



Official Use Only: Date Received:

STATE ETHICS COMMISSION

COMPLAINT FORM

The State Ethics Commission has the authority to investigate complaints against those persons covered by Chapter 138A, North Carolina General Statutes, "The State Government Ethics Act," for alleged violations of the Act. Please see section 138A-12 of the Act. This complaint must be filed within two years of the date you, the Complainant, knew or should have known of the conduct upon which this complaint is based. Please note that the Ethics Commission does **NOT** have jurisdiction over all public officials or state employees.

CONTACT INFORMATION

(Please Type or Print clearly)

The Ethics Act requires that a complaint contain the name, address, and telephone number of the person filing the complaint. The Commission cannot accept anonymous complaints.

Printed Name: Jim Warren

Address: NC WARN, P.O. Box 61051 Durham

(City)

Telephone No: (919) 416-5077 NC 27715

(State)

(Zip)

NATURE OF THE COMPLAINT

The Ethics Commission does **NOT** have jurisdiction over all public officials or state employees. G.S. 138A applies to legislators, legislative employees, public servants, and judicial officers. Please refer to G.S. 138A-3(30) for a list of those State employees included in the category of "public servants." Also, a list of covered persons is posted on the State Ethics Commission's website:

<https://ethics.ncsbe.gov/coverage/coveredPersons.aspx>.

- Identify the person that you believe may have violated specific provisions of the Ethics Act:

Name: Senator Dan Blue, Jr.

Job Title or Appointive Position of the person against whom this complaint is filed:

State Senator

2. Provide the date(s) the alleged violation occurred: See Exhibit A

3. Please provide a concise statement of the nature of your complaint **and** specific facts indicating that a violation of Chapter 138A (the Ethics Act) *or* Chapter 120 (the Legislative Ethics Act) of the North Carolina General Statutes has occurred. Please provide as much detail as possible and attach any documentation you have that supports your claim. ***Attach additional pages if needed.***

See the following Exhibits:

Exhibit A State Ethics Commission Complaint Against Senator Dan Blue, Jr.

Exhibit 1 Copy of Senate Bill 559

Exhibit 2 List of cases pending where Blue, LLP represents the Atlantic Coast Pipeline (ACP)

Exhibit 3 Copies of pages from ACP website

Exhibit 4 ACP Construction update March 2019 from Dominion Energy

Exhibit 5 ACP Construction update October 2018 from Dominion Energy

Exhibit 6 Resolution Endorsing the ACP by Robeson County Commissioners on Duke Energy Letterhead

Exhibit 7 Copy of a letter from Dominion Energy to landowners dated September 2, 2014

Exhibit 8 Copy of a letter from Dominion Energy to landowners dated May 21, 2014

Exhibit 9 Copy of letter to FERC signed by Senator Blue

Attach additional pages if needed.

4. Provide the names of other persons who may have information that would support your allegations.

5. State whether the individuals and conduct complained of have been the subject of a prior complaint or proceeding of any kind. If so, state the place where the prior complaint was filed and its current status.

None that we know of.

SWORN COMPLAINT

I hereby swear or affirm, under penalty of perjury and other penalties established by North Carolina law, that the information provided in this complaint is true, correct, complete, and of my own personal knowledge, or if not, I believe the information to be true based upon: _____

(Signature) Date: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

SWORN TO (or affirmed) and subscribed before me this day by: _____

Date: _____

Official Signature of Notary Public

Notary's printed or typed name: _____

My Commission Expires: _____

(Official Seal)

**Submit the completed sworn complaint to:
State Ethics Commission
P.O. Box 27685
Raleigh, NC 27611**

EXHIBIT A

State Ethics Commission Complaint Against Senator Dan Blue, Jr.

- 1) Senator Dan Blue, Jr. is a “covered person” as defined in NCGS 163A-152(21) in that he is an elected legislator as defined in the State Government Ethics Act.
- 2) Senator Blue practices law in Raleigh, NC with the law firm, Blue, LLP.
- 3) Blue, LLP lists on its website four attorneys, including Senator Blue as managing partner.
- 4) Two of the attorneys in the firm are Senator Blue’s sons.
- 5) Senator Blue is one of three primary sponsors of, and lead public spokesperson in favor of Senate Bill 559. EXHIBIT 1 (Copy of Senate Bill 559)
- 6) SB 559 has become highly controversial since its introduction. Its substantive intent is to significantly alter the system by which monopoly electric utilities recover capital investments, operating expenses and profits from ratepayers.
- 7) Senator Blue is advocating for and engaging in “official action” in promoting SB 559.
- 8) Senator Blue’s law firm represents the Atlantic Coast Pipeline (ACP, LLC), Duke Energy, Dominion Resources, Southern Company and Piedmont Natural Gas in approximately 32 eminent domain cases in the United States Federal Court for the Eastern District of North Carolina. EXHIBIT 2 (List of cases pending where Blue, LLP represents the ACP)
- 9) The original estimated cost to complete the ACP has risen by more than 50 percent, and now stands at \$7.8 billion even as construction has been stalled indefinitely.
- 10) Senator Blue has a personal incentive to see that ACP construction resumes and is completed, and SB 559 will strengthen the chances that it is built. The ACP involves over 1,100 landowners in eight NC counties. Many eminent domain cases are unresolved, and are likely to result in lengthy litigation requiring the services of Blue, LLP. While ACP construction is stalled indefinitely by a federal court of appeals ruling, the eminent domain cases have been stayed, thus work for various law firms including Blue LLP has been slowed or stopped temporarily.

- 11) It is not known whether Mr. Blue's law firm has other business with Duke Energy or other utilities; the 32 cases cited above are publicly available information, while other types of cases are typically confidential.
- 12) It appears Senator Blue is using his legislative position for the benefit of clients in his private law firm practice.
- 13) The Atlantic Coast Pipeline, Duke Energy, Dominion Resources, Southern Company Gas and Piedmont Natural Gas are all public utilities operating in North Carolina as defined in NCGS 62-3(23).
- 14) As stated on the ACP website, the ACP is a proposed 600-mile natural gas interstate pipeline from West Virginia through North Carolina that is being developed by "four leading U.S. energy companies: Dominion Energy, Duke Energy, Piedmont Natural Gas and Southern Company Gas." EXHIBIT 3 (Copies of pages from ACP website)
- 15) In the promotion and development process of the Atlantic Coast Pipeline, employees, and agents of Dominion Resources and Duke Energy have consistently been the speakers, contacts, information sources and media promoters of the ACP since the public development process began in approximately 2014. Correspondence, materials, and brochures, opinion pieces and voluminous paid advertising promoting the pipeline have consistently come from Dominion Resources and Duke Energy. Lobbyists and employees of Dominion Resources, Duke Energy and Piedmont Natural Gas spoke at meetings and to individuals in the communities. EXHIBIT 2 This can be verified by the hundreds of landowners and citizens in the eight-county corridor in which the pipeline is planned in NC.
- 16) Volumes of documentation exist that the ACP is Duke Energy and Dominion Resources. EXHIBIT 3 (pages from ACP website and see www.AtlanticCoastPipeline.com); EXHIBIT 4 (ACP "Construction update," dated March 2019 from Dominion); EXHIBIT 5 (ACP "Construction update," dated October 2018 from Dominion); EXHIBIT 6 (Resolution Endorsing the ACP by Robeson County Commissioners on Duke Energy Letterhead); EXHIBIT 7, copy of letter from Dominion to landowners dated September 2, 2014; EXHIBIT 8, copy of letter from Dominion to landowners dated May 21, 2014. Substantially more documents are

available, as well as the testimony of landowners and citizens who attended the meetings and hearings where employees of Dominion, Duke Energy and Piedmont Gas were the speakers for the ACP.

- 17) In every possible interpretation, the ACP, LLC is in fact Dominion Resources and Duke Energy, which together own 95 percent of ACP, LLC.
- 18) SB 559, currently pending before the NC General Assembly and sponsored and advocated by Senator Blue, would provide a substantial benefit to Duke Energy and Dominion Resources, which generate more than 90 percent of all electricity in NC.
- 19) Upon information and belief, SB 559 has been heavily lobbied and promoted by the utility industry to North Carolina Legislators.
- 20) Another nexus between SB 559 and the ACP is that resumption of ACP construction, which is currently stalled, could be impacted by the bill because provisions of it could potentially shield Duke and Dominion from full risk if the troubled pipeline project collapses after heavy investments by the corporations.
- 21) It appears Senator Blue violated NCGS 163A-211(a) of the North Carolina Ethics Act in that he knowingly used his public position in an “official action or legislative action that will result in a financial benefit to the covered person...a member of the covered person’s extended family, or business with which the covered person is associated.”
- 23) The clients of his law firm are persons with whom he is associated. NCGS 163A-217
- 22) Senator Blue has a personal professional conflict of interest that conflicts with his duties as an elected official/public servant to exercise his “authority honestly and fairly, free from impropriety, threats, favoritism and undue influence.” NCGS 163A-151.
- 23) Senator Blue should not participate in any legislative action if he knows that a person he is associated with has a reasonably foreseeable financial benefit from the action and from his firm’s professional representation. Senator Blue knows that SB 559 will be financially beneficial to public utilities in North Carolina, including the clients of his law firm. Blue, LLP is attorney of record for the ACP in approximately

32 cases in the United States Federal Court for the Eastern District of North Carolina. EXHIBIT 2.

- 24) The development of the ACP by Dominion Resources and Duke Energy necessitates the need for those corporations to retain the legal services of law firms such as that of Mr. Blue.
- 25) His conduct gives the appearance of an impropriety and that the best interest of residents of North Carolina may not be his primary priority. Objectivity in the public interest may be tainted by favoritism in the interest of clients from which payment may be received.
- 26) Senator Blue signed a letter to the Federal Energy Regulatory Commission, dated April 4, 2007, which endorsed the ACP. He did so as a North Carolina State Senator, along with Senator Phil Berger and Representative Tim Moore, in their "official capacity" as elected officials and along with legislative leaders from the states of Virginia and West Virginia. EXHIBIT 9, Copy of Letter to FERC signed by Senators Blue and Berger and Representative Moore.
- 27) This letter is official action under NCGS 163A-216.
- 28) Senator Blue's endorsement of the ACP was improper in light of the fact that, soon after the letter, his law firm became so heavily engaged in representing the ACP. It is unclear as to when discussions began regarding Mr. Blue's law firm representing Dominion Resources and Duke Energy.
- 29) Senator Blue served for years as a member, vice chair and chair of the Duke University Board of Trustees. This represents another potential conflict because much of the University's endowment has traditionally been comprised of Duke Energy stock.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 559

Agriculture/Environment/Natural Resources Committee Substitute Adopted 4/18/19

Short Title: Storm Securitization/Alt. Rates.

(Public)

Sponsors:

Referred to:

April 3, 2019

A BILL TO BE ENTITLED

AN ACT TO PERMIT FINANCING FOR CERTAIN STORM RECOVERY COSTS AND TO
AUTHORIZE THE UTILITIES COMMISSION TO FIX RATES FOR ELECTRIC PUBLIC
UTILITIES USING "MULTIYEAR RATE PLAN" AND "BANDING OF AUTHORIZED
RETURN" MECHANISMS.

The General Assembly of North Carolina enacts:

PART I. STORM SECURITIZATION.

SECTION 1.(a) Article 8 of Chapter 62 of the General Statutes is amended by adding
a new section to read:

"§ 62-172. Financing for certain storm recovery costs.

(a) Definitions. – The following definitions apply in this section:

(1) Ancillary agreement. – A bond, insurance policy, letter of credit, reserve
account, surety bond, interest rate lock or swap arrangement, hedging
arrangement, liquidity or credit support arrangement, or other financial
arrangement entered into in connection with storm recovery bonds.

(2) Assignee. – A legally recognized entity to which a public utility assigns, sells,
or transfers, other than as security, all or a portion of its interest in or right to
storm recovery property. The term includes a corporation, limited liability
company, general partnership or limited partnership, public authority, trust,
financing entity, or any entity to which an assignee assigns, sells, or transfers,
other than as security, its interest in or right to storm recovery property.

(2a) Bondholder. – A person who holds a storm recovery bond.

(2b) Code. – The Uniform Commercial Code, Chapter 25 of the General Statutes.

(3) Commission. – The North Carolina Utilities Commission.

(4) Financing costs. – The term includes all of the following:

a. Interest and acquisition, defeasance, or redemption premiums payable
on storm recovery bonds.

b. Any payment required under an ancillary agreement and any amount
required to fund or replenish a reserve account or other accounts
established under the terms of any indenture, ancillary agreement, or
other financing documents pertaining to storm recovery bonds.

c. Any other cost related to issuing, supporting, repaying, refunding, and
servicing storm recovery bonds, including, servicing fees, accounting
and auditing fees, trustee fees, legal fees, consulting fees, structuring
adviser fees, administrative fees, placement and underwriting fees,



- 1 independent director and manager fees, capitalized interest, rating
2 agency fees, stock exchange listing and compliance fees, security
3 registration fees, filing fees, information technology programming
4 costs, and any other costs necessary to otherwise ensure the timely
5 payment of storm recovery bonds or other amounts or charges payable
6 in connection with the bonds, including costs related to obtaining the
7 financing order.
- 8 d. Any taxes and license fees or other fees imposed on the revenues
9 generated from the collection of the storm recovery charge or
10 otherwise resulting from the collection of storm recovery charges, in
11 any such case whether paid, payable, or accrued.
- 12 e. Any State and local taxes, franchise, gross receipts, and other taxes or
13 similar charges, including regulatory assessment fees, whether paid,
14 payable, or accrued.
- 15 f. Any costs incurred by the Commission or public staff for any outside
16 consultants or counsel pursuant to sub-subdivision b. of subdivision
17 (3) of subsection (b) of this section.
- 18 (5) Financing order. – An order that authorizes the issuance of storm recovery
19 bonds; the imposition, collection, and periodic adjustments of a storm
20 recovery charge; the creation of storm recovery property; and the sale,
21 assignment, or transfer of storm recovery property to an assignee.
- 22 (6) Financing party. – Bondholders and trustees, collateral agents, any party under
23 an ancillary agreement, or any other person acting for the benefit of
24 bondholders.
- 25 (7) Financing statement. – Defined in Article 9 of the Code.
- 26 (8) Pledgee. – A financing party to which a public utility or its successors or
27 assignees mortgages, negotiates, pledges, or creates a security interest or lien
28 on all or any portion of its interest in or right to storm recovery property.
- 29 (9) Public utility. – A public utility, as defined in G.S. 62-3, that sells electric
30 power to retail electric customers in the State.
- 31 (10) Storm. – Individually or collectively, a named tropical storm or hurricane, a
32 tornado, ice storm or snow storm, flood, an earthquake, or other significant
33 weather or natural disaster.
- 34 (11) Storm recovery activity. – An activity or activities by or on behalf of a public
35 utility in connection with the restoration of service and infrastructure
36 associated with electric power outages affecting customers of a public utility
37 as the result of a storm or storms, including incremental internal and external
38 labor costs in excess of labor costs that would have been paid even in the
39 absence of the storm, incremental corporate overhead, and all incremental
40 costs related to mobilization, staging, and construction, reconstruction,
41 replacement, or repair of electric generation, transmission, distribution, or
42 general plant facilities.
- 43 (12) Storm recovery bonds. – Bonds, debentures, notes, certificates of
44 participation, certificates of beneficial interest, certificates of ownership, or
45 other evidences of indebtedness or ownership that are issued by a public utility
46 or an assignee pursuant to a financing order, the proceeds of which are used
47 directly or indirectly to recover, finance, or refinance Commission-approved
48 storm recovery costs and financing costs, and that are secured by or payable
49 from storm recovery property. If certificates of participation or ownership are
50 issued, references in this section to principal, interest, or premium shall be
51 construed to refer to comparable amounts under those certificates.

- 1 (13) Storm recovery charge. – The amounts authorized by the Commission to
2 repay, finance, or refinance storm recovery costs and financing costs and that
3 are nonbypassable charges (i) imposed on and part of all customer bills, (ii)
4 collected by a public utility or its successors or assignees, or a collection agent,
5 in full, separate and apart from the public utility's base rates, and (iii) paid by
6 all existing or future retail customers receiving transmission or distribution
7 service, or both, from the public utility or its successors or assignees under
8 Commission-approved rate schedules or under special contracts, even if a
9 customer elects to purchase electricity from an alternative electricity supplier
10 following a fundamental change in regulation of public utilities in this State.
- 11 (14) Storm recovery costs. – All of the following:
12 a. At the option of and upon petition by the public utility, and as
13 approved by the Commission pursuant to sub-sub-subdivision 2. of
14 sub-subdivision a. of subdivision 3 of subsection (b) of this section, all
15 incremental costs that a public utility has incurred or expects to incur
16 as a result of, or in anticipation of, the applicable storm which are
17 caused by, associated with, or remain as a result of undertaking storm
18 recovery activity. Such costs include the public utility's cost of capital
19 from the date of the applicable storm to the date the storm recovery
20 bonds are issued calculated using the public utility's weighted average
21 cost of capital as defined in its most recent base rate case proceeding
22 before the Commission net of applicable income tax savings related to
23 the interest component thereof.
24 b. Costs in sub-subdivision a. of this subdivision (14) may be net of
25 applicable insurance proceeds, tax benefits and any other amounts
26 intended to reimburse the public utility for storm recovery activities
27 such as government grants, or aid of any kind and where determined
28 appropriate by the Commission, and may include adjustments for
29 normal capital replacement and operating costs. Storm recovery costs
30 includes the cost to replenish and fund any storm reserves and costs of
31 repurchasing equity or retiring any existing indebtedness relating to
32 storm recovery activities.
- 33 (15) Storm recovery property. – All of the following:
34 a. All rights and interests of a public utility or successor or assignee of
35 the public utility under a financing order, including the right to impose,
36 bill, charge, collect, and receive storm recovery charges authorized
37 under the financing order and to obtain periodic adjustments to such
38 charges as provided in the financing order.
39 b. All revenues, collections, claims, rights to payments, payments,
40 money, or proceeds arising from the rights and interests specified in
41 sub-subdivision a. of this subdivision, regardless of whether such
42 revenues, collections, claims, rights to payment, payments, money, or
43 proceeds are imposed, billed, received, collected, or maintained
44 together with or commingled with other revenues, collections, rights
45 to payment, payments, money, or proceeds.
- 46 (b) Financing Orders. –
47 (1) A public utility may petition the Commission for a financing order. The
48 petition shall include all of the following:
49 a. A description of the storm recovery activities that the public utility has
50 undertaken or proposes to undertake and the reasons for undertaking
51 the activities, or if the public utility is subject to a settlement agreement

- 1 as contemplated by subdivision (2) of this subsection, a description of
2 the settlement agreement.
- 3 b. The storm recovery costs and estimate of the costs of any storm
4 recovery activities that are not completed, or for which the costs are
5 not yet known as identified and requested by the public utility.
- 6 c. The level of the storm recovery reserve that the public utility proposes
7 to establish or replenish and has determined would be appropriate to
8 recover through storm recovery bonds and is seeking to so recover and
9 such level that the public utility is funding or will seek to fund through
10 other means, together with a description of the factors and calculations
11 used in determining the amounts and methods of recovery.
- 12 d. An indicator of whether the public utility proposes to finance all or a
13 portion of the storm recovery costs using storm recovery bonds. If the
14 public utility proposes to finance a portion of such costs, the public
15 utility must identify the specific portion in the petition. By electing not
16 to finance a portion of such storm recovery costs using storm recovery
17 bonds, a public utility shall not be deemed to waive its right to recover
18 such costs pursuant to a separate proceeding with the Commission.
- 19 e. An estimate of the financing costs related to the storm recovery bonds.
- 20 f. An estimate of the storm recovery charges necessary to recover the
21 storm recovery costs, including the storm recovery reserve amount
22 determined appropriate by the Commission, and financing costs and
23 the period for recovery of such costs.
- 24 g. An estimate of any projected cost savings, based on current market
25 conditions, or demonstration of how the issuance of storm recovery
26 bonds and the imposition of storm recovery charges would reasonably
27 be expected to avoid or mitigate rate impacts to customers as compared
28 with the traditional method of financing and recovering storm
29 recovery costs from customers.
- 30 h. Direct testimony supporting the petition.
- 31 (2) If a public utility is subject to a settlement agreement that governs the type
32 and amount of principal costs that could be included in storm recovery costs
33 and the public utility proposes to finance all or a portion of the principal costs
34 using storm recovery bonds, then the public utility must file a petition with
35 the Commission for review and approval of those costs no later than 90 days
36 before filing a petition for a financing order pursuant to this section. The
37 Commission may not authorize the principal costs to be included or excluded
38 as storm recovery costs if such inclusion or exclusion is precluded by the
39 public utility's settlement agreement.
- 40 (3) Petition and order. –
- 41 a. Proceedings on a petition submitted pursuant to this subdivision begin
42 with the petition by a public utility, filed subject to the time frame
43 specified in subdivision (2) of this subsection, if applicable, and shall
44 be disposed of in accordance with the requirements of this Chapter and
45 the rules and regulations of the Commission, except as follows.
- 46 1. Within 14 days after the date the petition is filed, the
47 Commission shall publish a case schedule, which must place
48 the matter before the Commission on an agenda that permits a
49 Commission decision no later than 120 days after the date the
50 petition is filed.

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2. No later than 120 days after the date the petition is filed, the Commission shall issue a financing order or an order rejecting the petition. A party to the Commission proceeding may petition the Commission for reconsideration of the financing order within five days after the date of its issuance. Upon finding that the issuance of the storm recovery bonds and the imposition of storm recovery charges authorized by a financing order is reasonably expected to result in lower overall costs or would avoid or mitigate rate impacts to customers as compared with the traditional method of financing and recovering storm recovery costs, the Commission may issue a financing order authorizing the financing of reasonable and prudently incurred storm recovery costs, including the storm recovery reserve amount determined appropriate by the Commission, and financing costs.
 - b. A financing order issued by the Commission to a public utility shall include all of the elements listed in this sub-subdivision. The elements required for inclusion in the financing order are as follows:
 1. Except as provided in sub-sub-subdivision 5. of this sub-subdivision, the amount of storm recovery costs, including the level of storm recovery reserves, to be financed using storm recovery bonds. The Commission shall describe and estimate the amount of financing costs which may be recovered through storm recovery charges and specify the period over which such costs may be recovered.
 2. A determination of whether the proposed issuance of storm recovery bonds would reasonably be expected to result in lower overall costs or would avoid or mitigate rate impacts to customers as compared with the traditional method of financing and recovering storm recovery costs.
 3. A requirement that, for the period specified pursuant to sub-sub-subdivision 1. of sub-subdivision (a) of this subdivision, the imposition and collection of storm recovery charges authorized under a financing order be nonbypassable and paid by all existing and future retail customers receiving transmission or distribution service, or both, from the public utility or its successors or assignees under Commission-approved rate schedules or under special contracts, even if a customer elects to purchase electricity from an alternative electric supplier following a fundamental change in regulation of public utilities in this State.
 4. A determination of what portion, if any, of the storm recovery reserves must be held in a funded reserve and any limitations on how the reserve may be held, accessed, or used.
 5. A formula-based true-up mechanism for making, at least annually, expeditious periodic adjustments in the storm recovery charges that customers are required to pay pursuant to the financing order and for making any adjustments that are necessary to correct for any overcollection or undercollection of the charges or to otherwise ensure the timely payment of storm recovery bonds and financing costs and other required

- 1 amounts and charges payable in connection with the storm
2 recovery bonds.
- 3 6. The storm recovery property that is, or shall be, created in favor
4 of a public utility or its successors or assignees and that shall
5 be used to pay or secure storm recovery bonds and all financing
6 costs.
- 7 7. The degree of flexibility to be afforded to the public utility in
8 establishing the terms and conditions of the storm recovery
9 bonds, including, but not limited to, repayment schedules,
10 expected interest rates, and other financing costs consistent
11 with sub-sub-subdivisions 1. through 6. of this
12 sub-subdivision.
- 13 8. How storm recovery charges will be allocated among
14 customers classes.
- 15 9. A requirement that, after the final terms of an issuance of storm
16 recovery bonds have been established and before the issuance
17 of storm recovery bonds, the public utility determine the
18 resulting initial storm recovery charge in accordance with the
19 financing order and that such initial storm recovery charge be
20 final and effective upon the issuance of such storm recovery
21 bonds without further Commission action so long as the storm
22 recovery charge is consistent with the financing order.
- 23 10. A method of tracing funds collected as storm recovery charges,
24 or other proceeds of storm recovery property, and determine
25 that such method shall be deemed the method of tracing such
26 funds and determining the identifiable cash proceeds of any
27 storm recovery property subject to a financing order under
28 applicable law.
- 29 11. Any other conditions that the Commission considers
30 appropriate that are authorized by this section.
- 31 c. A financing order issued to a public utility may provide that creation
32 of the public utility's storm recovery property pursuant to
33 sub-sub-subdivision 6. of sub-subdivision b. of this subdivision is
34 conditioned upon, and simultaneous with, the sale or other transfer of
35 the storm recovery property to an assignee and the pledge of the storm
36 recovery property to secure storm recovery bonds.
- 37 d. If the Commission issues a financing order, the public utility shall file
38 with the Commission at least annually a petition or a letter applying
39 the formula-based mechanism pursuant to sub-sub-subdivision 5. of
40 sub-subdivision b. of this subdivision and, based on estimates of
41 consumption for each rate class and other mathematical factors,
42 requesting administrative approval to make the adjustments described
43 in that sub-sub-subdivision. The review of the filing shall be limited
44 to determining whether there is any mathematical error in the
45 application of the formula-based mechanism relating to the
46 appropriate amount of any overcollection or undercollection of storm
47 recovery charges and the amount of an adjustment. The adjustments
48 shall ensure the recovery of revenues sufficient to provide for the
49 payment of principal, interest, acquisition, defeasance, financing costs,
50 or redemption premium and other fees, costs, and charges in respect
51 of storm recovery bonds approved under the financing order. Within

- 1 30 days after receiving a public utility's request pursuant to this
2 paragraph, the Commission shall either approve the request or inform
3 the public utility of any mathematical errors in its calculation. If the
4 Commission informs the utility of mathematical errors in its
5 calculation, the utility may correct its error and refile its request. The
6 time frames previously described in this paragraph shall apply to a
7 refiled request.
- 8 e. Subsequent to the transfer of storm recovery property to an assignee
9 or the issuance of storm recovery bonds authorized thereby, whichever
10 is earlier, a financing order is irrevocable and, except as provided in
11 sub-sub-subdivision 5. of sub-subdivision b. of this subdivision, the
12 Commission may not amend, modify, or terminate the financing order
13 by any subsequent action or reduce, impair, postpone, terminate, or
14 otherwise adjust storm recovery charges approved in the financing
15 order. After the issuance of a financing order, the public utility retains
16 sole discretion regarding whether to assign, sell, or otherwise transfer
17 storm recovery property or to cause storm recovery bonds to be issued,
18 including the right to defer or postpone such assignment, sale, transfer,
19 or issuance.
- 20 (4) At the request of a public utility, the Commission may commence a
21 proceeding and issue a subsequent financing order that provides for
22 refinancing, retiring, or refunding storm recovery bonds issued pursuant to the
23 original financing order if the Commission finds that the subsequent financing
24 order satisfies all of the criteria specified in sub-subdivision b. of subdivision
25 (3) of this subsection. Effective upon retirement of the refunded storm
26 recovery bonds and the issuance of new storm recovery bonds, the
27 Commission shall adjust the related storm recovery charges accordingly.
- 28 (5) Within 30 days after the Commission issues a financing order or a decision
29 denying a request for reconsideration or, if the request for reconsideration is
30 granted, within 30 days after the Commission issues its decision on
31 reconsideration, an adversely affected party may petition for judicial review
32 in the Supreme Court of North Carolina. Review on appeal shall be based
33 solely on the record before the Commission and briefs to the court and is
34 limited to determining whether the financing order, or the order on
35 reconsideration, conforms to the State Constitution and State and federal law
36 and is within the authority of the Commission under this section.
- 37 (6) Duration of financing order. –
- 38 a. A financing order remains in effect and storm recovery property under
39 the financing order continues to exist until storm recovery bonds
40 issued pursuant to the financing order have been paid in full and all
41 Commission-approved financing costs of such storm recovery bonds
42 have been recovered in full.
- 43 b. A financing order issued to a public utility remains in effect and
44 unabated notwithstanding the reorganization, bankruptcy or other
45 insolvency proceedings, merger, or sale of the public utility or its
46 successors or assignees.
- 47 (c) Exceptions to Commission Jurisdiction. –
- 48 (1) The Commission may not, in exercising its powers and carrying out its duties
49 regarding any matter within its authority pursuant to this Chapter, consider the
50 storm recovery bonds issued pursuant to a financing order to be the debt of
51 the public utility other than for federal income tax purposes, consider the

1 storm recovery charges paid under the financing order to be the revenue of the
2 public utility for any purpose, or consider the storm recovery costs or
3 financing costs specified in the financing order to be the costs of the public
4 utility, nor may the Commission determine any action taken by a public utility
5 which is consistent with the financing order to be unjust or unreasonable.

6 (2) The Commission may not order or otherwise directly or indirectly require a
7 public utility to use storm recovery bonds to finance any project, addition,
8 plant, facility, extension, capital improvement, equipment, or any other
9 expenditure. After the issuance of a financing order, the public utility retains
10 sole discretion regarding whether to cause the storm recovery bonds to be
11 issued, including the right to defer or postpone such sale, assignment, transfer,
12 or issuance. Nothing shall prevent the public utility from abandoning the
13 issuance of storm recovery bonds under the financing order by filing with the
14 Commission a statement of abandonment and the reasons therefore. The
15 Commission may not refuse to allow a public utility to recover storm recovery
16 costs in an otherwise permissible fashion, or refuse or condition authorization
17 or approval of the issuance and sale by a public utility of securities or the
18 assumption by the public utility of liabilities or obligations, solely because of
19 the potential availability of storm recovery bond financing.

20 (d) Public Utility Duties. – The electric bills of a public utility that has obtained a
21 financing order and caused storm recovery bonds to be issued must comply with the provisions
22 of this subsection; however, the failure of a public utility to comply with this subsection does not
23 invalidate, impair, or affect any financing order, storm recovery property, storm recovery charge,
24 or storm recovery bonds. The public utility must do the following:

25 (1) Explicitly reflect that a portion of the charges on such bill represents storm
26 recovery charges approved in a financing order issued to the public utility and,
27 if the storm recovery property has been transferred to an assignee, must
28 include a statement to the effect that the assignee is the owner of the rights to
29 storm recovery charges and that the public utility or other entity, if applicable,
30 is acting as a collection agent or servicer for the assignee. The tariff applicable
31 to customers must indicate the storm recovery charge and the ownership of
32 the charge.

33 (2) Include the storm recovery charge on each customer's bill as a separate line
34 item and include both the rate and the amount of the charge on each bill.

35 (e) Storm Recovery Property. –

36 (1) Provisions applicable to storm recovery property. –

37 a. All storm recovery property that is specified in a financing order
38 constitutes an existing, present intangible property right or interest
39 therein, notwithstanding that the imposition and collection of storm
40 recovery charges depends on the public utility, to which the financing
41 order is issued, performing its servicing functions relating to the
42 collection of storm recovery charges and on future electricity
43 consumption. The property exists (i) regardless of whether or not the
44 revenues or proceeds arising from the property have been billed, have
45 accrued, or have been collected and (ii) notwithstanding the fact that
46 the value or amount of the property is dependent on the future
47 provision of service to customers by the public utility or its successors
48 or assignees and the future consumption of electricity by customers.

49 b. Storm recovery property specified in a financing order exists until
50 storm recovery bonds issued pursuant to the financing order are paid

- 1 in full and all financing costs and other costs of such storm recovery
2 bonds have been recovered in full.
- 3 c. All or any portion of storm recovery property specified in a financing
4 order issued to a public utility may be transferred, sold, conveyed, or
5 assigned to a successor or assignee that is wholly owned, directly or
6 indirectly, by the public utility and created for the limited purpose of
7 acquiring, owning, or administering storm recovery property or
8 issuing storm recovery bonds under the financing order. All or any
9 portion of storm recovery property may be pledged to secure storm
10 recovery bonds issued pursuant to the financing order, amounts
11 payable to financing parties and to counterparties under any ancillary
12 agreements, and other financing costs. Any transfer, sale, conveyance,
13 assignment, grant of a security interest in or pledge of storm recovery
14 property by a public utility, or an affiliate of the public utility, to an
15 assignee, to the extent previously authorized in a financing order, does
16 not require the prior consent and approval of the Commission.
- 17 d. If a public utility defaults on any required payment of charges arising
18 from storm recovery property specified in a financing order, a court,
19 upon application by an interested party, and without limiting any other
20 remedies available to the applying party, shall order the sequestration
21 and payment of the revenues arising from the storm recovery property
22 to the financing parties or their assignees. Any such financing order
23 remains in full force and effect notwithstanding any reorganization,
24 bankruptcy, or other insolvency proceedings with respect to the public
25 utility or its successors or assignees.
- 26 e. The interest of a transferee, purchaser, acquirer, assignee, or pledgee
27 in storm recovery property specified in a financing order issued to a
28 public utility, and in the revenue and collections arising from that
29 property, is not subject to setoff, counterclaim, surcharge, or defense
30 by the public utility or any other person or in connection with the
31 reorganization, bankruptcy, or other insolvency of the public utility or
32 any other entity.
- 33 f. Any successor to a public utility, whether pursuant to any
34 reorganization, bankruptcy, or other insolvency proceeding or whether
35 pursuant to any merger or acquisition, sale, or other business
36 combination, or transfer by operation of law, as a result of public
37 utility restructuring or otherwise, must perform and satisfy all
38 obligations of, and have the same rights under a financing order as, the
39 public utility under the financing order in the same manner and to the
40 same extent as the public utility, including collecting and paying to the
41 person entitled to receive the revenues, collections, payments, or
42 proceeds of the storm recovery property. Nothing in this
43 sub-subdivision is intended to limit or impair any authority of the
44 Commission concerning the transfer or succession of interests of
45 public utilities.
- 46 g. Storm recovery bonds shall be nonrecourse to the credit or any assets
47 of the public utility other than the storm recovery property as specified
48 in the financing order and any rights under any ancillary agreement.
- 49 (2) Provisions applicable to security interests. –
- 50 a. The creation, perfection, and enforcement of any security interest in
51 storm recovery property to secure the repayment of the principal and

1 interest and other amounts payable in respect of storm recovery bonds,
2 amounts payable under any ancillary agreement and other financing
3 costs are governed by this subsection and not by the provisions of the
4 Code.

5 b. A security interest in storm recovery property is created, valid, and
6 binding and perfected at the later of the time: (i) the financing order is
7 issued; (ii) a security agreement is executed and delivered by the
8 debtor granting such security interest; (iii) the debtor has rights in such
9 storm recovery property or the power to transfer rights in such storm
10 recovery property; or (iv) value is received for the storm recovery
11 property. The description of storm recovery property in a security
12 agreement is sufficient if the description refers to this section and the
13 financing order creating the storm recovery property.

14 c. A security interest shall attach without any physical delivery of
15 collateral or other act, and, upon the filing of a financing statement
16 with the office of the Secretary of State, the lien of the security interest
17 shall be valid, binding, and perfected against all parties having claims
18 of any kind in tort, contract, or otherwise against the person granting
19 the security interest, regardless of whether the parties have notice of
20 the lien. Also upon this filing, a transfer of an interest in the storm
21 recovery property shall be perfected against all parties having claims
22 of any kind, including any judicial lien or other lien creditors or any
23 claims of the seller or creditors of the seller, and shall have priority
24 over all competing claims other than any prior security interest,
25 ownership interest, or assignment in the property previously perfected
26 in accordance with this section.

27 d. The Secretary of State shall maintain any financing statement filed to
28 perfect any security interest under this section in the same manner that
29 the Secretary maintains financing statements filed by transmitting
30 utilities under the Code. The filing of a financing statement under this
31 section shall be governed by the provisions regarding the filing of
32 financing statements in the Code.

33 e. The priority of a security interest in storm recovery property is not
34 affected by the commingling of storm recovery charges with other
35 amounts. Any pledgee or secured party shall have a perfected security
36 interest in the amount of all storm recovery charges that are deposited
37 in any cash or deposit account of the qualifying utility in which storm
38 recovery charges have been commingled with other funds and any
39 other security interest that may apply to those funds shall be terminated
40 when they are transferred to a segregated account for the assignee or a
41 financing party.

42 f. No application of the adjustment mechanism as provided in
43 sub-sub-subdivision 5. of sub-subdivision b. of subdivision (3) of
44 subsection (b) of this section will affect the validity, perfection, or
45 priority of a security interest in or transfer of storm recovery property.

46 g. If a default or termination occurs under the storm recovery bonds, the
47 financing parties or their representatives may foreclose on or otherwise
48 enforce their lien and security interest in any storm recovery property
49 as if they were secured parties with a perfected and prior lien under the
50 Code, and the Commission may order amounts arising from storm
51 recovery charges be transferred to a separate account for the financing

1 parties' benefit, to which their lien and security interest shall apply. On
2 application by or on behalf of the financing parties, the Superior Court
3 of Wake County shall order the sequestration and payment to them of
4 revenues arising from the storm recovery charges.

5 (3) Provisions applicable to the sale, assignment, or transfer of storm recovery
6 property. –

7 a. Any sale, assignment, or other transfer of storm recovery property
8 shall be an absolute transfer and true sale of, and not a pledge of or
9 secured transaction relating to, the seller's right, title, and interest in,
10 to, and under the storm recovery property if the documents governing
11 the transaction expressly state that the transaction is a sale or other
12 absolute transfer other than for federal and State income tax purposes.
13 For all purposes other than federal and State income tax purposes, the
14 parties' characterization of a transaction as a sale of an interest in storm
15 recovery property shall be conclusive that the transaction is a true sale
16 and that ownership has passed to the party characterized as the
17 purchaser, regardless of whether the purchaser has possession of any
18 documents evidencing or pertaining to the interest. A transfer of an
19 interest in storm recovery property may be created only when all of
20 the following have occurred: (i) the financing order creating the storm
21 recovery property has become effective; (ii) the documents evidencing
22 the transfer of storm recovery property have been executed by the
23 assignor and delivered to the assignee; and (iii) value is received for
24 the storm recovery property. After such a transaction, the storm
25 recovery property is not subject to any claims of the transferor or the
26 transferor's creditors, other than creditors holding a prior security
27 interest in the storm recovery property perfected in accordance with
28 subdivision (2) of subsection (e) of this section.

29 b. The characterization of the sale, assignment, or other transfer as an
30 absolute transfer and true sale and the corresponding characterization
31 of the property interest of the purchaser, shall not be affected or
32 impaired by the occurrence of any of the following factors:

- 33 1. Commingling of storm recovery charges with other amounts.
- 34 2. The retention by the seller of (i) a partial or residual interest,
35 including an equity interest, in the storm recovery property,
36 whether direct or indirect, or whether subordinate or otherwise,
37 or (ii) the right to recover costs associated with taxes, franchise
38 fees, or license fees imposed on the collection of storm
39 recovery charges.
- 40 3. Any recourse that the purchaser may have against the seller.
- 41 4. Any indemnification rights, obligations, or repurchase rights
42 made or provided by the seller.
- 43 5. The obligation of the seller to collect storm recovery charges
44 on behalf of an assignee.
- 45 6. The transferor acting as the servicer of the storm recovery
46 charges or the existence of any contract that authorizes or
47 requires the public utility, to the extent that any interest in
48 storm recovery property is sold or assigned, to contract with
49 the assignee or any financing party that it will continue to
50 operate its system to provide service to its customers, will
51 collect amounts in respect of the storm recovery charges for

- 1 the benefit and account of such assignee or financing party, and
2 will account for and remit such amounts to or for the account
3 of such assignee or financing party.
- 4 7. The treatment of the sale, conveyance, assignment, or other
5 transfer for tax, financial reporting, or other purposes.
- 6 8. The granting or providing to bondholders a preferred right to
7 the storm recovery property or credit enhancement by the
8 public utility or its affiliates with respect to such storm
9 recovery bonds.
- 10 9. Any application of the adjustment mechanism as provided in
11 sub-sub-subdivision 5. of sub-subdivision b. of subdivision (3)
12 of subsection (b) of this section.
- 13 c. Any right that a public utility has in the storm recovery property before
14 its pledge, sale, or transfer or any other right created under this section
15 or created in the financing order and assignable under this section or
16 assignable pursuant to a financing order is property in the form of a
17 contract right or a chose in action. Transfer of an interest in storm
18 recovery property to an assignee is enforceable only upon the later of
19 (i) the issuance of a financing order, (ii) the assignor having rights in
20 such storm recovery property or the power to transfer rights in such
21 storm recovery property to an assignee, (iii) the execution and delivery
22 by the assignor of transfer documents in connection with the issuance
23 of storm recovery bonds, and (iv) the receipt of value for the storm
24 recovery property. An enforceable transfer of an interest in storm
25 recovery property to an assignee is perfected against all third parties,
26 including subsequent judicial or other lien creditors, when a notice of
27 that transfer has been given by the filing of a financing statement in
28 accordance with sub-subdivision c. of subdivision (2) of this
29 subsection. The transfer is perfected against third parties as of the date
30 of filing.
- 31 d. The Secretary of State shall maintain any financing statement filed to
32 perfect any sale, assignment, or transfer of storm recovery property
33 under this section in the same manner that the Secretary maintains
34 financing statements filed by transmitting utilities under the Code. The
35 filing of any financing statement under this section shall be governed
36 by the provisions regarding the filing of financing statements in the
37 Code. The filing of such a financing statement is the only method of
38 perfecting a transfer of storm recovery property.
- 39 e. The priority of a transfer perfected under this section is not impaired
40 by any later modification of the financing order or storm recovery
41 property or by the commingling of funds arising from storm recovery
42 property with other funds. Any other security interest that may apply
43 to those funds, other than a security interest perfected under
44 subdivision (2) of this subsection, is terminated when they are
45 transferred to a segregated account for the assignee or a financing
46 party. If storm recovery property has been transferred to an assignee
47 or financing party, any proceeds of that property must be held in trust
48 for the assignee or financing party.
- 49 f. The priority of the conflicting interests of assignees in the same
50 interest or rights in any storm recovery property is determined as
51 follows:

- 1 1. Conflicting perfected interests or rights of assignees rank
2 according to priority in time of perfection. Priority dates from
3 the time a filing covering the transfer is made in accordance
4 with sub-subdivision c. of subdivision (2) of this subsection.
- 5 2. A perfected interest or right of an assignee has priority over a
6 conflicting unperfected interest or right of an assignee.
- 7 3. A perfected interest or right of an assignee has priority over a
8 person who becomes a lien creditor after the perfection of such
9 assignee's interest or right.

10 (f) Description or Indication of Property. – The description of storm recovery property
11 being transferred to an assignee in any sale agreement, purchase agreement, or other transfer
12 agreement, granted or pledged to a pledgee in any security agreement, pledge agreement, or other
13 security document, or indicated in any financing statement is only sufficient if such description
14 or indication refers to the financing order that created the storm recovery property and states that
15 the agreement or financing statement covers all or part of the property described in the financing
16 order. This section applies to all purported transfers of, and all purported grants or liens or
17 security interests in, storm recovery property, regardless of whether the related sale agreement,
18 purchase agreement, other transfer agreement, security agreement, pledge agreement, or other
19 security document was entered into, or any financing statement was filed.

20 (g) Financing Statements. – All financing statements referenced in this section are subject
21 to Part 5 of Article 9 of the Code, except that the requirement as to continuation statements does
22 not apply.

23 (h) Choice of Law. – The law governing the validity, enforceability, attachment,
24 perfection, priority, and exercise of remedies with respect to the transfer of an interest or right or
25 the pledge or creation of a security interest in any storm recovery property shall be the laws of
26 this State.

27 (i) Storm Recovery Bonds Not Public Debt. – Neither the State nor its political
28 subdivisions are liable on any storm recovery bonds, and the bonds are not a debt or a general
29 obligation of the State or any of its political subdivisions, agencies, or instrumentalities. An issue
30 of storm recovery bonds does not, directly, indirectly, or contingently, obligate the State or any
31 agency, political subdivision, or instrumentality of the State to levy any tax or make any
32 appropriation for payment of the storm recovery bonds, other than in their capacity as consumers
33 of electricity. All storm recovery bonds must contain on the face thereof a statement to the
34 following effect: "Neither the full faith and credit nor the taxing power of the State of North
35 Carolina is pledged to the payment of the principal of, or interest on, this bond."

36 (j) Legal Investment. – All of the following entities may legally invest any sinking funds,
37 moneys, or other funds in storm recovery bonds:

- 38 (1) Subject to applicable statutory restrictions on State or local investment
39 authority, the State, units of local government, political subdivisions, public
40 bodies, and public officers, except for members of the Commission.
- 41 (2) Banks and bankers, savings and loan associations, credit unions, trust
42 companies, savings banks and institutions, investment companies, insurance
43 companies, insurance associations, and other persons carrying on a banking
44 or insurance business.
- 45 (3) Personal representatives, guardians, trustees, and other fiduciaries.
- 46 (4) All other persons authorized to invest in bonds or other obligations of a similar
47 nature.

48 (k) Obligation of Nonimpairment. –

- 49 (1) The State and its agencies, including the Commission, pledge and agree with
50 bondholders, the owners of the storm recovery property, and other financing
51 parties that the State and its agencies will not take any action listed in this

subdivision. This paragraph does not preclude limitation or alteration if full compensation is made by law for the full protection of the storm recovery charges collected pursuant to a financing order and of the bondholders and any assignee or financing party entering into a contract with the public utility. The prohibited actions are as follows:

- a. Alter the provisions of this section, which authorize the Commission to create an irrevocable contract right or chose in action by the issuance of a financing order, to create storm recovery property, and make the storm recovery charges imposed by a financing order irrevocable, binding, or nonbypassable charges.
- b. Take or permit any action that impairs or would impair the value of storm recovery property or the security for the storm recovery bonds or revises the storm recovery costs for which recovery is authorized.
- c. In any way impair the rights and remedies of the bondholders, assignees, and other financing parties.
- d. Except as authorized under sub-sub-subdivision 5. of sub-subdivision b. of subdivision (3) of subsection (b) of this section, reduce, alter, or impair storm recovery charges that are to be imposed, billed, charged, collected, and remitted for the benefit of the bondholders, any assignee and any other financing parties until any and all principal, interest, premium, financing costs and other fees, expenses, or charges incurred, and any contracts to be performed, in connection with the related storm recovery bonds have been paid and performed in full.

(2) Any person or entity that issues storm recovery bonds may include the language specified in this subsection in the storm recovery bonds and related documentation.

(l) Not a Public Utility. – An assignee or financing party is not a public utility or person providing electric service by virtue of engaging in the transactions described in this section.

(m) Conflicts. – If there is a conflict between this section and any other law regarding the attachment, assignment, or perfection, or the effect of perfection, or priority of, assignment or transfer of, or security interest in storm recovery property, this section shall govern.

(n) Consultation. – In making determinations under this section, the Commission or public staff or both may engage an outside consultant and counsel.

(o) Effect of Invalidity. – If any provision of this section is held invalid or is invalidated, superseded, replaced, repealed, or expires for any reason, that occurrence does not affect the validity of any action allowed under this section which is taken by a public utility, an assignee, a financing party, a collection agent, or a party to an ancillary agreement; and any such action remains in full force and effect with respect to all storm recovery bonds issued or authorized in a financing order issued under this section before the date that such provision is held invalid or is invalidated, superseded, replaced, or repealed, or expires for any reason."

SECTION 1.(b) G.S. 25-9-109(d) reads as rewritten:

"(d) Inapplicability of Article. – This Article does not apply to:

...

(13) An assignment of a deposit account in a consumer transaction, but G.S. 25-9-315 and G.S. 25-9-322 apply with respect to proceeds and priorities in proceeds; ~~or~~

(14) The creation, perfection, priority, or enforcement of any lien on, assignment of, pledge of, or security in, any revenues, rights, funds, or other tangible or intangible assets created, made, or granted by this State or a governmental unit in this State, including the assignment of rights as secured party in security interests granted by any party subject to the provisions of this Article to this

1 State or a governmental unit in this State, to secure, directly or indirectly, any
2 bond, note, other evidence of indebtedness, or other payment obligations for
3 borrowed money issued by, or in connection with, installment or lease
4 purchase financings by, this State or a governmental unit in this State.
5 However, notwithstanding this subdivision, this Article does apply to the
6 creation, perfection, priority, and enforcement of security interests created by
7 this State or a governmental unit in this State in equipment or ~~fixtures~~-fixtures;
8 or

9 (15) The creation, perfection, priority, or enforcement of any sale, assignment of,
10 pledge of, security interest in, or other transfer of, any interest or right or
11 portion of any interest or right in any storm recovery property as defined
12 G.S. 62-172."
13

14 PART II. AUTHORIZE RATES USING ALTERNATIVE MECHANISMS.

15 SECTION 2. Article 7 of Chapter 62 of the General Statutes is amended by adding
16 a new section to read:

17 "§ 62-133A. Alternate rate methodology authorized.

18 (a) Notwithstanding the methods for fixing rates established under G.S. 62-133, the
19 Commission is authorized to approve multiyear rate plans, banding of authorized returns, or a
20 combination thereof, in a general rate case proceeding initiated pursuant to G.S. 62-133 for
21 rate-making mechanisms, plans, or settlements proposed by an electric public utility. For
22 purposes of this section, the following definitions apply:

23 (1) "Banding of authorized returns" means a rate mechanism under which the
24 Commission sets an authorized return on equity for an electric utility that acts
25 as a midpoint and then applies a low- and high-end range of returns to that
26 midpoint under which an electric public utility will not over earn if within the
27 high-end range and will not under earn if within the low-end range.

28 (2) "Multiyear rate plan" means a rate mechanism under which the Commission
29 sets base rates and revenue requirements for a multiyear plan period and
30 authorizes periodic changes in base rates during the approved plan period
31 without the need for a base rate proceeding during the plan period.

32 (b) Upon application by an electric public utility, the Commission shall, after notice and
33 an opportunity for interested parties to be heard, issue an order denying or approving the proposed
34 plan, with or without modifications, on an electric public utility's proposed rate-making
35 mechanism, plan, or settlement that includes multiyear rate plans, banding of authorized returns,
36 or a combination thereof, filed pursuant to this section within the time frames set forth in
37 G.S. 62-134. The Commission may approve such rate-making mechanisms, plans, or settlements
38 proposed by an electric public utility only upon a finding by the Commission that such
39 mechanisms, plans, or settlements will establish rates that are just and reasonable, and which are
40 in the public interest. In reviewing any such application under this section, the Commission shall
41 consider whether the electric public utility's application, as proposed: (i) establishes rates as shall
42 be fair both to the electric public utility and to the consumer; (ii) reasonably assures the
43 continuation of safe and reliable electric service; (iii) will not unreasonably prejudice any class
44 of electric customers; and (iv) is otherwise consistent with the public interest. The Commission
45 is granted explicit authority to impose any or all conditions for approval of an application
46 submitted under this section that the Commission deems necessary to ensure that rates are just
47 and reasonable, and are in the public interest, including periodic reviews to be held during the
48 period that a multiyear rate plan may be in effect, with opportunities for public hearings during
49 such periodic reviews so that interested parties may be heard. If the Commission approves the
50 application with modifications, the utility subject to such approval may, at its option, accept the
51 modifications and implement the proposed plan as modified or may, at its option, withdraw its

1 application and: (i) continue to be regulated under the form of regulation that existed at the time
2 of filing the application or (ii) file a revised application pursuant to this section.

3 (c) Any rate-making mechanisms, plans, or settlements approved pursuant to this section
4 shall remain in effect for a period of no more than five years.

5 (d) For purposes of measuring an electric public utility's earnings under any mechanisms,
6 plans, or settlements approved under this section, the electric public utility shall make an annual
7 filing that sets forth the electric public utility's earned return on equity for the prior 12-month
8 period.

9 (e) Nothing in this section shall be construed to (i) limit or abrogate the existing
10 rate-making authority of the Commission or (ii) invalidate or void any rates approved by the
11 Commission prior to the effective date of this section. In all respects, the rate-making
12 mechanisms, plans, or settlements approved under this section, shall operate independently, and
13 be considered separately, from riders or other cost recovery mechanisms otherwise allowed by
14 law, unless otherwise incorporated into such mechanism, plan, or settlement."

15
16 **PART III. EFFECTIVE DATE.**

17 **SECTION 3.** Part I of this act is effective when it becomes law. Part II of this act is
18 effective when it becomes law and applies to any rate-making mechanisms, designs, plans, or
19 settlements filed by a public utility on or after that date. The remainder of this act is effective
20 when it becomes law.

EXHIBIT 2 List of cases pending where Blue, LLP represents the Atlantic Coast Pipeline (ACP)

Case Name	Case No.	Plaintiff (ACP, LLC) Attorneys	Defendant	Date Filed
Atlantic Coast Pipeline, LLC v. 1.747 Acres, More or Less, In Johnston County, North Carolina et al	5:18-CV-555-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Flonnie Louise Godwin, Gail Godwin Clark, Margaret Godwin Chase, Theresa Godwin Englert, Marcia Godwin Williams, Joseph E. Godwin, Linda Godwin Coleman, James E. Godwin	11/16/2018
Atlantic Coast Pipeline, LLC v. 1.687 Acres, +/-, in Wilson County, NC,	5:18-CV-426-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Robert Bisette, Celena Bunn Bisette	8/31/2018
Atlantic Coast Pipeline, LLC v. 5.811 Acres, +/-, in Johnston County, NC	5:18-CV-425-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Stuart Lee Matthews and Jeffrey H. Matthews	8/31/2018
Atlantic Coast Pipeline, LLC v. 2.71 Acres, +/-, in Johnston County, NC	5:18-CV-427-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Geoffrey A. Gordon	8/31/2018
Atlantic Coast Pipeline, LLC v. 1.713 Acres, More or Less, in Wilson County, North Carolina	5:18-CV-388-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Wade Raymond Finch, Heather Louise Finch, Pearl Lamm Finch	8/3/2018
Atlantic Coast Pipeline, LLC v. 1.705 Acres, More or Less, in Johnston County, North Carolina	5:18-CV-387-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Constance Godwin Boykin	8/3/2018
Atlantic Coast Pipeline, LLC v. 3.612 Acres, More/Less, in Johnston County, NC	5:18-CV-363-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Sherwood Glenn Barefoot	7/20/2018
Atlantic Coast Pipeline, LLC v. 2.374 Acres, More/Less, in Johnston County, NC	5:18-CV-362-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Evelyn Francine Stephenson	7/20/2018
Atlantic Coast Pipeline, LLC v. 3.534 Acres, +/-, in Johnston Cty, NC	5:18-CV-365-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	John Max Lee, Jr.	7/20/2018
Atlantic Coast Pipeline, LLC v. 10.298 Acres, More or Less, in Johnston County, NC	5:18-CV-360-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Nancy J. Langdon and Carl B. Langdon	7/20/2018
Atlantic Coast Pipeline, LLC v. 8.169 Acres, More or Less, in Johnston County, North Carolina	5:18-CV-361-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Jimmy Ray Casey and Margaret Andrade Casey	7/20/2018
Atlantic Coast Pipeline, LLC v. 9.831 Acres, +/-, in Wilson County, NC	5:18-CV-321-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Zilphia H. Nichols	6/29/2018
Atlantic Coast Pipeline, LLC v. 2.419 Acres, +/-, in Johnston County, NC	5:18-CV-318-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Peter Waverly Edwards and Linda Rae Edwards	6/29/2018
Atlantic Coast Pipeline, LLC v. 5.038 Acres, More or Less, in Wilson County, North Carolina	5:18-CV-320-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Doris B. Barnes and Linda Barnes Cater	6/29/2018

Atlantic Coast Pipeline, LLC v. 5.232 Acres, More or Less, in Johnston County, North Carolina	5:18-CV-319-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	James Arnold Johnson	6/29/2018
Atlantic Coast Pipeline, LLC v. 2.771 Acres, +/-, In Johnston County, NC	5:18-CV-312-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Larry M. Capps, Faye P. Capps	6/28/2019
Atlantic Coast Pipeline, LLC v. 17.385 Acres, +/-, in Johnston Cty., NC	5:18-CV-309-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Teresa Creech Arthur and Merleon G. Creech	6/28/2018
Atlantic Coast Pipeline, LLC v. 0.372 Acre, More or Less, in Johnston County, North Carolina	5:18-CV-316-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Robert C. Hines	6/28/2018
Atlantic Coast Pipeline, LLC v. 2.821 Acres, More or Less, in Johnston County, NC,	5:18-CV-314-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Sylvia Jean Noles Bailey	6/28/2018
Atlantic Coast Pipeline, LLC v. 1.261 Acres, More or Less, in Johnston County, North Carolina	5:18-CV-310-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Richard E. Arthur and Teresa Creech Arthur	6/28/2018
Atlantic Coast Pipeline, LLC v. 2.605 Acres, More or Less, in Johnston County, North Carolina	5:18-CV-311-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Loretta K. Hill	6/28/2018
Atlantic Coast Pipeline, LLC v. 3.993 Acres, More or Less, in Johnston County, North Carolina	5:18-CV-313-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Nancy J. Langdon and Carl B. Langdon	6/28/2018
Atlantic Coast Pipeline, LLC v. 2.25 Acres, More or Less, in Johnston County, North Carolina	5:18-CV-315-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Vivian C. Finch	6/28/2018
Atlantic Coast Pipeline, LLC v. 5.135 Acres, More or Less, in Johnston County, North Carolina,	5:18-CV-305-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Linda Rose Lee	6/27/2018
Atlantic Coast Pipeline, LLC v. 0.961 Acre, More or Less, in Johnston County, North Carolina	5:18-CV-306-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Monica Diann Lee and Paula Lee Frazier	6/27/2018
Atlantic Coast Pipeline, LLC v. 1.435 Acres, More or Less, in Wilson County, North Carolina	5:18-CV-307-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Patricia Hawley	6/27/2018
Atlantic Coast Pipeline, LLC v. 0.024 Acre, More or Less, in Johnston County, North Carolina	5:18-CV-304-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Barbara Ann Lassiter	6/27/2018

Atlantic Coast Pipeline, LLC v. 0.036 Acre, More or Less, in Johnston County, North Carolina	5:18-CV-303-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Hazel Lee Tart	6/27/2018
Atlantic Coast Pipeline, LLC v. 1.40 Acres, More or Less, in Johnston County, North Carolina	5:18-CV-260-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Hazel Lee Tart	6/6/2018
Atlantic Coast Pipeline, LLC v. 1.95 Acres, More or Less, in Johnston County, North Carolina	5:18-CV-259-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	James Alton Starling, Jr. and Faye Creech Starling	6/6/2018
Atlantic Coast Pipeline, LLC v. 3.92 Acres, More or Less, in Johnston County, North Carolina	5:18-CV-258-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Larry E Cox	6/6/2018
Atlantic Coast Pipeline, LLC v. 3.84 Acres, More or Less, in Wilson County, North Carolina	5:18-CV-257-BO	Represented by: Dhamian Blue and Henry Kitchin, Jr.	Ben R Strother and Shirley C Strother	6/6/2018

EXHIBIT 3

About ACP

The Atlantic Coast Pipeline is a critical infrastructure project that will strengthen the economic vitality, environmental health and energy security of the Mid-Atlantic region.

Public utilities in Virginia and North Carolina need new, lower-cost supplies of natural gas to generate cleaner electricity, heat the homes of a growing population and power new industries like manufacturing. The pipelines serving our region are fully tapped and unable to keep up with consumer demand. Businesses are having their service shut off on the coldest winter days and new industries are being turned away because the region's pipeline infrastructure is too constrained.

That is why a group of regional energy companies are building the Atlantic Coast Pipeline – to deliver the new supplies of natural gas our region needs to generate cleaner electricity, keep our homes warm and grow the economy.

The Atlantic Coast Pipeline will be an energy provider, job creator and economic game changer for West Virginia, Virginia and North Carolina. This underground natural gas transmission pipeline will transport new supplies of natural gas from West Virginia to communities where it's urgently needed in Virginia and North Carolina. Along the way, the pipeline will help the region lower emissions, improve air quality, grow local economies and create thousands of new jobs in manufacturing and other industries.

This infrastructure project **will generate:**

\$28 million a year in new
local tax revenue



17,240 new jobs in the
construction industry



2,200 new jobs in manufacturing
and other new industries



THE DETAILS

The 600-mile underground Atlantic Coast Pipeline will originate in West Virginia, travel through Virginia with a lateral extending to Chesapeake, VA, and then continue south into eastern North Carolina, ending in Robeson County. Two additional, shorter laterals will connect to two Dominion Energy electric generating facilities in Brunswick and Greenville Counties.

The proposed route was developed after more than three years of extensive study and meaningful engagement with landowners and communities—all with the goal of finding the best route with the least possible impact on landowners and the environment. More than 6,000 miles of potential routes were carefully studied before choosing the 600-mile route. After consulting with landowners and performing extensive field surveys, more than 300 additional route

adjustments were made to avoid environmentally sensitive areas and address individual landowner concerns. This thorough and exhaustive process significantly reduced the environmental impacts of the project and minimized its impact on individual landowners.

In addition, three compressor stations are included in the project. The ACP project team will ensure they meet, and in many cases far exceed, stringent regulatory requirements for air quality, sound levels and safety. For more details on these specifications [click here](#).

OUR CUSTOMERS



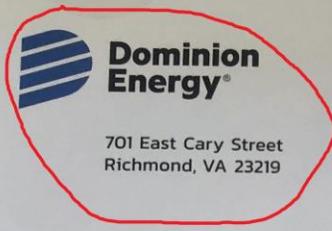
The Atlantic Coast Pipeline will transport American energy to millions of consumers in Virginia and North Carolina. The ACP's customers are five of the largest public utilities in the region: Dominion Energy, Duke Energy, Piedmont Natural Gas, Virginia Natural Gas and Public Service Company of North Carolina. Together, these public utilities provide home heating, electricity and industrial power to millions of homes, businesses, schools and hospitals across Virginia and North Carolina.

OUR PARTNERS

The ACP is being developed by four leading U.S. energy companies: Dominion Energy, Duke Energy, Piedmont Natural Gas and Southern Company Gas. Combined, these companies have centuries of experience providing reliable electric and natural gas service to millions of customers in the Southeast. As the leading percentage owner of the project, Dominion Energy will be responsible for constructing and operating the pipeline.

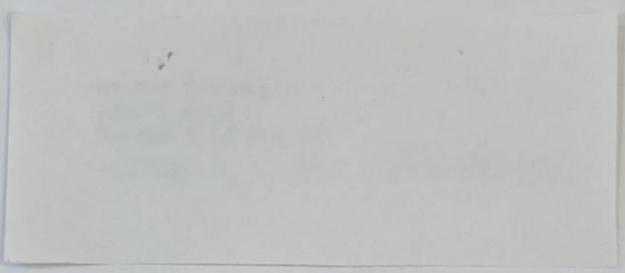






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Construction Update **SPECIAL EDITION** MARCH 2019 **Atlantic Coast Pipeline**



SAFETY FOCUS

Right-of-way Activity

It is important to remember that the ACP project right-of-way will remain active, even as construction-related activities wind down over the coming weeks. Stabilization crews, environmental inspectors, and



security personnel will routinely be working along the project route to protect area resources and preserve public safety. Safety on and off the right-of-way is always our #1 priority.

Unauthorized activity and untrained individuals on the right-of-way can be unsafe, even when there is no active construction. Large construction equipment, pipe, and other construction-related materials in the workspace can be hazardous to those unfamiliar with established site safety protocols. Help us maintain safety and security by staying clear of the project right-of-way.

Home Safe for Everyone is the ultimate goal. ■

Contact the ACP Team

LANDOWNER INFORMATION LINE • 888-895-8716

- Contact your Land Agent
- Ask a land question
- Report a land compliment or concern

GENERAL INFORMATION LINE • 844-215-1819

- Contact the ACP Project Team
- Contact your Community Liaison

EMAIL
ACPipeline@DominionEnergy.com

WEBSITE
www.AtlanticCoastPipeline.com

FACEBOOK
Atlantic Coast Pipeline

About Atlantic Coast Pipeline, LLC. Atlantic is a company formed by four major U.S. energy companies — Dominion Energy (NYSE: D), Duke Energy (NYSE: DUK), Piedmont Natural Gas (NYSE: PNY), Southern Company Gas (NYSE: SO) — to build and own the ACP. Through access to multiple supply basins, ACP would be capable of delivering 1.5 million dekatherms (equivalent to 1.5 billion cubic feet per day) of natural gas. The abundant supply of natural gas that would flow safely and reliably through this pipeline is needed by utilities within the project area to generate electricity, heat homes and businesses, and meet a growing domestic demand for energy.

SAFETY FOCUS

Help Children Remember to *Stay Back and Stay Safe*

Safety is our #1 priority. We want everyone to make it safely home, every day. This includes our crews and contractors as well as all members of the communities in which we work.

With children now back to school, it is important to remind them that construction zones are not safe areas to play in. Big trucks and other equipment can be



fascinating to small children. Some children's shows feature cartoon versions of these machines making them seem harmless and fun. In reality, these machines and construction sites, in general, can be very dangerous.

Heavy equipment operators spend many hours in training and have specialized skills allowing them to maneuver these machines safely. Active construction areas are busy places. However, there is an organized structure to the activity. Site workers are well acquainted

with the process and know what to expect. Invited visitors to the construction site are required to wear proper safety gear and complete a training course to learn safe observation techniques. Untrained and unprepared visitors can cause hazardous conditions for themselves and others.

It is important to explain these dangers to children and encourage them to stay away from construction sites. Please help children remember to *Stay Back and Stay Safe*.

Home Safe for Everyone is the ultimate goal. ■



Site Safety



Hard hats, boots and hi-visibility vests must be worn



All visitors to this site must report to site office



No unauthorized access



Children should not play on this site

FREQUENTLY ASKED QUESTIONS

What is the status of construction?

Construction activity is in various stages in West Virginia, Virginia and North Carolina.

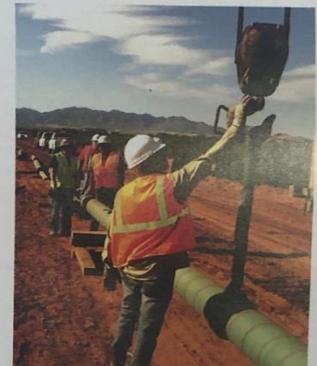
WEST VIRGINIA: The ACP project team received a Notice to Proceed with Construction (NTP) from the Federal Energy Regulatory Commission (FERC) earlier this summer and is well into construction in several areas with all environmental clearances in place. Although wet weather has slowed progress in some areas, work is moving along on construction in parts of Lewis, Upshur, Randolph and Pocahontas Counties, at the contractor yard in Harrison County, and at the pipe yard in Pocahontas County.

VIRGINIA: The ACP project team received a Limited Notice to Proceed with Construction (LNTP) for tree felling activities in non-wetland areas last January. Manual tree-felling proceeded through March and resumed in September when time of year restrictions passed. This pre-construction work does not involve land disturbance and none of this work will be done in areas that require additional state or federal permits. Preparation for construction has also started at several contractor yards.

NORTH CAROLINA: The ACP project team received the NTP for construction in July. Construction has begun in Northampton, Halifax, Nash, Cumberland, and Robeson Counties. A previous LNTP was granted for construction of the Compressor Station in Northampton County and work has been underway there for several months. In

addition, the team received a variance approval from FERC to construct a contractor yard in Halifax County.

The project team continues to work with FERC and other agencies to obtain the necessary clearances to begin construction in the remaining areas of the project. ■



Visit the Construction Map on the ACP website to see construction progress and read stories about ACP crews at work in local communities.

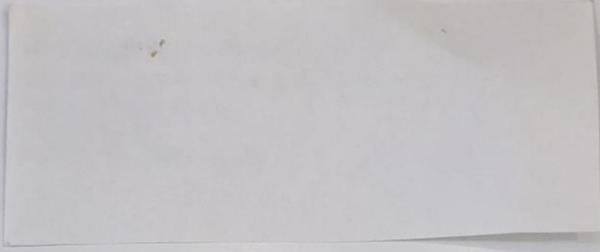
- Click on *Recent Updates* on the ACP home page at www.atlanticcoastpipeline.com
- Scroll down to click *View Construction Map*
- Click on your county to see what crews are up to in your area



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Sign Up for ACP eNews

www.AtlanticCoastPipeline.com

Click on *Stay Informed* under the *Contact* tab to subscribe. *ACP eNews* will be an important source of information as the project moves forward.



Contact the ACP Team

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FROM THE PROJECT DIRECTOR

We are pleased to announce that thousands of crew members are back to work on the ACP. The Federal Energy Regulatory Commission authorized construction to resume on September 17. See the FAQ and Page 3 for more information on the status of construction in each state.

Our crews take their jobs seriously and are committed to completing the ACP in a safe, environmentally responsible way. These individuals embrace our commitment to excellence and seek ways to share that commitment on and off the right of way. On Page 2, we have highlighted a number of events and programs that our crews have participated in to support local charities and community efforts. We thank all of the community groups, individuals, and businesses that have offered us a warm welcome. We look forward to working with many of you as the project continues.

Our trade union and inspector partners are looking for quality candidates to fill vacant positions. This past

spring, we hosted ten Construction Open House and Job Fair events. More than 1,000 people attended the events to learn more about construction activities in their area and about potential job opportunities. We plan to host several similar events in the coming months.

Watch your mailbox for additional details about events

in your area. To get more information about construction activities and other project-related topics, visit the ACP website at www.atlanticcoastpipeline.com.

As always, we want to stress that the safety of our crews, the communities we serve, and the environment



Crews and equipment stand ready as construction continues on the ACP.



is our number one priority. **Please help us reiterate to all children that construction areas are not playgrounds and that only highly trained and certified operators can safely operate construction equipment.** See the Safety Focus on Page 3 for additional information about helping kids Stay Back and Stay Safe.

We hope you will find this information useful and we encourage you to reach out to us anytime with your questions. Thank you for your continued interest in the ACP.

Sincerely,

Brian Wright, Authorized Representative
Dominion Energy Transmission, Inc.



Atlantic Coast Pipeline Resolution of Approval

RESOLUTION

WHEREAS, the Atlantic Coast Pipeline will bring new supplies of natural gas to North Carolina, helping Duke Energy Carolinas and Duke Energy Progress to further reduce their air emissions in the coming decades by allowing them to efficiently and responsibly meet growing power demand and replace coal power plants with cleaner-burning natural gas power plants;

WHEREAS, the pipeline will improve the reliability and geographic diversity of natural gas supplies for North Carolina consumers and businesses by bringing natural gas to consumers from natural gas-rich regions that are currently not accessible to Duke Energy customers;

WHEREAS, the pipeline enhances natural gas delivery capacity in eastern North Carolina through Piedmont Natural Gas' commitment to invest an additional \$190 million to expand its natural gas delivery network throughout the region;

WHEREAS, the pipeline may provide additional energy from new, untapped natural gas reserves;

WHEREAS, the pipeline route to be approved will provide a means of new energy with the least impact on the environment, cultural and historic resources while being overseen by the Federal Energy Regulatory Commission (FERC);

WHEREAS, the pipeline is expected to help mitigate price increases in the fuel clause component of consumers' and businesses' power bills by increasing accessibility to natural gas supplies;

WHEREAS, the pipeline's new supply of natural gas will serve as a powerful engine to drive economic development and job growth by helping eastern North Carolina and the state as a whole attract energy-dependent businesses and industries, many of which do not presently find it economically feasible to locate a business in North Carolina;

WHEREAS, the pipeline will generate new tax revenues for local governments;

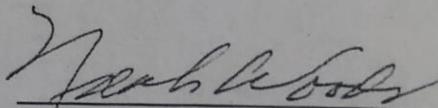
WHEREAS, the pipeline will promote American industrialization and prosperity while reducing our dependence on foreign energy;

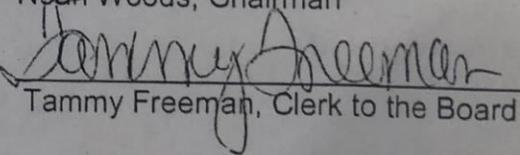
WHEREAS, the pipeline's capacity is expandable, which will allow increased supply as determined by market demand;

THEREFORE, IT IS HEREBY RESOLVED that the Robeson County Board of Commissioners fully supports the Atlantic Coast Pipeline.

Adopted this 6th day of October, 2014.




Noah Woods, Chairman

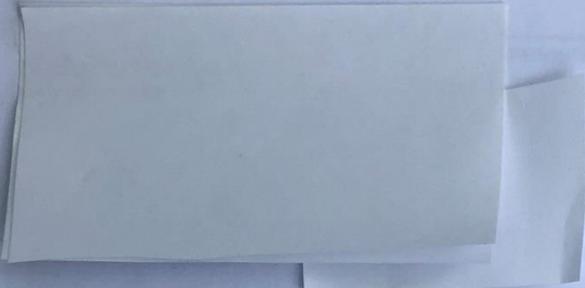

Tammy Freeman, Clerk to the Board

Dominion Transmission, Inc.
445 West Main Street, Clarksburg, WV 26301

Mailing Address: P.O. Box 2450
Clarksburg, WV 26302
dom.com



September 2, 2014



Dear Landowner:

I am writing this letter to share important information regarding the natural gas pipeline project Dominion has proposed in your area.

The Southeast Reliability Project has been renamed the **Atlantic Coast Pipeline** in recognition of a joint venture undertaken by Dominion and three major energy companies – Duke Energy, Piedmont Natural Gas and AGL Resources. Subsidiaries or affiliates of all four companies would use the pipeline to help meet the growing energy needs of their customers. With this joint venture in place, Dominion plans to move forward with the regulatory approval process. Dominion would build and operate the pipeline and remains committed to working with landowners and other stakeholders to develop the best project possible.

You are invited to attend an informational open house in your area to learn more about the Atlantic Coast Pipeline. We are holding thirteen open houses along the proposed study corridor. A detailed schedule is available on the back of this page.

As you may know, the 550-mile Atlantic Coast Pipeline would originate in Harrison County, West Virginia, run to Greensville County, Virginia and then south into eastern North Carolina. A lateral extension is planned from the Virginia-North Carolina border to Hampton Roads.

The pipeline would be 42 inches in diameter in West Virginia and Virginia, 36 inches in diameter in North Carolina and 20 inches in diameter along the lateral extension. The Atlantic Coast Pipeline would also include construction of three compressor stations; the first in West Virginia, near the beginning of the route; the second in Buckingham County, Virginia; and the third near the Virginia/North Carolina state line.

The Atlantic Coast Pipeline is needed to connect natural gas supplies from the Marcellus and Utica Shale regions with energy markets in Virginia and North Carolina. The pipeline would provide a dependable supply of natural gas as a cleaner option to generate electricity, heat homes and fuel factories and industries that rely on natural gas.

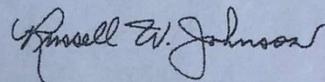
You are invited to attend an open house because your property is located within the proposed pipeline study corridor. I encourage you to attend to view maps and displays, obtain information, meet with the project team and offer input on the proposed study corridor. This is one of several steps in Dominion's commitment to communicating and working with you and other landowners to identify a route that has the fewest environmental impacts and reflects the input of landowners and the communities it would cross. There will be ongoing opportunities for you to be involved in the planning and permitting of the Atlantic Coast Pipeline.

We have made arrangements with Doyle Land Services, Inc. to assist us with the Southeast Reliability project. As a company with operations in the eastern United States for over 100-years, we take great pride in our long-standing commitment of working closely with all landowners and neighbors who may be affected during and even after our projects are completed. We are confident that you will see this commitment to property owners reflected in every contact you have with Dominion and its representatives.

To give you some context for this project, Dominion owns and operates approximately 11,000 miles of natural gas transmission pipelines located in West Virginia, Virginia, Ohio, Pennsylvania, New York and Maryland. We also operate one of the nation's largest underground natural gas storage systems. We look forward to the opportunity to expand our pipeline system into North Carolina, since Dominion has an existing presence in North Carolina through our affiliate, Dominion North Carolina Power.

We look forward to working with you to ensure we meet your needs, answer all of your questions and complete the project in a timely manner.

Very truly yours,

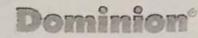
A handwritten signature in cursive script that reads "Russell W. Johnson".

Russell W. Johnson
Manager – Land, Lease & Right of Way

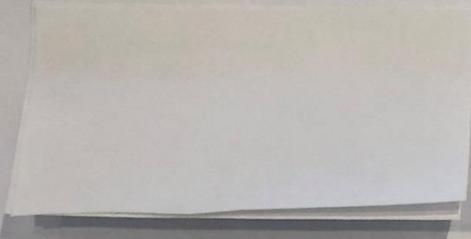
Dominion Transmission, Inc.
445 West Main Street, Clarksburg, WV 26301-2450

Mailing Address: P.O. Box 2450
Clarksburg, WV 26302-2450

Web Address: www.dom.com



May 21, 2014



Dear Property Owner:

I am writing on behalf of **Dominion Transmission, Inc. ("Dominion")** to tell you about a new pipeline project that Dominion is researching as a possibility for your area. We are referring to this pipeline as the "Southeast Reliability Project." The purpose of the pipeline is to transport growing natural gas supplies to parts of the Southeast, including North Carolina. The pipeline under consideration would meet existing customer demand, provide additional service reliability and offer opportunities for economic growth along the route.

Typically, the first step in a new project is to conduct surveys and environmental studies along a potential route corridor. Your property has been identified as being in this corridor and we are notifying you so that we can begin keeping you informed throughout this process and because surveys will be conducted on your property.

Conducting these surveys and environmental studies is required as part of the permitting process for a project of this nature. The laws of North Carolina recognize the importance of access for these surveys and studies in the planning for key infrastructure projects such as the Southeast Reliability project and to assist in minimizing environmental and land use impacts. Dominion plans to begin the surveys and studies on or about June 15, 2014.

We are attaching a description of the initial work that may be done on your property, including an outline of the survey process and certain standard procedures that our personnel will follow while on your property. We will work to make our presence as discreet as possible.

Please be aware that simply surveying the route does not mean you are allowing access for construction of the pipeline. For that, we will seek a separate easement agreement from all affected property owners prior to construction once a final route is selected at the end of this process.

During the initial phase and any subsequent phases of the Southeast Reliability pipeline project, Dominion and its representatives will remain in contact with you through other mailings, phone and in-person meetings to keep you informed and to answer any questions you may have. **If you wish to contact Dominion, please call us toll free at 1-888-895-8716 and one of our right-of-way representatives will follow up with you.**

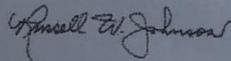
The format of the open houses will be informal with a portion of each dedicated to providing time for landowners within the proposed study corridor to meet with members of the project team.

5 p.m. to 6:30 p.m. Landowners within the proposed study corridor
 6:30 p.m. to 8 p.m. Landowners and the general public

Monday, September 15	Augusta County Government Center 18 Government Center Lane Verona, VA 24482	
Tuesday, September 16 (two locations)	The Highland Center 61 Highland Center Drive Monterey, VA 24465	The Nelson Center 8445 Thomas Nelson Highway Lovingston, VA 22949
Wednesday, September 17	Wesleyan College Greek Alumni Room and Performing Arts Center Lobby 59 College Avenue Buckhannon, Upshur Co., WV 26201	
Thursday, September 18 (two locations)	Buckingham County Agricultural Center State Road 60 54 Administration Lane Buckingham, VA 23921	Brunswick High School 2171 Lawrenceville Plank Road Lawrenceville, VA 23868
Monday, September 22 (two locations)	University of North Carolina Pembroke COMTech Regional Center 115 Livermore Drive Pembroke, NC 28372	Rose Hill Plantation 3815 Rose Hill Lane Nashville, NC 27856
Tuesday, September 23 (two locations)	Holiday Inn Fayetteville I-95 South 1944 Cedar Creek Road Fayetteville, NC 28312	The Centre at Halifax Community College 100 College Drive Weldon, NC 27890
Wednesday, September 24	Durbin Volunteer Fire Department 40 4 th Avenue Durbin, WV 26264	
Thursday, September 25 (two locations)	Johnston County Agricultural Center 2736 NC 210 Highway Smithfield, NC 27577	Regional Workforce Development Center Paul D. Camp Community College 100 North College Drive Franklin, VA 23851

The project will require approval from the Federal Energy Regulatory Commission (FERC). When we begin the regulatory process later this fall, there will be additional opportunities for public input. You will receive separate invitations to those events. For more information, please visit the Atlantic Coast Pipeline website at www.dom.com/ACpipeline, call (888)895-8716 or email ACpipeline@dom.com.

Sincerely,



Russell W. Johnson
 Manager, Land Department

EXHIBIT 9

**STATE OF NORTH CAROLINA
COMMONWEALTH OF VIRGINIA
STATE OF WEST VIRGINIA**

April 4, 2017

Nathaniel J. Davis, Sr.
Deputy Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

Re: Docket Nos. CP15-554-000 and CP15-554-001(Atlantic Coast Pipeline)

Dear Mr. Davis:

As leaders of the West Virginia Senate and House of Delegates; Virginia Senate and House of Delegates; and North Carolina Senate and House of Representatives, we respectfully ask the Commission to approve the pending application for a major project that holds great potential to improve the economies and supply of energy in our states: the Atlantic Coast Pipeline (ACP). The project represents a much-needed addition to our nation's energy infrastructure, since it would provide a new, direct pathway for the burgeoning natural gas production in West Virginia and elsewhere in the Appalachian Basin to reach the growing markets of the Southeast.

For the people of our states, the project also holds the promise of thousands of new jobs, hundreds of millions of dollars of new economic activity, and lower energy prices. Additionally, we believe the pipeline would protect our region's environment by making clean-burning natural gas more available for the production of electricity. We are also very encouraged by the Commission staff's findings in the draft Environmental Impact Statement (EIS) assessing the project. The draft EIS, in our opinion, conclusively demonstrates that construction and operation of the ACP would pose no threat to our states' priceless natural resources.

Studies have repeatedly shown that the project would produce enormous benefits for the economies of West Virginia, Virginia and North Carolina, beginning with the construction phase. These benefits were highlighted in a September 2014 report by the consulting firm of Chmura Economics & Analytics. The report's forecast of the total economic activity generated by pipeline construction is impressive: almost \$479 million in West Virginia, \$1.4 billion in Virginia and more than \$680 million in North Carolina. Chmura's estimates of the number of new jobs supported by the construction phase are noteworthy as well: almost 3,100 in West

Re: Docket Nos. CP15-554-000 and CP15-554-001(Atlantic Coast Pipeline)

April 4, 2017

Page 2

Virginia, 8,800 in Virginia and more than 4,400 in North Carolina. Many of these positions would be skilled labor directly employed in construction. The new jobs would offer hope and opportunity to thousands of hard-working men and women in our states. Although we have strived to promote economic growth and provide new jobs for our citizens, the recovery from the last decade's recession has been weak and progress has often been slow. Construction of the ACP would quickly improve that situation. In the words of Virginia Governor McAuliffe, the pipeline would be a "game changer." We agree.

Once it enters operation, the project would also help our economies move forward. In West Virginia, the ACP would promote the continued growth of natural gas production, particularly from the Marcellus and Utica shale fields. The pipeline would directly link these supplies to rapidly growing southeastern markets. And in Virginia and North Carolina, the pipeline would ease constraints plaguing an interstate natural gas pipeline system that has reached its capacity, often leaving it unable to serve new, energy-intensive customers. This has severely hampered our ability to attract new businesses, particularly modern manufacturing operations. The pipeline's operation would greatly improve our states' competitive positions and provide a significant boost to our economic development efforts.

Finally, the project would mean valuable new tax revenues for many of our counties and cities. According to a recent study by Dominion, the pipeline through the period ending in 2025 would generate more than \$60.1 million in property tax payments for West Virginia localities; more than \$70.6 million for Virginia localities; and more than \$60 million for North Carolina localities. These revenues will greatly assist our local governments as they work to maintain many vital services, such as education, transportation and law enforcement.

In short, construction and operation of the ACP represents a tremendous new opportunity for our states, and particularly for our working people. The benefits would be felt in many ways: job creation, economic growth, improved energy reliability, new revenues for local governments. All of this can be accomplished through a project that would not only protect but even improve the environment. We believe the case for the ACP is clear, and again we respectfully urge the Commission to approve it after the conclusion of your thorough and timely review.

Sincerely,



The Honorable William J. Howell
Speaker of the House
Commonwealth of Virginia



The Honorable Timothy K. Moore
Speaker of the House
State of North Carolina

Re: Docket Nos. CP15-554-000 and CP15-554-001(Atlantic Coast Pipeline)

April 4, 2017

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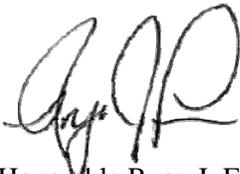
The Honorable Mitchell B. Carmichael
President of the Senate
State of West Virginia



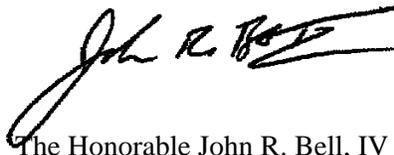
The Honorable Phil Berger
Senate President Pro Tempore
State of North Carolina



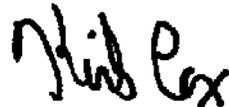
The Honorable Thomas K. Norment, Jr.
Majority Leader of the Senate
Commonwealth of Virginia



The Honorable Ryan J. Ferns
Majority Leader of the Senate
State of West Virginia



The Honorable John R. Bell, IV
Majority Leader of the House
State of North Carolina



The Honorable M. Kirkland Cox
Majority Leader of the House
Commonwealth of Virginia



The Honorable Daryl E. Cowles
Majority Leader of the House
State of West Virginia



The Honorable Daniel T. Blue, Jr.
Minority Leader of the Senate
State of North Carolina



The Honorable Richard S. Saslaw
Minority Leader of the Senate
Commonwealth of Virginia



The Honorable Roman W. Prezioso, Jr.
Minority Leader of the Senate
State of West Virginia



The Honorable Corey L. Palumbo
Minority Whip of the Senate
State of West Virginia



The Honorable Timothy R. Miley
Minority Leader of the House
State of West Virginia



The Honorable Ken Goodman
Chairman, Main Street Democrats
State of North Carolina



The Honorable Matthew James
Vice Chair, Hampton Roads Caucus
Commonwealth of Virginia

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