

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. M-100, SUB 138  
DOCKET NO. G-5, SUB 549

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. M-100, SUB 138	)	
	)	
In the Matter of	)	
Implementation of House Bill 998 – An Act	)	
to Simplify the North Carolina Tax	)	
Structure and to Reduce Individual and	)	
Business Tax Rates	)	
	)	ORDER APPROVING
DOCKET NO. G-5, SUB 549	)	PROPOSAL AND SUMMARY OF
	)	RATES AND CHARGES
	)	
In the Matter of	)	
Public Service Company of North	)	
Carolina, Inc. Tariff Filings to Reflect	)	
House Bill 998	)	

BY THE COMMISSION: On May 13, 2014, in Docket No. M-100, Sub 138, the Commission issued an Order Addressing the Impacts of [House Bill] HB 998 on North Carolina Public Utilities (May Order). The Order directed all electric, natural gas, water, and sewer utilities, other than those specifically excluded to “adjust their rates to reflect, as applicable, the changes to the [gross receipts tax] GRT, the State corporate income tax, and the general franchise tax effectuated by HB 998.” Further, the Commission requested that all electric, natural gas, water, and sewer utilities, other than those specifically excluded, “file proposals to adjust their rates to reflect, as applicable, the changes to the GRT, the State corporate income tax, and the general franchise tax effectuated by HB 998 by no later than 20 days after the issuance of this Order” and that the Public Staff “file comments on the proposals no later than 20 days after they are filed with the Commission.”

On June 2, 2014, Public Service Company of North Carolina, Inc. (PSNC) filed its proposal in response to the Commission’s May Order.

On June 11, 2014, the Public Staff filed its recommendation required by the Commission’s May Order. The Public Staff stated that it had reviewed PSNC’s proposal and had determined that PSNC’s proposal complies with the Commission’s May Order. The Public Staff recommended that the Commission approve PSNC’s proposal.

On June 20, 2014, the Commission issued an Order approving PSNC's proposal to implement the changes set forth in HB 998. The Commission directed PSNC to file revised tariffs, effective July 1, 2014, within 10 days of the issuance of the Order and to file revised tariffs, effective January 1, 2015, by December 1, 2014.

On June 24, 2014, PSNC filed its revised "Summary of Rates and Charges".

On June 26, 2014, the Public Staff filed a letter stating that it had reviewed PSNC's revised "Summary of Rates and Charges" and that it believes that it complies with the Commission's June 20, 2014 Order.

On June 27, 2014, the Commission issued an Order approving PSNC's Summary of Rates and Charges effective July 1, 2014.

On July 10, 2014, Virginia Electric and Power Company, d/b/a Dominion North Carolina Power (DNCP) and PSNC filed a Notice of Appeal, Motion for Reconsideration, and Request to Stay Corporate State Income Tax Rate Adjustment Pending Reconsideration (Exceptions).

On October 9, 2014, the Commission issued its Order Affirming DNCP's and PSNC's Exceptions (October Order). The Commission's October Order reversed its prior decision to require impacted utilities to flow through the effects of a reduction in the State corporate income tax rates provided for in HB 998. The October Order further required each affected utility to file proposed revised rates and charges and/or other proposed plans in response to the Order. The Public Staff was requested to, and the Attorney General and other parties to the docket were given the opportunity to, file comments on the proposals not later than 15 days after they were filed with the Commission.

On October 24, 2014, PSNC filed its proposal in response to the October Order. PSNC stated that it believes the majority reached the proper decision in the October Order and agrees with that decision in principle. However, PSNC asserted that, as noted in the October Order, the amounts related to the reduction in State income tax expense are small, so PSNC does not propose to recoup such amounts already flowed through to customers and will maintain the reductions in rates for the lower State corporate income taxes implemented as of July 1, 2014. PSNC stated that, accordingly, in addition to the rate reduction implemented as of July 1, 2014, there needs to be a further adjustment of rates effective January 1, 2015, to reflect the increase in franchise taxes and the reduction in the State corporate income tax rate from 6% to 5%. PSNC attached an Appendix A showing the adjustments by rate schedule and a proposed customer notice in an attached Appendix B to its filing.

On November 6, 2014, the Public Staff filed a letter in compliance with the October Order and noted that PSNC's October 24, 2014, filing proposes to pass through to customers the reduction in the State corporate income tax enacted by HB 998. The Public Staff noted that PSNC filed revised tariffs on June 2, 2014,

reflecting all of the tax rate changes in HB 998, and proposes to leave those tariffs in place as authorized by the October Order. The Public Staff stated that it supports this proposal and believes no further comment is necessary.

On December 1, 2014, PSNC filed its Summary of Rates and Charges to reflect the decrease in the State corporate income tax rate from 6% to 5% and the increase in the franchise tax expense due to the loss of the tax credit currently allowed under G.S. §105-122(d1). PSNC noted that the adjusted rates will be effective for service rendered on and after January 1, 2015.

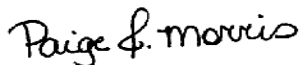
On December 19, 2014, the Public Staff filed a letter stating that it had reviewed PSNC's December 1, 2014 Summary of Rates and Charges filing and believes it to be correct. The Public Staff recommended that the Commission approve PSNC's December 1, 2014 filing.

IT IS, THEREFORE, ORDERED that PSNC's October 24, 2014 proposal, including the proposed customer notice, and PSNC's Summary of Rates and Charges filed on December 1, 2014, attached hereto as Appendix A and effective January 1, 2015, are hereby approved.

ISSUED BY ORDER OF THE COMMISSION.

This the 19<sup>th</sup> day of December, 2014.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Paige J. Morris".

Paige J. Morris, Deputy Clerk

**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**  
**DOCKET NO. M-100, SUB 138**  
**DOCKET NO. G-5, SUB 549**  
**RATES EFFECTIVE JANUARY 1, 2015**

Rate Schedule	Current Rates	Adjustment for SIT Decrease	Adjustment For Franchise Tax	Adjusted Rates
	[1]	[2]	[3]	[1] + [2] + [3]
101 - Winter (Nov - Apr)	\$0.88848	(\$0.00162)	\$0.00287	\$0.88973
101 - Summer (May - Oct)	\$0.84273	(\$0.00162)	\$0.00287	\$0.84398
102 - Winter (Nov - Apr)	\$0.83848	(\$0.00162)	\$0.00287	\$0.83973
102 - Summer (May - Oct)	\$0.79273	(\$0.00162)	\$0.00287	\$0.79398
115 - Winter (Nov - Apr)	\$0.88926	(\$0.00162)	\$0.00287	\$0.89051
115 - Summer (May - Oct)	\$0.84351	(\$0.00162)	\$0.00287	\$0.84476
125 - 1st 500	\$0.76182	(\$0.00114)	\$0.00202	\$0.76270
125 - Next 4,500	\$0.72099	(\$0.00114)	\$0.00202	\$0.72187
125 - All over 5,000	\$0.69128	(\$0.00114)	\$0.00202	\$0.69216
126	\$0.71200	(\$0.00114)	\$0.00202	\$0.71288
127 - 1st 500	\$0.71182	(\$0.00114)	\$0.00202	\$0.71270
127 - Next 4,500	\$0.67099	(\$0.00114)	\$0.00202	\$0.67187
127 - All over 5,000	\$0.64128	(\$0.00114)	\$0.00202	\$0.64216
135	\$1.28764	(\$0.00040)	\$0.00071	\$1.28795
145 - 1st 15,000	\$0.60123	(\$0.00060)	\$0.00106	\$0.60169
145 - Next 15,000	\$0.57939	(\$0.00050)	\$0.00088	\$0.57977
145 - Next 15,000	\$0.55987	(\$0.00041)	\$0.00072	\$0.56018
145 - Next 15,000	\$0.53438	(\$0.00029)	\$0.00052	\$0.53461
145 - All over 60,000	\$0.51318	(\$0.00019)	\$0.00034	\$0.51333
150 - 1st 15,000	\$0.54212	(\$0.00040)	\$0.00071	\$0.54243
150 - next 15,000	\$0.52120	(\$0.00030)	\$0.00054	\$0.52144
150 - next 70,000	\$0.50032	(\$0.00021)	\$0.00037	\$0.50048
150 - next 500,000	\$0.47973	(\$0.00012)	\$0.00020	\$0.47981
150 - all over 600,000	\$0.45884	(\$0.00002)	\$0.00004	\$0.45886
175 - 1st 15,000	\$0.14328	(\$0.00060)	\$0.00106	\$0.14374
175 - Next 15,000	\$0.12144	(\$0.00050)	\$0.00088	\$0.12182
175 - Next 15,000	\$0.10192	(\$0.00041)	\$0.00072	\$0.10223
175 - Next 15,000	\$0.07643	(\$0.00029)	\$0.00052	\$0.07666
175 - All over 60,000	\$0.05523	(\$0.00019)	\$0.00034	\$0.05538
180 - 1st 15,000	\$0.09957	(\$0.00040)	\$0.00071	\$0.09988
180 - next 15,000	\$0.07865	(\$0.00030)	\$0.00054	\$0.07889
180 - next 70,000	\$0.05777	(\$0.00021)	\$0.00037	\$0.05793
180 - next 500,000	\$0.03718	(\$0.00012)	\$0.00020	\$0.03726
180 - all over 600,000	\$0.01629	(\$0.00002)	\$0.00004	\$0.01631

[1] Docket No. G-5, Subs 548 & 552, Summary of Rates and Charges  
filed October 29, 2014

[2] Docket No. M-100, Sub 138, Proposal to Adjust Rates  
filed June 2, 2014, Appendix C

[3] Docket No. M-100, Sub 138, Proposal to Adjust Rates  
filed June 2, 2014, Appendix D

PUBLIC SERVICE COMPANY OF N. C., INC.  
N.C.U.C. TARIFF

Summary of Rates and Charges  
Page 1 of 2

Summary of Rates and Charges			
RATE SCHEDULE NO. AND DESCRIPTION		CHARGES (a)	
101 -	<b>RESIDENTIAL SERVICE</b>		
	Facilities Charge	\$10.00	per month
	Winter Energy Charge – November through April	\$0.88973	per therm
	Summer Energy Charge – May through October	\$0.84398	per therm
102 -	<b>HIGH-EFFICIENCY RESIDENTIAL SERVICE</b>		
	Facilities Charge	\$10.00	per month
	Winter Energy Charge – November through April	\$0.83973	per therm
	Summer Energy Charge – May through October	\$0.79398	per therm
115 -	<b>UNMETERED LIGHTING SERVICE</b>		
	Facilities Charge	\$10.00	per month
	Winter Energy Charge – November through April	\$0.89051	per therm
	Summer Energy Charge – May through October	\$0.84476	per therm
125 -	<b>SMALL GENERAL SERVICE</b>		
	Facilities Charge	\$17.50	per month
	Energy Charge First 500	\$0.76270	per therm
	Next 4,500	\$0.72187	per therm
	All Over 5,000	\$0.69216	per therm
126 -	<b>SMALL GENERAL SERVICE - COOLING</b>		
	Facilities Charge	\$30.00	per month
	Energy Charge	\$0.71288	per therm
127 -	<b>HIGH-EFFICIENCY SMALL GENERAL SERVICE</b>		
	Facilities Charge	\$17.50	per month
	Energy Charge First 500	\$0.71270	per therm
	Next 4,500	\$0.67187	per therm
	All Over 5,000	\$0.64216	per therm
135 -	<b>NATURAL GAS VEHICLE FUEL</b>		
	Energy Charge	\$1.28795	per therm
	Energy Charge	\$1.623	per GGE (b)
145 -	<b>LARGE-QUANTITY GENERAL SERVICE</b>		
	Facilities Charge	\$300.00	per month
	Energy Charge First 15,000	\$0.60169	per therm
	Next 15,000	\$0.57977	per therm
	Next 15,000	\$0.56018	per therm
	Next 15,000	\$0.53461	per therm
	All Over 60,000	\$0.51333	per therm
150 -	<b>LARGE-QUANTITY INTERRUPTIBLE COMMERCIAL AND INDUSTRIAL SERVICE</b>		
	Facilities Charge	\$600.00	per month
	Energy Charge First 15,000	\$0.54243	per therm
	Next 15,000	\$0.52144	per therm
	Next 70,000	\$0.50048	per therm
	Next 500,000	\$0.47981	per therm
	All Over 600,000	\$0.45886	per therm
160 -	<b>SPECIAL SALES RATE</b>		
	Facilities Charge	\$600.00	per month
	Energy Charge	See Rate Schedule No. 160	

Issued by D. Russell Harris, President and Chief Operating Officer  
Issued on December 1, 2014  
Issued under North Carolina Utilities Commission Docket No. G-5, Sub 549

Effective January 1, 2015

PUBLIC SERVICE COMPANY OF N. C., INC.  
N.C.U.C. TARIFF

Summary of Rates and Charges  
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Summary of Rates and Charges			
<u>RATE SCHEDULE NO. AND DESCRIPTION</u>		<u>CHARGES (a)</u>	
165-	<b>SPECIAL TRANSPORTATION RATE</b>		
	Facilities Charge	\$600.00	per month
	Energy Charge	See Rate Schedule No. 165	
175-	<b>FIRM TRANSPORTATION SERVICE CUSTOMERS QUALIFYING FOR SERVICE ON RATE SCHEDULE NO. 145</b>		
	Facilities Charge	\$300.00	per month
	Transportation Charge First 15,000	\$0.14374	per therm
	Next 15,000	\$0.12182	per therm
	Next 15,000	\$0.10223	per therm
	Next 15,000	\$0.07666	per therm
	All Over 60,000	\$0.05538	per therm
180-	<b>INTERRUPTIBLE TRANSPORTATION SERVICE FOR CUSTOMERS QUALIFYING FOR SERVICE ON RATE SCHEDULE NO. 150</b>		
	Facilities Charge	\$600.00	per month
	Transportation Charge First 15,000	\$0.09988	per therm
	Next 15,000	\$0.07889	per therm
	Next 70,000	\$0.05793	per therm
	Next 500,000	\$0.03726	per therm
	All Over 600,000	\$0.01631	per therm
Rider A -	<b>EMERGENCY SERVICES</b>		
	Limited Emergency Service	\$1.00 plus cost of gas	per therm
	On-Peak Emergency Service	\$1.50 plus cost of gas	per therm
	Unauthorized Gas	\$2.50 plus cost of gas	per therm
<u>MISCELLANEOUS FEE SCHEDULE</u>			
	<b>RETURNED CHECKS AND BANK DRAFTS</b>	\$25.00	
	<b>RECONNECTION (c)</b>		
	Residential – Regular Hours	\$65.00	
	--After 5 p.m., weekends, holidays	\$95.00	
	Non-Residential – Regular Hours	\$95.00	
	--After 5 p.m., weekends, holidays	\$125.00	
(a)	Rates do not include applicable sales tax.		
(b)	The rate converts 1.26 Therms to 1 Gasoline Gallon Equivalent (GGE).		
(c)	All reconNECTIONS that exceed one hour shall be billed the indicated rates per hour.		