



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

August 14, 2026

The Honorable Phil Berger
President Pro Tempore of the Senate
Legislative Building, Room 2007
Raleigh, NC 27601-2808

The Honorable Destin Hall
Speaker of the House
Legislative Building, Room 2304
Raleigh, NC 27601-1096

Gentlemen:

Pursuant to N.C. Gen. Stat. §62-17(a1), I am submitting an annual report on the activities of the Public Staff – North Carolina Utilities Commission during 2025.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Ayers".

Christopher J. Ayers
Executive Director

Enclosure

cc: Governor Josh Stein
William M. Brawley, Chairmen, North Carolina Utilities Commission
Chairs, JLOC on Agriculture and Natural and Economic Resources
Chairs, Senate Appropriations on Agriculture, Natural, and Economic Resources
Chairs, House Appropriations on Agriculture and Natural and Economic Resources
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ANNUAL REPORT
to the
GENERAL ASSEMBLY



North Carolina Utilities Commission
Public Staff
2025

INTRODUCTION

The North Carolina Utilities Commission Public Staff (the Public Staff) was established pursuant to N.C. Gen. Stat. § 62-15 in 1977. All divisions are supervised and directed by the Public Staff's Executive Director, Christopher J. Ayers, who works to ensure that the Public Staff presents a unified position in the best interest of regulated utility customers on all issues before the North Carolina Utilities Commission (the Commission). The Executive Director is appointed by the Governor and confirmed by the General Assembly for a six-year term. Mr. Ayers began his first term as Executive Director on July 1, 2013; was reappointed to a second term on July 1, 2019; and was reappointed to a third term beginning July 1, 2025.

Under North Carolina law, the Public Staff represents the using and consuming public—the customers of certain of the State's electric, telephone, natural gas, water, sewer, and transportation utilities—in matters before the Commission affecting public utility rates and service. The Public Staff is organized into six operating divisions: Energy, Water/Sewer/Transportation/Telephone, Consumer Services, Executive, Information Technology, and Legal. In April 2026, the electric and natural gas sections of the former Accounting Division were merged under the Energy Division, while the water section of the former Accounting Division was merged under the Water, Sewer, Transportation, and Telephone Division.

The Public Staff is a separate and distinct entity from the Commission. The Public Staff and Commission are independent agencies with separate staffs, leadership, and budgets. The Commission does not direct or oversee the Public Staff's operations. The Public Staff appears as a party before the Commission and is subject to rules prohibiting *ex parte* communications with the Commission. The Public Staff does not participate in Commission decision-making.

KEY FUNCTIONS OF THE PUBLIC STAFF

The Public Staff serves as the eyes, ears, and voice of regulated utility customers on matters pending before the Commission. The Public Staff participates in virtually all Commission dockets in some manner, including reviewing filings, performing audits, filing testimony, participating in stakeholder groups, and making recommendations to the Commission. The Public Staff interfaces with the general public, media, and intervenors on utility issues and cases.

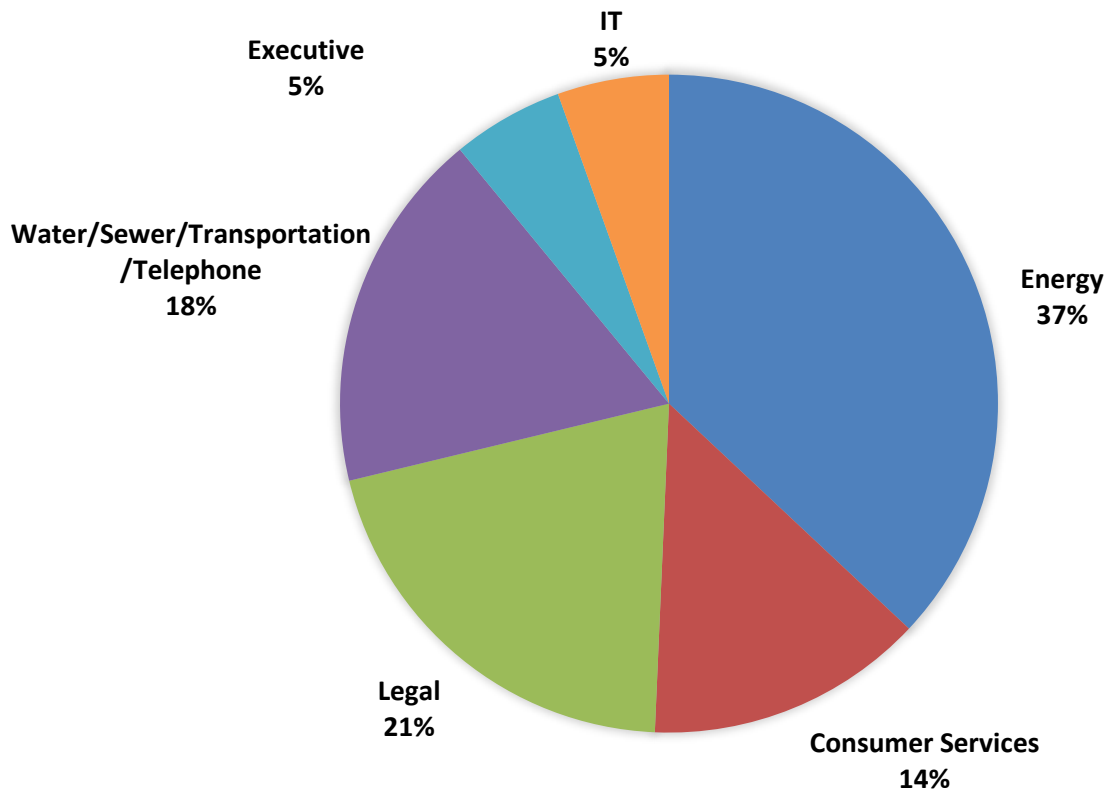
The key functions of the Public Staff are:

- Presenting testimony and recommendations to the Commission on behalf of regulated utility customers
- Investigating customer complaints
- Auditing regulated utilities in Commission investigations and proceedings
- Interfacing with the general public regarding regulated utilities issues
- Assisting legislative staff and legislators with proposed legislation and constituent services
- Working with other State agencies, counties, and municipalities on regulated utility matters
- Providing information and guidance to parties who intervene in cases before the Commission
- Undertaking studies and making recommendations to the Commission regarding:
 - New service offerings and changes to existing services
 - Construction of new generating facilities and transmission lines
 - Mergers and acquisitions involving public utilities
- Facilitating stakeholder and working groups as requested by the Commission
- Serving as an educational resource to customers and educational institutions
- Advocating on behalf of North Carolina consumers before the Federal Energy Regulatory Commission (FERC) and with PJM Interconnection, LLC (PJM)

PUBLIC STAFF PERSONNEL

In 2025, the Public Staff had a total of seventy-nine positions allocated across seven different divisions. On April 1, 2026, the Public Staff was reorganized into six different divisions.

Division	Number of Positions
Consumer Services	10
Energy	27
Executive	4
IT	4
Legal	15
Water/Sewer/Transportation/Telephone	19

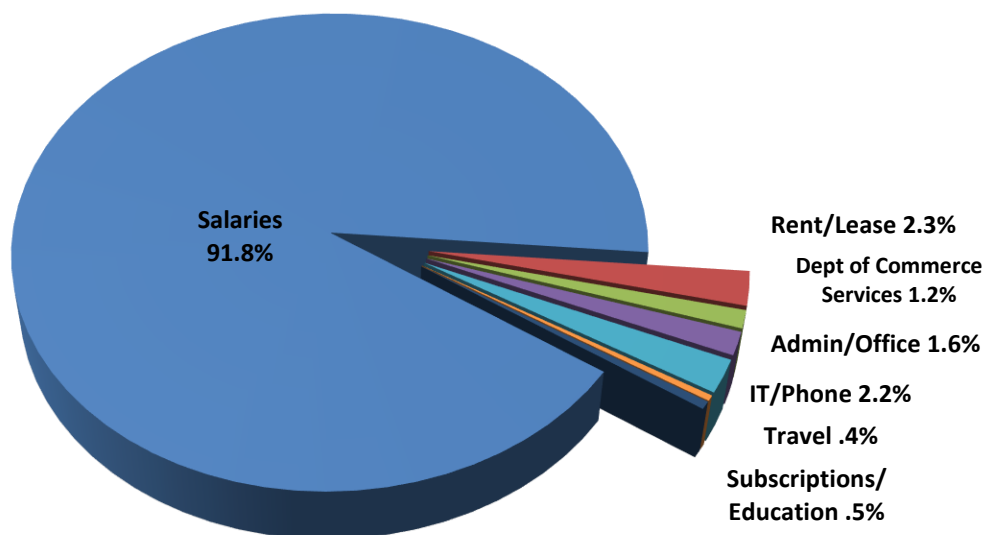


PUBLIC STAFF BUDGET

The Public Staff is funded via a regulatory fee pursuant to N.C. Gen. Stat. § 62-302. The regulatory fee is assessed on the noncompetitive jurisdictional revenues of public utilities regulated pursuant to Chapter 62 of the General Statutes. The regulatory fee was 0.17% throughout calendar year 2025. The receipts from the regulatory fee are allocated between the Commission and Public Staff. Following allocation of the receipts, the Public Staff's and Commission's fiscal budgets are separated.

For fiscal year 2025-2026, the Public Staff's total certified budget remained the same as 2024-2025, which was approximately \$12.15 million. Approximately 91.8% of the Public Staff's budget is dedicated to staff salaries and benefits, totaling \$11.15 million. Approximately \$422,750 of the budget is allocated to the Department of Commerce for human resources and budget support, as well as rental expense for office space in the Dobbs Building. Approximately \$565,800 is allocated to administrative expenses, reserves, office equipment and supplies, information technology equipment and services, professional resources, temporary services, subscriptions, and travel.

FY 2025-26 Budget: \$12.15 million



PUBLIC STAFF ACTIVITIES – 2025 OVERVIEW

The Public Staff participated in 9,496 formal proceedings before the Commission through briefs, comments, expert testimony, stakeholder facilitation, audits, and investigations, including appearances at 55 hearings in contested cases. The Public Staff reviewed 21,278 filings made with the Commission and 4,254 orders issued by the Commission. The Public Staff handled over 8,100 consumer complaints and inquiries throughout the year across its various divisions. A summary of major Commission proceedings and the work performed by the Public Staff follows.

ELECTRIC COST RECOVERY RIDERS

The electric public utilities for **which the Public Staff represents the using and consuming public are Dominion Energy North Carolina (DENC), Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP). The Public Staff also represents the customers of New River Light & Power and Western Carolina University, which provide retail electric service and obtain electricity through purchased power agreements.**

Fuel and Fuel-Related Costs

General Statute § 62-133.2 permits electric public utilities to recover changes in certain fuel and fuel-related costs through a rider to base rates. The rider amounts are determined in annual proceedings before the Commission. The amounts include a true-up of past expenses and a projection of future expenses. The fuel rates of the electric public utilities are impacted by, among other things, the variability of natural gas prices and the time of year in which each utility performs its true-up and projection of future expenses. The 2025 fuel proceedings resulted in the following changes to fuel and fuel-related charges for each of the electric public utilities:

	2025 Total Fuel Rider	Change
Dominion Energy North Carolina		
	cents/kWh	
Residential	2.9254	1.3583
SGS & Public Authority	2.6492	1.0836
LGS	2.6091	1.0504
NS	2.4313	0.9247
6VP	2.4681	0.9399
Outdoor Lighting	2.8392	1.2721
Traffic	2.1687	0.6016
Duke Energy Carolinas		
	cents/kWh	
Residential	2.9123	-1.1603
General Service/Lighting	2.7509	-1.1056
Industrial	2.8899	-0.3463
Duke Energy Progress		
	cents/kWh	
Residential	3.351	-0.077
Small General Service	2.868	-0.545
Medium General Service	2.853	-0.138
Large General Service	2.727	-0.577
Lighting	3.325	-0.747

Clean Energy and Energy Efficiency Portfolio Standard (CEPS) Compliance Costs; Demand-Side Management (DSM) and Energy Efficiency (EE) Measures, Costs, and Incentives

General Statute § 62-133.8(h) permits electric power suppliers to recover the incremental costs of complying with CEPS through an annual rider. General Statute § 62-133.9 allows electric public utilities to recover the costs incurred for adoption and implementation of new DSM and EE measures through an annual rider. The Commission has approved a cost recovery and incentive mechanism for each utility that provides for the recovery of DSM/EE program costs plus an incentive based on a percentage of the kWh and kW saved because of the programs. The amounts of these riders are determined in annual proceedings that are conducted at the same time as the fuel proceedings. The amounts include a true-up of past expenses and a projection of future expenses. The 2025 CEPS and DSM/EE annual proceedings resulted in the following rider amounts for each of the electric public utilities:

DSM/EE and CEPS Rider Amounts	2023	2024	2025
Dominion Energy North Carolina			
DSM and EE Programs: (cents/kWh)			
Residential	0.1317	0.1583	0.1527
Small Gen. Service	0.1787	0.1655	0.0760
Large Gen. Service	0.1616	0.1292	0.0797
CEPS: (\$ per customer per month)			
Residential	0.57	1.57	0.58
General Service	3.18	8.72	3.21
Industrial	21.20	58.27	21.47
Duke Energy Carolinas			
DSM and EE Programs: (cents/kWh)			
Residential	0.3785	0.4933	0.5081
All non-residential	0.4425	0.2963	0.5439
CEPS: (\$ per customer per month)			
Residential	0.81	1.25	1.37
General Service	4.01	6.87	7.63
Industrial	22.70	41.03	48.00
Duke Energy Progress			
DSM and EE Programs: (cents/kWh)			
Residential	0.629	0.767	0.769
Commercial/General Service	0.387	0.274	0.240
CEPS: (\$ per customer per month)			
Residential	1.22	1.52	1.81
General Service	6.52	8.32	10.08
Industrial	43.49	56.25	68.25

**DEP Joint Agency Asset Rider (JAAR)
(Docket No. E-2, Sub 1354)**

On June 10, 2025, DEP filed an application for approval of its annual JAAR to recover acquisition and operating costs related to facilities purchased from NCEMPA pursuant to N.C. Gen. Stat. § 62-133.14 and Commission Rule R8-70. The test period covered by the proposed rates in this proceeding was January 1, 2024, through December 31, 2024. Pursuant to Commission Rule R8-70, each annual filing will provide for the recovery of costs expected to be incurred in the rate period (prospective component), including the levelized annual cost of the plant initially acquired and appropriate annual portions of the cost of other assets acquired (excluding construction work in progress), as well as ongoing annual non-fuel operating costs, reduced by the annual effects of the

acquisition on North Carolina retail allocation factors.

In its application, as amended, DEP requested a total prospective annual revenue requirement of \$163,631,000 and to return \$283,000 through the Joint Agency Asset Rolling Recovery Factor for N.C. retail customers. On November 13, 2025, the Commission entered an order approving the JAAR and the following JAAR rates by class. Effective as of December 1, 2025, the change for residential customers is a decrease of 13.75%. The impact on other customer classes varies based upon their rate schedules, as shown in the table below:

Rate Class	Applicable Schedule(s)	Incremental Rate	Change
Residential	RES, R-TOUD, R-TOU-CPP, R-TOU, R-TOUE	0.00464	(0.00074)
Small General Service	SGS, SGS-TOUE, SGS-TOU-CPP, SGS-TOU-CL	0.00223	(0.00216)
Medium General Service	CH-TOUE, CSE, CSG	0.00411	0.00193
Seasonal and Intermittent Service	SI	0.01075	0.00261
Traffic Signal Service	TSS, TFS	0.00343	0.00052
Outdoor Lighting Service	ALS, SLS, SLR, SFLS	0.01389	0.00423
Medium General Service	MGS, GS-TES, AP-TES, MGS-TOU	0.92	(0.2)
Large General Service	LGS, LGS-TOU, LGS-RTP, LGS-RTP-TOU	3.03	1.31

DEP filed a notice of appeal of the JAAR order with the North Carolina Court of Appeals on January 12, 2026, and a supplemental notice of appeal on January 14, 2026.

ADDITIONAL ELECTRIC RATE RIDERS

By way of orders issued in various ratemaking proceedings, the Commission has established and annually updates the following rate riders:

1. New River Light and Power Company's Annual Purchased Power Adjustment (PPA) and Coal Ash Cost Recovery (CACR) Factor. Pursuant to the Commission's Order Approving Rate Increase and Annual Procedure issued on December 22, 2010, in Docket No. E-34, Sub 38; its Order Accepting Stipulation and Granting Increase in Rates issued March 29, 2018, in Docket No. E-34, Sub 46; and its Order Granting Extension of Time and Permanent Change in Effective Date of Purchased Power Adjustments issued January 23, 2019, in Docket No. E-34, Sub 48, New River Light and Power Company (New River) files an annual request for an adjustment to its rates and charges for purchased power and coal ash costs. The annual rider proceeding, completed in early 2025, resulted in a Purchased Power Agreement (PPA) factor of \$(0.0009451) per kWh, resulting in an increase of \$0.003537 per kWh.
2. Western Carolina University's Annual Purchased Power Cost Rider. In compliance with Commission orders in Docket No. E-35, Subs 17, 19, 49, and 51, Western Carolina University (WCU) files an annual application for a change in its Schedule CP Purchased Power Cost Rider (CP Rider). The annual rider proceeding, completed in early 2025, resulted in a CP Rider of \$(0.023418) per kWh.
3. DEC's Annual Existing DSM Program Rider (EDPR). The EDPR, first approved in Docket No. E-7, Sub 828, is adjusted annually to true-up the difference between the applicable base rate amount in effect and the actual cost incurred during the then-most recent calendar year for certain legacy DSM and EE programs. The approved annual EDPR, effective July 1, 2025, was (0.0008) cents per kWh.
4. DEC's Annual Bulk Power Marketing (BPM) Prospective and True-Up Riders. The purpose of the BPM Prospective Rider and the BPM True-up Rider, as approved in Docket No. E-7, Sub 1026, is to flow back to DEC North Carolina retail customers their jurisdictionally allocated share of 90% of DEC's BPM Net Revenues and 100% of its Non-Firm Point-to-Point Transmission Revenues, on a prospective basis and subsequently on a trued-up basis. The approved annual BPM Prospective and True-up Riders, effective July 1, 2025, were (0.0075) cents per kWh and (0.0023) cents per kWh, respectively.
5. Storm Recovery Charges for DEP and DEC. On May 10, 2021, the Commission issued Financing Orders in Docket No. E-2, Sub 1262, and Docket No. E-7, Sub 1243, pursuant to N.C. Gen. Stat. § 62-172, granting DEP and DEC, respectively, the right to finance certain specified Storm Recovery Costs incurred in connection with Hurricanes Florence, Michael, and Dorian, and Winter Storm Diego by issuing and selling Storm Recovery Bonds that will be

repaid by customers via a nonbypassable Storm Recovery Charge. On November 24, 2021, the first Storm Recovery Bonds were issued. Since the issuance of the Storm Recovery Bonds, and as allowed under the Commission's Financing Orders to ensure the recovery of revenues sufficient to provide timely payments to bondholders, DEP and/or DEC have filed requests for true-up adjustments from time to time, but at least biennially. Pursuant to that true-up process, for DEP customers, effective for service rendered on or after July 1, 2026, through the end of 2026, the incremental rate by class, including taxes and regulatory fees for the Storm Recovery Charge was set at 0.1938 cents per kWh for Residential customers, 0.147 cents per kWh for Small General Services customers, 0.042 cents per kWh for Medium General Services customers, 0.015 cents per kWh for Large General Services customers, and 0.713 cents per kWh for Lighting customers. For DEC customers during the same period, the incremental rate by class, including taxes and regulatory fees for the Storm Recovery Charge, was set at 0.0433 cents per kWh for Residential customers, 0.0102 cents per kWh for General Services customers, 0.0062 cents per kWh for Industrial customers, and 0.1046 cents per kWh for Lighting customers.

On December 2, 2024, in Docket Nos. E-2, Sub 1362, and E-7, Sub 1321, DEC and DEP filed a Joint Petition for Expedited Review and Approval of Storm Recovery Costs (Joint Petition), thus initiating the process for determining whether costs incurred during Hurricanes Helene, Debby, Zeta, and Ian, and Winter Storm Izzy were prudently incurred and eligible for recovery under N.C. Gen. Stat. § 62-172. The Public Staff consented to an accelerated process and conducted extensive discovery on the Joint Petition throughout December 2024. On February 12, 2025, DEC, DEP, the Public Staff, and other intervenors (all parties) filed a comprehensive settlement with the Commission resolving issues among the parties. On April 16, 2025, the Commission issued its Order approving the settlement and finding that the total reasonable and prudent storm recovery costs eligible for securitization are approximately \$584 million for DEC and approximately \$461 million for DEP. The additional phases of work to effectuate the securitization of these storm costs were addressed before the Commission in Docket Nos. E-2, Sub 1370, and E-7, Sub 1325. This second issuance of storm recovery bonds occurred in late September 2025.

Pursuant to the true-up process, for DEP customers, effective for service rendered on or after July 1, 2026, through the end of 2026, the incremental rate by class, including taxes and regulatory fees for the Storm Recovery Charge was set at 0.144 cents per kWh for Residential customers, 0.111 cents per kWh for Small General Services customers, 0.032 cents per kWh for Medium General Services customers, 0.011 cents per kWh for Large General Services customers, and 0.538 cents per kWh for Lighting customers. For DEC customers during the same period, the incremental rate by class, including taxes and regulatory fees for the Storm Recovery Charge, was set at 0.1375

cents per kWh for Residential customers, 0.0336 cents per kWh for General Services customers, 0.0203 cents per kWh for Industrial customers, and 0.3432 cents per kWh for Lighting customers.

6. Customer Assistance Recovery Rider for DEP and DEC. In their prior general rates cases, DEP (Docket No. E-2, Sub 1300) and DEC (Docket No. E-7, Sub 1276) proposed a Customer Assistance Program (CAP) pilot project to provide a \$42 bill credit to eligible low-income ratepayers. On December 17, 2025, the Commission approved CAR Rider rates for calendar year 2026. For DEP, those rates are \$0.00098 per kWh for residential customers and \$1.12 per bill for nonresidential customers. For DEC, those rates are \$0.000957 per kWh for residential customers and \$1.06 per bill for nonresidential customers.
7. Competitive Procurement of Renewable Energy (CPRE) for DEP and DEC. House Bill 589, codified as N.C. Gen. Stat. § 62-110.8, established the CPRE Program to competitively procure up to 2,660 MW of new solar generation, no more than 30% of which was permitted to be owned and operated by DEC and DEP. The final quantity of solar capacity procured was 1,810 MW, of which approximately 530 MW is currently in service with another 460 MW working through the interconnection process. Pursuant to N.C. Gen. Stat. § 62-110.8(g), DEP and DEC are permitted to seek recovery of costs of all purchases of energy, capacity, and environmental and renewable attributes from third-party renewable energy facilities, and to recover the authorized revenue of any utility-owned assets competitively procured through the CPRE program, through an annual rider.

Pursuant to the Commission's Order Approving CPRE Program Cost Recovery Rider on November 13, 2025, in Docket No. E-2, Sub 1355, for DEP customers, the rate by class including taxes and regulatory fees was set at 0.001 cents per kWh for Residential customers, 0.010 cents per kWh for Small General Service customers, (0.002) cents per kWh for Medium General Service customers, 0.002 cents per kWh for Large General Service customers, and 0.005 cents per kWh for Lighting customers, to be effective on and after December 1, 2025.

Pursuant to the Commission's Order Approving CPRE Program Cost Recovery Rider on August 20, 2025, in Docket No. E-7, Sub 1315, for DEC customers, the rate by class was set at 0.0467 cents per kWh for Residential customers, 0.0432 cents per kWh for General Service and Lighting customers, and 0.0413 cents per kWh for Industrial customers, to be effective on and after September 1, 2025.

8. Performance-Based Regulation Riders for DEP and DEC. N.C. Gen. Stat. § 62-133.16 authorizes the Commission to approve performance-based regulation (PBR) for electric public utilities in conjunction with an application for

a general rate case. Pursuant to N.C. Gen. Stat. § 62-133.16(c), a PBR application must include a residential decoupling mechanism (RDM), one or more performance incentive mechanisms (PIMs), and a multi-year rate plan (MYRP) that includes an earnings sharing mechanism (ESM). The statute further provides for the establishment of riders to refund amounts related to the ESM, and to refund or collect amounts related to PIMs and the RDM. Within 60 days of the conclusion of each rate year in an MYRP, the Commission commences a proceeding to (1) examine the earnings of the utility during the rate year to determine if the earnings exceeded the authorized rate of return on equity determined by the Commission in the proceeding establishing the PBR, and if so, whether a refund is due to customers via the ESM Rider; (2) evaluate the performance of the utility with respect to PIMs applicable in the rate year and increase or decrease the amount of the PIM Rider as appropriate based on this performance; and (3) evaluate the RDM and refund or collect, as applicable, a corresponding amount from residential customers through the Decoupling Rider.

On August 18, 2023, the Commission issued an order in DEP's 2022 Rate Case proceeding granting a partial rate increase and approving DEP's request for PBR, thereby authorizing an MYRP with an RDM, ESM, and PIMs. New rates initially went into effect for Rate Year 1 (RY1) for service rendered from October 1, 2023, through September 30, 2024. On December 2, 2024, DEP sought the Commission's approval to adjust its PBR Rider rates to reflect the outcomes of RY1. Pursuant to the Commission's Order Approving Residential Decoupling Mechanism Rider, Earnings Sharing Mechanism Rider, and Performance Incentive Mechanisms Rider issued on March 12, 2025, in Docket No. E-2, Sub 1361, an RDM Rider rate of 0.2324 cents per kWh for residential customers, an ESM Rider rate of 0.000 cents per kWh, and a PIM Rider rate of 0.002 cents per kWh were approved for the period of April 1, 2025, through March 31, 2026.

On December 15, 2023, the Commission issued an order in DEC's 2023 Rate Case proceeding granting a partial rate increase and approving DEC's request for PBR, thereby authorizing an MYRP with an RDM, ESM, and PIMs. New rates initially went into effect for RY1 for service rendered from January 15, 2024, through December 31, 2024. On March 3, 2025, DEC sought the Commission's approval to adjust its PBR Rider rates to reflect the outcomes of RY1. Pursuant to the Commission's Order Approving Residential Decoupling Mechanism Rider, Earnings Sharing Mechanism Rider, and Performance Incentive Mechanisms Rider issued on June 3, 2025, in Docket No. E-7, Sub 1326, an RDM Rider rate of 0.2436 cents per kWh for residential customers, an ESM Rider rate of 0.000 cents per kWh, and a PIM Rider rate of 0.0001 cents per kWh were approved for the period of July 1, 2025, through June 30, 2026.

BIENNIAL DETERMINATION OF AVOIDED COST RATES

(Docket No. E-100, Sub 194)

Each electric utility is required under federal law (Section 210 of the Public Utility Regulatory Policies Act (PURPA)) to offer to purchase available electric energy from cogeneration and small power production facilities that obtain qualifying facility (QF) status under Section 210 of PURPA. For such purchases, electric utilities are required to pay rates that are (1) just and reasonable to the ratepayers of the utility, (2) are in the public interest, and (3) do not discriminate against cogenerators or small power producers. FERC regulations require that the rates electric utilities pay to purchase electric energy and capacity from qualifying cogenerators and small power producers reflect the cost that the purchasing utility can avoid as a result of obtaining energy and capacity from these sources, rather than generating an equivalent amount of energy itself or purchasing the energy or capacity from other suppliers. Pursuant to FERC rules, the Commission holds biennial avoided cost proceedings to implement Section 210 of PURPA and determine the avoided cost rates to be paid by electric utilities to the QFs with which they interconnect. The Commission also reviews and approves other related matters involving the relationship between the electric utilities and QFs, such as terms and conditions of service, contractual arrangements, and interconnection charges.

On October 31, 2025, WCU and New River filed Joint Initial Comments. On November 3, 2025, DEP and DEC filed their Joint Initial Statement and DENC filed its Initial Statement. On February 5, 2026, the Public Staff filed Initial Comments on the filings made by DEC, DEP, DENC, WCU, and New River. The Public Staff focused its review and Comments on DEC and DEP's battery storage proposal for expiring QF contracts, the reduced number and capacity of new QFs, and the utilities' proposed rates (both for avoided cost of capacity and avoided cost of energy). The Public Staff's analysis of the proposed avoided cost of capacity focused on methodology, cost calculations of combustion turbines, seasonal allocation, and rates for swine, poultry, and hydro projects. The Public Staff's analysis of the proposed avoided cost of energy focused on fixed pricing versus as-available rates, the performance adjustment factor, and line loss adjustments. The Public Staff filed reply comments addressing issues raised by other intervenors' initial comments. The Commission issued an Order Requiring the Filing of Proposed Orders and Briefs on June 24, 2026.

INTEGRATED RESOURCE PLANNING

Integrated Resource Planning (IRP) is intended to identify those electric resource options that can be obtained at least cost to the utility and its ratepayers consistent with the provision of adequate and reliable electric service. Each utility's IRP considers demand-side alternatives, including conservation, efficiency, and load management, as well as supply-side alternatives in the selection of resource options. Commission Rules R8-60 and R8-60A define an overall framework within which the IRP process takes place in North Carolina. Commission Rule R8-60 governs the IRP process for DENC, and Commission Rule R8-60A governs the new Carbon Plan and IRP (CPIRP) process for DEC and DEP. Analysis of the long-range need for future electric generating capacity pursuant to N.C. Gen. Stat. § 62-110.1 is included in the Rules as a part of the IRP

process. N.C. Gen. Stat. § 62-15(d) requires the Public Staff to assist the Commission in making its analysis and plan pursuant to N.C. Gen. Stat. § 62-110.1.

Commission Rules R8-60 and R8-60A require that each utility, to the extent that it is responsible for procurement of any or all of its individual power supply resources, furnish the Commission with a biennial IRP that contains the specific information set out in the relevant Rule. Commission Rule R8-60 requires that, in the years between biennial IRP filings, DENC file an annual report updating its most recently filed biennial IRP. There is no requirement for a biennial update filing for DEC and DEP under Commission Rule R8-60A. The Public Staff reviews both biennial IRPs and IRP updates for compliance with the Rule.

DENC IRP (DOCKET NO. E-100, SUB 204)

DENC filed its 2024 IRP in Docket No. E-100, Sub 204, on October 15, 2024. In its review of DENC's 2024 IRP, the Public Staff made 18 recommendations for improvement of DENC's 2025 IRP update filing and all future IRPs (e.g, modeling improvements, additional information on customer bill impacts, and updates on fuel supplies). On July 7, 2025, the Commission accepted DENC's 2024 IRP and adopted the majority of the Public Staff's recommendations for future IRP filings.

On October 15, 2025, DENC filed an update to its IRP. The Public Staff notified the Commission that it deemed the update filing to be in compliance with relevant Commission rules and orders. However, the Public Staff recommended that the Commission direct DENC to file additional comments addressing the impact of adding large load customers (such as data centers) and its reliance on purchased power from the PJM market that has been experiencing high prices and constrained energy capacity. These factors together cause the Public Staff to be concerned about reliability for DENC customers.

DUKE ENERGY CPIRP (Docket No. E-100, Sub 207)

In July 2025, DEC and DEP (collectively, Duke Energy) requested, and the Commission granted, permission to delay its third CPIRP filing by 30 days. On August 6, 2025, the Commission ordered that in accordance with N.C. Gen. Stat. § 62-110.9, as modified by Session Law 2025-78, Duke should cease modeling scenarios designed to achieve a 70% reduction in the emissions of carbon dioxide by the year 2030 but should 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.

Duke Energy's proposed third CPIRP was filed on October 1, 2025, in Docket No. E-100, Sub 207. Duke Energy presented a preliminary base portfolio of resources, 30 sensitivity analysis portfolios, a near-term action plan, and a resulting recommended portfolio. The 2025 CPIRP contents included four chapters, 13 appendices, and one attachment. On the same date, Duke filed the direct testimony and exhibits of witnesses

in support of its proposed 2025 CPIRP. The Public Staff and other intervenors filed testimony on March 30, 2026, and Duke filed rebuttal testimony on May 14, 2026. The evidentiary hearing commenced on June 9, 2026, and concluded on June 24, 2026. The proceeding is ongoing.

ELECTRIC-GAS COORDINATION (Docket No. M-100, Sub 217)

In December 2024, the Commission issued an Order Approving Joint Planning Process and Establishing Reporting Dates. On May 15, 2025, the Utilities' Informational Update and Post-Season Assessment of Coordination Efforts During the Winter 2024 Season was filed. The Public Staff's analysis was filed on July 9, 2025. At the request of the Public Staff, the Commission issued an Order Providing Further Direction on Reporting Requirements on October 21, 2025.

On November 26, 2025, the utilities filed (1) the 2025-2026 Winter Report on Management of Gas-Electric Dependencies and Inter-Dependencies During Extreme Cold Weather Events and Other Emergencies and (2) the Proposed Joint Planning Process to Prepare for and Respond to Natural Gas Transmission Vulnerabilities During Extreme Cold Weather Events. The Public Staff's analysis was filed January 23, 2026.

CEPS SWINE AND POULTRY WASTE SET-ASIDE COMPLIANCE (Docket No. E-100, Sub 113)

In June 2025, the Public Staff held stakeholder meetings, at the direction of the Commission, in which swine and poultry waste stakeholders discussed the progress made thus far toward compliance with the requirements of N.C. Gen. Stat. § 62-133.8(e) and (f), and the difficulties they encountered. Between August and October 2025, electric membership corporations (EMCs) and municipalities filed their 2024 Compliance Reports and 2025 CEPS Compliance Plans in Docket No. E-100, Sub 210.

N.C. Gen. Stat. § 62-133.8(i)(2) authorizes the Commission to modify or delay the CEPS provisions, in whole or in part, if the Commission determines it to be in the public interest to do so. In October 2025, a number of EMCs and municipalities, as well as DENC, DEC, and DEP, filed a motion pursuant to N.C. Gen. Stat. § 62-133.8(i)(2) and Commission Rule R8-67(c)(5), requesting that the Commission (1) modify the obligation of DEC, DEP, and DENC by lowering the 2025 swine waste set-aside requirement to 0.07% of prior-year retail sales; (2) delay the obligation of EMCs and municipalities to comply with the swine waste set-aside requirement until calendar year 2026; (3) allow the moving parties to bank any swine-waste-derived renewable energy certificates (RECs) previously or subsequently acquired for use in future compliance years; and (4) allow the moving parties to replace compliance with the swine waste set-aside requirements in 2025 with other compliance measures in accordance with N.C. Gen. Stat. § 62-133.8(b), (c), and (d) (Swine Waste Delay Motion). The moving parties asserted that they had individually and collectively made reasonable efforts to comply with the CEPS swine waste set-aside requirements and that modification of the requirements was in the public interest.

Upon its review of the joint motion, the Public Staff submitted comments generally supporting the Swine Waste Delay Motion. On January 15, 2026, the Commission entered an order denying in part and approving in part the Swine Waste Delay Motion, finding (1) that the Swine Waste Set-Aside requirements for electric public utilities shall be .14% for 2025 and .20% for 2026 and thereafter; (2) that the Swine Waste Set-Aside requirements for EMCs and municipalities shall be .07% for 2025-2026, .14% for 2027-2028, and .20% for 2029 and thereafter; (3) that the electric suppliers shall apply any banked or newly acquired swine waste RECs to comply with the 2025 requirement; (4) that the electric power suppliers shall continue to report on compliance to the Commission; and (5) that the EMCs and municipalities for which DEP, DEC, and DENC provide CEPS compliance services shall be subject to these same requirements.

**JOINT APPLICATION OF DUKE ENERGY CAROLINAS, LLC AND DUKE ENERGY
PROGRESS, LLC TO ENGAGE IN A BUSINESS COMBINATION, ADDRESS
REGULATORY CONDITIONS AND CODE OF CONDUCT, AND REQUEST
ACCOUNTING ORDER**

(Docket Nos. E-2, Sub 1383 and E-7, Sub 1332)

On July 30, 2025, pursuant to N.C. Gen. Stat. § 62-111(a), DEC and DEP (Joint Applicants) filed notices advising the Commission of their intent to file an application for approval to engage in a business combination (Combination) by which DEP would merge into DEC, resulting in a single combined electric utility serving both DEC and DEP's service territories. On August 14, 2025, the Joint Applicants filed their Joint Application to Engage in a Business Combination, Address Regulatory Conditions and Code of Conduct, and Request Accounting Order (Joint Application). The Joint Applicants filed similar applications with the Public Service Commission of South Carolina (South Carolina Commission) and FERC, additional regulatory entities that are required to approve the Combination.

DEC and DEP are currently separate utilities that, despite being commonly owned by Duke Energy, Inc., operate under legal and regulatory constraints that prevent them from operating in a fully integrated manner.¹ The Combination would remove those constraints and allow the Joint Applicants to plan investments in necessary generation and transmission resources more efficiently, execute those plans more efficiently by siting and building those resources more cost effectively, and operate those resources more efficiently as a fully integrated system. The combined utility's ability to plan, execute, and operate the combined system more efficiently should result in cost savings for customers. Future system costs are expected to be less under a combined utility due to efficiencies following the Combination, and customers would benefit from that reduction in overall system costs over time.

¹ The Combination is an internal corporate reorganization as both DEC and DEP are subsidiaries of Duke Energy, Inc. The Combination will be achieved in a two-step process. First, Duke Energy will contribute DEC to Progress Energy, Inc. (DEP's current parent entity, which is a direct subsidiary of Duke Energy, Inc.). Then, DEP will merge into DEC. DEC will be the surviving entity. The combined utility (DEC) will thus be a wholly owned subsidiary of Progress Energy, Inc., which would continue to be a wholly owned subsidiary of Duke Energy, Inc.

The Joint Applicants submitted three cost-benefit analyses (CBA) in support of the Combination. Each CBA compares the operations of a single utility should the Combination be approved to a resource plan reflecting continued operations as two separate utilities. The first, second, and third CBAs show approximately \$1.6 billion, \$3.2 billion, and \$2.3 billion in undiscounted customer benefits across the system from the Combination (net of transaction costs) over the periods of 2027–2038, 2027–2038, and 2027–2040, respectively. The quantified savings are primarily comprised of two categories: (1) reduced or deferred capital investment and (2) production cost savings (e.g., lower fuel costs). In addition, the Joint Applicants projected a limited amount of corporate savings as result of the Combination, most of which relate to regulatory efficiencies.

On December 15 and December 16, 2025, the Commission held public hearings for the purpose of receiving the testimony of public witnesses.

On January 30, 2026, FERC issued its Order Authorizing Internal Corporate Reorganization in Docket No. EC25-128-000, which approved the Joint Applicants' proposed Combination as consistent with the public interest.

On February 24, 2026, the Joint Applicants and the Public Staff entered into the Comprehensive Settlement, resolving all issues between them in this proceeding.² The Comprehensive Settlement set forth the agreement between the Stipulating Parties settling all issues.

Among other things, the Comprehensive Settlement provided for the following:

- (1) a guarantee that North Carolina retail cost savings cumulatively over a 14-year Measurement Period will meet or exceed the North Carolina retail impacts of the "Share the Benefits" contribution to South Carolina retail customers and the transaction costs;
- (2) establishment of accounting treatments;
- (3) savings tracked and reported to the Commission on an annual basis throughout the Measurement Period utilizing a defined tracking methodology; and
- (4) a guarantee that shareholders will make any necessary contribution to ensure that NC Retail is not adversely impacted if the costs exceed the benefits.

On February 25, 2026, the expert witness hearing commenced before the Commission.

² Thereafter, additional parties, Google, Walmart, Nucor, the North Carolina Attorney General's Office, the North Carolina Sustainable Energy Association, the Southern Alliance for Clean Energy, North Carolina Housing Coalition, North Carolina Justice Center, and Vote Solar (together with Joint Applicants and the Public Staff, the Stipulating Parties) were added to the Comprehensive Settlement. Three new provisions were added to the Comprehensive Settlement addressing discrete issues, none of which altered the core terms of the Comprehensive Settlement.

On April 30, 2026, the South Carolina Commission issued a Directive Order for the approval of the Combination, and, on June 3, 2026, the South Carolina Commission issued its final Order Approving Agreement and Stipulation of Settlement; Approving Business Combination; Granting Request for an Accounting Order.

On May 1, 2026, the North Carolina Utilities Commission issued its Order Accepting Stipulations and Approving Business Combination, Request for Accounting Order, and Regulatory Conditions and Code of Conduct.

The Combination will take effect on January 1, 2027, though customers should not experience immediate changes to their existing retail base rates or riders as a result of the Combination. Instead, the integration of retail rate schedules and riders will occur gradually through post-Combination rider and general rate case proceedings.

ANNUAL NATURAL GAS COST REVIEWS

N.C. Gen. Stat. § 62-133.4 allows the natural gas local distribution companies (LDCs) to adjust their rates from time-to-time in order to track changes in the cost of gas supply and transportation. These rate adjustments, which are known as purchased gas adjustments, may occur as often as monthly and do not require an evidentiary hearing. The Public Staff reviews the calculations of the adjustments and supporting documentation and makes recommendations to the Commission regarding approval.

N.C. Gen. Stat. § 62-133.4 also provides for annual proceedings to compare the LDCs' prudently incurred gas costs with the costs recovered from ratepayers during a 12-month test period. If the prudently incurred gas costs of an LDC are less than the costs recovered from ratepayers, the Commission must require the LDC to make refunds through bill credits or rate decrements. If the prudently incurred costs are greater than the costs recovered, the Commission may allow the LDC to recover the deficiency through a rate increment.

There are four LDCs in North Carolina: Public Service Company of North Carolina, Inc. (PSNC); Piedmont Natural Gas Company, Inc. (Piedmont); Frontier Natural Gas Company; and Toccoa Natural Gas. Throughout 2025, the Public Staff reviewed the LDCs' gas costs and deferred account reports, gas procurement practices, and hedging policies. The Public Staff conducted in-depth investigations of the information submitted by the LDCs in their 2025 filings and presented its findings and recommendations regarding whether the LDCs' gas purchases and hedging activities were prudent and whether the LDCs had properly accounted for gas costs. After considering the testimonies of the LDCs and the Public Staff, the Commission issued orders approving the gas costs incurred, the accounting for gas costs, various recommendations, and the proposed rate increments and decrements.

PIPELINE INTEGRITY MANAGEMENT COST RECOVERY

N.C. Gen. Stat. § 62-133.7A authorizes the Commission to approve a rate adjustment mechanism to enable a natural gas LDC to recover its prudently incurred capital investment needed to comply with federal gas pipeline safety requirements and the associated costs.

PIEDMONT NATURAL GAS COMPANY INTEGRITY MANAGEMENT RIDER (IMR) (Docket No. G-9, Subs 857 and 985)

As part of Piedmont's 2013 general rate case, the Commission approved an IMR mechanism, which is Appendix E of Piedmont's Service Regulations. Appendix E states that Piedmont shall file with the Commission by October 31 its Annual IMR Report summarizing the Integrity Management (IM) Plant Investment for the 12-month period ending September 30 and the data substantiating and supporting its Integrity Management Revenue Requirement (IMRR) calculation for rates effective December 1. Piedmont is also required to file bi-annual adjustments to its rates effective every December 1 and June 1 based upon qualifying capital investments in integrity and safety projects as of October 31 and March 31, respectively.

On April 30, 2025, Piedmont filed, pursuant to the IMR mechanism, an IMRR bi-annual rate adjustment, effective June 1, 2025, based on its IM Plant Investment through March 31, 2025. In the filing, Piedmont also proposed a true-up adjustment for the IM Deferred Account based on the actual account balance as of March 31, 2025. On May 15, 2025, Piedmont filed the schedule showing the computation of the proposed IM rate adjustment for each rate schedule and the revised tariffs effective June 1, 2025. The Public Staff determined that these rate adjustments were properly calculated and recommended approval. The Commission approved the proposed rate adjustments.

The approved IMR rate adjustments, expressed in dollars per dekatherm (dt), are as follows:

Line No.	Description	Residential Rate 101	Small & Medium General	Firm Large General	Interruptible Large General
			Rate 102, 142, 144, 152	Rate 103, 113, T-10	Rate 104, 114
1	Rate Class Percentage	65.08%	29.88%	3.22%	1.82%
2	IMRR	\$8,695,703	\$3,992,434	\$430,242	\$243,180
3	IM Deferred Account Balance	\$398,291	\$182,866	\$19,706	\$11,138
4	Total Amount for recovery	\$9,093,994	\$4,175,300	\$449,949	\$254,319
5	Rate Case Volumes (dts)	39,677,355	32,008,859	35,870,550	31,396,908
6	IM Increment per dt	\$0.2292	\$0.1304	\$0.0125	\$0.0081
7	Remove Current Increment	<u>(\$0.1271)</u>	<u>(\$0.0778)</u>	<u>(\$0.0062)</u>	<u>(\$0.0052)</u>
8	Change in IM Increment per dt	\$0.1021	\$0.0526	\$0.0063	\$0.0029

On October 31, 2025, Piedmont filed its projected three-year plan of IM Plant Investment and computations of the IMRR for its biannual IMR rate adjustment. On November 7, 2025, Piedmont filed its proposed IMR rate adjustments to collect the October 31, 2025 balance in the IM Deferred Account to be effective December 1, 2025. Piedmont proposed the following IMR rate adjustments, expressed in dollars per dekatherm (\$/dt):

Description	Residential RS 101	Small & Medium General RS 102, 142, 144, 152	Firm Large General RS 103, 113, T-10	Interruptible Large General RS 104, 114
Rate Class Percentage	65.08%	29.88%	3.22%	1.82%
IMRR	\$11,611,531	\$5,331,170	\$574,510	\$324,723
IM Deferred Account Balance	\$1,036,004	\$475,658	\$51,259	\$28,972
Total Amount for Recovery	\$12,647,535	\$5,806,828	\$625,769	\$353,695
Rate Case Volumes (dts)	39,677,355	32,008,859	35,870,550	31,396,908
IM Increment per dt	\$0.3188	\$0.1814	\$0.0174	\$0.0113
Remove Current Increment	\$0.2292	\$0.1304	\$0.0125	\$0.0081
Change in IM increment per dt	\$0.0896	\$0.0510	\$0.0049	\$0.0032

The Public Staff investigated the filing and recommended approval of the proposed IMR rate adjustments. The Commission approved the rate adjustments.

**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC. d/b/a ENBRIDGE
GAS NORTH CAROLINA (collectively, PSNC)
INTEGRITY MANAGEMENT TRACKER (IMT)
(Docket No. G-5, Subs 685 and 690)**

The IMT, Rider E of its tariff, requires that PSNC file an annual report summarizing the IM Plant Investment for the prior 12-month period ending December 31 and the data substantiating and supporting its IMRR calculation for the next bi-annual IMT rate adjustment. Additionally, PSNC is required to file by February 15 an IM True-Up Adjustment based on the balance in the IM Deferred Account as of January 31. PSNC is also required to file bi-annual adjustments to its rates based upon qualifying capital investments in integrity and safety projects as of December 31 and June 30, respectively. Rider E of its tariff requires PSNC to make a filing with the Commission by February 15 and August 15 each year showing the computation of the IMT rate adjustment that it proposes to charge during the six-month period beginning March 1 and September 1, respectively.

On January 31, 2025, pursuant to Rider E of the Company's Tariff, PSNC filed in Docket No. G-5, Sub 565C, the computation for the IMRR that supports the bi-annual IMT rate adjustment and its projected three-year plan of IM Plant Investment. On February 13,

2025, PSNC filed an application requesting authority to adjust its rates effective March 1, 2025, to implement new temporary increments in its rates pursuant to Rider E.

PSNC proposed the following IMT rate adjustments, expressed in dollars per therm (\$/therm):

Description	Residential Rates 101, 102, 115	Commercial Rates 125, 126, 127, 140	Firm Large General Rates 145, 175	Interruptible Large General Rates 135, 150, 160, 165, 180
Customer Class Percentages	69.99%	19.10%	8.36%	2.55%
IMRR for Recovery	\$16,165,014	\$4,411,370	\$1,930,840	\$588,953
IMT Deferred Account Balance	\$1,775,998	\$484,663	\$212,135	\$64,706
Net IMRR for Recovery	\$17,941,012	\$4,896,033	\$2,142,975	\$653,659
Annual Therms	332,441,182	172,905,640	256,721,533	143,316,551
Rate per Therm	\$0.05397	\$0.02832	\$0.00835	\$0.00456
Current IMT Increment	\$0.04236	\$0.02222	\$0.00655	\$0.00358
Adjustment to IMT Increment	\$0.01161	\$0.00610	\$0.00180	\$0.00098

The Public Staff determined that these rate adjustments were properly calculated, and the Commission issued an order approving them.

On July 31, 2025, PSNC filed the computation for the IMRR that supports the biannual IMT rate adjustment, effective September 1, 2025, based on its IM Plant Investment through June 30, 2025. On August 15, 2025, PSNC filed the computation of the IMT rate adjustments for each rate schedule and the revised tariffs, effective for service rendered on and after September 1, 2025. PSNC proposed the following IMT rate adjustments:

Description	Residential Rates 101, 102, 115	Commercial Rates 125, 126 127, 140	Firm Large General Rates 145, 175	Interruptible Large General Rates 135, 150, 160, 165, 180
Customer Class Percentage	69.99%	19.10%	8.36%	2.55%
IMRR for Recovery	\$16,459,357	\$4,491,695	\$1,965,998	\$599,677
Rate Case Volumes (therms)	332,441,182	172,905,640	256,721,533	143,316,551
IM Rate Increment (per therm)	0.04951	0.02598	0.00766	0.00418
Current IMT Increment	0.05397	0.02832	0.00835	0.00456
Adjustment to IMT increment	(0.00446)	(0.00234)	(0.00069)	(0.00038)

The Public Staff investigated the filing and recommended approval of the proposed IMT rate adjustments. The Commission approved the rate adjustments.

PSNC'S APPLICATION FOR GENERAL RATE INCREASE (Docket No. G-5, Sub 686)

On April 1, 2025, PSNC filed an application for a general increase in its rates and charges (Application), seeking (1) approval of an increase in revenue of \$84,943,631 and a return on equity (ROE) of 10.6%; (2) continuation of the IMT Rider (Rider E) to recover capital expenses related to transmission and distribution integrity management programs;

(3) authority to implement Rider H – Pipeline Integrity Management Expenses Tracker (Rider H) to recover deferred operations and maintenance (O&M) expenses; (4) authority to implement a proposed Major Projects Cost Recovery Rider (MPR) to recover incremental costs associated with the M-71 pipeline, the Moriah liquefied natural gas facility (MEC), and the non-Integrity Management Tracker rate base portion of the T-15 pipeline; (5) authority to defer and amortize extraordinary, nonrecurring costs associated with Hurricane Helene over a one-year period; (6) authority to implement a Customer Assistance Program (CAP) to provide eligible low-income customers with monthly bill credits during the winter months; (7) authority to implement a rider addressing liabilities from excess deferred income taxes (EDIT) associated with state corporate income tax reductions and to update previously approved EDIT regulatory liabilities due to an inadvertent miscalculation; and (8) approval to update and revise certain tariff provisions, primarily administrative in nature, without increasing basic facilities charges or miscellaneous fees.

On September 19, 2025, PSNC filed a Joint Stipulation of Settlement (Stipulation) and exhibits on behalf of PSNC, the Public Staff, and Carolina Utility Customers Association Inc. (CUCA, and together with PSNC and the Public Staff, the Stipulating Parties), settling all issues in the rate case.

On December 9, 2025, the Commission issued its Order Approving Stipulation, In Part, Granting Rate Increase, and Requiring Customer Notice. In that Order, the Commission accepted and approved, among other things, (1) a 9.65% ROE, (2) extension of PSNC's IMT mechanism, (3) implementation of Rider H for recovery of contractor performed integrity management O&M and Rider I for recovery of leak survey costs through a three-year pilot program, (4) an MPR confined to recovery of reasonable capital costs associated with the construction of the T-15 pipeline and the MEC LNG facility with recovery restricted to the non-IMT rate base portion of these projects once they are completed and placed into service, and (5) required PSNC to develop internal contributions in aid of construction (CIAC) processes for document retention and reporting to the Public Staff to support analysis and future general rate case audits. The Commission, however, did not approve § 28 of the Stipulation, in which the Stipulating Parties agreed to a CAP funded through annual contributions of \$300,000 from shareholders and \$300,000 from ratepayers for three years. On December 23, 2025, the Stipulating Parties filed an Amended Joint Stipulation of Settlement. In lieu of the CAP agreed to in the initial Joint Stipulation, the Corrected Amended Joint Stipulation provided that the CAP would be funded only by PSNC's annual shareholder contribution of \$300,000 for three years, which had already been approved by the Commission in the PSNC-Enbridge merger proceeding in Docket No. G-5, Sub 667.

On January 15, 2026, the Commission issued its Order Approving Corrected Amended Stipulation, Granting Rate Increase and Requiring Customer Notice.

AQUA NORTH CAROLINA'S APPLICATION FOR GENERAL RATE INCREASE
(Docket No. W-218, Subs 629 and 630)

On April 30, 2025, in Docket No. W-218, Sub 629, Aqua North Carolina, Inc. (Aqua), filed an application with the Commission for authority to increase its rates and charges for providing water and sewer utility service in all its North Carolina service areas and for approval of a WSIP. Aqua's first WSIP was approved in 2023 in Docket No. W-218, Sub 573. Aqua serves approximately 87,300 water customers and 23,300 sewer customers in 51 counties throughout North Carolina. By order issued July 11, 2025, the Commission consolidated Docket No. W-218, Sub 629, with Docket No. W-218, Sub 631, in which Aqua filed a Petition for Approval of a Customer Assistance Program (CAP).

The filed WSIP would have allowed Aqua to recover the reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the WSIP for a three-year period without the need for a general rate case proceeding. Aqua proposed in its application to increase rates and charges to produce in its base case an additional \$16,425,709 in gross revenues, or an 18.84% increase over its existing rates. Aqua further proposed to increase its rates and charges to produce an additional \$32,487,383 in gross revenues over existing rate revenues, or an increase of approximately 37.67%, in Rate Year 1, inclusive of the base case increase; an additional \$5,915,227 in gross revenues, an increase of approximately 4.93%, in Rate Year 2; and an additional \$6,000,105 in gross revenues, an increase of approximately 4.76%, in Rate Year 3.

The Public Staff's investigation of Aqua's application included 119 formal discovery requests and numerous meetings with Aqua representatives. On September 26, 2025, the Public Staff filed the testimony of six individual witnesses and two panels of witnesses detailing the results of the Public Staff's investigation and its recommendations regarding Aqua's application. Also on September 26, 2025, intervenor Bright's Creek Property Owners Association (Bright's Creek) filed the testimony of its panel of witnesses. On October 10, 2025, Aqua filed rebuttal testimony in response to the testimony of the Public Staff and the witnesses of intervenor Bright's Creek.

On October 22, 2025, Aqua and Bright's Creek filed a Settlement Agreement and Stipulation resolving all issues between those parties.

Beginning on October 27, 2025, the Commission held an expert witness hearing on Aqua's application. On October 28, 2025, following settlement discussions, Aqua and the Public Staff filed an Agreement and Stipulation of Partial Settlement (Stipulation). Pursuant to the Stipulation, the parties agreed that Aqua should be authorized to implement a WSIP according to certain parameters, including agreed upon adjustments to many operations and maintenance expenses, certain rate base items, and a 9.8% ROE, and certain items unrelated to the revenue requirement. A number of issues not addressed by the Stipulation remained contested, including Bridge Period capital costs, per- and polyfluoroalkyl substances (PFAS) projects estimated costs and deferral, Performance Based Metrics, the proposed CAP, and rate case expense, and were addressed by the parties in their respective proposed orders and post-hearing briefs.

On February 20, 2026, the Commission issued its Order Approving Partial Settlement Agreements and Stipulations, Deciding Contested Issues, Approving Water and Sewer Investment Plan, Granting Partial Rate Increases, and Requiring Customer Notice (Rate Case Order). The order results in an approximately 8.2% increase in gross base case revenues, an increase in WSIP Rate Year 1 revenues of 31.5%, inclusive of the base case increase; an increase in Rate Year 2 revenues of 4.7%; and an increase in Rate Year 3 revenues of 4.4%.

**JOINT APPLICATION FOR APPROVAL TO ENGAGE IN TRANSACTION AND
REQUEST FOR APPROVAL OF AFFILIATE AGREEMENTS OF ESSENTIAL
UTILITIES, INC., AQUA NORTH CAROLINA, INC., AND ALPHA MERGER SUB, INC.
(Docket No. W-218, Sub 643)**

On November 26, 2025, Aqua, its parent company, Essential Utilities, Inc. (Essential), and Alpha Merger Sub, Inc. (Merger), a wholly owned subsidiary of American Water Works Company, Inc. (American Water) (together, Joint Applicants), filed a joint application for authorization to engage in a business combination as part of an all-stock, tax-free merger between American Water and Essential. If authorized by the Commission, Aqua would become a wholly owned indirect subsidiary of American Water. The joint applicants also request approval of two agreements for the provision of service to Aqua by service company affiliates.

Public witness hearings took place on April 4, and 5, 2026, and the Commission has scheduled an expert witness hearing to begin on September 21, 2026. The Public Staff investigated the Application and filed testimony on July 31, 2026, recommending that any approval be subject to a series of regulatory conditions to ensure the benefits of the merger would outweigh any costs and sufficiently mitigate associated risks. This matter is ongoing.

**CAROLINA WATER SERVICE OF NORTH CAROLINA'S APPLICATION FOR
GENERAL RATE INCREASE
(Docket No. W-354, Subs 448 and 450)**

On January 31, 2025, in Docket No. W-354, Sub 448, CWSNC filed a petition requesting that the Commission issue an accounting order authorizing CWSNC to establish a regulatory asset to defer costs and expenses associated with Hurricane Helene (Petition).

On July 31, 2025, in Docket No. W-354, Sub 450, CWSNC filed an application requesting approval of a general rate increase (Application) for water and sewer utility service in all of its service areas in North Carolina, which included a three-year WSIP. CWSNC's first WSIP was approved in 2023 in Docket No. W-354, Sub 400, with a three-year term commencing April 1, 2023, and continuing through March 31, 2026.

CWSNC serves approximately 37,655 water customers and 22,598 sewer customers in 39 counties throughout North Carolina. By order issued September 26,

2025, the Commission consolidated Docket No. W-354, Sub 448, with Docket No. W-354, Sub 450.

The WSIP requested by CWSNC would allow CWSNC to recover the reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the WSIP for a three-year period without the need for a general rate case proceeding. CWSNC's requested increase in its annual revenues from its North Carolina customers, as proposed in its application, on a consolidated basis for all rate divisions, was: \$18,197,392 (32.19%) for Rate Year 1, of which \$14,402,396 (25.48%) represented the Base Case increase; \$3,736,015 (5.00%) for Rate Year 2; and \$3,922,816 (5.00%) for Rate Year 3. The Commission received over 300 consumer statements regarding the rate increases proposed in the application.

The Public Staff's investigation of CWSNC's application included 79 formal discovery requests and numerous meetings with CWSNC representatives. Public witness hearings were also held in Newland, Charlotte, Jacksonville, Raleigh, New Bern, Mooresville, and via Webex.

Between February 6, 2026, and February 9, 2026, the Public Staff filed the testimony of five individual witnesses and three panels of witnesses detailing the results of the Public Staff's investigation and its recommendations regarding CWSNC's application. Also on February 6, 2026, intervenors Carolina Trace Association, Inc., Brandywine Owners Association, Inc., and Abington Homeowners (The Homeowners Groups) filed the testimony of its panel of witnesses.

On March 5, 2026, CWSNC and the Public Staff (Stipulating Parties) filed a Stipulation of Settlement that resolved all contested issues between the Stipulating Parties. The Homeowners Groups did not object to the Stipulation of Settlement although they were not signatories thereto.

Pursuant to the Stipulation, CWSNC would be authorized to implement a WSIP according to certain parameters, including agreed upon adjustments to many O&M expenses and certain rate base items, a 9.8% ROE, and certain items unrelated to the revenue requirement. The Stipulating Parties also agreed that CWSNC may recover its actual expenses incurred to respond to damage caused by Hurricane Helene amortized over the three-year period of the WSIP with no accrual of carrying costs.

On May 26, 2026, the Commission issued its Order Approving Stipulation, Approving Water and Sewer Investment Plan, Granting Partial Rate Increases, and Requiring Customer Notice. The order results in an approximately 13.77% increase in gross base case revenues, an increase in WSIP Rate Year 1 revenues of 27.67%, inclusive of the base case increase; an increase in Rate Year 2 revenues of 6.42%; and an increase in Rate Year 3 revenues of 6.06%.

**DUKE ENERGY PROGRESS (DEP) APPLICATION FOR GENERAL RATE
INCREASE**

(Docket No. E-2, Sub 1380)

On November 21, 2025, DEP filed an Application to Adjust Retail Base Rates, for Performance-Based Regulation, and Request for an Accounting Order in Docket No. E-2, Sub 1380. In addition to a request to adjust and increase its retail electric base rates and charges, DEP requested approval of PBR, including a proposed two-year MYRP, with the first rate increase proposed to take effect on January 1, 2027. If approved, DEP's application would result in an increase of approximately \$28.06 per month beginning on January 1, 2027, for a typical residential customer using 1,000 kWh, and an additional increase of approximately \$6.59 per month beginning on January 1, 2028. DEP's application also included, pursuant to N.C. Gen. Stat. § 62-133.16(c), an ESM, an RDM, and proposed PIMs.

The Commission held six public witness hearings and received more than 3,500 consumer statements as of June 30, 2026. The Public Staff and other intervenor testimony, as well as DEP rebuttal testimony, were filed in the summer of 2026, and an evidentiary hearing was held in August 2026. This proceeding is pending before the Commission.

**DUKE ENERGY CAROLINAS (DEC) APPLICATION FOR GENERAL RATE
INCREASE**

(Docket No. E-7, Sub 1329)

On November 21, 2025, DEC filed an Application to Adjust Retail Base Rates, for Performance-Based Regulation, and Request for an Accounting Order in Docket No. E-7, Sub 1329. In addition to a request to adjust and increase its retail electric base rates and charges, DEC requested approval of PBR, including a proposed two-year MYRP, with the first rate increase proposed to take effect on January 1, 2027. If approved, DEC's application would result in an increase of approximately \$17.22 per month beginning on January 1, 2027, for a typical residential customer using 1,000 kWh, and an additional \$6.34 per month beginning on January 1, 2028. DEC's application also included, pursuant to N.C. Gen. Stat. § 62-133.16(c), an ESM, an RDM, and proposed PIMs. The Commission held five public witness hearings and received more than 4,100 consumer statements as of May 27, 2026. The Public Staff and other intervenor testimony, as well as DEP rebuttal testimony, were filed in the spring of 2026, and an evidentiary hearing was held in July 2026. This proceeding is pending before the Commission.

**CAPE LOOKOUT CABINS & CAMPS FERRY SERVICE APPLICATION FOR RATE
INCREASE**

(A-66 Sub 4)

On August 13, 2025, Cape Lookout Cabins & Camps Ferry Service, Inc., (d/b/a Cape Lookout Cabins & Camps Ferry Service and d/b/a Morris Marina Ferry Service

(CALO)), filed an application to increase rates and charges by approximately 30% for leisure ferry services in Carteret County, North Carolina. CALO operates a skiff and three open-deck ferry vessels that carry passengers and vehicles. CALO is authorized by the National Park Service (NPS) to serve South Core Banks and North Core Banks within the Cape Lookout National Seashore, where the NPS owns cabins and allows vehicles. CALO operates as “Cape Lookout Cabins & Camps Ferry Service” for its route between Davis and South Core Banks and as “Morris Marina Ferry Service” for its route between Atlantic and North Core Banks.

The Public Staff conducted discovery through the end of 2025, which included a site visit in early 2026. On June 10, 2026, CALO and the Public Staff entered into an Agreement and Stipulation settling the issues in the case that resulted in a rate increase of approximately 16.8%. The Commission issued its Order Approving Rates and Requiring Notice to Customers on August 11, 2026.

**COMMISSION ORDER REQUIRING PUBLIC STAFF TO INVESTIGATE COMPLAINT
FILED BY MARATHON MOVING COMPANY, INC.**

(Docket No. T-100, Sub 123)

On October 7, 2024, in response to a Commission-ordered investigation resulting from the formal complaint of Marathon Moving Company, Inc., against various household good carriers, the Public Staff filed with the Commission an investigation report containing the Public Staff’s findings and proposed recommendations regarding carriers operating as household goods carriers without Commission certification, including a recommendation for a Show Cause Hearing.

On July 25, 2025, the Commission issued an Order Scheduling Show Cause Hearing and Dismissing Complaint in Part. The Show Cause Order, among other things, directed the movers at issue to appear before the Commission and show cause as to (1) why each should not be found to have been operating as a public utility without first having obtained a Certificate of Exemption from the Commission and (2) why each should not be subject to sanctions provided by statute, including monetary penalties. A Show Cause Hearing was held on November 17, 2025, and a second Show Cause Hearing was held on March 25, 2026.

On June 29, 2025, the Commission issued an Order Dismissing Complaint in Part wherein it declined to seek an injunction restraining the defendants from continuing to operate. On the same day, the Commission issued an Order Finding Unauthorized Operation as Motor Carriers of Household Goods Within North Carolina and Imposing Penalty. The Commission (1) concluded that WynBrook Moving LLC; Heyward’s Moving Services, LLC; MC Moving and Storage, LLC; WTM, LLC; Handled With Care Moving & Storage, Inc.; Shields Movers, LLC; and Discount Movers WS, LLC, were engaged in the unauthorized transportation of household goods in violation of N.C. Gen. Stat. §§ 20-398, 62-280, and 62-280.1; (2) ordered said carriers to cease operations until they met the Commission’s certification requirements; (3) revoked license plates; and (4) ordered each party to pay a civil penalty of \$5,000.

APPELLATE CASES IN WHICH THE PUBLIC STAFF PARTICIPATED

In 2024 and 2025, the Public Staff filed notices of appeals for several Commission Orders relating to the recovery of prior fuel costs and the interpretation of N.C. Gen. Stat. § 62-133.2 (aka the Fuel Rider Statute) in four Fuel Rider proceedings: (1) on October 18, 2024, in DEC's 2024 Fuel Rider proceeding (Docket No. E-7, Sub 1304); (2) on December 11, 2024, in DEP's 2024 Fuel Rider proceeding (Docket No. E-2, Sub 1341); (3) on October 17, 2025 in DEC's 2025 Fuel Rider proceeding (Docket No. E-7, Sub 1313); and (4) on January 12, 2026, in DEP's 2025 Fuel Rider proceeding (Docket No. E-2, Sub 1358). The 2025 DEP Fuel Rider proceeding (Docket No. E-2, Sub 1358) Notice of Appeal also took issue with the Commission's application of Session Law 2025-78.

On May 28, 2025, the Public Staff filed a consolidated brief with the Court of Appeals related to Docket Nos. E-7, Sub 1304, and E-2, Sub 1341. On February 18, 2026, the North Carolina Court of Appeals determined the Public Staff's interpretation of the law as it was then written was correct; however, the Court determined no refund was appropriate in light of subsequent legislation. The Public Staff thereafter withdrew its appeals in Docket Nos. E-7, Sub 1313, and E-2, Sub 1358.

On January 12 and 14, 2026, DEP filed notices of appeal with the Court of Appeals regarding the Commission's determinations in the Joint Agency Asset Rider proceeding (Docket No. E-2, Sub 1354) brought under N.C. Gen. Stat. § 62-133.14. The Public Staff was a party to the proceeding before the Commission and will participate in the appeal.

On December 9, 2024, the Public Staff filed a brief with the North Carolina Supreme Court regarding appeals from the most recent general rate cases of DEC and DEP. *State of North Carolina Ex. Rel. Utilities Commission and Duke Energy Carolinas, LLC v. Carolina Industrial Group for Fair Utility Rates III, Blue Ridge Electric Membership Corporation, Haywood Electric Membership Corporation, Piedmont Electric Membership Corporation, Rutherford Electric Membership Corporation, Attorney General Josh Stein, and Carolina Utility Customers Association, Inc.*, No. 139A24 and *State of North Carolina Ex. Rel. Utilities Commission and Duke Energy Progress, LLC v. Carolina Industrial Group for Fair Utility Rates II, Haywood Electric Membership Corporation, and Attorney General Joshua H. Stein*, No. 75A24. The Public Staff asked the Supreme Court to affirm several aspects of the orders issued by the Commission. Following briefing by the parties to the appeal, oral arguments were held in front of the North Carolina Supreme Court on February 13, 2025. The Supreme Court issued an order in these consolidated hearings on May 22, 2026, affirming the Commission's decisions.

PROCEEDINGS BEFORE FERC AND PJM MATTERS

FERC has jurisdiction over a number of matters that affect retail electric and natural gas rates, including authority to approve rates for wholesale sales of electricity,

jurisdiction over interstate electric transmission, and regulation of natural gas pipeline construction. The Public Staff generally tracks relevant proceedings before FERC and actively participates as warranted.

On March 17, 2025, the Public Staff filed comments jointly with the Commission in Docket No. ER25-1357 objecting to a proposal by PJM to put an artificial price cap and price floor in its upcoming capacity auctions, raising concerns that this represented a “quick fix” that could simultaneously undermine the market principles that are supposed to be the foundation of Regional Transmission Organization pricing, inhibit investment that is sorely needed for resource adequacy, and harm consumers with an artificial price floor that could raise prices without any commensurate reliability benefits. FERC subsequently approved the measure, and in PJM’s next auction, the price was at the cap and the auction had to rely on demand response resources to procure enough capacity to meet its projected need.

On October 23, 2025, the United States Department of Energy directed FERC to open a rulemaking proceeding regarding the interconnection of large load customers to the transmission system. In response to FERC’s Notice Inviting Comments in Docket No. RM26-4-000, the Public Staff filed comments urging FERC to enter into the regulation of transmission-connected load with great caution, if at all. In particular, the Public Staff raised concerns that adding large load customers to an already-complex study process could have the unintended effect of extending the time it takes to interconnect new generating resources. The Public Staff also cautioned that FERC should not take action that would tie state retail regulators’ hands in implementing measures to ensure fair treatment of all retail customers, nor otherwise infringe on state regulatory jurisdiction.

Approximately 140,000 North Carolina customers are served by DENC, which is an operating unit of Dominion Energy (Dominion). Dominion is a member of PJM, which is an RTO serving all or part of 13 states and the District of Columbia. PJM is an independent entity, regulated by FERC, that has two primary roles. It coordinates the flow of electricity across high-voltage electric transmission lines in its territory and also maintains an organized market for wholesale electricity. As North Carolina’s statutory consumer advocate, the Public Staff is a member of PJM and participates in its stakeholder processes on behalf of North Carolina customers, either individually or in coordination with other consumer advocates.

CPCN PROCEEDINGS

Three substantial electric generation plant construction proceedings were filed in 2025.

Richmond County (Docket No. E-2, Sub 1395)

On November 6, 2025, DEP filed an application for a certificate of public convenience and necessity (CPCN) to construct and operate an approximately 240-megawatt F-Class, simple cycle gas combustion turbine (CT) for the generation of

electricity at DEP's existing Sherwood H. Smith Jr. Energy Complex in Richmond County, North Carolina.

The Public Staff investigated the CPCN application and filed testimony in the docket recommending that the Commission delay a decision on the application by holding the matter in abeyance until the issuance of a final order in the 2025 CPIRP proceeding; or, in the alternative, that the Commission deny the application without prejudice. Should the Commission grant the CPCN, the Public Staff recommended several conditions be placed upon the certificate. This application is pending before the Commission.

Rowan County (Docket No. E-7, Sub 1330)

On November 21, 2025, DEC filed an application for a CPCN to construct and operate two advanced-class, simple-cycle gas CT units for the generation of electricity at the site of DEC's existing Buck Combined Cycle Station in Rowan County, North Carolina.

The Public Staff investigated the CPCN application and filed testimony in the docket recommending that the Commission delay a decision on DEC's application by holding this matter in abeyance until final orders in Duke's CPIRP and business combination proceedings have been issued; or, in the alternative, that the Commission deny the application without prejudice for Duke to refile with updated information at a later date. This application is pending before the Commission.

Person County (Docket Nos. E-2, Sub 1349 and EC-67, Sub 57)

On February 7, 2025, DEP and the North Carolina Electric Membership Cooperative filed a joint application for a CPCN to construct and operate a hydrogen-capable, advanced-class, approximately 1,360-megawatt natural-gas fired combined cycle (CC) gas turbine facility to also be located in Person County, North Carolina, at DEP's Roxboro Steam Plant site.

The Public Staff recommended approval of the CPCN for the CC, subject to certain conditions, and raised certain concerns to be addressed in subsequent proceedings. On October 16, 2025, the Commission issued a CPCN for the CC to be built at the Roxboro Site, subject to certain conditions.

PUBLIC NOTICES PROCEEDING

On November 26, 2025, the Public Staff filed in Docket No. M-100, Sub 321, a Petition to Examine and Enhance Public Notices. In its Petition, the Public Staff noted that public notices serve an important purpose by informing customers about (1) the nature of the proceeding, (2) the potential impact of the proceeding on their bill (if any), (3) if and when their rates may change, (4) how they may participate in and find out more about the proceeding, and (5) the role of the Public Staff as the statutorily authorized advocate for customers in the proceeding. Furthermore, the Public Staff noted that public notices are the only correspondence many customers receive about the utility's regulatory requests and provide an opportunity to inform customers about the utility's plans,

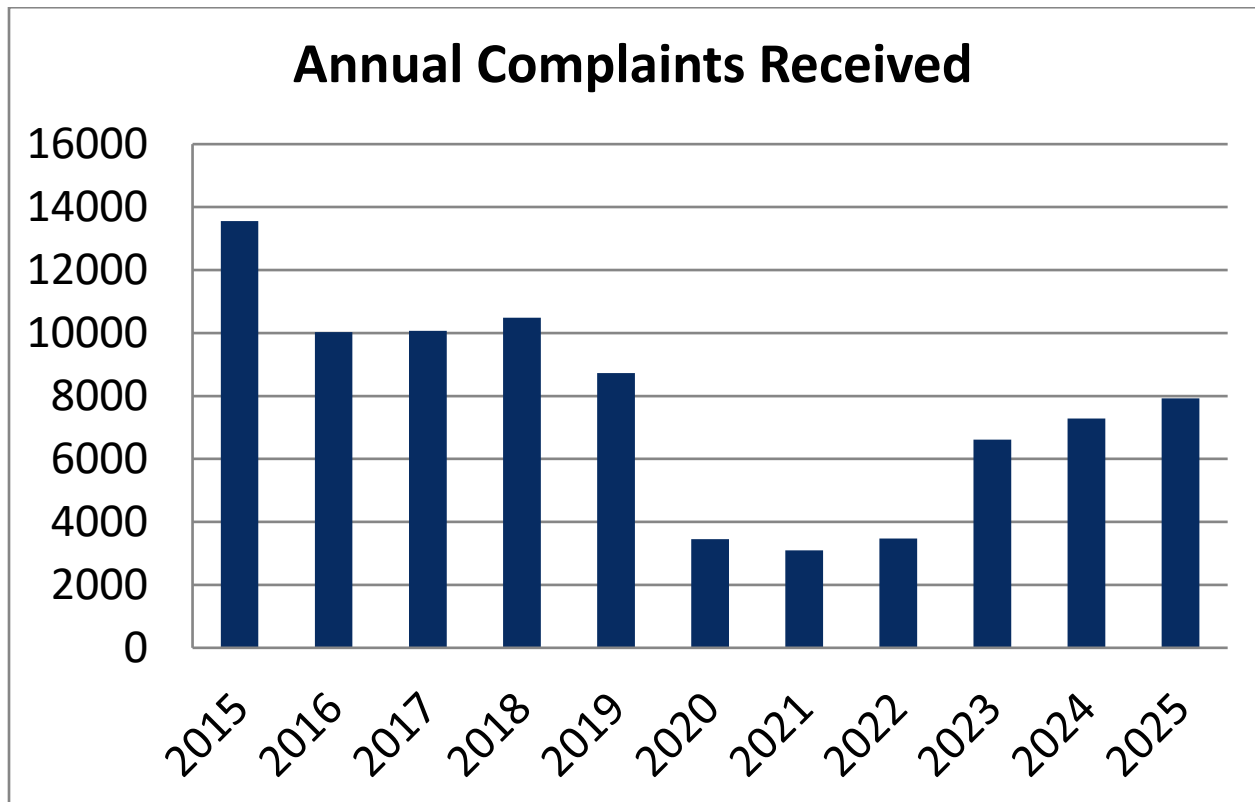
operations, and revenue requests related to the provision of service. The Public Staff went on to state that public notices inform the public of a utility or merchant generator's request to build or construct new facilities or transmission lines in their county. After conducting a thorough review of public notices provided to customers in numerous types of proceedings before this Commission, as well as the legal authorities applicable to each, the Public Staff stated that it had identified several areas for improvement, and it further summarized relevant practices and proceedings from several other states for comparison. As a result of its review, the Public Staff proposed a Commission Rule on public notices and requested that the Commission seek comments from utilities and interested parties on its proposed rule and a number of related questions.

On February 2, 2026, the Commission issued an order requesting comments, directing that stakeholder meetings be held, and allowing interested parties to file comments and reply comments on the Public Staff's petition, its proposed rule, its questions, and on additional questions posed by the Commission. Stakeholder meetings were held in February and March of 2026. Parties filed initial comments on April 30, 2026; and reply comments were filed by the parties on May 29, 2026.

CONSUMER SERVICES DIVISION

The Consumer Services Division facilitates the resolution of disputes between consumers and regulated utilities.⁵ In addition, it handles customer requests for information on utility matters and letters protesting proposed utility rate increases. Complaints and inquiries often relate to quality-of-service issues, billing disputes, pending disconnections, and requests for assistance in establishing alternative payment arrangements. In 2025, the Consumer Services Division processed a total of 7,926 jurisdictional complaints and inquiries.

Callers complaining about non-regulated aspects of utility services are directed to the appropriate government agency for resolution. These types of complaints include cable television services, internet, municipal utility services, cellular services, electric and telephone membership cooperative services, and services regulated by the Federal Communications Commission (FCC).



⁵ The Transportation Division handles all complaints related to household goods movers separately from the Consumer Services Division.

CONSUMER COMPLAINTS/INQUIRIES BY INDUSTRY

INDUSTRY	UTILITY	COMPLAINTS
Electric		6,373
	Duke Energy Carolinas	3,640
	Duke Energy Progress	2,533
	Dominion NC Power	120
	Other	80
Natural Gas		843
	Piedmont Natural Gas	720
	Enbridge	118
	Frontier Natural Gas	2
	Other	3
Telephone		415
	AT&T	82
	Brightspeed	228
	Frontier Communication	66
	Spectrum	25
	Windstream	8
	Other	6
Water/Sewer		289
	Aqua	118
	Carolina Water Service	32
	KRJ	34
	Old North State	13
	Water Reseller	62
	Other	30
Other		6
TOTAL		7,926

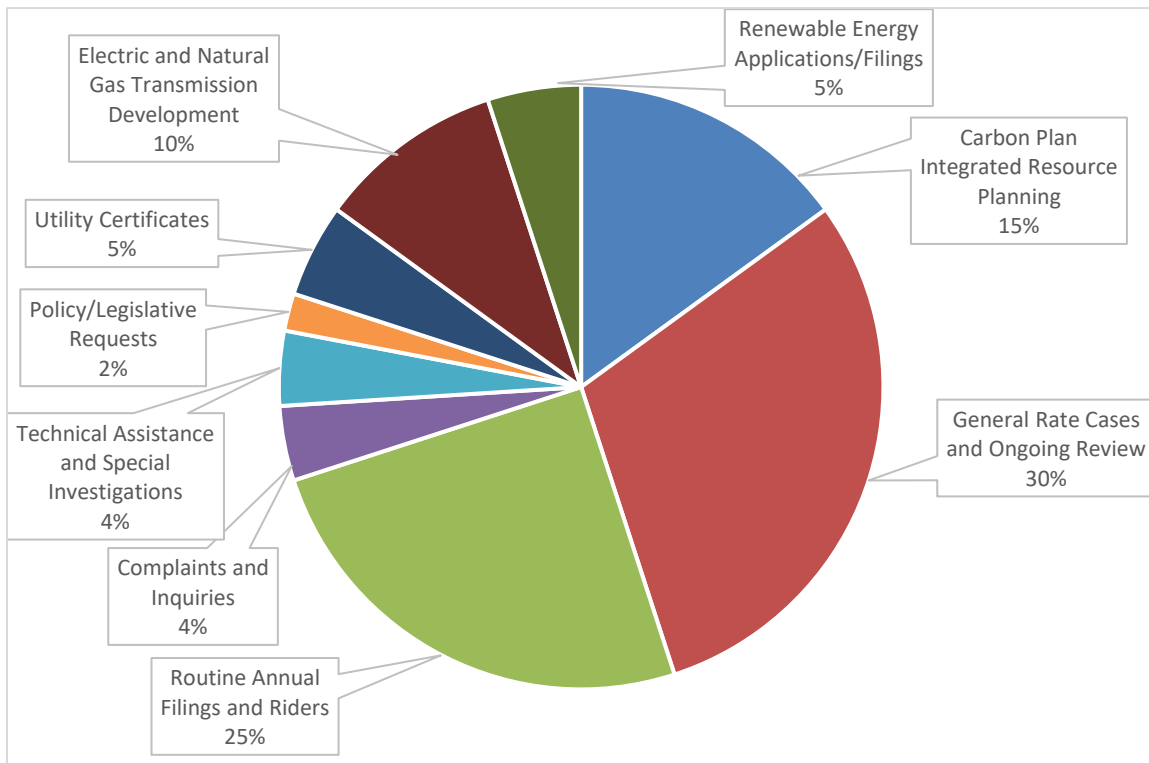
ENERGY DIVISION

The Energy Division is comprised of six sections: Electric Accounting, Electric Operations, Natural Gas Accounting, Natural Gas Operations, Rates and Services, and Research, Economics & Modeling. It represents the using and consuming public in matters brought before the Commission regarding regulated utilities, including matters such as generation plant siting; transmission line siting; rates and tariffs; DSM/EE program approval and performance; power plant operations; fuel procurement; quality of service; CEPS compliance; mergers and acquisitions; electric and natural gas resellers; avoided cost; general rate cases; rider proceedings; annual gas cost reviews; purchased gas adjustment proceedings; pipeline integrity management spending and cost recovery in riders/trackers; customer usage and margin decoupling tracker mechanisms; service extension feasibility studies; review of renewable energy facility applications; Biennial Determination of Avoided Costs; IRP dockets; recommendations on the cost of common equity and the overall cost of capital for electric, natural gas, water, and sewer utilities; nuclear decommissioning expenses; the financial viability of applicants for merchant electric generation, solar generation, and water and sewer utility service; statistical analysis on the weather normalization of utility sales; and reviews statistical sampling plans for electric and natural gas meter testing. This Division supports the entire Public Staff on finance issues.

In recent years, the electrical grid in North Carolina has undergone a variety of changing dynamics. Rapid load growth caused by population growth, electrification, new manufacturing facilities and data centers is driving demand higher; market and operating conditions producing a shift in our generation mix; and advancing technology is changing how the grid operates and consumer expectations. As a result, the utilities serving North Carolina are seeing an unprecedented need to build new generation and modernize their electrical grids. In the past year, the Public Staff has sought to keep rates reasonable and power reliable by: reviewing long-term plans to expand the supply of energy available to North Carolinians in a least-cost manner while maintaining or improving grid reliability; entering into settlements with electric and natural gas utilities approving significant spending on transmission and distribution infrastructure to increase reliability and power deliverability; continuing the process of competitive procurement for solar and energy storage; and reviewing numerous applications to build new solar, natural gas, and energy storage facilities.

The Energy Division reviews and makes recommendations with respect to the annual CEPS compliance plans and reports required by N.C. Gen. Stat. § 62-133.8(i)(1) and Commission Rule R8-67, as discussed earlier in this Report.

Allocation of Energy Division Staff Resources



WATER, SEWER, TRANSPORTATION, & TELEPHONE DIVISION

The Water, Sewer, Transportation, and Telephone Division is comprised of the Engineering and Program Sections. The Division represents the using and consuming public in matters brought before the Commission regarding regulated water, sewer, transportation, and telephone utilities. During 2025, the Division handled over 2,300 water, sewer, and telephone filings.

Water and Sewer Subject Matter Allocation	
Filings by utilities reselling water/sewer utility service in apartment complexes and mobile home parks for new/transfer/cancellation of service areas, and establishment of new rates	20%
Water and wastewater utility rate case investigations/ audits/inspections and presentations before the Commission	40%
Investigations/audits of filings by water and wastewater utilities for new/expanded franchise areas, transfers of franchises, contiguous extensions of service areas, discontinuations of service, tariff revisions and related recommendations to the Commission	25%
Responding to verbal and written inquiries for information from the public, legislature, utilities, agencies, and outside professionals	5%
Working with Consumer Services Division to resolve utility customer complaints	3%
Resolving issues where water and/or wastewater utility customers are in danger of losing adequate utility service and appointment of an emergency operator is necessary	5%
Investigation/resolution of water quality issues	2%

Transportation Matters

The Commission regulates the transport of passengers by motor carrier (buses) and over water (ferry service operations), as well as most movers of household goods by motor carriers over public highways within North Carolina. At the end of 2025, there were 332 household goods carriers holding certificates of exemption issued by the Commission, along with two bus companies and eight ferry operators holding CPCNs. During 2025, the Division reviewed approximately 990 transportation filings.

The Division investigated 74 jurisdictional customer complaints and responded to 812 email and telephone inquiries relating to household goods movers, transportation of passengers via ferryboat and bus, and various other transportation matters in 2025.

Transportation Subject Matter Allocation	
Provide technical assistance to consumers and companies regarding transportation topics and applicable guidelines, particularly Maximum Rate Tariff (MRT) regulations	25%
Conduct compliance audits of regulated companies	15%
Investigate unauthorized HHG companies	15%
Conduct MRT seminars/ Educate consumers on MRT rules and consumer rights	15%
Investigate/Resolve damage claims and complaints	15%
Preparation of filings and orders	10%
Review tariffs and filings of ferry service operators, bus operators, and brokers	5%

Telephone Matters

The Division reviews filings and applications made by incumbent telephone companies and new entrants to the local and long-distance industry. These filings include applications for certificates, interconnection agreements, and other general issue filings such as universal service, and eligible telecommunications carrier designation.

The Division also works directly with the Consumer Services Division to investigate customer complaints as necessary. While the Commission no longer has authority to order telephone companies to take corrective action in response to complaints, the Public Staff works with service providers to achieve acceptable outcomes for customers where possible.

Activities included reviewing or investigating the following matters:

- Interconnection agreements
- Service quality
- Local and long-distance telephone applications
- Customer complaints
- Service outages
- Billing disputes
- Eligible telecommunications carrier designations