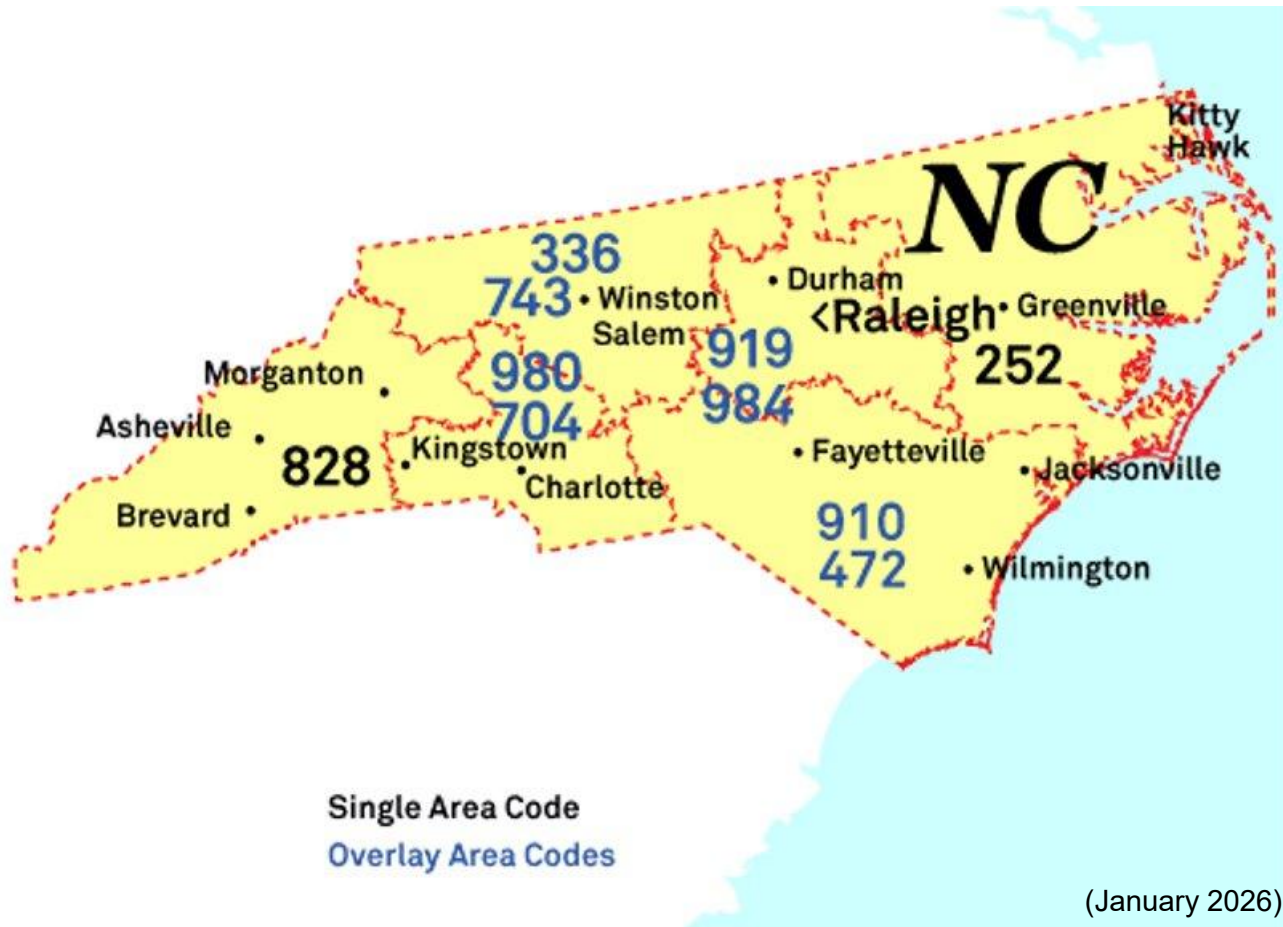
<https://www.nanpa.com/sites/default/files/2025-10/2025-2NPAExhaustProjectionsFinal.pdf>



North Carolina

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North Carolina Area Code Map





North Carolina

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IV Transportation: Basic Facts

(As of 12/31/2025)

- **Motor Carriers of Household Goods (HHG)**
 - 331 certificated movers provide intrastate transport of HHG
 - Subject to provisions of a Maximum Rate Tariff (MRT), initially established effective 1/1/2003, adjusted annually on a specific date
 - Movers may petition the Commission for interim adjustment between annual adjustment dates with showing of just and reasonable cause
 - Effective January 1, 2026, the Commission approved the MRT 2.0, repealing the prior MRT.
 - MRT 2.0 contains numerous rule changes and updates impacting operations, billing practices, and bill of lading/estimate forms.
 - The established processes for the annual adjustment on a specific date and interim adjustments between annual adjustment dates remain unchanged with MRT 2.0.
 - Commission now requires new applicants to attend a virtual educational seminar as a prerequisite to obtaining certification in addition to the post-certification in-person educational seminar.



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IV Transportation: Basic Facts cont.

(As of 12/31/2025)

- Regular Route Passenger Carriers
 - 2 certificated bus companies
 - Provide passenger service over regular routes
- Passenger Brokers
 - 5 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*)



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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 12/31/2024)*
 - 34 Water and Wastewater
 - 24 Water only
 - 25 Wastewater only
 - Operating in 72 North Carolina counties
 - 143,324 Water and 68,610 Wastewater customers
- Resale Companies *(As of 12/31/2025)*
 - 2,591 Water and/or Wastewater

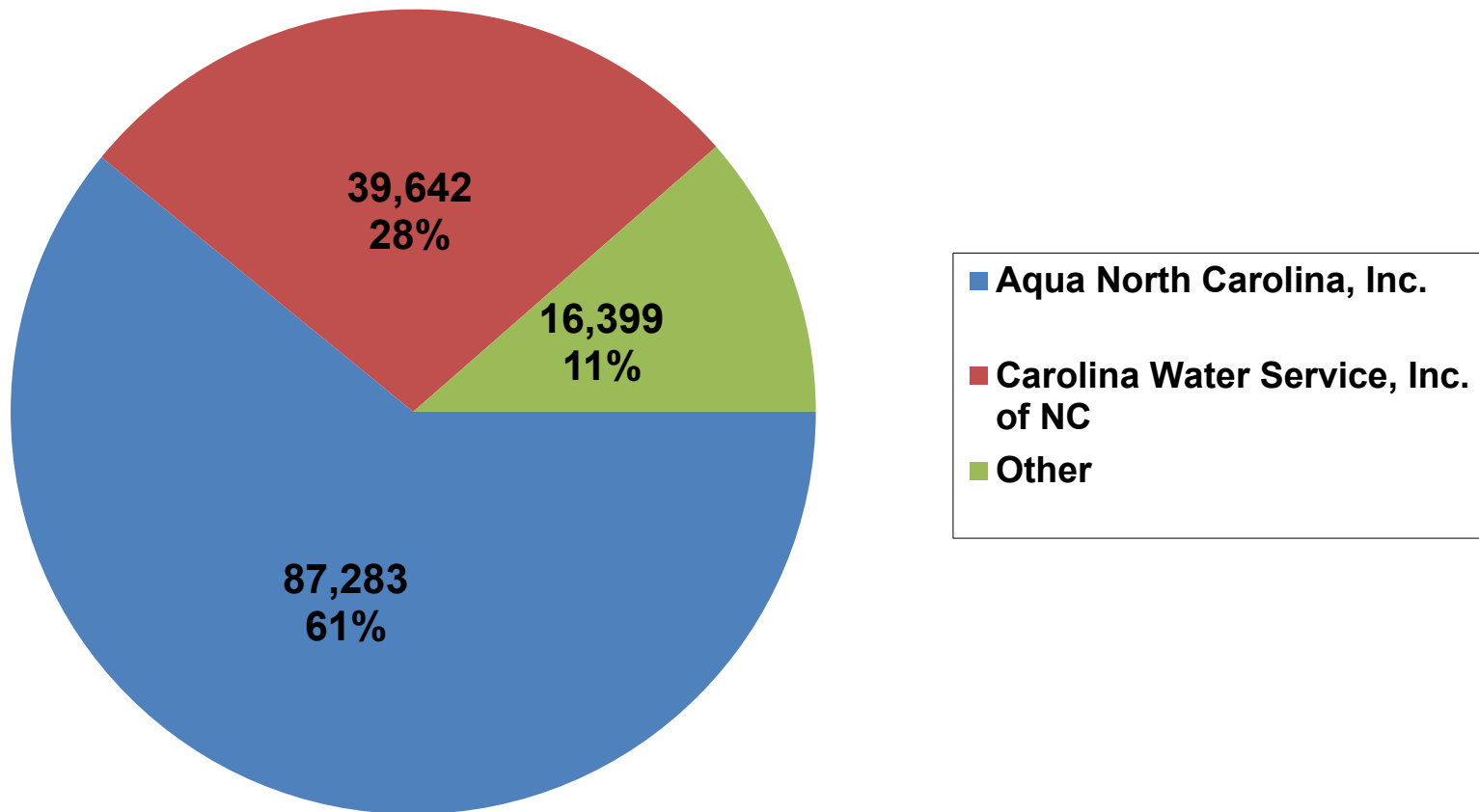


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Water Customers (143,324 Total)

(As of 12/31/2024)



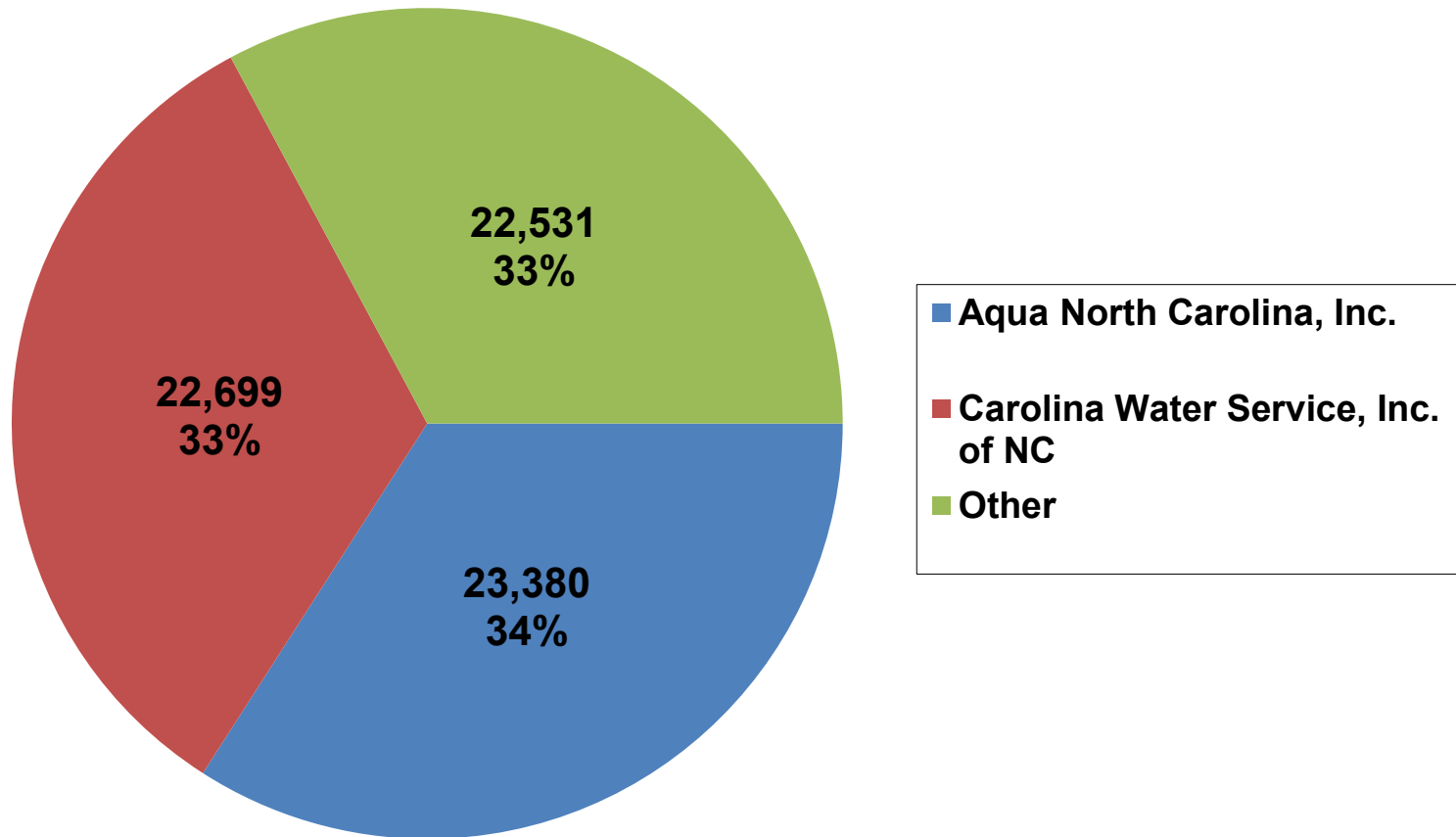


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Wastewater Customers (68,610 Total)

(As of 12/31/2024)



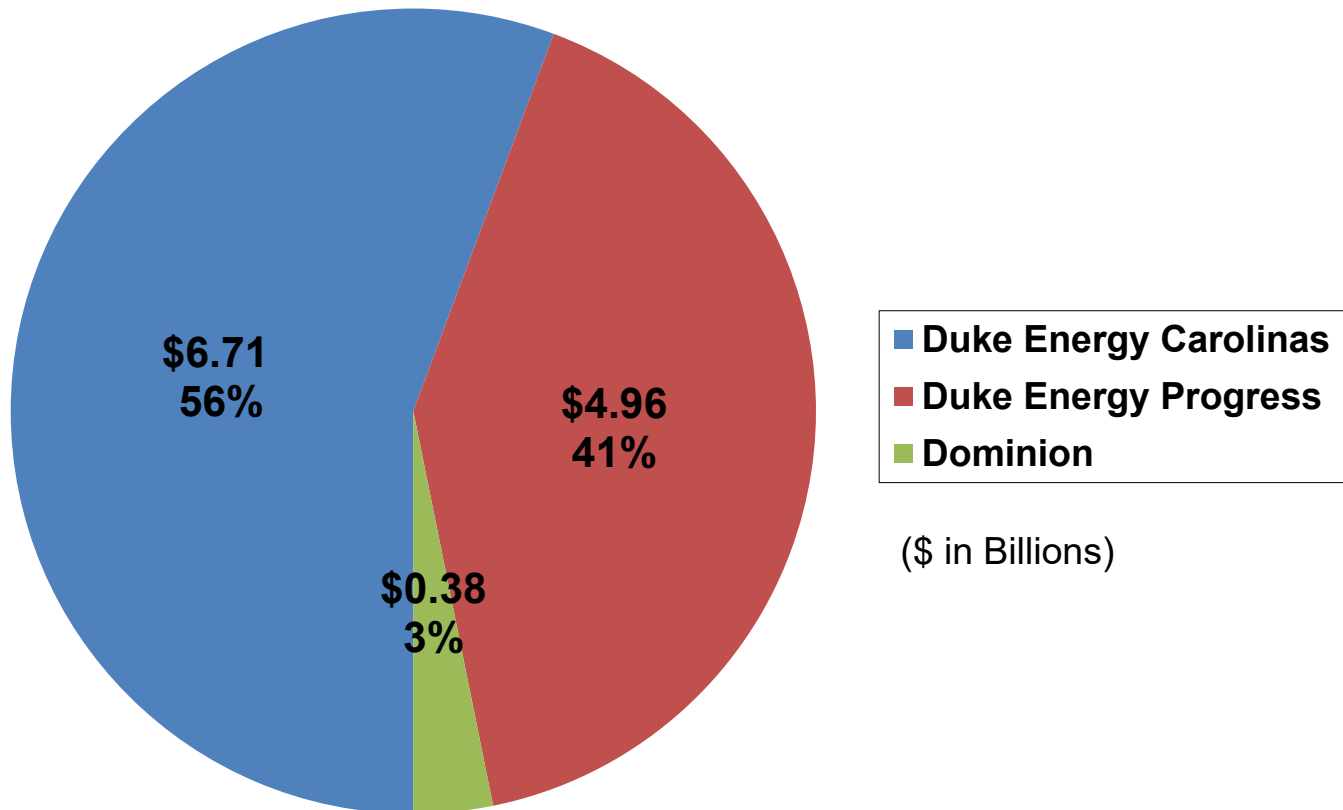


North Carolina

Utilities Commission

VI Selected Financial and Operational Data Operating Revenues by Electric Utility (\$12.05B Total)

(12-Month Period Ending 9/30/2025)



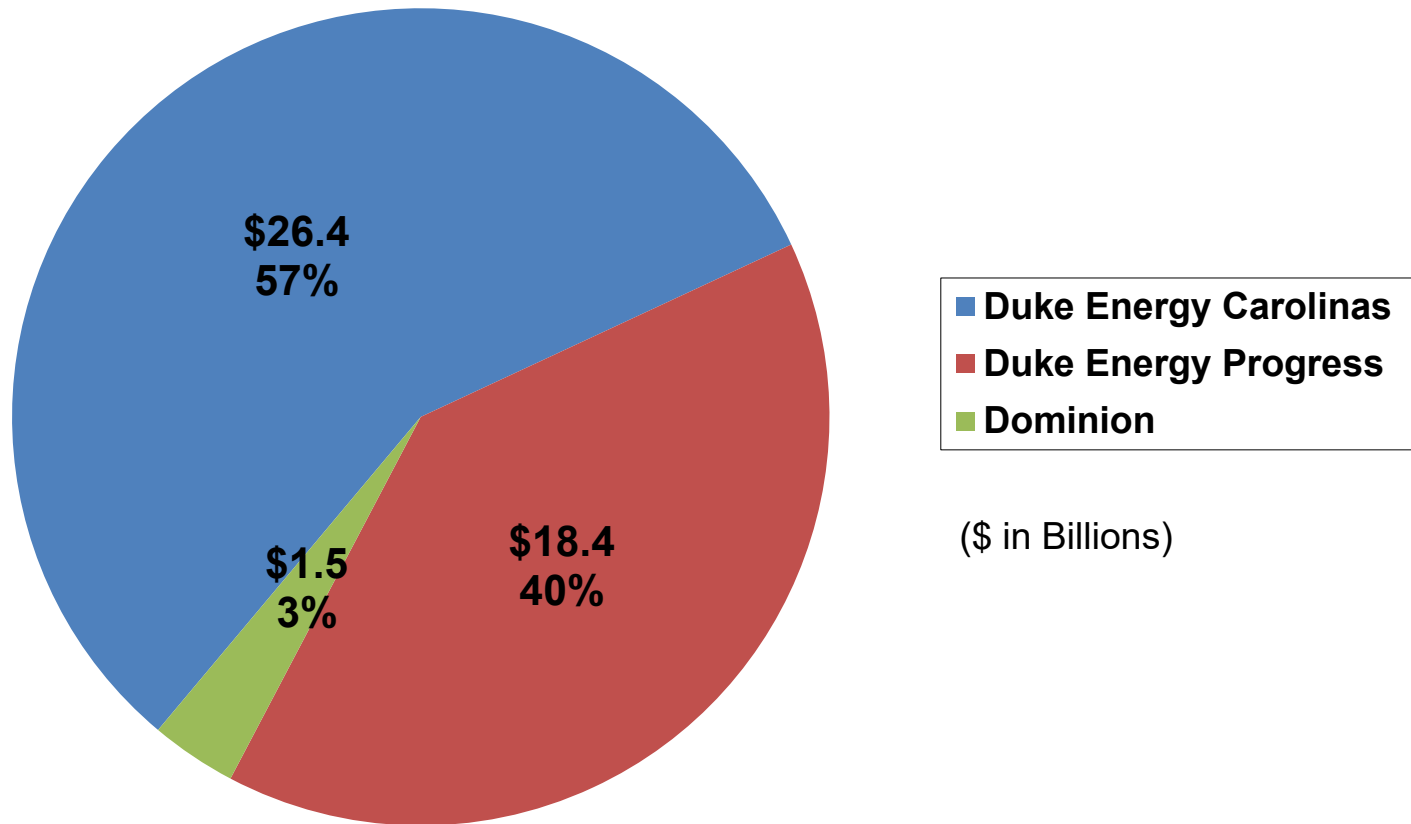


North Carolina

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Net Plant Investment by Electric Utility (\$46.3B Total)

(As of 9/30/2025)



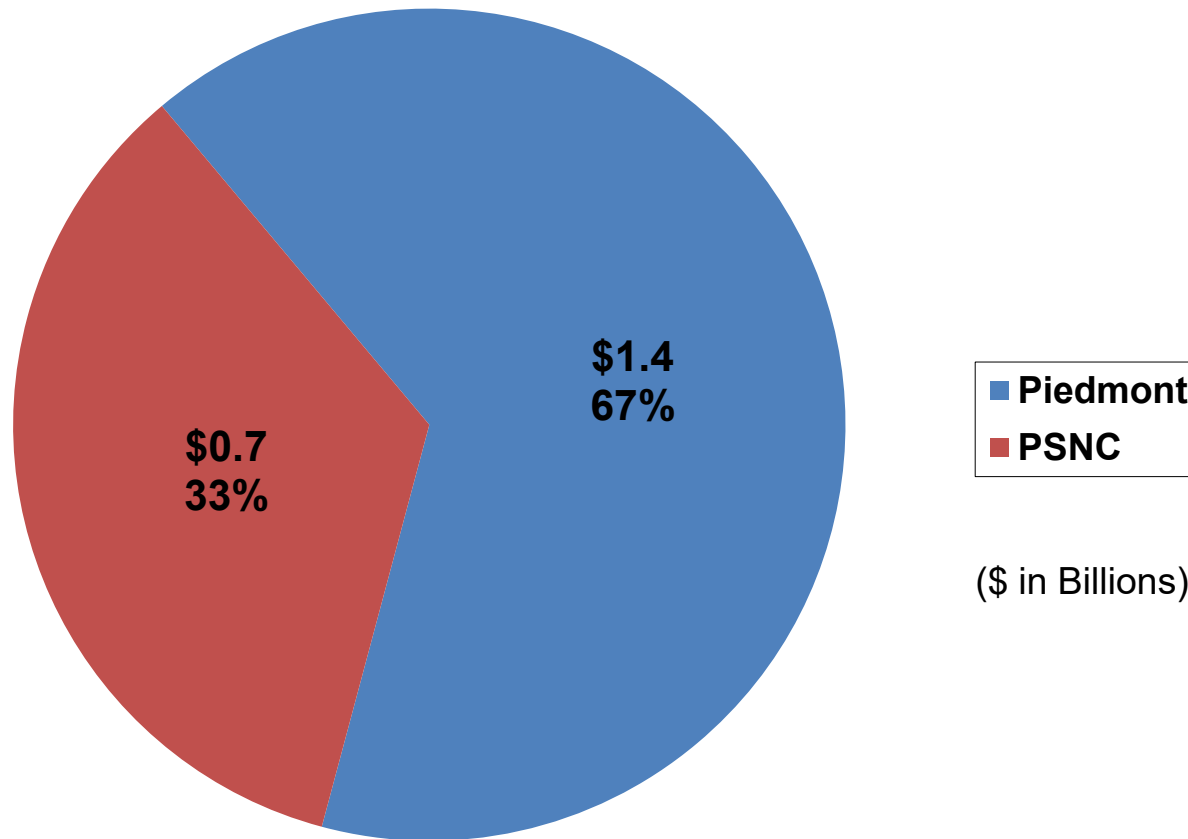


North Carolina

Utilities Commission

Operating Revenues by Natural Gas Utility (\$2.1B Total)

(12-Month Period Ending 09/30/2025)



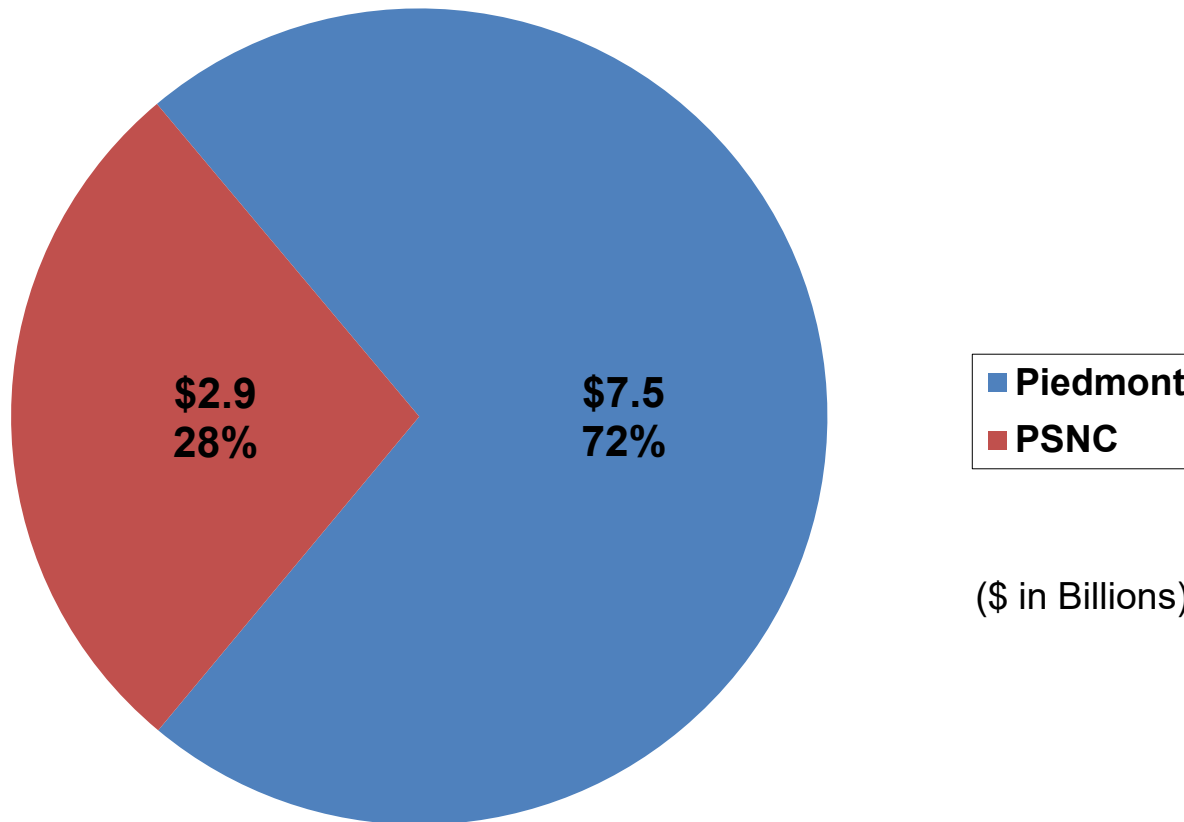


North Carolina

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Net Plant Investment by Natural Gas Utility (\$10.4B Total)

(As of 9/30/2025)





North Carolina

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Major Utilities: Last General Rate Case Order

(As of 3/1/2026)

- **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 686; December 9, 2025
- **Aqua North Carolina, Inc.**
Docket No. W-218, Sub 629; Multi-year; February 20, 2026
- **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

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