

INFORMATION SHEET

PRESIDING: Commissioner Brown-Bland, Presiding; and Commissioners Clodfelter, Duffley, Hughes, and McKissick

PLACE: Dobbs Building, Raleigh, NC

DATE: Tuesday, October 11, 2022

TIME: 9:30 a.m. – 12:08 p.m.

DOCKET NOS.: A-41, Sub 21

COMPANY: Bald Head Island Transportation, Inc.

DESCRIPTION: Complaint Hearing. Village of Bald Head Island, Complainant, versus Bald Head Island Transportation, Inc., and Bald Head Island Limited, LLC, Respondents

VOLUME NUMBER: 2

APPEARANCES

(See attached)

WITNESSES

(See attached)

EXHIBITS

(See attached)

DISTRIBUTE CONFIDENTIAL COPIES TO:

REPORTED BY: Kim Mitchell

DATE FILED: October 24, 2022

TRANSCRIPT PAGES: 128

PREFILED PAGES: 17

TOTAL PAGES: 145

PLACE: Dobbs Building, Raleigh, North Carolina

DATE: Tuesday, October 11, 2022

TIME: 9:30 a.m. - 12:08 p.m.

DOCKET NO: A-41, Sub 21

BEFORE: Commissioner ToNola D. Brown-Bland, Presiding
Commissioner Daniel G. Clodfelter
Commissioner Kimberly W. Duffley
Commissioner Jeffrey A. Hughes
Commissioner Floyd B. McKissick, Jr.

IN THE MATTER OF:

Village of Bald Head Island,

Complainant

V.

Bald Head Island Transportation, Inc.,

and Bald Head Island Limited, LLC,

Respondents

Volume 2

1 A P P E A R A N C E S:

2 VILLAGE OF BALD HEAD ISLAND:

3 Marcus Trathen, Esq.

4 Craig Schauer, Esq.

5 Amanda Hawkins, Esq.

6 Brooks Pierce McLendon Humphrey & Leonard, LLP

7 Wells Fargo Capitol Center

8 150 Fayetteville Street, Suite 1700

9 Raleigh, North Carolina 27601

10
11 Jo Anne Sanford, Esq.

12 Sanford Law Office, PLLC

13 721 North Bloodworth Street

14 Raleigh, North Carolina 27604

15
16 FOR BALD HEAD ISLAND TRANSPORTATION, INC. And

17 BALD HEAD ISLAND LIMITED, LLC:

18 M. Gray Styers, Jr., Esq.

19 Bradley M. Risinger, Esq.

20 Fox Rothschild LLP

21 434 Fayetteville Street, Suite 2800

22 Raleigh, North Carolina 27601

23

24

1 A P P E A R A N C E S Cont'd.:
2 FOR SharpVue CAPITAL, LLC:
3 David Ferrell, Esq.
4 Nexsen Pruet, PLLC
5 4141 Parklake Avenue, Suite 200
6 Raleigh, North Carolina 27612
7

8 FOR BALD HEAD ISLAND CLUB:
9 Daniel C. Higgins, Esq.
10 Burns, Day & Presnell, P.A.
11 Post Office Box 10867
12 Raleigh, North Carolina 27605
13

14 FOR BALD HEAD ISLAND ASSOCIATION:
15 Edward S. Finley, Jr., Esq.
16 Edward S. Finley, Jr., PLLC
17 2024 White Oak Road
18 Raleigh, North Carolina 27608
19
20
21
22
23
24

T A B L E O F C O N T E N T S

E X A M I N A T I O N S

KEVIN O'DONNELL PAGE

Continued Cross Examination By Mr. Styers..... 6

Redirect Examination By Mr. Schauer:..... 11

Examination By Commissioner Brown-Bland..... 19

SCOTT GARDNER PAGE

Direct Examination By Mr. Trathen..... 24

Prefiled Direct Testimony of Scott Gardner..... 26

Prefiled Summary Testimony of Scott Gardner.... 41

Cross Examination By Mr. Higgins..... 44

Cross Examination By Mr. Risinger..... 52

Redirect Examination By Mr. Trathen..... 90

Examination By Commissioner Clodfelter..... 119

Examination By Commissioner Duffley..... 124

Examination By Commissioner McKissick..... 126

Examination By Commissioner Duffley..... 137

Examination By Commissioner Brown-Bland..... 137

Examination By Mr. Trathen..... 140

Examination By Mr. Higgins..... 141

E X H I B I T S

IDENTIFIED/ADMITTED

KWO Redirect Exhibit 1.....	13/22
KWO Cross Examination Exhibit Numbers 1 through 6	-/22
Exhibits KWO 1 and 2.....	-/23
Rebuttal KWO Exhibits 1 and 2.....	-/23
Exhibits STG-1, STG-2, STG-2.1, STG-2.2, and STG-2.3	25/143
STG Cross Examination Exhibits 1 ... and 2	60/142
STG Cross Examination Exhibit 3.....	70/142
STG Redirect Exhibit 1.....	104/143
STG Redirect Exhibit 2.....	108/143
STG Redirect Exhibit 3.....	113/143

DEEP POINT PARKING RATES				
Class	Premium	General (a)	Contractor	Employee
Annual Pass	\$1,350.00	\$1,200.00	\$700.00	\$650.00
General Daily	n/a	\$12.00	n/a	n/a
Contractor Daily	n/a	n/a	\$10.00	n/a
QR Exit Pass Coupon	n/a	n/a	\$6.00	\$6.00

(a) First 2-hours free.

I/A

BHIL/IT 000719

DEEP POINT PARKING RATES				
Class	Premium	General (a)	Contractor	Employee
Annual Pass	\$1,350.00	\$1,200.00	\$700.00	\$650.00
General Daily	n/a	\$12.00	n/a	n/a
Contractor Daily	n/a	n/a	\$10.00	n/a
QR Exit Pass Coupon	n/a	n/a	\$6.00	\$6.00

(a) First 2-hours free.

\$3.70/day

\$3.29/day

\$1.92/day

\$1.78/day

From: ROBERT BLAU [blaur@bellsouth.net]
Sent: 1/31/2022 4:55:24 PM
To: Scott Gardner [stgardner55@gmail.com]
Subject: Re: CONFIDENTIAL AND PRIVILEGED

GARDNER CROSS-EXAMINATION EXHIBIT 3
A-41 SUB 21

OFFICIAL COPY

Oct 25 2022

Scott,

I started my career at the Federal Communications Commission in 1975 initially as an industry economist and later as a special assistant/policy advisor to the Chief of the FCC's Common Carrier Bureau who was responsible for regulating all of interstate and international telecom services in the U.S. - including those provided by AT&T before it's breakup. I worked for Comsat (international satellite carrier) from 1979-1983 and for Bell Labs on Federal regulatory matters from 1983-1985 when I joined BellSouth. From 1996-2008, when I retired, I ran BellSouth's Federal regulatory operations in Washington DC. In that capacity I had several dealing with numerous state regulatory commissions and, trust me, I understand how they work and how they think.

I was educated at DePauw University, the London School of Economics, and Indiana University where I obtained a PhD in 1978. I am also a Chartered Financial Analyst (CFA).

I knew what would happen with the Ferry Transportation Authority Act when I read the initial draft in 2017 and wrote a memo to the Village Council explaining why it should oppose the legislation. They ignored the obvious and here we are.

That said, you would not want to put me on the stand as an expert witness since, as my wife would tell you, it is highly unclear what I might say or do next. Besides that the Village could not afford my hourly rate!

The Village does need to hire an expert who understands the "ins and outs" of rate of return regulation and, very preferably, someone who has worked with and is favorably viewed by the NCUC staff.

I listened to the tail end of Chad Paul's remarks to the BHA on Saturday and I think I heard him say that the Mitchells have decided to sell the Transportation system to another commercial operator (i.e., private equity investor) on expectations that the system would continue to operate under the current regulatory framework (I.e, parking and barge rates would remain unregulated and subject to monopoly pricing abuse).

The Village should not discount the latter possibly and press the NCUC to subject all 3 components of the transportation system to rate-of-return regulation. Even though the case for doing so is compelling, the Village also needs to assume that the UC will not be over joyed about extending its jurisdiction to include BHIL's parking or barge operations. As mentioned in my email last night, from a regulatory standpoint, the BHI system involves relatively small \$\$ amounts (e.g., compared to a Duke Energy rate case) and the UC may be remiss to commit staff resources for that reason. Even so, regulation or even the threat of regulation represents the best/only available means of keeping the transportation system's sales price at a reasonable level, regardless of who acquires it.

Similarly, since the failure to regulate also could prove very costly to BHI over time, the Village should not skimp on retaining the experts it will need to make its case to the UC.

Bob

Sent from my iPad

> On Jan 31, 2022, at 10:50 AM, Scott Gardner <stgardner55@gmail.com> wrote:
 >
 > Bob - excellent input! Sending on to Trathen. Could you refresh my memory on the key points of your resume, especially those roles that add credence to your weighing in here? And finally, would you consider serving as an expert witness if the need arises based on your qualifications? No promises here, just testing your interest and qualifications. If this doesn't work, you will still have the opportunity to make comment at an upcoming public hearing.
 >
 >> On Jan 30, 2022, at 10:01 PM, ROBERT BLAU <blaur@bellsouth.net> wrote:
 >>



From: ROBERT BLAU [blaur@bellsouth.net]
Sent: 7/28/2022 10:07:00 AM
To: Gerald Maggio [gsmaggio@aol.com]
Subject: BHITA

GARDNER CROSS-EXAMINATION EXHIBIT 3
A-41 SUB 21

OFFICIAL COPY

OCT 25 2022

I thought the meeting conveyed more than a fair share of disinformation which would be good to correct. Much of this relates to steps the NC Utility Commission would take in setting rates if they decide to regulate the entire system. Chad suggested at one point that rates could actually go up since, as he put it, the UC would calculate the system's "new" regulated rate base based on how much SharpVue pays for it (\$56M) vs it's current/ "old" rate base (i.e., netbook value of its existing plant which is approx. \$20M). The difference - \$36M - would be booked for rate making purposes as goodwill. And since state regulators generally do not allow utilities to earn a rate of return on goodwill, user fees for parking, barge and ferry service would go down, not up. That, however, could be problematic for the Island. If SharpVue overpays for the system and is not allowed (by regulators) to earn a reasonable return on its actual investment, much needed capital spending on system improvements going forward would likely go south along with service quality. Again, this is why it is very important that the UC act favorably on the Village's petition before ownership of the system changes hands.

I fully expect Chad and Roberts both understand this and that if the UC did act favorably on the Village's petition, the price that SharpVue or another commercial operator would end up paying Limited would go down commensurate with the reduction in the system's overall earnings that would result from regulating all 3 piece parts. If it did, BHI property owners might be best served if the system remained commercially owned (whether by SharpVue or some other investor) since that would preclude any need for either the Village or the BHITA to incur a large amount of public debt needed to acquire the system outright.

I wouldn't worry too much about who will end up buying the system. The important thing is to get the sales price down to a reasonable level, recognizing that regulating the barge and parking is the best and only practical way of doing that. If the price were low enough, SharpVue or another investor could buy the system and lease operating rights to the ferry barge and parking back to either the Village or, heaven forbid, BHITA. Either of whom could arguably finance the system's operations (or most of it) out of its existing cashflow - thereby avoiding the need for an excessively large bond issue and all the default risk that would entail. In that scenario, SharpVue would end up owning the land and either the Village or BHITA would end up owning everything else, including all the operating risk. Similarly, under North Carolina law, I believe (but am not certain) that if either the Village or BHITA owned everything but the land on which the transportation system sits, they, not the UC, would set users fees and decide how the system operates. We don't get there, however, unless the UC determines first that if, and as long as the system remains commercially owned, the whole shebang will be rate-base, rate-of-return regulated.

This is not rocket science. But we do need to keep our eyes on the ball.



BHI TRANSPORTATION
Docket No. A-41, Sub 7
ORIGINAL COST RATE BASEMayfield Exhibit 1
Schedule 2

Line No.	Item	Per Books (a)	Company Adjustments (b)	After Proposed Increase (c)
1	Plant in Service	\$6,020,592 1/	\$0 3/	\$6,020,592
2	Accumulated Depreciation	<u>(2,085,249) 2/</u>	<u>0 3/</u>	<u>(2,085,249)</u>
3	Net Plant in Service	3,935,344	0	3,935,344
4	Cash Working Capital	619,732 4/	45,136	664,867 4/
5	Deferred Tax Benefit		(860,584)	(860,584) 5/
6	Average Tax Accruals	<u>(40,996)</u>	<u>3,567</u>	<u>(37,429) 6/</u>
7	Original Cost Rate Base	<u>\$4,514,079</u>	<u>(\$811,882)</u>	<u>\$3,702,198</u>

Notes:

1/ Mayfield Exhibit 1, Schedule 2-1, Column (c), line 213

2/ Mayfield Exhibit 1, Schedule 2-1, Column (f), line 213

3/ No adjustments as the asset list is trued up to straight line for Schedule 2-1

4/ Exhibit 1, Schedule 2(a), Column (a) and Column (b), line 3

5/ Tax deferred benefit, Exhibit 1, Schedule 2-1, Column (j), line 213

6/ One-half of property taxes, Exhibit 1, Schedule 3, Column (e), line 73 plus
one-sixth of payroll taxes, Exhibit 1, Schedule 3, Column (e), line 74

I/A

Mayfield Exhibit 1
Schedule 2(a)BHI TRANSPORTATION
Docket No. A-41, Sub 7
CASH WORKING CAPITAL

Line No.	Item	Per Books (a)	Pro Forma (b)
1	Operation & Maintenance Expenses	\$4,957,853 1/	\$5,318,938 2/
2	Divide by Eight	8	8
3	Cash Working Capital	<u>\$619,732 3/</u>	<u>\$664,867 4/</u>

Notes:

- 1/ Mayfield Exhibit 1, Schedule 3, Column (a), line 71
- 2/ Mayfield Exhibit 1, Schedule 3, Column (e), line 71
- 3/ Mayfield Exhibit 1, Schedule 2, Column (a), line 4
- 4/ Mayfield Exhibit 1, Schedule 2, Column (c), line 4

I/A

BH TRANSPORTATION
Doclet No. A-41, Sub 7
PLANT IN SERVICE, ACCUMULATED DEPRECIATION
& DEPRECIATION EXPENSE

Mayfield Exhibit 1
Schedule 2-1

Yr End:
12/31/2009

Date Disposed	Dept	Deprec Schedule Asset#	Line No.	Description	Date in Service	Cost	Service Life	Annual Depreciation	Accumulated Depreciation 12/31/09	Net Book Value	Net Tax Value	Book Less Tax Value	Deferred Taxes @ 38.55%	
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	275	214	1	2004 Ford F250 Truck	11/15/04	23,112.35	12.0	1,926.03	9,951.15	13,161.20	-	13,161.20	5,074	
	275	229	2	Truck - Ford F-250 Pickup	2/20/06	25,510.59	12.0	2,125.88	8,149.21	17,361.38	4,408.23	12,953.15	4,983	
	275	230	3	Truck - Ford F-250 Pickup	2/18/06	25,510.59	12.0	2,125.88	8,149.21	17,361.38	4,408.23	12,953.15	4,983	
Subtotal Dept 275 Vehicles						74,133.53		6,177.79	26,249.57	47,883.96	8,816.46	39,067.50	15,060.52	
	275	5	4	Aluminum Dolly - 1	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	6	5	Aluminum Dolly - 2	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	7	6	Aluminum Dolly - 3	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	8	7	Aluminum Dolly - 4	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	9	8	Aluminum Dolly - 5	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	10	9	Aluminum Dolly - 6	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	11	10	Aluminum Dolly - 7	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	12	11	Aluminum Dolly - 8	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	13	12	Aluminum Dolly - 9	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	14	13	Aluminum Dolly - 10	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	15	14	Aluminum Dolly - 11	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	16	15	Aluminum Dolly - 12	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	17	16	Aluminum Dolly - 13	11/8/90	1,589.17	18.0	0.00	1,589.17	0.00	0	0.00	0	
	275	18	17	Aluminum Dolly - 14	11/8/90	1,589.17	18.0	0.00	1,589.17	0.00	0	0.00	0	
	275	19	18	Aluminum Dolly - 15	11/8/90	1,589.17	18.0	0.00	1,589.17	0.00	0	0.00	0	
	275	20	19	Aluminum Dolly - 16	11/8/90	1,589.17	18.0	0.00	1,589.17	0.00	0	0.00	0	
	275	21	20	Aluminum Dolly - 17	11/8/90	1,589.17	18.0	0.00	1,589.17	0.00	0	0.00	0	
	275	22	21	Aluminum Dolly - 18	11/8/90	1,589.17	18.0	0.00	1,589.17	0.00	0	0.00	0	
	275	23	22	Aluminum Dolly - 19	11/8/90	1,589.15	18.0	0.00	1,589.15	0.00	0	0.00	0	
	275	24	23	Aluminum Dolly - 20	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	25	24	Aluminum Dolly - 21	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	26	25	Aluminum Dolly - 22	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	27	26	Aluminum Dolly - 23	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	28	27	Aluminum Dolly - 24	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	29	28	Aluminum Dolly - 25	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	30	29	Aluminum Dolly - 26	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	31	30	Aluminum Dolly - 27	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	32	31	Aluminum Dolly - 28	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	33	32	Base Station VHF Radio	7/1/91	923.00	5.0	0.00	923.00	0.00	0	0.00	0	
	275	34	33	Sans Soud Boet Speakers	4/2/93	1,019.00	5.0	0.00	1,019.00	0.00	0	0.00	0	
	275	35	34	Luggage Dolly-29	2/28/94	1,033.40	18.0	57.41	908.99	124.41	0	124.41	48	
	275	36	35	Luggage Dolly-30	2/28/94	1,033.40	18.0	57.41	908.99	124.41	0	124.41	48	
	275	37	36	Luggage Dolly-31	2/28/94	1,033.40	18.0	57.41	908.99	124.41	0	124.41	48	
	275	38	37	Luggage Dolly-32	2/28/94	1,033.40	18.0	57.41	908.99	124.41	0	124.41	48	
	275	39	38	Luggage Dolly-33	2/28/94	1,033.40	18.0	57.41	908.99	124.41	0	124.41	48	
	275	40	39	Sans Soud Radio	4/2/94	4,218.00	5.0	0.00	4,218.00	0.00	0	0.00	0	
	275	41	40	Waste Oil 500 Gallon Drum	9/1/96	600.00	18.0	40.00	533.33	56.67	0	56.67	26	
	275	42	41	Aluminum Dolly-34	7/1/97	1,585.95	18.0	87.00	1,087.50	478.45	0	478.45	184	
	275	43	42	Aluminum Dolly-35	7/1/97	1,585.95	18.0	87.00	1,087.50	478.45	0	478.45	184	
	275	44	43	Aluminum Dolly-36	7/1/97	1,585.95	18.0	87.00	1,087.50	478.45	0	478.45	184	
	275	45	44	Aluminum Dolly-37	7/1/97	1,585.95	18.0	87.00	1,087.50	478.45	0	478.45	184	
	275	46	45	Aluminum Dolly-38	7/1/97	1,585.95	18.0	87.00	1,087.50	478.45	0	478.45	184	
	275	47	46	Marine Maintenance Tool	7/1/97	656.34	7.0	0.00	656.34	0.00	0	0.00	0	
	275	48	47	Specialty Tools	7/1/97	578.82	7.0	0.00	578.82	0.00	0	0.00	0	
	275	49	48	Waste Oil Collection Equipment	7/1/97	1,537.00	15.0	102.47	1,280.87	256.13	0	256.13	96	
	275	50	49	Waste Oil Collection Equipment	7/1/97	7,213.56	20.0	360.68	4,506.50	2,705.06	0	2,705.06	1,043	
	275	51	50	Adventure Radar	7/1/97	8,119.40	15.0	407.96	5,099.50	1,019.90	0	1,019.90	393	
	275	52	51	Sans Soud Radio	7/1/97	8,140.34	5.0	0.00	8,140.34	0.00	0	0.00	0	
	275	53	52	VHF Mobile Radio T-23	7/13/99	564.36	5.0	0.00	564.36	0.00	0	0.00	0	
	275	54	53	VHF Mobile Radio T-6	7/13/99	564.36	5.0	0.00	564.36	0.00	0	0.00	0	
	275	55	54	VHF Mobile Radio T-22	7/13/99	564.36	5.0	0.00	564.36	0.00	0	0.00	0	
	275	56	55	SKW Devilbiss Generator	8/28/99	582.54	5.0	0.00	582.54	0.00	0	0.00	0	
	275	57	56	Aluminum Dolly-39	12/8/99	1,727.59	18.0	95.98	967.80	758.79	0	758.79	293	
	275	58	57	Aluminum Dolly-40	12/8/99	1,727.59	18.0	95.98	967.80	758.79	0	758.79	293	
	275	59	58	Aluminum Dolly-41	12/8/99	1,727.59	18.0	95.98	967.80	758.79	0	758.79	293	
	275	60	59	Aluminum Dolly-42	12/8/99	1,727.59	18.0	95.98	967.80	758.79	0	758.79	293	
	275	61	60	Aluminum Dolly-43	12/8/99	1,727.59	18.0	95.98	967.80	758.79	0	758.79	293	
	275	62	61	Aluminum Dolly-44	12/8/99	1,727.59	18.0	95.98	967.80	758.79	0	758.79	293	
	275	63	62	Aluminum Dolly-45	12/8/99	1,727.59	18.0	95.98	967.80	758.79	0	758.79	293	

BHI TRANSPORTATION
Docket No. A-41, Sub 7
PLANT IN SERVICE, ACCUMULATED DEPRECIATION
& DEPRECIATION EXPENSE

Worksheet Exhibit 1
Schedule 2-1

Yr End:
12/31/2009

Date Disposed	Dept	Deprec Solutions Assets	Line No.	Description	Date in Service	Cost	Service Life	Annual Depreciation	Accumulated Depreciation 12/31/09	Net Book Value	Net Tax Value	Book Less Tax Value	Deferred Taxes @ 38.55%	3/	4/
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)		
	275	127	03	Aluminum Dolly-46	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293		
	275	128	04	Aluminum Dolly-47	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293		
	275	129	05	Aluminum Dolly-48	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293		
	275	130	06	Aluminum Dolly-49	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293		
	275	131	07	Aluminum Dolly-50	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293		
	275	132	08	Aluminum Dolly-51	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293		
	275	133	09	Aluminum Dolly-52	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293		
	275	134	10	Aluminum Dolly-53	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293		
	275	135	11	Aluminum Dolly-54	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293		
	275	143	12	VHF 8 CH Portable Radio	7/1/00	2,404.08	7.0	0.00	2,404.08	0.00	0	0.00	0		
	275	147	13	Engine Pull Sander	10/10/01	6,028.00	15.0	401.74	3,314.35	2,711.74	0	2,711.74	1,045		
	275	148	14	Model M20CL Marine Diesel	10/10/01	13,727.23	15.0	915.15	7,549.99	6,177.24	0	6,177.24	2,381		
	275	149	15	Garmin 200SC Chart Plotter	2/11/02	2,078.00	10.0	207.81	1,843.58	432.51	0	432.51	167		
	275	150	16	Garmin 200SC Chart Plotter	2/11/02	2,078.00	10.0	207.81	1,843.58	432.51	0	432.51	167		
	275	152	17	Furuno 1842 KII Radar	2/15/02	5,883.16	15.0	392.21	3,105.00	2,778.16	0	2,778.16	1,071		
	275	153	18	3500 Power Pressure Washer	3/31/02	1,800.00	10.0	180.00	1,401.98	407.02	0	407.02	157		
	275	156	19	Mauwell UC1200 Windless	5/14/02	2,062.29	15.0	138.82	1,064.29	1,016.00	0	1,016.00	392		
	275	163	20	Ferry Pump Station	5/30/02	3,694.49	15.0	246.30	1,867.77	1,826.72	0	1,826.72	704		
	275	175	21	Furuno 1842 KII San Souci	12/8/02	5,825.30	15.0	375.02	2,858.28	2,968.91	0	2,968.91	1,145		
	275	181	22	Aluminum Luggage Dolly-55	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	182	23	Aluminum Luggage Dolly-56	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	183	24	Aluminum Luggage Dolly-57	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	184	25	Aluminum Luggage Dolly-58	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	185	26	Aluminum Luggage Dolly-59	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	186	27	Aluminum Luggage Dolly-60	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	187	28	Aluminum Luggage Dolly-61	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	188	29	Aluminum Luggage Dolly-62	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	189	30	Aluminum Luggage Dolly-63	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	190	31	Aluminum Luggage Dolly-64	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	191	32	Aluminum Luggage Dolly-65	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	192	33	Aluminum Luggage Dolly-66	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	193	34	Aluminum Luggage Dolly-67	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	194	35	Aluminum Luggage Dolly-68	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	195	36	Aluminum Luggage Dolly-69	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	196	37	Aluminum Luggage Dolly-70	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	216	38	Marine Pump Out Station	5/1/06	5,458.00	15.0	363.87	4,245.15	1,212.85	0	1,212.85	468		
	275	224	39	Fire Extinguisher for San Souci	5/30/02	2,433.53	5.0	0.00	2,433.53	0.00	0	0.00	0		
	275	231	100	Welding Machine	2/20/06	5,320.57	10.0	532.06	2,116.25	3,204.34	1,724.33	1,880.01	648		
	275	239	101	Emergency Generator (1 of 3)	8/24/06	2,047.98	10.0	204.80	862.67	1,385.31	353.89	1,011.42	390		
	275	240	102	Emergency Generator (2 of 3)	8/24/06	2,047.98	10.0	204.80	862.67	1,385.31	353.89	1,011.42	390		
	275	241	103	Emergency Generator (3 of 3)	8/24/06	2,047.98	10.0	204.80	862.67	1,385.31	353.89	1,011.42	390		
	275	242	104	Wiring for Emergency Generators	12/1/06	3,240.00	5.0	648.00	1,847.00	1,563.00	626.47	986.53	373		
	275	1732	105	FEMA Grant - Contra for Assets 1733-1738	7/23/08	(24,085.00)	10.0	(2,408.50)	(3,413.48)	(20,881.54)	-7378.02	(13,305.52)	(5,129)		
	275	1733	106	Ranger - Automatic ID System	7/23/08	5,004.74	10.0	500.47	709.00	4,295.74	1632.06	2,763.68	1,065		
	275	1734	107	Patriot - Automatic ID System	7/23/08	8,979.32	10.0	897.93	1,271.64	7,707.68	2747.85	4,959.83	1,911		
	275	1735	108	San Souci - Automatic ID System	7/23/08	5,102.56	10.0	510.26	722.87	4,379.72	1582.01	2,817.71	1,088		
	275	1738	109	Adventure - Automatic ID System	7/23/08	8,423.12	10.0	842.31	1,193.27	7,229.85	2578.51	4,651.34	1,793		
	Subtotal Dept 275 Machinery & Equipment					211,810.98		10,430.88	140,680.30	70,630.68	4,458.88	68,173.78	25,509.99		
	275	212	110	Dell Computer for Transportation	9/30/04	1,068.31	5.0	0.00	1,068.31	0.00	0.00	0.00	0		
	275	216	111	Dell Computer	12/18/04	1,025.07	5.0	0.00	1,025.07	0.00	0.00	0.00	0		
	275	1581	112	RTP hardware - transportation	12/31/05	27,898.18	5.0	5,599.24	22,598.98	5,599.22	2,988.88	2,632.24	1,015		
	275	1582	113	RTP v-1 line @ deep pt - transportation	12/31/05	2,340.00	5.0	508.00	2,032.00	508.00	288.03	219.87	85		
	275	1680	114	RTP Hardware - Transportation	12/31/05	13,828.82	5.0	2,765.36	11,141.44	2,785.38	1,470.25	1,315.13	507		
	275	1681	115	Printer - Boca PC Serial	9/1/07	1,833.44	5.0	366.69	782.28	871.18	470.43	400.73	154		
	275	1753	116	Computers & Peripherals - Deep Point	5/1/09	13,094.04	5.0	2,618.99	2,018.99	10,475.95	10,475.95	(0.01)	(0)		
	275	1754	117	DP Scanner Station Equipment	5/1/09	3,407.58	5.0	681.51	681.51	2,726.05	2,726.05	0.00	0		
	275	1755	118	DP Ticket Printer	5/1/09	6,843.58	5.0	1,368.71	1,328.71	5,314.85	5,314.85	0.00	0		
	275	1756	119	DP Dell POS System - (2) Optiplex	5/1/09	2,267.18	5.0	453.44	459.44	1,837.74	1,837.74	(0.01)	(0)		
	275	1757	120	DP Dell Workstation-Optiplex 760	5/1/09	1,284.43	5.0	252.89	252.89	1,011.54	1,011.54	0.00	0		
	275	1759	121	DP Phones, faxes	6/1/09	533.33	5.0	106.67	106.67	426.66	426.66	0.00	0		
	Subtotal Dept 275 Computer Hardware					75,428.82		14,867.50	43,872.27	31,556.55	26,888.40	4,568.15	1,761.02		

BHI TRANSPORTATION
Docket No. A-41, Sub 7
PLANT IN SERVICE, ACCUMULATED DEPRECIATION
& DEPRECIATION EXPENSE

Mayfield Exhibit 1
Schedule 2-1

Yr End:
12/31/2009

Date Disposed	Dept	Deprec Solutions Assets	Line No.	Description	Date in Service	Cost	Service Life	Annual Depreciation	Accumulated Depreciation 12/31/09	Net Book Value	Net Tax Value	Book Less Tax Value	Deferred Taxes @ 35.5%	3/4
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	275	251	122	RTP Baggage Ticket Configuration	3/1/07	1,350.00	3.0	450.00	1,275.00	75.00	75.00	0.00	0	
	275	1563	123	RTP Software - Transportation	12/31/05	27,749.00	3.0	0.00	27,749.00	0.00	0.00	0.00	0	
	275	1564	124	RTP initial setup - cards transportation	12/31/05	7,154.00	3.0	0.00	7,154.00	0.00	0.00	0.00	0	
	275	1738	125	Ferry Reservation Software	12/31/02	17,204.83	3.0	0.00	17,204.83	0.00	0.00	0.00	0	
	275	1758	126	DP Server Software-Office & Windows	5/1/06	2,379.55	3.0	793.18	793.18	1,586.37	1,850.76	(264.39)	(102)	
	275	1761	127	RTP POS software (3)	6/1/06	11,250.00	3.0	3,750.00	3,750.00	7,500.00	9,062.50	(1,562.50)	(602)	
Subtotal Dept 275 Computer Software						67,087.18		4,993.18	57,925.61	9,161.37	10,968.26	(1,826.89)	(704.27)	
	275	39	128	Sans Souci	7/1/81	482,284.00	20.8	24,114.20	446,112.70	36,171.30	0	36,171.30	13,944	
	275	40	129	Sans Souci Retrofit	5/1/82	65,895.00	20.0	3,294.75	58,207.25	7,887.75	0	7,887.75	2,984	
	275	57	130	Adventure	6/2/85	542,448.00	25.0	21,697.94	318,428.83	226,019.17	0	226,019.17	87,130	
	275	59	131	Sans Souci Oil Filter System	6/2/85	2,794.00	5.0	0.00	2,794.00	0.00	0	0.00	0	
	275	174	132	Windows - Adventure	12/9/02	3,798.70	10.0	379.87	2,860.75	1,107.95	0	1,107.95	427	
	275	179	133	Adventure Repower	4/1/03	217,040.18	20.0	10,852.01	73,251.07	143,789.09	0	143,789.09	55,431	
	275	199	134	Fuel Repairs to the Sans Souci	8/22/03	81,135.18	20.0	4,558.76	26,859.48	62,275.70	0	62,275.70	24,007	
Subtotal Dept 275 Boats						1,405,393.04		64,895.43	828,342.08	477,050.96	0.00	477,050.96	183,903.15	
	290	81	135	1991 F-350 Ford Truck MM-1	7/1/87	11,411.75	12.0	0.00	11,411.75	0.00	0	0.00	0	
	290	157	136	Tram Trailer	5/30/02	15,000.08	15.0	1,000.01	7,891.29	7,117.79	0	7,117.79	2,975	
	290	158	137	Tram Trailer	5/30/02	15,000.08	15.0	1,000.01	7,891.29	7,117.79	0	7,117.79	2,975	
	290	159	138	Tram Trailer	5/30/02	15,000.09	15.0	1,000.01	7,891.29	7,117.80	0	7,117.80	2,975	
	290	160	139	2001 Metro KGA Tram Truck	5/30/02	14,831.01	10.0	1,483.10	11,095.18	3,535.83	0	3,535.83	1,363	
	290	162	140	12 Passenger Tram	5/30/02	10,058.63	10.0	1,070.58	8,118.58	7,040.07	0	7,040.07	3,081	
	290	165	141	Aluminum Handicap Tram	6/30/02	8,879.10	15.0	591.74	4,438.05	4,438.05	0	4,438.05	1,711	
	290	167	142	Material for Trams	7/15/02	2,907.71	5.0	0.00	2,907.71	0.00	0	0.00	0	
	290	168	143	Trams	7/22/02	7,875.00	5.0	0.00	7,875.00	0.00	0	0.00	0	
	290	169	144	Material for Trams	8/13/02	2,907.71	5.0	0.00	2,907.71	0.00	0	0.00	0	
	290	170	145	1998 Ford E-450 Shuttle Bus	12/18/02	21,665.00	8.0	2,710.63	18,974.41	2,710.59	0	2,710.59	1,045	
	290	171	146	1998 Ford E-450 Shuttle Bus	12/18/02	15,505.00	8.0	1,938.13	13,566.91	1,938.09	0	1,938.09	747	
	290	173	147	Tiger Star Truck	12/20/02	14,240.19	8.0	1,781.15	12,459.05	1,781.14	0	1,781.14	687	
	290	197	148	Fabricate Tram	7/28/03	10,193.21	15.0	1,279.68	8,211.28	10,983.93	0	10,983.93	4,234	
	290	198	149	Fabricate Tram	7/28/03	10,193.21	15.0	1,279.68	8,211.28	10,983.93	0	10,983.93	4,234	
	290	200	150	Tram Truck	12/3/03	15,391.98	10.0	1,539.20	9,383.47	6,028.49	0	6,028.49	2,324	
	290	202	151	Tram Truck	12/3/03	15,391.98	10.0	1,539.20	9,383.47	6,028.49	0	6,028.49	2,324	
	290	203	152	Maintenance Trailer 6 x 12	12/2/03	2,500.00	10.0	250.00	1,520.83	979.17	0	979.17	377	
	290	206	153	Cargo Trailer 6 x 12	12/19/03	3,088.00	10.0	308.80	1,851.80	1,234.40	0	1,234.40	476	
	290	215	154	2 (12) Passenger Trams	7/1/04	31,158.10	15.0	2,077.21	11,424.65	19,733.45	0.00	19,733.45	7,807	
	290	217	155	(4) Tiger Star Pickup	12/28/04	61,548.40	10.0	6,154.84	30,773.20	30,773.20	0.00	30,773.20	11,863	
	290	218	156	(1) Tram	12/28/04	23,558.57	15.0	1,570.57	7,852.83	15,705.72	0.00	15,705.72	6,055	
	290	227	157	1999 Ford E-450 Bus	2/22/06	32,036.00	8.0	4,004.50	15,350.58	16,685.42	5,535.82	11,149.60	4,290	
	290	232	158	Cushman Super Truck - 1 of 4	3/2/06	14,869.70	10.0	1,486.97	5,823.38	9,046.31	2,534.93	6,511.38	2,510	
	290	233	159	Cushman Super Truck - 2 of 4	3/2/06	14,869.70	10.0	1,486.97	5,823.38	9,046.31	2,534.93	6,511.38	2,510	
	290	234	160	Cushman Super Truck - 3 of 4	3/2/06	14,869.70	10.0	1,486.97	5,823.38	9,046.31	2,534.93	6,511.38	2,510	
	290	235	161	Cushman Super Truck - 4 of 4	3/2/06	14,869.70	10.0	1,486.97	5,823.38	9,046.31	2,534.93	6,511.38	2,510	
	290	238	162	Four (4) Tram Trailers	5/24/06	88,288.00	15.0	5,852.53	21,329.90	67,958.10	15,428.98	52,529.14	20,250	
	290	243	163	Cushman Super Truck	2/21/07	14,538.15	10.0	1,453.82	4,118.59	10,417.56	4,186.41	6,231.15	2,402	
	290	244	164	Cushman Super Truck	2/21/07	14,538.15	10.0	1,453.82	4,118.59	10,417.56	4,186.41	6,231.15	2,402	
	290	245	165	Cushman Super Truck	2/21/07	14,538.15	10.0	1,453.82	4,118.59	10,417.56	4,186.41	6,231.15	2,402	
	290	246	166	Cushman Super Truck	2/21/07	14,538.15	10.0	1,453.82	4,118.57	10,417.58	4,186.41	6,231.17	2,402	
	290	252	167	Four (4) Trams	4/30/07	102,373.45	15.0	6,824.90	18,109.73	84,173.72	20,483.56	64,890.16	21,083	
	290	1662	168	1999 Ford E450 Bus	2/17/08	33,088.00	8.0	4,133.25	15,858.75	17,405.25	3,713.97	13,692.28	5,278	
	290	1663	169	2007 Vantage Tram Truck T-32	4/24/08	14,060.01	10.0	1,406.00	2,343.33	11,716.68	3,374.40	8,342.28	3,216	
	290	1664	170	2007 Vantage Tram Truck T-33	4/24/08	14,060.01	10.0	1,406.00	2,343.33	11,716.68	3,374.40	8,342.28	3,216	
	290	1665	171	12 Passenger Tram Trailers TR-33	4/24/08	25,065.83	15.0	1,672.38	2,787.30	22,298.33	8,020.55	16,277.78	6,275	
	290	1666	172	12 Passenger Tram Trailers TR-32	4/24/08	25,065.83	15.0	1,672.38	2,787.30	22,298.33	8,020.55	16,277.78	6,275	
	290	1751	173	2008 Vantage Truck T-036	5/6/09	14,753.24	10.0	1,475.32	1,475.32	13,277.82	11,802.87	1,475.25	569	
	290	1732	174	2008 Vantage Truck T-035	5/6/09	14,753.24	10.0	1,475.32	1,475.32	13,277.82	11,802.86	1,475.28	569	
Subtotal Dept 290 Vehicles						835,342.37		70,380.88	328,729.59	506,612.78	123,442.90	383,169.88	147,711.99	

BHI TRANSPORTATION
Docket No. A-41, Sub 7
PLANT IN SERVICE, ACCUMULATED DEPRECIATION
& DEPRECIATION EXPENSE

Mayfield Exhibit 1
Schedule 2-1

Yr End:
12/31/2009

Date Disposed	Dept	Deprec Solutions Asset#	Line No.	Description	Date In Service	Cost	Service Life	Annual Depreciation	Accumulated Depreciation 12/31/09	Net Book Value	Net Tax Value	Book Less Tax Value	Deferred Taxes @ 38.55%
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
	290	41	175	VHF Radio	5/8/92	720.50	5.0	0.00	720.50	0.00	0	0	0
	290	42	176	VHF Radio	5/8/92	720.50	5.0	0.00	720.50	0.00	0	0	0
	290	77	177	Radios - School Buses	9/1/96	2,285.00	5.0	0.00	2,285.00	0.00	0	0	0
	290	81	178	Radio	7/1/97	508.20	5.0	0.00	508.20	0.00	0	0	0
	290	92	179	Radio	7/1/97	508.20	5.0	0.00	508.20	0.00	0	0	0
	290	93	180	Radio	7/1/97	508.20	5.0	0.00	508.20	0.00	0	0	0
	290	94	181	Radio	7/1/97	508.20	5.0	0.00	508.20	0.00	0	0	0
	290	95	182	Radio	7/1/97	508.20	5.0	0.00	508.20	0.00	0	0	0
	290	175	183	Kenwood TK-762H-CX 148 MHz	2/5/03	681.42	5.0	0.00	681.42	0.00	0	0	0
	290	177	184	Kenwood TK-762H-CX 148 MHz	2/5/03	578.42	5.0	0.00	578.42	0.00	0	0	0
Subtotal Dept 290 Machinery & Equipment						7,524.84		0.00	7,524.84	0.00	0.00	0.00	0.00
	290	136	185	Dell 600 Computer	6/7/00	1,393.81	5.0	0.00	1,393.81	0.00	0	0.00	0
	290	205	186	2 Dell Optiplex Computers	12/10/03	2,088.85	5.0	0.00	2,088.85	0.00	0	0.00	0
	290	221	187	Dell P82 Computer	6/24/02	955.20	5.0	0.00	955.20	0.00	0	0.00	0
	290	222	188	Dell P82 Computer	6/24/02	955.20	5.0	0.00	955.20	0.00	0	0.00	0
	290	223	189	Dell P82 Computer	6/24/02	955.20	5.0	0.00	955.20	0.00	0	0.00	0
	290	225	190	Dell Optiplex GX520	12/31/05	1,205.92	5.0	241.18	964.72	241.20	115.48	125.72	48.47
Subtotal Dept 290 Computer Hardware						7,564.08		241.18	7,322.88	241.20	115.48	125.72	48.47
	290	204	191	Office Pro 2003 Eng Bus 6.0	12/1/03	863.50	3.0	0.00	863.50	0.00	0	0.00	0
	290	213	192	Office Pro 2003 6.0 For Assets	9/30/04	431.22	3.0	0.00	431.22	0.00	0	0.00	0
	290	226	193	Dell D1 Computer Software	12/31/05	431.75	3.0	0.00	431.75	0.00	0	0.00	0
Subtotal Dept 290 Computer Software						1,726.47		0.00	1,726.47	0.00	0.00	0.00	0.00
	Patriot, LLC	1696	194	Winch Installation (Patriot)	5/31/04	1,841.54	20.0	92.08	514.11	1,327.43	387.93	938.50	362
	Patriot, LLC	1697	195	Patriot Ferry (with additional costs)	9/1/03	1,832,258.78	30.0	54,408.56	343,647.87	1,288,609.11	380,423.16	908,185.95	350,108
	Patriot, LLC	1699	196	Ranger Ferry	7/1/06	1,700,862.70	30.0	56,889.43	198,413.00	1,502,289.79	1,147,339.81	354,928.96	136,626
Subtotal Patriot LLC Assets						3,334,781.11		111,190.07	542,574.78	2,792,208.33	1,528,150.90	1,264,055.43	487,293.37
	197	Total Ferry Plant				1,833,653.53							
	198	Annual Depreciation Expense						101,164.56					
	199	Accumulated Depreciation							1,197,378.03				
	200	Net Grand Total Ferry Plant				1,833,653.53		101,164.56	1,197,378.03	636,283.50	51,250.00	585,033.50	225,530.41
	201	Total Island Transportation				852,157.76							
	202	Annual Depreciation Expense						70,822.06					
	203	Accumulated Depreciation							345,303.78				
	204	Net Grand Total Island Transportation				852,157.76		70,822.06	345,303.78	508,853.68	123,558.38	385,295.60	147,700.43
	205	Total Patriot LLC Assets				3,334,781.11							
	206	Annual Depreciation Expense						111,190.07					
	207	Accumulated Depreciation							542,574.78				
	208	Net Grand Total Patriot LLC				3,334,781.11		111,190.07	542,574.78	2,792,208.33	1,528,150.90	1,264,055.43	487,293.37
	209	Grand Totals:											
	210	Total Transportation				8,020,592.40							
	211	Annual Depreciation Expense						282,978.66					
	212	Accumulated Depreciation							2,085,248.59				
	213	Total Transportation				8,020,592.40		282,978.66	2,085,248.59	3,835,344			860,584.24

Notes:

1/ Value per tax return detail

2/ Column (g) - Column (h)

3/ Composite tax rate, applicable to income \$335K to \$10MM

4/ Column (f) X Composite tax rate = Column (j)

I/A

BHI TRANSPORTATION
Docket No. A-41, Sub 7
BALANCE SHEET

Mayfield Exhibit 1
Schedule 3(a)

Line No.		Per Book	1/
	CASH	656,036	
	TOTAL INVENTORY	698	
	FIXED ASSETS		
7	F/A ASSETS AUTOS	909,476	
8	F/A ASSETS MACHINERY & EQUIP	243,231	
9	F/A CONTRA MACHINERY & EQUIP	(24,095)	
10	F/A COMPUTER HARDWARE	82,993	
11	F/A COMPUTER SOFTWARE	68,814	
12	F/A ASSETS BOATS	1,405,393	2/
13	TOTAL FIXED ASSETS	2,685,812	
	ACCUMULATED DEPRECIATION		
14	ACC DEPR AUTOS	777,217	
15	ACC DEPR MACHINERY & EQUIP	214,679	
16	ACC DEPR COMPUTER HARDWARE	55,889	
17	ACC DEPR COMPUTER SOFTWARE	57,825	
18	ACC DEPR BOATS	1,405,393	3/
19	TOTAL ACCUMULATED DEPRECIATION	2,511,003	
20	TOTAL ASSETS	831,544	
	LIABILITIES		
	ACCOUNTS PAYABLE		
21	ACCOUNTS PAYABLE	17,928	
22	A/P INTERCO LIMITED	7,565,357	
23	TOTAL ACCOUNTS PAYABLE	7,583,285	
27	TOTAL ACCRUED EXPENSES	44,053	
33	OTHER LIABILITIES	14,032	
34	TOTAL LIABILITIES	7,641,370	
	EQUITY		
35	CAPITAL STOCK	1,000	
36	RETAINED EARNINGS PRIOR YEAR	(5,141,468)	
37	RETAINED EARNINGS CURRENT YEAR	(1,869,358)	
38	TOTAL EQUITY	(6,809,826)	
39	TOTAL LIABILITIES & EQUITY	831,544	

NOTES:

1/ Balance Sheet per book, tax basis and without adjustments from:
Mayfield Exhibit 1, Schedule 3

2/ Does not include the ferries, Patriot and Ranger, capital lease assets
Per book the ferry lease is an operating lease

3/ Does not include the Accumulated Depreciation for Patriot and Ranger capital lease assets
Per book the ferry lease is an operating lease

BHI TRANSPORTATION
Docket A-41, Sub 7
ADJUSTMENT TO FUEL SURCHARGE REVENUE

Mayfield Exhibit 1
Schedule 3-1

Line No.	Description (a)	Amount (b)
1	Amount per Books	291,648
2	Reverse 2009 Fuel Surcharge Revenue	(291,648)
3	updated 1st qtr 2010, Fuel Surcharge over collection:	4,577 1/
4	Amortize Fuel Surcharge Overcollection 3 Years	1,526
5	Total Adjustment to Fuel Surcharge Revenue	(290,122) 2/ (L2 + L5)

Notes:

1/ From the Quarterly Fuel Surcharge Tracking Report

2/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 2

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO PAYROLL EXPENSE

Mayfield Exhibit 1
Schedule 3-2

Line No.	Description (a)	Amount (b)
1	Salaries & Wages June 2009 - February 2010	1,190,226
2	Estimated Salaries & Wages March 1, 2010 - May 31, 2010	432,258
3	Total Revised Salaries & Wages	1,622,484
4	2009 Actual Salaries & Wages	1,569,836
5	Total Adjustment Salaries & Wages	52,648 1/ (L3 - L4)
6	Payroll Taxes June 2009 - February 2010	107,273
7	Estimated Payroll Taxes March 1, 2010 - May 31, 2010	40,196
8	Total Revised Payroll Taxes	147,469
9	2009 Actual Payroll Taxes	142,329
10	Total Adjustment Payroll Taxes	5,140 2/ (L8 - L9)

Notes:

1/ Mayfield Exhibit 1, Schedule 3, Column (b), line 7

2/ Mayfield Exhibit 1, Schedule 3, Column (b), line 74

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO INSURANCE EXPENSE

Mayfield Exhibit 1
Schedule 3-3

Line No.	Description (a)	Amount (b)	Policy # (c)	Date Range (d)	Description (e)
1	General Liability Policy	15,032	1/ #RGE4000096	6/1/09 - 6/1/10	Allocated
2	Property Insurance	0	1/		No allocation. Paid by leaseholder, Limited
3	Environmental Site Liability/Contractors Pollution	244	#3731-0153, 0154	6/1/08 - 6/1/11	Allocated> pollution on land
4	Crime & Fiduciary (includes Employment Practices)	2,978	1/ #104951937	6/1/07 - 6/1/10	Allocated> employee theft.
5	Inland Marine Cargo & Equip	4,113	22MSTB4667	6/1/09 - 6/1/10	Allocated> computers, carts, trams, trailers, copiers
6	Auto	11,705	#RAD4000097	6/1/09 - 6/1/10	Allocated
7	GL Umbrella	13,285	1/ XOOG234898209	6/1/09 - 6/1/10	Allocated
8	RHA fees (assoc w/ GL, Auto, Umb)	275	1/		
9	Marine Insurance (See below)				multiple policies
10	Property & Indemnity	22,158	#22OMTB5375 & #22OMTB5376	6/1/09 - 6/1/10	Allocated.
11	Hull and Machinery	32,160	1/ #22OMTB5375 & #22OMTB5376	6/1/09 - 6/1/10	Allocated> Boat hulls and boat machinery.
12	Excess Property & Indemnity	27,971	OXL92001790 & 49739	6/1/09 - 6/1/10	Allocated.
13	Flood Insurance	0	FLD1288456	2/28/10 - 2/28/11	Tenant does not pay flood insurance
14	Pollution Insurance	3,481	WQIS4225445	6/1/09 - 6/1/10	Allocated> pollution on water
15	Total Current Insurance Policies	133,403	1/		
16	Amount per books	125,458			
17	Total Adjustment to Insurance Expense	7,945	2/		
		(L15- L16)			

Notes:

1/ Based on current (2010) Insurance policies

2/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 10

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO WORKMANS' COMPENSATION INSURANCE

Mayfield Exhibit 1
Schedule 3-4

Line No.	Description	Amount	Policy #	Date Range
	(a)	(b)	(c)	(d)
1	Amount per Workman's Comp. policy	69,961 1/	WCJ-Z91-434091-048	6/1/09 - 6/1/10
2	Amount per books	<u>61,563</u>		
3	Total Adjustment to Workman's Comp Exp (L1 - L2)	<u>8,399</u> 2/ <u>(L1 - L2)</u>		

Captain and crew are covered under P&I policy, which is expensed under general insurance. The WC policy covers all other Transportation employees.

Notes:

1/ Based on current Workman's Compensation Insurance policy

2/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 11

I/A

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO GROUP INSURANCE EXPENSE

Mayfield Exhibit 1
Schedule 3-5

<u>Line No.</u>	<u>Description (a)</u>	<u>Amount (b)</u>	
1	Amount per Group Health policy	184,331	1/
2	Amount per books	<u>186,113</u>	
3	Total Adjustment to Group Health Exp	<u>(1,782)</u>	2/
		(L1 - L2)	

Notes:

1/ Based on current Group Health insurance policy

2/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 12

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO INTERNATIONAL STAFF EXPENSE

Mayfield Exhibit 1
Schedule 3-6

<u>Line No.</u>	<u>Description (a)</u>	<u>Amount (b)</u>
1	Transportation has eliminated International staff, 2010 expense	0
2	Amount per 2009 Books (Dept 275 and 290)	3,378
3	Adjustment to International Staff Expense International Staff not budgeted for 2010	<u>(3,378) 1/</u>

Notes:

1/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 16

I/A

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENTS TO OPERATING EXPENSES & DEEP POINT ALLOCATION

Mayfield Exhibit 1
Schedule 3-7

Line No.	Description	Post Close Actuals June-Dec 09 (e)	Post Close Actuals Jan-Feb 10 (b)	Projected March-May 10 (c)	Revised Allocated Operating Cost (d)	Revised Allocated Operating Cost (e)	Total Revised Operating Cost (f)	Per Books @12/31/09 (g)	Net Adjust. to 2009 (h)
Calc. 1									
A. Deep Point Allocated Operating Cost									
1	Telephone, Telecom Network, Cable	5,475	974	2,150	8,599 1/				
2	Water, Sewer, Electric	33,991	14,913	16,301	65,205 1/				
3	Trash & Garbage	8,106	1,189	2,425	9,700 1/				
4	Supplies General/Supplies Cleaning	6,654	279	2,311	9,244 1/				
5	R&M Buildings/R&M Fire & Water System	6,378	501	2,293	9,172 1/				
6	R&M Machinery & Equip.	108	0	35	141 1/				
7	R&M Landscaping & Grounds	6,565	986	2,517	10,068 1/				
8	Postage	76	0	25	101 1/				
9	Other Miscellaneous	1,062	40	367	1,469 1/				
10	Security Exp	24,220	3,284	9,168	36,672 1/				
11	Interco Facility Maintenance	61,894	17,426	26,440	105,760 1/				
12	Interco Housekeeping Fees	27,392	10,710	12,701	50,803 1/				
13	Deep Point Expense Allocation	(179,919)	(50,282)	(78,734)	(308,935) 1/				
		0	0	0	0				
Sch 3-7, col. (e)									

Line No.	Description	Post Close Actuals June-Dec 09	Post Close Actuals Jan-Feb 10	Projected March-May 10	Revised Direct Operating Cost	Revised Allocated Operating Cost 1/	Total Revised Operating Cost	Per Books @12/31/09	Net Adjust. to 2009
Calc. 2									
B. Direct Operating Cost									
14	Telephone, Telecom Network, Cable	8,118	2,312	3,810	15,241	8,599 1/	23,839	15,947	7,892 2/
15	Water, Sewer, Electric	2,801	554	1,118	4,473	65,205 1/	69,679	10,452	59,227 3/
16	Trash & Garbage	2,814	493	1,035	4,142	9,700 1/	13,842	5,642	8,200 4/
17	Supplies General & Supplies Cleaning	13,792	1,264	5,025	20,101	9,244 1/	29,345	18,270	11,075 5/
18	R&M Buildings/R&M Fire & Water System	2,062	1,053	1,038	4,153	9,172 1/	13,325	2,507	10,818 6/
19	R&M Machinery & Equip.	152	81	78	311	141 1/	452	169	283 7/
20	R&M Landscaping & Grounds	1,894	0	565	2,258	10,068 1/	12,326	3,034	9,292 8/
21	Postage	800	124	308	1,232	101 1/	1,333	1,365	(32) 9/
22	Other Miscellaneous	245	0	82	326	1,469 1/	1,796	245	1,551 10/
23	Security	1,165	0	368	1,553	36,672 1/	38,225	28,723	9,502 11/
24	Interco Facility Maintenance	1,314	0	438	1,752	105,760 1/	107,512	4,729	102,783 12/
25	Interco Housekeeping Fees	0	0	0	0	50,803 1/	50,803	0	50,803 13/
26	Deep Point Expense Allocation	179,919	50,282	78,734	308,935	(308,935) 1/	0	179,919	(179,919) 14/
		215,875	58,183	90,619	362,477	0 1/	362,477	271,002	91,475

Notes:

- 1/ From the revised Deep Point Allocation Schedule
2/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 18
3/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 20
4/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 22
5/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 25
6/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 29
7/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 31
8/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 32
9/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 38
10/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 46
11/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 50
12/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 56
13/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 57
14/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 21

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO FUEL EXPENSE

Mayfield Exhibit 1
Schedule 3-8

Line No.	Description	Time Frame	# Gallons Projected- w/ Current Data	Price Per Gallon	NEW PROJECTION
	(a)	(b)	(c)	(d)	(e)
1	#275 Diesel Fuel	1/1/10-12/31/10	Projected-2010	246,524	\$ 2.60 1/ \$640,961
2	#290 Diesel Fuel	1/1/09 - 12/31/09	Current Actual	2,795	\$ 3.49 2/ \$9,766
3	#290 Gas Island Fuel	1/1/09 - 12/31/09	Current Actual	7,113	\$ 3.65 3/ \$25,968
4	#275 Gas Marine Maintenance	1/1/09 - 12/31/09	Current Actual	4,037	\$ 2.56 4/ \$10,355
5	Adjusted Cost for Fuel (Line 1 + Line 2+ Line 3+Line 4)				\$687,051
6	Amount per books				\$ 547,918
7	Adjustment for Fuel Expense (Line 5 - Line 6-Line 7)				\$ 139,133

Notes:

- 1/ Gallons and average 12 month Fuel Projection Price from worksheet "Adjusted Fuel Consumption Profile for 2010"
 2/ Gallons from Actual Fuel Data from 1/1/09-12/31/09 from Transportation Manager. Fuel price per gallon based on average 1/1/09-12/31/09 activity below.
 3/ Gallons from Actual Fuel Data from 1/1/09-12/31/09 from Transportation Manager. Fuel price per gallon based on 1/1/09-12/31/09 activity below.
 4/ Gallons from Actual Fuel Data from 1/1/09-12/31/09. Fuel price per gallon based 1/1/09-12/31/09 #6210-08-275 BP card activity below.
 5/ To Mayfield Exhibit I, Schedule 3, Column (b), Line 26

NEW PROJECTION

Diesel Fuel #6210-08-290 Island Fuel Buses Jan. 2009-Dec.2009		
\$	829	Jan-09
\$	752	Feb-09
\$	787	Mar-09
\$	744	Apr-09
\$	751	May-09
\$	838	Jun-09
\$	1,144	Jul-09
\$	1,040	Aug-09
\$	971	Sep-09
\$	723	Oct-09
\$	530	Nov-09
\$	658	Dec-09
\$	9,766	

2,795	Total Bus gallons
3.49	Average price per gallon

NEW PROJECTION

Gas Fuel #6210-08-290 Island Fuel - Trams Jan. 2009-Dec.2009		
\$	1,517	Jan-09
\$	1,239	Feb-09
\$	1,791	Mar-09
\$	2,009	Apr-09
\$	2,237	May-09
\$	3,040	Jun-09
\$	3,144	Jul-09
\$	3,067	Aug-09
\$	2,309	Sep-09
\$	2,085	Oct-09
\$	2,079	Nov-09
\$	1,451	Dec-09
\$	25,968	

7,113	Total Tram gallons
3.65	Average price per gallon

NEW PROJECTION

BP Gas Card #6210-08-275 Marine Maintenance Jan. 2009-Dec.2009		
\$	605	Jan-09
\$	644	Feb-09
\$	559	Mar-09
\$	822	Apr-09
\$	934	May-09
\$	1,151	Jun-09
\$	993	Jul-09
\$	1,054	Aug-09
\$	1,002	Sep-09
\$	758	Oct-09
\$	841	Nov-09
\$	991	Dec-09
\$	10,355	

4,037	Total Marine Maintenance gallons
2.56	Average price per gallon

BHI TRANSPORTATION
Docket No. A-41, Sub 7
CALCULATION OF FUEL GALLONS

Mayfield Exhibit 1
Schedule 3-8 (a)

ADJUSTED FUEL CONSUMPTION PROFILE for 2010

Ferries

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
Sans Souci	2,675	2,940	3,150	2,490	3,800	3,185	1,850	5,025	1,175	3,450	1,350	2,435	33,525	1/
Adventure	3,575	1,800	2,450	2,300	3,200	2,700	3,050	8,201	3,160	1,700	2,225	1,850	36,211	1/
Patriot	7,896	5,155	9,555	8,271	8,091	7,170	10,025	2,862	7,621	6,010	7,435	4,965	85,076	2/
Ranger	2,025	5,440	2,300	8,807	7,478	11,500	10,261	8,525	10,645	10,481	7,625	6,625	91,712	2/
Total	16,171	15,335	17,455	21,868	22,569	24,555	25,186	24,633	22,601	21,641	18,635	15,875	246,524	

BHIT Diesel Fuel Other - Buses

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals	
2006	monthly data not available												3,014	
2007	245	225	198	227	284	298	244	267	281	282	208	236	2,974	
2008	269	275	274	292	313	279	321	287	283	255	146	230	3,223	
2009	175	217	227	215	253	242	331	301	282	209	153	190	2,795	1/
Totals	688	718	699	734	850	820	896	855	826	748	505	656	12,006	

BHIT #290 Island Fuel Gas - Trams

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals	
2006	monthly data not available												6,254	
2007	471	467	489	552	689	854	965	706	631	520	527	256	7,126	
2008	401	309	549	527	751	767	806	844	543	529	510	333	6,869	
2009	440	292	476	580	733	780	884	795	626	560	542	405	7,113	1/
Totals	1,313	1,068	1,514	1,659	2,173	2,401	2,655	2,345	1,800	1,809	1,579	994	27,361	

BHIT #276 Gas Marine Maintenance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals	
2006	255	332	299	245	296	348	363	417	344	341	231	336	3,807	
2007	257	396	268	446	312	418	372	388	320	452	360	306	4,295	
2008	366	344	366	409	374	386	523	445	470	340	266	331	4,642	
2009	305	313	322	356	428	315	391	423	291	257	274	362	4,037	1/
Totals	1,185	1,385	1,275	1,456	1,412	1,465	1,649	1,673	1,425	1,390	1,131	1,335	16,781	

Notes:

1/ Historical fuel consumption, usage is not expected to materially change

2/ Updated fuel consumption, using actuals for June 2009 - March 2010 and an estimate for April 2010 and May 2010

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO REPAIR & MAINTENANCE EXPENSE

Mayfield Exhibit 1
Schedule 3-9

Line No		2006	2007	2008	2009	Average	Amount in Test Year	Variance	1/
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1	R&M Carts & Vehicles	44,683	37,020	20,740	26,327	32,193	26,327	5,865	2/
2	R&M Docks & Piers	22,296	13,280	15,736	10,131	15,361	10,131	5,230	3/
3	R&M Ferrys	185,808	194,911	158,533	153,788	173,260	153,788	19,472	4/
4	Dredging	77,100	44,107	75,173	95,008	72,847	95,008	(22,161)	5/
		329,887	289,318	270,182	285,254	293,660	285,254	8,406	

R&M Buildings	See Schedule 3-7 Operating Costs to include estimates for the Deep Point Facility
R&M Machinery & Equipment	See Schedule 3-7 Operating Costs to include estimates for the Deep Point Facility
R&M Landscaping & Grounds	See Schedule 3-7 Operating Costs to include estimates for the Deep Point Facility

Notes:

- 1/ Adjustment calculation based on the comparison of a 4 year average compared to the test year
 2/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 30
 3/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 33
 4/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 34
 5/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 51
 6/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 69

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO RATE CASE EXPENSE

Mayfield Exhibit 1
Schedule 3-10

Line No.	Description (a)	Amount (b)	
1	Filing Fee	500	1/
2	Attorney Fee	65,000	1/
3	Professional Assistance	3,000	1/
4	Postage & Office Supplies	500	1/
5	Newspaper Ads	3,000	1/
6	Other Costs	1/	
7	In-house labor	0	2/
8	Total Estimated Rate Case Exp. (Sum of Lines 1-6)	72,000	
9	Amortization Period (Years)	3	
10	Annual level of Rate Case Exp. (Line 7 / Line 8)	24,000	
11	Amount per Books	0	
12	Adjustment for Rate Case Expense (L9 - L10)	24,000	3/

Notes:

1/ Estimates based on information from consultant and legal

2/ No additional in-house labor was estimated

3/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 53

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO MANAGEMENT FEE

Mayfield Exhibit 1
Schedule 3-11

<u>Line No.</u>	<u>Description (a)</u>	<u>Amount (b)</u>
1	Current Management Fee	6,441 1/
2	Number of Months	<u>12</u>
3	Annual level of Management Fee (Line 1 x Line 2)	77,292
4	Amount per Books	<u>84,353</u>
5	Adjustment for Management Fee (Line 3 - Line 4)	<u>(7,061) 2/</u>

Notes:

1/ Management fee calculation worksheet - internal document

2/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 55

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO FACILITIES LEASE

Mayfield Exhibit 1
Schedule 3-12

Line No.	Description (a)	Amount (b)	
1	Updated Lease amount for Island and DP terminals	1,302,256	1/
	Include Property tax in the lease - property tax est.		
2	Estimated property taxes - DP	13,182	
3	Estimated property taxes - BHI	15,512	
4	Revised Facilities Lease	<u>1,330,950</u>	1/
5	Amount per Books (Dept 275 and 290)	<u>(1,006,926)</u>	
6	Adjustment to Facilities Lease	<u><u>324,024</u></u>	2/

Notes:

1/ Allocation model, Mortgage Assumptions, Scenario 2

2/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 59

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO PATRIOT & RANGER LEASE

Mayfield Exhibit 1
Schedule 3-13

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1	2010 Operating lease expense	0
2	Operating lease per books	330,102
3	Removal of Operating Lease record the capital lease	<u>(330,102)</u> 1/

Notes:

1/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 60

BHI TRANSPORTATION
Docket No. A-41, Sub 7
MARINA MAINTENANCE RESERVE PROJECTS

Mayfield Exhibit 1
Schedule 3-14

Line No	(a)	Amount (b)																														
	Marina Maintenance Reserve Projects																															
1	2010 estimated reserve projects dredging Bald Head Island Marina - Transportation's portion	125,000																														
2	Estimated dredging of the Deep Point Marina - Transportation's portion	111,889																														
3	Future estimated Marina Maintenance Reserve Projects	<u>236,889</u>																														
4	Estimated life of the reserve dredging project in years	5																														
5	amortized over an estimated 5 year life for the reserve dredging project	<u>47,378</u>																														
6	2009 Marina Maintenance Reserve Projects	0																														
7	adjustment to the Reserve Project expense	<u>47,378</u> 1/																														
8	Deep Point estimated Dredge cost allocation	250,000																														
	<table><tr><td></td><td>Basin</td><td>%</td><td>Basis</td><td>Transportation %</td></tr><tr><td>9</td><td>Area B, 100% Transportation</td><td>95,916</td><td>100% Sq. Ft</td><td>95,916</td></tr><tr><td>10</td><td>Area C, 70% Transportation</td><td>42,594</td><td>70% Sq. Ft</td><td>29,816</td></tr><tr><td>11</td><td>Area D, 60% Transportation</td><td>50,138</td><td>60% Sq. Ft</td><td>30,083</td></tr><tr><td>12</td><td>Area E, 0% Transportation</td><td>159,499</td><td>0% Sq. Ft</td><td>0</td></tr><tr><td>13</td><td>Total</td><td><u>348,147</u></td><td></td><td><u>155,815</u></td></tr></table>		Basin	%	Basis	Transportation %	9	Area B, 100% Transportation	95,916	100% Sq. Ft	95,916	10	Area C, 70% Transportation	42,594	70% Sq. Ft	29,816	11	Area D, 60% Transportation	50,138	60% Sq. Ft	30,083	12	Area E, 0% Transportation	159,499	0% Sq. Ft	0	13	Total	<u>348,147</u>		<u>155,815</u>	
	Basin	%	Basis	Transportation %																												
9	Area B, 100% Transportation	95,916	100% Sq. Ft	95,916																												
10	Area C, 70% Transportation	42,594	70% Sq. Ft	29,816																												
11	Area D, 60% Transportation	50,138	60% Sq. Ft	30,083																												
12	Area E, 0% Transportation	159,499	0% Sq. Ft	0																												
13	Total	<u>348,147</u>		<u>155,815</u>																												
14	Transportation %	44.76%																														
15	Transportation share of a Major dredge at Deep Point	<u>111,889</u>																														

Notes:

1/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 69

Transportation contributes to a Marina reserve fund to cover expected future R&M for the Marina. The reserve payments are made to cover future bulkhead replacements and major dredging of the Marinas every 5 years. Reserve payments are held in trust and reported on the Balance Sheet as restricted funds.

In 2010, the Bald Head Island Marina is scheduled to be dredged at an estimated cost of \$250,000 with the Transportation share being \$125,000. Given the increased traffic in the Deep Point Marina, it is expected that the Deep Point Marina will need to be dredged in the next 5 years. Bulkhead replacement and dock replacement are estimated to have a 25 year life. An estimated cost for two major dredge jobs is expected to cost Transportation \$236,889 and the cost is amortized over 5 years.

BHI TRANSPORTATION
Docket No. A-41, Sub 7
ADJUSTMENT TO PROPERTY TAX EXPENSE

Mayfield Exhibit 1
Schedule 3-15

Line No.	(a)	INDIGO (b)	BHI (c)	DEEP POINT (d)	TOTALS (e)
1	AMOUNT PER BOOKS @ 12/31/09: #6605/#8126				\$ 34,549.37
	2009 ACTUAL PROPERTY TAX TO REVERSE OUT:				
	<u>BHI CLUB OWNED PARCELS</u>				
2	.09 AC INDIGO PLANTATION 1' STRIP (1/2 bill per lease) City of Southport	\$ 344.69			
3	.09 AC INDIGO PLANTATION 1' STRIP (1/2 bill per lease) Brunswick Co	\$ 727.15			
	<u>LTD OWNED PARCELS</u>				
	<u>INDIGO AREA</u>				
4	TR-P/O E 15.48 AC Indigo Plant S/5 Part Land Brunswick Co & City SP	\$ 384.28			
5	Indigo ferry landing, Parking Lot A and part of Lot B Part Bldg Brunswick Co & City SP	\$ 295.11			
	(Note: This was only the portion that was booked to #275, the rest hit Ltd)				
	<u>DEEP POINT AREA (In lease now)</u>				
6	76.39 Acres Plant 20/414 SR-1540 DB1083-0879 Part Land			\$ 633.17	
	(Note: This was only the portion that was booked to #275, the rest hit Ltd)				
	<u>BHI FERRY LANDING AREA & BLDG. (In lease now)</u>				
7	TR-2 1.03 AC Plat 21/500 DB0244-0255 (5 months) 2 Marina Wynd Brunswick Co & Village	\$ 6,463.18			
8	AMOUNTS TO REVERSE:				
9	Reverse Indigo Area	\$ 1,751.23	\$ 6,463.18	\$ 633.17	
10	Reverse BHI Ferry Landing (included in lease)	\$ (1,751.23)			\$ (1,751.23)
11	Reverse DP Ferry Landing (included in lease)		\$ (6,463.18)		\$ (6,463.18)
12				\$ (633.17)	\$ (633.17)
	TOTAL PROPERTY TAX ADJUSTMENT:				<u>\$ (8,847.58) 1/</u>
13	PROPERTY TAX EXPENSE REMAINING:			Balance Remaining:	<u>\$ 25,701.79</u>
	<u>DETAIL PROPERTY TAX EXPENSE REMAINING:</u>				
14	PERSONAL PROPERTY-#275				\$ 3,125.59
15	PERSONAL PROPERTY- #290				\$ 3,285.95
16	VEHICLE TAX-#275				\$ 360.31
17	VEHICLE TAX-#290				\$ 935.78
18	1 FT - BHI marina (BHI Club lease)-#275				\$ 2,521.12
19	TENANT'S PROPERTY TAX-/C With Patriot, LLC				\$ 15,473.04
				Balance Remaining:	<u>\$ 25,701.79</u>

Notes:

1/ To Mayfield Exhibit 1, Schedule 3, Column (b), line 73

BHI TRANSPORTATION
Docket No. A-41, Sub 7
CALCULATION OF INCOME TAXES

Mayfield Exhibit 1
Schedule 3-16

Line No.	Description	Per Books (a)	After Accounting & Pro Forma Adjustments (b)	After Proposed Increase (c)							
1	Operating Revenues	\$3,758,822	\$3,468,700	\$6,236,248							
2	Operating Revenue Deductions:										
3	Operating, Controllable and InterCo expense	4,957,853	5,318,938	5,318,938	Schedule 3						
4	Depreciation expense	106,541	282,977	282,977	Schedule 3						
5	Property taxes	34,549	25,702	25,702	Schedule 3						
6	Payroll taxes	142,329	147,469	147,469	Schedule 3						
7	Regulatory fee	4,392	4,043	7,365	Schedule 3						
8	Interest Expense	191,848	157,343	157,343	Schedule 1						
9	Total Deductions (Sum of Lines 3 - 8)	5,437,512	5,936,471	5,939,793							
10	Taxable Income (Line 1 - Line 9)	(1,678,690)	(2,467,771)	296,455							
11	Less: State Income Tax @ 6.9%	651 1/	0 2/	20,455 3/	state calculation						
	Federal taxable income	0	0	276,000							
12	Less: Federal Income Tax:										
13	First \$50,000 @ 15%	50,000 15%	0	7,500	<table><tr><td>Tax Calc</td></tr><tr><td>7,500</td></tr><tr><td>6,250</td></tr><tr><td>8,500</td></tr><tr><td>68,640</td></tr><tr><td>0</td></tr></table>	Tax Calc	7,500	6,250	8,500	68,640	0
Tax Calc											
7,500											
6,250											
8,500											
68,640											
0											
14	Next \$25,000 @ 25%	25,000 25%	0	6,250							
15	Next \$25,000 @ 34%	25,000 34%	0	8,500							
16	Next \$235,000 @ 39%	235,000 39%	0	68,640							
17	Over \$335,000 @ 34%	335,000 34%	0	0							
18	Total Federal Income Taxes (Sum of Lines 13 - 17)	0 4/	0 5/	90,890 6/							
19	Net Amount (Line 10 - Line 11 - Line 18)	(1,679,341)	(2,467,771)	185,110	Net income less state and federal taxes						
20	Add: Interest Expense	191,848	157,343	157,343							
21	Net Income for Return (Line 19 + Line 20)	(\$1,487,493)	(\$2,310,428)	\$342,453							

Notes:

- 1/ Mayfield Exhibit 1, Schedule 3, Column (a), line 76
2/ Mayfield Exhibit 1, Schedule 3, Column (c), line 76
3/ Mayfield Exhibit 1, Schedule 3, Column (d), line 76
4/ Mayfield Exhibit 1, Schedule 3, Column (a), line 77
5/ Mayfield Exhibit 1, Schedule 3, Column (c), line 77
6/ Mayfield Exhibit 1, Schedule 3, Column (d), line 77

KWO CROSS-EXAMINATION EXHIBIT 1
A-41, SUB 21

I/A

Mayfield Exhibit 2

Oct 25 2022

OFFICIAL COPY

I/A

Mayfield Exhibit 2
Schedule 1

BHI TRANSPORTATION
Docket No. A-41, Sub 7
MATERIALS AND SUPPLIES

Not Applicable - BHI Transportation is not proposing to include materials and supplies inventory as a component of rate base.

I/A

BHI TRANSPORTATION
Docket No. A-41, Sub 7
STATEMENT OF NET OPERATING INCOME AND RATE OF RETURN
For the Test Year Ended December 31, 2009

Line No.	Per Books (a)	1/ Accounting & Pro Forma Adjustments 2/ (b)	After Adjustments 3/ (c)	Proposed Increase 4/ (d)	After Adjustments 5/ (e)
<u>Net Operating Income for Return:</u>					
1 Operating Revenues	\$3,758,822	(\$290,122)	\$3,468,700	\$2,767,548	\$6,236,248
2 Operation & Maintenance Expenses	4,957,853	361,085	5,318,938		5,318,938
3 Depreciation & Amortization Expense	106,541	176,435	282,976		282,976
4 General Taxes	176,878	(3,708)	173,170		173,170
5 Regulatory Fee	4,392	(349)	4,043	3,322	7,365
6 Income Taxes	651	(651)	-	111,345	111,345
7 Total Operating Revenue Deductions	5,246,315	532,812	5,779,127	114,667	5,893,794
8 Net Operating Income for Return	(\$1,487,493)	(\$822,934)	(\$2,310,427)	\$2,652,881	\$342,454
<u>Original Cost Rate Base:</u>					
9 Plant in Service	\$6,020,592	6/	\$6,020,592		\$6,020,592
10 Accumulated Depreciation	(2,085,249)		(2,085,249)		(2,085,249)
11 Net Plant in Service	3,935,343	-	3,935,343	-	3,935,343
12 Cash Working Capital	619,732	45,136 7/	664,868		664,868
13 Deferred Tax Benefit	-	(860,584) 8/	(860,584)		(860,584)
14 Average Tax Accruals	(40,996)	3,567 9/	(37,429)		(37,429)
15 Total Original Cost Rate Base	\$4,514,079	(\$811,881)	\$3,702,198	\$0	\$3,702,198
Rate of Return on Rate Base	-32.95%		-62.41%		9.25%

Notes:

- 1/ Mayfield Exhibit 1, Schedule 3, Column (a)
2/ Mayfield Exhibit 1, Schedule 3, Column (b)
3/ Column (a) + Column (b)
4/ Mayfield Exhibit 1, Schedule 3, Column (d)
5/ Column (c) + Column (e)
6/ Mayfield Exhibit 1, Schedule 2, Column (a)
7/ Mayfield Exhibit 1, Schedule 2, Column (b), line 5
8/ Mayfield Exhibit 1, Schedule 2, Column (b), line 6
9/ Mayfield Exhibit 1, Schedule 2, Column (b), line 7

I/A

BHI TRANSPORTATION
 Docket No. A-41, Sub 7
 PLANT IN SERVICE, ACCUMULATED DEPRECIATION
 & DEPRECIATION EXPENSE

Mayfield Exhibit 1
 Schedule 2-1

Yr End:
 12/31/2009

Date Disposed	Dept	Deprec Solutions Asset#	Line No.	Description (a)	Date in Service (b)	Cost (c)	Service Life (d)	Annual Depreciation (e)	Accumulated Depreciation 12/31/09 (f)	Net Book Value (g)	Net Tax Value (h)	Book Less Tax Value (i)	Deferred Taxes @ 38.55% (j)	3/ 4/
	275	214	1	2004 Ford F250 Truck	11/15/04	23,112.35	12.0	1,926.03	9,951.15	13,161.20		13,161.20	5,074	
	275	229	2	Truck - Ford F-250 Pickup	2/20/06	25,510.59	12.0	2,125.88	8,149.21	17,361.38	4,408.23	12,953.15	4,993	
	275	230	3	Truck - Ford F-250 Pickup	2/15/06	25,510.59	12.0	2,125.88	8,149.21	17,361.38	4,408.23	12,953.15	4,993	
Subtotal Dept 275 Vehicles						74,133.53		8,177.79	26,249.57	47,883.96	8,816.46	39,067.50	15,060.52	
	275	5	4	Aluminum Dolly - 1	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	6	5	Aluminum Dolly - 2	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	7	6	Aluminum Dolly - 3	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	8	7	Aluminum Dolly - 4	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	9	8	Aluminum Dolly - 5	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	10	9	Aluminum Dolly - 6	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	11	10	Aluminum Dolly - 7	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	12	11	Aluminum Dolly - 8	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	13	12	Aluminum Dolly - 9	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	14	13	Aluminum Dolly - 10	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	15	14	Aluminum Dolly - 11	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	16	15	Aluminum Dolly - 12	7/1/89	1,300.00	18.0	0.00	1,300.00	0.00	0	0.00	0	
	275	20	16	Aluminum Dolly - 13	11/8/90	1,589.17	18.0	0.00	1,589.17	0.00	0	0.00	0	
	275	21	17	Aluminum Dolly - 14	11/8/90	1,589.17	18.0	0.00	1,589.17	0.00	0	0.00	0	
	275	22	18	Aluminum Dolly - 15	11/8/90	1,589.17	18.0	0.00	1,589.17	0.00	0	0.00	0	
	275	23	19	Aluminum Dolly - 16	11/8/90	1,589.17	18.0	0.00	1,589.17	0.00	0	0.00	0	
	275	24	20	Aluminum Dolly - 17	11/8/90	1,589.17	18.0	0.00	1,589.17	0.00	0	0.00	0	
	275	25	21	Aluminum Dolly - 18	11/8/90	1,589.15	18.0	0.00	1,589.15	0.00	0	0.00	0	
	275	28	22	Aluminum Dolly - 19	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	29	23	Aluminum Dolly - 20	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	30	24	Aluminum Dolly - 21	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	31	25	Aluminum Dolly - 22	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	32	26	Aluminum Dolly - 23	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	33	27	Aluminum Dolly - 24	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	34	28	Aluminum Dolly - 25	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	35	29	Aluminum Dolly - 26	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	36	30	Aluminum Dolly - 27	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	37	31	Aluminum Dolly - 28	7/1/91	1,287.00	18.0	0.00	1,287.00	0.00	0	0.00	0	
	275	38	32	Base Station WHF Radio	7/1/91	923.00	5.0	0.00	923.00	0.00	0	0.00	0	
	275	43	33	Sans Sound Boost Speakers	4/2/93	1,019.00	5.0	0.00	1,019.00	0.00	0	0.00	0	
	275	46	34	Luggage Dolly-29	2/25/94	1,033.40	18.0	57.41	906.99	124.41	0	124.41	48	
	275	47	35	Luggage Dolly-30	2/25/94	1,033.40	18.0	57.41	906.99	124.41	0	124.41	48	
	275	48	36	Luggage Dolly-31	2/25/94	1,033.40	18.0	57.41	906.99	124.41	0	124.41	48	
	275	49	37	Luggage Dolly-32	2/25/94	1,033.40	18.0	57.41	906.99	124.41	0	124.41	48	
	275	50	38	Luggage Dolly-33	2/25/94	1,033.40	18.0	57.41	906.99	124.41	0	124.41	48	
	275	56	39	Sans Sound Radio	4/2/94	4,218.00	5.0	0.00	4,218.00	0.00	0	0.00	0	
	275	78	40	Waste Oil 500 Gallon Drum	9/1/98	800.00	18.0	40.00	533.33	66.67	0	66.67	26	
	275	83	41	Aluminum Dolly-34	7/1/97	1,585.95	18.0	87.00	1,087.50	478.45	0	478.45	184	
	275	84	42	Aluminum Dolly-35	7/1/97	1,585.95	18.0	87.00	1,087.50	478.45	0	478.45	184	
	275	85	43	Aluminum Dolly-36	7/1/97	1,585.95	18.0	87.00	1,087.50	478.45	0	478.45	184	
	275	86	44	Aluminum Dolly-37	7/1/97	1,585.95	18.0	87.00	1,087.50	478.45	0	478.45	184	
	275	87	45	Aluminum Dolly-38	7/1/97	1,585.95	18.0	87.00	1,087.50	478.45	0	478.45	184	
	275	90	46	Marine Maintenance Tool	7/1/97	656.34	7.0	0.00	656.34	0.00	0	0.00	0	
	275	96	47	Specialty Tools	7/1/97	578.82	7.0	0.00	578.82	0.00	0	0.00	0	
	275	98	48	Waste Oil Collection Equipment	7/1/97	1,397.00	15.0	102.47	1,280.67	256.13	0	256.13	99	
	275	99	49	Waste Oil Collection Equipment	7/1/97	7,213.98	20.0	360.68	4,506.50	2,705.08	0	2,705.08	1,043	
	275	100	50	Adventure Radar	7/1/97	8,119.48	15.0	407.98	5,099.50	1,019.98	0	1,019.98	383	
	275	101	51	Sans Sound Radio	7/1/97	6,140.34	5.0	0.00	6,140.34	0.00	0	0.00	0	
	275	114	52	WHF Mobile Radio T-23	7/13/99	564.36	5.0	0.00	564.36	0.00	0	0.00	0	
	275	115	53	WHF Mobile Radio T-6	7/13/99	564.36	5.0	0.00	564.36	0.00	0	0.00	0	
	275	116	54	WHF Mobile Radio T-22	7/13/99	564.36	5.0	0.00	564.36	0.00	0	0.00	0	
	275	118	55	SKW Devilbiss Generator	8/28/99	592.54	5.0	0.00	592.54	0.00	0	0.00	0	
	275	120	56	Aluminum Dolly-39	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293	
	275	121	57	Aluminum Dolly-40	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293	
	275	122	58	Aluminum Dolly-41	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293	
	275	123	59	Aluminum Dolly-42	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293	
	275	124	60	Aluminum Dolly-43	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293	
	275	125	61	Aluminum Dolly-44	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293	
	275	126	62	Aluminum Dolly-45	12/8/99	1,727.59	18.0	95.98	967.80	759.79	0	759.79	293	

I/A

BHI TRANSPORTATION
Docket No. A-41, Sub 7
PLANT IN SERVICE, ACCUMULATED DEPRECIATION
& DEPRECIATION EXPENSE

Mayfield Exh 1
Schedule 2-1

Yr End:
12/31/2009

Date Disposed	Dept	Deprec Solutions Asset#	Line No	Description	Date in Service	Cost	Service Life	Annual Depreciation	Accumulated Depreciation 12/31/09	Net Book Value	Net Tax Value	Book Less Tax Value	Deferred Taxes @ 38.55%	3/	4/
				(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	275	127	63	Aluminum Dolly-46	12/8/99	1,727.58	18.0	95.98	967.80	759.78	0	759.78	293		
	275	128	64	Aluminum Dolly-47	12/8/99	1,727.58	18.0	95.98	967.80	759.78	0	759.78	293		
	275	129	65	Aluminum Dolly-48	12/8/99	1,727.58	18.0	95.98	967.80	759.78	0	759.78	293		
	275	130	66	Aluminum Dolly-49	12/8/99	1,727.58	18.0	95.98	967.80	759.78	0	759.78	293		
	275	131	67	Aluminum Dolly-50	12/8/99	1,727.58	18.0	95.98	967.80	759.78	0	759.78	293		
	275	132	68	Aluminum Dolly-51	12/8/99	1,727.58	18.0	95.98	967.80	759.78	0	759.78	293		
	275	133	69	Aluminum Dolly-52	12/8/99	1,727.58	18.0	95.98	967.80	759.78	0	759.78	293		
	275	134	70	Aluminum Dolly-53	12/8/99	1,727.58	18.0	95.98	967.80	759.78	0	759.78	293		
	275	135	71	Aluminum Dolly-54	12/8/99	1,727.58	18.0	95.98	967.80	759.78	0	759.78	293		
	275	143	72	VHF 8 CH Portable Radio	7/1/00	2,404.08	7.0	0.00	2,404.08	0.00	0	0.00	0		
	275	147	73	Engine Pull Stands	10/10/01	6,026.08	15.0	401.74	3,314.35	2,711.74	0	2,711.74	1,045		
	275	148	74	Model M20CL Marine Diesel	10/10/01	13,727.23	15.0	915.15	7,549.96	6,177.24	0	6,177.24	2,381		
	275	149	75	Garmin 2006C Chart Plotter	2/11/02	2,078.08	10.0	207.81	1,843.58	432.51	0	432.51	167		
	275	150	76	Garmin 2006C Chart Plotter	2/11/02	2,078.08	10.0	207.81	1,843.58	432.51	0	432.51	167		
	275	152	77	Furuno 1842 KII Radar	2/15/02	5,863.16	15.0	392.21	3,185.00	2,778.16	0	2,778.16	1,071		
	275	153	78	3500 Power Pressure Washer	3/31/02	1,808.00	10.0	180.80	1,401.98	407.02	0	407.02	157		
	275	156	79	Mauwell UC1200 Windless	5/14/02	2,062.29	15.0	138.82	1,084.29	1,018.00	0	1,018.00	392		
	275	163	80	Ferry Pump Station	5/30/02	3,894.49	15.0	248.30	1,867.77	1,826.72	0	1,826.72	704		
	275	175	81	Furuno 1842 KII Sonar	12/9/02	5,825.30	15.0	375.02	2,656.38	2,988.91	0	2,988.91	1,145		
	275	181	82	Aluminum Luggage Dolly-55	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	182	83	Aluminum Luggage Dolly-56	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	183	84	Aluminum Luggage Dolly-57	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	184	85	Aluminum Luggage Dolly-58	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	185	86	Aluminum Luggage Dolly-59	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	186	87	Aluminum Luggage Dolly-60	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	187	88	Aluminum Luggage Dolly-61	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	188	89	Aluminum Luggage Dolly-62	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	189	90	Aluminum Luggage Dolly-63	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	190	91	Aluminum Luggage Dolly-64	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	191	92	Aluminum Luggage Dolly-65	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	192	93	Aluminum Luggage Dolly-66	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	193	94	Aluminum Luggage Dolly-67	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	194	95	Aluminum Luggage Dolly-68	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	195	96	Aluminum Luggage Dolly-69	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	196	97	Aluminum Luggage Dolly-70	7/28/03	1,888.58	18.0	104.81	872.53	1,214.03	0	1,214.03	468		
	275	218	98	Marine Pump Out Station	5/1/00	5,458.00	15.0	363.87	4,245.15	1,212.85	0	1,212.85	468		
	275	224	99	Fire Extinguisher for Sans Souci	5/30/02	2,433.53	5.0	0.00	2,433.53	0.00	0	0.00	0		
	275	231	100	Welding Machine	2/20/06	5,820.57	10.0	582.06	2,118.23	3,404.34	1724.33	1,880.01	648		
	275	239	101	Emergency Generator (1 of 3)	8/24/06	2,047.98	10.0	204.80	682.87	1,365.31	353.89	1,011.42	380		
	275	240	102	Emergency Generator (2 of 3)	8/24/06	2,047.98	10.0	204.80	682.87	1,365.31	353.89	1,011.42	380		
	275	241	103	Emergency Generator (3 of 3)	8/24/06	2,047.98	10.0	204.80	682.87	1,365.31	353.89	1,011.42	380		
	275	242	104	Wiring for Emergency Generators	12/1/06	3,240.00	5.0	648.00	1,947.00	1,593.00	626.47	966.53	375		
	275	1732	105	FEMA Grant - Contra for Assets 1733-1738	7/23/08	(24,095.00)	10.0	(2,409.50)	(3,413.48)	(20,681.54)	-7378.02	(13,305.52)	(5,129)		
	275	1733	106	Ranger - Automatic ID System	7/23/08	5,004.74	10.0	500.47	709.00	4,295.74	1532.08	2,763.66	1,065		
	275	1734	107	Patriot - Automatic ID System	7/23/08	8,978.32	10.0	897.83	1,271.84	7,706.48	2747.85	4,958.63	1,911		
	275	1735	108	Sans Souci - Automatic ID System	7/23/08	5,102.58	10.0	510.26	722.87	4,379.72	1562.01	2,817.71	1,086		
	275	1738	109	Adventure - Automatic ID System	7/23/08	8,423.12	10.0	842.31	1,193.27	7,229.85	2578.51	4,651.34	1,783		
Subtotal Dept 275 Machinery & Equipment						211,810.98		10,430.88	140,980.30	70,830.68	4,456.88	66,173.78	25,509.89		
	275	212	110	Dell Computer for Transportation	9/30/04	1,088.31	5.0	0.00	1,088.31	0.00	0.00	0.00	0		
	275	218	111	Dell Computer	12/16/04	1,025.07	5.0	0.00	1,025.07	0.00	0.00	0.00	0		
	275	1561	112	RTP hardware - transportation	12/31/05	27,986.18	5.0	5,599.24	22,386.98	5,599.22	2,988.88	2,610.34	1,015		
	275	1562	113	RTP s-1 line @ deep pt - transportation	12/31/05	2,540.00	5.0	508.00	2,032.00	308.00	288.03	219.97	85		
	275	1660	114	RTP Hardware - transportation	12/31/05	13,826.82	5.0	2,765.36	11,141.44	2,785.38	1,470.25	1,315.13	507		
	275	1681	115	Printer - Boca PC Serial	9/1/07	1,633.44	5.0	326.69	762.28	871.16	470.43	400.73	154		
	275	1733	116	Computers & Peripherals - Deep Point	5/1/09	13,004.94	5.0	2,600.99	2,618.99	10,475.95	10,475.95	(0.01)	(0)		
	275	1734	117	DP Scanner Station Equipment	5/1/09	3,407.58	5.0	681.51	681.51	2,726.05	2,726.05	0.00	0		
	275	1735	118	DP Ticket Printer	5/1/09	6,943.56	5.0	1,388.71	1,328.71	5,314.85	5,314.85	0.00	0		
	275	1736	119	DP Dell POS System - (2) Optiplex	5/1/09	2,287.18	5.0	457.44	459.44	1,827.74	1,827.75	(0.01)	(0)		
	275	1737	120	DP Dell Workstation-Optiplex 780	5/1/09	1,284.43	5.0	252.89	252.89	1,031.54	1,011.54	0.00	0		
	275	1739	121	DP Phones, faxes	6/1/09	533.33	5.0	106.67	106.67	426.66	426.66	0.00	0		
Subtotal Dept 275 Computer Hardware						75,428.82		14,987.50	43,872.27	31,556.55	20,988.40	4,568.15	1,781.02		

I/A

BH1 TRANSPORTATION
Docket No. A-41, Sub 7
PLANT IN SERVICE, ACCUMULATED DEPRECIATION
& DEPRECIATION EXPENSE

Mayfield Exhibit 1
Schedule 2-1

Yr End:
12/31/2000

Date Disposed	Dept	Deprec Solutions Assets	Line No.	Description (s)	Date in Service (b)	Cost (c)	Service Life (d)	Annual Depreciation (e)	Accumulated Depreciation 12/31/00 (f)	Net Book Value (g)	Net Tax Value (h)	Book Less Tax Value (i)	Deferred Taxes @ 38.55% (j)	3/ u
	275	251	122	RTP Baggage Ticket Configuration	3/1/07	1,350.00	3.0	450.00	1,275.00	75.00	75.00	0.00	0	
	275	1563	123	RTP Software - Transportation	12/31/05	27,749.00	3.0	0.00	27,749.00	0.00	0.00	0.00	0	
	275	1564	124	RTP initial setup - cards transportation	12/31/05	7,154.00	3.0	0.00	7,154.00	0.00	0.00	0.00	0	
	275	1738	125	Fony Reservation Software	12/31/02	17,204.83	3.0	0.00	17,204.83	0.00	0.00	0.00	0	
	275	1750	126	DP Server Software-Office & Windows	5/1/00	2,379.55	3.0	793.18	793.18	1,586.37	1,550.76	(264.39)	(102)	
	275	1761	127	RTP POS software (3)	8/1/00	11,250.00	3.0	3,750.00	3,750.00	7,500.00	6,002.50	(1,502.50)	(602)	
Subtotal Dept 275 Computer Software						87,087.18		4,993.18	57,925.61	9,181.37	10,968.26	(1,826.89)	(704.27)	
	275	39	128	Sans Souci	7/1/81	482,284.00	20.0	24,114.20	448,112.70	36,171.30	0	36,171.30	13,944	
	275	40	129	Sans Souci Retrofit	5/1/82	66,895.00	20.0	3,294.75	58,207.25	7,887.75	0	7,887.75	2,984	
	275	57	130	Adventure	6/2/85	542,448.00	25.0	21,697.94	316,428.63	226,019.17	0	226,019.17	87,130	
	275	58	131	Sans Souci Oil Filter System	6/2/85	2,794.00	5.0	0.00	2,794.00	0.00	0	0.00	0	
	275	174	132	Windows - Adventure	12/8/02	3,798.70	10.0	379.87	2,600.73	1,107.95	0	1,107.95	427	
	275	179	133	Adventure Repower	4/1/03	217,040.16	20.0	10,852.01	73,251.07	143,789.09	0	143,789.09	55,431	
	275	189	134	Fuel Repairs to the Sans Souci	8/22/03	81,135.18	20.0	4,056.76	28,859.48	62,275.70	0	62,275.70	24,007	
Subtotal Dept 275 Boats						1,405,393.04		64,895.43	828,342.08	477,050.96	0.00	477,050.96	183,903.15	
	290	81	135	1991 F-350 Ford Truck MM-1	7/1/87	11,411.75	12.0	0.00	11,411.75	0.00	0	0.00	0	
	290	157	136	Tram Trailer	5/30/02	15,809.08	15.0	1,040.61	7,891.29	7,717.79	0	7,717.79	2,875	
	290	158	137	Tram Trailer	5/30/02	15,809.08	15.0	1,040.61	7,891.29	7,717.79	0	7,717.79	2,875	
	290	159	138	Tram Trailer	5/30/02	15,809.08	15.0	1,040.61	7,891.29	7,717.80	0	7,717.80	2,875	
	290	160	139	2001 Metro KA Tram Truck	5/30/02	14,831.01	10.0	1,483.10	11,095.18	3,535.83	0	3,535.83	1,363	
	290	162	140	12 Passenger Tram	5/30/02	10,038.83	15.0	1,070.58	8,118.56	7,940.07	0	7,940.07	3,081	
	290	165	141	Aluminum Handicap Tram	6/30/02	8,878.10	15.0	581.74	4,438.05	4,438.05	0	4,438.05	1,711	
	290	167	142	Material for Trams	7/15/02	2,907.71	5.0	0.00	2,907.71	0.00	0	0.00	0	
	290	168	143	Trams	7/22/02	7,875.00	5.0	0.00	7,875.00	0.00	0	0.00	0	
	290	169	144	Material for Trams	8/13/02	2,907.71	5.0	0.00	2,907.71	0.00	0	0.00	0	
	290	170	145	1998 Ford E-450 Shuttle Bus	12/18/02	21,685.00	8.0	2,710.63	18,974.41	2,710.59	0	2,710.59	1,045	
	290	171	146	1998 Ford E-450 Shuttle Bus	12/18/02	13,505.00	8.0	1,688.13	11,568.91	1,936.09	0	1,936.09	747	
	290	173	147	Tiger Star Truck	12/20/02	14,249.19	8.0	1,781.15	12,468.04	1,781.14	0	1,781.14	687	
	290	197	148	Fabricate Tram	7/28/03	19,193.21	15.0	1,279.58	8,211.28	10,983.93	0	10,983.93	4,234	
	290	188	149	Fabricate Tram	7/28/03	19,193.21	15.0	1,279.58	8,211.28	10,983.93	0	10,983.93	4,234	
	290	200	150	Tram Truck	12/3/03	13,391.98	10.0	1,339.20	9,383.47	6,028.49	0	6,028.49	2,324	
	290	202	151	Tram Truck	12/3/03	15,391.98	10.0	1,539.20	9,383.47	6,028.49	0	6,028.49	2,324	
	290	203	152	Maintenance Trailer 6 x 12	12/2/03	2,500.00	10.0	250.00	1,520.83	979.17	0	979.17	377	
	290	206	153	Cargo Trailer 6 x 12	12/18/03	3,086.00	10.0	308.60	1,851.80	1,234.40	0	1,234.40	478	
	290	215	154	2 (12) Passenger Trams	7/1/04	31,158.10	15.0	2,077.21	11,424.65	19,733.45	0.00	19,733.45	7,807	
	290	217	155	(4) Tiger Star Pickup	12/28/04	61,546.40	10.0	6,154.64	30,773.20	30,773.20	0.00	30,773.20	11,863	
	290	218	156	(1) Tram	12/28/04	23,558.57	15.0	1,570.57	7,852.85	15,705.72	0.00	15,705.72	6,055	
	290	227	157	1999 Ford E-450 Bus	2/22/06	32,036.00	8.0	4,004.50	15,350.58	16,685.42	5,535.82	11,149.60	4,298	
	290	232	158	Cushman Super Truck - 1 of 4	3/2/06	14,869.70	10.0	1,486.97	5,823.38	9,046.31	2,534.93	6,511.38	2,518	
	290	233	159	Cushman Super Truck - 2 of 4	3/2/06	14,869.70	10.0	1,486.97	5,823.38	9,046.31	2,534.93	6,511.38	2,518	
	290	234	160	Cushman Super Truck - 3 of 4	3/2/06	14,869.70	10.0	1,486.97	5,823.38	9,046.31	2,534.93	6,511.38	2,518	
	290	235	161	Cushman Super Truck - 4 of 4	3/2/06	14,869.70	10.0	1,486.97	5,823.38	9,046.31	2,534.93	6,511.38	2,518	
	290	238	162	Four (4) Tram Trailers	5/24/06	88,288.00	15.0	5,852.53	21,329.80	67,958.10	15,428.66	52,529.44	20,250	
	290	243	163	Cushman Super Truck	2/21/07	14,536.15	10.0	1,453.62	4,118.59	10,417.56	4,186.41	6,231.15	2,402	
	290	244	164	Cushman Super Truck	2/21/07	14,536.15	10.0	1,453.62	4,118.59	10,417.56	4,186.41	6,231.15	2,402	
	290	245	165	Cushman Super Truck	2/21/07	14,536.15	10.0	1,453.62	4,118.59	10,417.56	4,186.41	6,231.15	2,402	
	290	246	166	Cushman Super Truck	2/21/07	14,536.15	10.0	1,453.62	4,118.59	10,417.56	4,186.41	6,231.15	2,402	
	290	252	167	Four (4) Trams	4/30/07	102,373.45	15.0	6,824.80	18,186.73	84,173.72	28,463.56	54,890.16	21,083	
	290	1682	168	1999 Ford E450 Bus	21/7/06	33,088.00	8.0	4,133.25	15,858.75	17,408.25	3,713.97	13,694.28	5,278	
	290	1683	169	2007 Vantage Tram Truck T-32	4/24/08	14,080.01	10.0	1,408.00	2,343.33	11,716.88	3,374.40	8,342.28	3,216	
	290	1684	170	2007 Vantage Tram Truck T-33	4/24/08	14,080.01	10.0	1,408.00	2,343.33	11,716.88	3,374.40	8,342.28	3,216	
	290	1685	171	12 Passenger Tram Trailers TR-33	4/24/08	25,085.83	15.0	1,672.38	2,787.30	22,298.53	8,020.55	16,277.78	6,275	
	290	1686	172	12 Passenger Tram Trailers TR-32	4/24/08	25,085.83	15.0	1,672.38	2,787.30	22,298.53	8,020.55	16,277.78	6,275	
	290	1751	173	2008 Vantage Truck T-036	5/6/09	14,753.24	10.0	1,475.32	1,475.32	13,277.82	11,802.86	1,475.25	569	
	290	1752	174	2008 Vantage Truck T-035	5/6/09	14,753.24	10.0	1,475.32	1,475.32	13,277.82	11,802.86	1,475.25	569	
Subtotal Dept 290 Vehicles						835,342.37		79,380.88	328,729.59	506,612.78	123,442.90	383,169.88	147,711.99	

BHI TRANSPORTATION
Docket No. A-41, Sub 7
PLANT IN SERVICE, ACCUMULATED DEPRECIATION
& DEPRECIATION EXPENSE

Mayfield Exhibit 1
Schedule 2-1

Yr End:
12/31/2009

Date Disposed	Dept	Deprec Solutions Asset#	Line No.	Description	Date In Service	Cost	Service Life	Annual Depreciation	Accumulated Depreciation 12/31/09	Net Book Value	Net Tax Value	Book Less Tax Value	Deferred Taxes @ 38.55%	3/
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
	290	41	175	VHF Radio	5/8/92	720.50	5.0	0.00	720.50	0.00	0	0.00	0	
	290	42	176	VHF Radio	5/8/92	720.50	5.0	0.00	720.50	0.00	0	0.00	0	
	290	77	177	Radios - School Buses	9/1/96	2,285.00	5.0	0.00	2,285.00	0.00	0	0.00	0	
	290	81	178	Radio	7/1/97	508.20	5.0	0.00	508.20	0.00	0	0.00	0	
	290	82	179	Radio	7/1/97	508.20	5.0	0.00	508.20	0.00	0	0.00	0	
	290	93	180	Radio	7/1/97	508.20	5.0	0.00	508.20	0.00	0	0.00	0	
	290	94	181	Radio	7/1/97	508.20	5.0	0.00	508.20	0.00	0	0.00	0	
	290	95	182	Radio	7/1/97	508.20	5.0	0.00	508.20	0.00	0	0.00	0	
	290	175	183	Kenwood TK-782HCK 148 MHz	2/5/03	681.42	5.0	0.00	681.42	0.00	0	0.00	0	
	290	177	184	Kenwood TK-782HCK 148 MHz	2/5/03	578.42	5.0	0.00	578.42	0.00	0	0.00	0	
Subtotal Dept 290 Machinery & Equipment						7,524.84		0.00	7,524.84	0.00	0.00	0.00	0.00	
	290	136	185	Dell 600 Computer	6/7/00	1,383.91	5.0	0.00	1,383.91	0.00	0	0.00	0	
	290	205	186	2 Dell Optiplex Computers	12/10/03	2,088.85	5.0	0.00	2,088.85	0.00	0	0.00	0	
	290	221	187	Dell PS2 Computer	6/24/02	855.20	5.0	0.00	855.20	0.00	0	0.00	0	
	290	222	188	Dell PS2 Computer	6/24/02	855.20	5.0	0.00	855.20	0.00	0	0.00	0	
	290	223	189	Dell PS2 Computer	6/24/02	855.20	5.0	0.00	855.20	0.00	0	0.00	0	
	290	225	190	Dell Optiplex GX520	12/31/05	1,206.82	5.0	241.18	964.72	241.20	115.48	125.72	48	
Subtotal Dept 290 Computer Hardware						7,564.08		241.18	7,322.89	241.20	115.48	125.72	48.47	
	290	204	191	Office Pro 2003 Eng Bus 6.0	12/1/03	863.50	3.0	0.00	863.50	0.00	0	0.00	0	
	290	213	192	Office Pro 2003 6.0 For Assets	9/30/04	431.22	3.0	0.00	431.22	0.00	0	0.00	0	
	290	226	193	Dell 01 Computer Software	12/31/05	431.75	3.0	0.00	431.75	0.00	0	0.00	0	
Subtotal Dept 290 Computer Software						1,726.47		0.00	1,726.47	0.00	0.00	0.00	0.00	
	Patriot, LLC	1886	194	Winch Installation (Patriot)	5/31/04	1,841.54	20.0	92.08	514.11	1,327.43	387.93	938.50	362	
	Patriot, LLC	1897	195	Patriot Ferry (with additional costs)	8/1/03	1,632,258.78	30.0	54,408.56	343,647.57	1,288,609.11	380,422.16	908,186.95	350,106	
	Patriot, LLC	1899	196	Ranger Ferry	7/1/06	1,700,862.79	30.0	58,889.43	198,413.00	1,502,299.79	1,147,339.81	354,929.98	138,826	
Subtotal Patriot LLC Assets						3,334,781.11		111,190.07	542,574.78	2,792,208.33	1,528,150.90	1,264,055.43	487,293.37	
197	Total Ferry Plant					1,833,853.53								
198	Annual Depreciation Expense							101,184.56						
199	Accumulated Depreciation								1,197,570.03					
200	Net Grand Total Ferry Plant					1,833,853.53		101,184.56	1,197,570.03	838,283.50	51,250.00	585,033.50	225,530.41	
201	Total Island Transportation					852,157.76								
202	Annual Depreciation Expense							70,822.06						
203	Accumulated Depreciation								345,303.76					
204	Net Grand Total Island Transportation					852,157.76		70,822.06	345,303.76	506,853.68	123,558.36	383,295.60	147,766.45	
205	Total Patriot LLC Assets					3,334,781.11								
206	Annual Depreciation Expense							111,190.07						
207	Accumulated Depreciation								542,574.78					
208	Net Grand Total Patriot LLC					3,334,781.11		111,190.07	542,574.78	2,792,208.33	1,528,150.90	1,264,055.43	487,293.37	
209	Grand Totals:													
210	Total Transportation					8,020,582.40								
211	Annual Depreciation Expense							282,976.66						
212	Accumulated Depreciation								2,085,248.59					
213	Total Transportation					8,020,582.40		282,976.66	2,085,248.59	3,835,344			860,584.24	

Notes:
1/ Value per tax return detail
2/ Column (g) - Column (h)
3/ Composite tax rate, applicable to income \$335K to \$10MM
4/ Column (f) X Composite tax rate = Column (i)



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

FILED

OCT 21 2010

Clerk's Office
N.C. Utilities Commission

October 21, 2010

Ms. Renné C. Vance, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Re: Docket No. A-41, Sub 7
Bald Head Island Transportation, Inc.

Dear Ms. Vance:

In connection with the above-captioned docket, I transmit herewith for filing on behalf of the Public Staff, eighteen (18) copies of the following: late-filed exhibits of James G. Hoard, Assistant Director, Accounting Division, revised to reflect the agreement of the parties in the Revised Agreement and Stipulation of Settlement and to make certain corrections to the exhibits. All parties have consented to the entry of these documents into the record of this proceeding.

By copy of this letter, I am forwarding a copy to all parties of record.

Sincerely,

Dianna W. Downey

Dianna W. Downey
Staff Attorney

dianna.downey@psncuc.nc.gov

cc: Parties of Record

Executive Director
733-2435

Communications
733-2810

Economic Research
733-2902

Legal
733-6110

Transportation
733-7766

Accounting
733-4279

Consumer Services
733-9277

Electric
733-2267

Natural Gas
733-4326

Water
733-5610

msf
A6
Finley
Beatty
Allen
Bennink
Moover
Sessoms
Kite
Braceh.

Hoard Exhibit 1
Schedule 1
Revised

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Revenue Requirement Reconciliation

Line No.	Description	Amount
1	Company proposed rate increase per Application	\$2,767,548
2	Change in capital structure	0
3	Change in debt cost	(34,286)
4	Change in return on equity	0
5	Update plant and related items	(10,446)
6	Include parking revenues	(523,725)
7	Amortize gain on transfer of Indigo Plantation	(73,772)
8	Include BHI terminal in rate base	(278,438)
9	Adjust Deep Point terminal lease	216,833
10	Adjust intercompany tram charges	(32,485)
11	Adjust payroll and related items	(105,628)
12	Adjust fuel expenses	(25,763)
13	Adjust amortization of fuel tracker account	1,528
14	Adjust management fees, including Patriot, LLC	(37,936)
15	Adjust rate case expense	6,850
16	Adjust customer growth	(4,219)
17	Other revenue adjustment	(144,133)
18	Rounding	0
19	Settlement revenue increase	<u>\$1,721,928</u>

OFFICIAL COPY

Oct 25 2022

Hoard Exhibit 1
Schedule 1A
RevisedBald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Settlement Cost of Service

Line No.	Item	Company Amount (a)	Rate of Return (b)	Settlement Adjustments								Settlement Amounts (k)
				Update Plant and Related Items (c)	Include Parking Revenues (d)	Include BHI Terminal in Rate Base (e)	Amortize Gain on Transfer of Indigo PI (f)	Adjust Interco Trans Charges (g)	Adjust DP Terminal Lease (h)	Other Adjustments (i)	Amortize Fuel Tracker Add (j)	
1	Plant	\$6,020,592		20,183 ¹⁰		616,186 ¹⁴						6,656,972
2	Accumulated Depreciation	(2,085,249)		(144,275) ¹⁰		(123,122) ¹⁴						(2,452,645)
3	Net Plant	3,935,344	0	(124,092)	0	493,064	0	0	0	0	0	4,254,328
4	Cash Working Capital	664,687		0		(49,668) ¹⁴			26,667 ¹⁴	(19,040) ¹⁴		628,805
5	Average Tax Accruals	(37,428)		0					0	(6,815) ¹⁴		(44,044)
6	Deferred Income Taxes	(860,584)		704 ¹⁴		(23,872) ¹⁴						(883,752)
7	Rate Base	\$3,702,198 ¹¹	80	(\$123,378)	\$0	\$363,903	\$0	\$0	\$26,667	(\$25,855)	\$0	\$3,843,335
8	Pre-Tax ROR %	12.26% ²	11.33%	11.31% ¹³	11.31%	11.38% ¹³	11.38%	11.38%	11.38% ¹³	11.38% ¹³	11.38%	11.38%
9	Overall Rate of Return %	9.25% ³	8.33% ¹²	8.33% ¹³	8.33%	8.30%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%
10	Pre-Tax ROR on Rate Base	453,798	(34,245) ¹³	(14,965) ¹³		44,090 ¹³			3,235 ¹³	(3,112) ¹³	0	448,801
11	Revenue Credits	(100,884)			(522,097) ¹⁴		(73,883) ¹⁴	(32,446) ¹⁴		(143,960) ²⁰	1,528 ¹⁴	(872,344)
12	O&M Expenses	5,318,939				(365,512) ¹⁴			213,338 ¹⁴	(152,324) ¹⁴		5,014,442
13	Depreciation	282,977		4,531 ¹³		27,806 ¹⁴						315,314
14	Property Taxes	25,702				15,912 ¹⁴						41,214
15	Payroll Taxes	147,488								(8,848)		140,622
16	Regulatory Fee	7,355 ¹⁰	(41)	(13)	(628)	(334)	(89)	(39)	260	(268)	2	6,115
17	Total Cost of Service ¹⁴	\$6,135,565	(\$34,286)	(\$10,446)	(\$523,729)	(\$278,438)	(\$73,772)	(\$32,485)	\$216,633	(\$308,610)	\$1,528	\$5,094,164

Footnotes:

¹ Mayfield Exhibit 1, Schedule 2.² Line 10/Line 7.³ Mayfield Exhibit 1, Schedule 1, Column(d), Line 9.⁴ Mayfield Exhibit 1, Schedule 2, Column (e), Sum of Lines 76, 77 and 78.⁵ Mayfield Exhibit 1, Schedule 3, Column (e), Sum of Lines 2 through 5.⁶ Mayfield Exhibit 1, Schedule 3, Column (e), Lines 71.⁷ Mayfield Exhibit 1, Schedule 3, Column (e), Lines 72.⁸ Mayfield Exhibit 1, Schedule 3, Column (e), Lines 73.⁹ Mayfield Exhibit 1, Schedule 3, Column (e), Lines 74.¹⁰ Mayfield Exhibit 1, Schedule 3, Column (e), Lines 75.¹¹ Sum of lines 10 through 15.¹² Determined based on the following capital cost components:

Equity % of total capital 50.00%

Debt cost rate 6.65%

Return on equity 10.00%

¹³ Hoard Exhibit 1, Schedule 1C.¹⁴ Hoard Exhibit 1, Schedule 1C.¹⁵ Hoard Exhibit 1, Schedule 2.¹⁶ Hoard Exhibit 1, Schedule 2-1.¹⁷ Hoard Exhibit 1, Schedule 2.¹⁸ Hoard Exhibit 1, Schedule 2-2.¹⁹ Hoard Exhibit 1, Schedule 4.²⁰ Hoard Exhibit 1, Schedule 5.²¹ Revised Hoard Exhibit 1, Schedule 3.

Hoard Exhibit 1
Schedule 1B
Revised

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Summary of Settlement Adjustments by Cost of Service Category

Line No.	Cost of Service Category	Company Amount	Settlement Adjustments	Settlement Amount	% of Settlement COS
1	Payroll, benefits and payroll taxes	2,182,175	(103,526)	2,078,650	40.8%
2	Deep Point terminal lease	965,438	213,338	1,178,776	23.1%
3	Fuel expenses	687,051	(25,217)	661,834	13.0%
4	BHI terminal (reclass from lease to rate base)	365,512	(278,104)	87,408	1.7%
5	Repairs & maintenance	298,338	0	298,338	5.9%
6	Terminal ops - interco chrgs	158,315	0	158,315	3.1%
7	Property and liability Insurance	133,403	0	133,403	2.6%
8	Dredging	120,225	0	120,225	2.4%
9	Terminal ops - utilities, communications & trash	112,555	0	112,555	2.2%
10	Other intercompany expenses	90,246	0	90,246	1.8%
11	Management fees	77,292	(11,577)	65,715	1.3%
12	Legal, accounting & other professional fees	47,817	6,705	54,522	1.1%
13	Supplies	31,666	0	31,666	0.6%
14	Terminal ops - security expense	38,225	0	38,225	0.8%
15	Ferry leases - lease admin costs	32,259	(25,555)	6,704	0.1%
16	Credit card fees	37,126	0	37,126	0.7%
17	Signage	29,471	0	29,471	0.6%
18	Uniforms	16,033	0	16,033	0.3%
19	Taxes, permits & licenses	15,323	0	15,323	0.3%
20	Other O&M expenses	27,937	0	27,937	0.5%
21	Revenue credits - tram	(72,714)	(32,446)	(105,160)	-2.1%
22	Revenue credits - fuel surcharge	(1,526)	1,526	0	0.0%
23	Revenue credits - parking	0	(523,097)	(523,097)	-10.3%
24	Revenue credits - gain on transfer of IP	0	(73,683)	(73,683)	-1.4%
25	Revenue credits - other miscellaneous	(26,444)	(143,960)	(170,404)	-3.3%
26	Pre-Tax ROR on Rate Base (excl BHI Terminal)	453,798	(49,087)	404,711	7.9%
27	Depreciation (excl BHI Terminal)	282,977	4,531	287,508	5.6%
28	Property taxes (excl BHI Terminal)	25,702	0	25,702	0.5%
29	Regulatory fee	7,365	(1,250)	6,115	0.1%
30	Total Cost of Service	<u>\$6,135,563</u>	<u>(\$1,041,401)</u>	<u>\$5,094,162</u>	<u>100.0%</u>

OFFICIAL COPY

Oct 25 2022

Hoard Exhibit 1
Schedule 3
Revised

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Adjusted Revenue Credits per Settlement

Line No.	Item	Settlement Adjustments						Settlement Revenue Credits
		Company Amounts ^{1/}	Parking Revenues ^{2/}	Amortize Gain ^{3/}	Interco Tram Revenues ^{4/}	Other revenue adjustment ^{2/}	Amortize fuel surcharge ^{5/}	
		(a)	(b)	(c)	(c)	(d)	(e)	(f)
1	Intercompany Tram	(\$68,099)			(\$32,446)			(\$100,545)
2	Other Tram	(4,615)						(4,615)
3	Fuel surcharge	(1,526)					1,526	0
4	Parking	0	(523,097)					(523,097)
5	Gain on transfer of Indigo Plantation	0		(73,683)				(73,683)
6	Other Miscellaneous	(26,444)				(143,960)		(170,404)
7	Total Revenue Credits	(\$100,684)	(\$523,097)	(\$73,683)	(\$32,446)	(\$143,960)	\$1,526	(\$872,344)

Footnotes:

^{1/} Mayfield Exhibit 1, Schedule 3, column (e).

^{2/} Per Revised Stipulation.

^{3/} Hoard Exhibit 1, Schedule 3-1.

^{4/} Hoard Exhibit 1, Schedule 3-2.

^{5/} Per Stipulation, fuel tracker account continued and fuel surcharge set to zero. No amortization of fuel tracker account.

Hoard Exhibit 1
Schedule 4-2
Revised

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Adjustment to Fuel Expense and Computation of Fuel Component of Rates

Line No.	Description	Basis (a)	# Gallons (b)	Price Per Gallon (c)	Amount (d)
<u>Adjustment to Fuel Expenses:</u>					
1	#275 Diesel Fuel - Ferries	Actual 12 ME Aug 2010	242,931	^{1/} \$2.53	^{1/} \$615,745
2	#290 Diesel Fuel - Buses	Test Year Actual	2,795	^{2/} \$3.49	^{2/} 9,766
3	#290 Gas Island Fuel - Trams	Test Year Actual	7,113	^{2/} \$3.65	^{2/} 25,968
4	#275 Gas Marine Maintenance - Ferries	Test Year Actual	4,037	^{2/} \$2.56	^{2/} 10,355
5	Adjusted Cost for Fuel				661,834
6	Company amount				687,051 ^{2/}
7	Settlement Adjustment to Fuel Expense				(\$25,217)
<u>Computation of Fuel Component of Rates:</u>					
8	Tracked Fuel Costs (line 1 above)				\$615,745
9	Number of Passengers (annual billing units adjusted for annual passes)				281,766 ^{3/}
10	Fuel Component of Rates				\$2.185

Footnotes:

1/ Provided by the Company.

2/ Mayfield Exhibit 1, Schedule 3-8.

3/ From Hoard Exhibit 4, Schedule 2:

Settlement Billing Units for New Rates	285,833
Less: Annual Passes	(18)
Excess Baggage	(4,370)
Lost Ticket	(1,355)
Add: Annual Pass trips	1,676
Number of passengers	281,766

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Computation of Regulatory Fee

Line No.	Description	Company (a)	Settlement Adjustments (b)	Settlement (c)
1	<u>Cost of Service Items:</u>			
2	Pre-Tax ROR on Rate Base	453,798 ^{1/}	(4,997)	448,801 ^{1/}
3	O&M Expenses	5,318,939 ^{1/}	(304,497)	5,014,442 ^{1/}
4	Depreciation	282,977 ^{1/}	32,337	315,314 ^{1/}
5	Property Taxes	25,702 ^{1/}	15,512	41,214 ^{1/}
6	Payroll Taxes	147,468 ^{1/}	(6,846)	140,622 ^{1/}
7	Total	6,228,883	(268,491)	5,960,392
8	<u>Less revenue not subject to reg fee:</u>			
9	Interco Tram	(68,099) ^{2/}	(32,446)	(100,545) ^{2/}
10	Tram	(4,615) ^{2/}	0	(4,615) ^{2/}
11	Fuel surcharge	(1,526) ^{2/}	1,526	0 ^{2/}
12	Parking	0 ^{2/}	(523,097)	(523,097) ^{2/}
13	Gain on transfer of Indigo Plantation	0 ^{2/}	(73,683)	(73,683) ^{2/}
14	Other Miscellaneous	(26,444) ^{2/}	(143,960)	(170,404) ^{2/}
15	Base for regulatory fee	6,128,200 ^{3/}	(1,040,152) ^{3/}	5,088,048 ^{3/}
16	Reg fee gross-up factor	1.001201 ^{4/}	1.001201 ^{4/}	1.001201 ^{4/}
17	Revenue subject to regulatory fee	6,135,562 ^{5/}	(1,041,401) ^{5/}	5,094,161 ^{5/}
18	Base for regulatory fee	(6,128,200) ^{6/}	1,040,152 ^{6/}	(5,088,048) ^{6/}
19	Computed Regulatory fee	7,362.67 ^{7/}	(1,249.68) ^{7/}	6,112.99 ^{7/}
20	Rounding	2.33	0.00	2.33
21	Adjusted Regulatory Fee	7,365.00 ^{1/}	(1,249.68)	6,115.32 ^{1/}
22	Regulatory fee rate	0.12% ^{8/}		
23	Regulatory fee factor	0.12014% ^{9/}		

Footnotes:

- 1/ Hoard Exhibit 1, Schedule 1.
2/ Hoard Exhibit 1, Schedule 3.
3/ Sum of lines 7 through 14.
4/ 1 + Line 23.
5/ Line 15 times line 16.
6/ Line 15 above.
7/ Line 17 less line 18.
8/ G.S. 62-302.
9/ $[1/(1 - \text{regulatory fee rate})] - 1$.

Hoard Exhibit 1
Schedule 8
Revised

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Computation of Income Taxes

Line No.	Item	Amount	Notes
1	Operating Revenues:		
2	Ferry Tickets	\$5,094,164	Schedule 1A, Adjusted COS
3	Revenue Credits	872,344	Schedule 1A, Revenue Credits
4	Total	<u>5,966,507</u>	
5	Deductions:		
6	O&M Expenses	\$5,014,442	Schedule 1A, O&M Expenses
7	Depreciation Expense	315,314	Schedule 1A, Depreciation Expense
8	Property Taxes	41,214	Schedule 1A, Property Taxes
9	Payroll Taxes	140,622	Schedule 1A, Payroll Taxes
10	Regulatory Fee	6,115	Schedule 1A, Revenue Credits
11	Interest Expense	131,116	Schedule 1C
12	Total Deductions	<u>\$5,648,823</u>	
13	Taxable Income	<u>\$317,685</u>	
14	Less: State income tax @ 6.9%	<u>\$21,920</u>	
15	Federal taxable income	\$295,765	
16	Federal tax rates:		
17	First \$50,000 @ 15%	50,000 15%	7,500
18	Next \$25,000 @ 25%	25,000 25%	6,250
19	Next \$25,000 @ 34%	25,000 34%	8,500
20	Next \$235,000 @ 39%	235,000 39%	76,348
21	Over \$335,000 @ 34%	335,000 34%	0
22	Total federal income taxes	<u>\$98,598</u>	
23	Settlement weighted federal income tax rate	33.33671%	Federal income taxes/ Federal taxable income
24	<u>Reconciliation with Schedule 1A:</u>		
25	Federal taxable income above	\$295,765	
26	Less: federal income taxes above	<u>(98,598)</u>	
27	Net Income	197,166	
28	Add: Interest on debt above	131,116	
29	Net Operating Income for Return	<u>\$328,282</u>	
30	From Schedule 1:		
31	Rate Base	\$3,943,335	Schedule 1A
32	Overall ROR % on Rate Base	8.33%	Schedule 1A
33	Overall ROR on Rate Base	<u>\$328,283</u>	
34	Income tax calculation v. Sch 1A	(\$0)	
35	Interest coverage ratio	3.4	times

Tax Calc
7,500
6,250
8,500
76,348
0

OFFICIAL COPY

Oct 25 2022

Hoard Exhibit 2
Schedule 1
Revised

BALD HEAD ISLAND TRANSPORTATION, INC.

Docket No. A-41, Sub 7

STATEMENT OF NET OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN

For The Test Year Ended December 31, 2009

Line No.	Item	Per Company (a)	Settlement Adjustments ^{1/} (b)	After Settlement Adjustments ^{2/} (c)	Rate Increase (d)	After Rate Increase (e)
1	NET OPERATING INCOME FOR RETURN					
2	<u>Operating Revenues:</u>					
3	Ferry Tickets	\$3,368,017 ^{1/}	\$4,219	\$3,372,236 ^{1/}	\$1,721,928 ^{1/}	\$5,094,164 ^{1/}
4	Other operating revenues	100,884 ^{1/}	771,880	872,344 ^{1/}		872,344 ^{1/}
5	Total operating revenues	<u>\$3,468,701</u>	<u>\$775,878</u>	<u>\$4,244,579</u>	<u>\$1,721,928</u>	<u>\$5,966,508</u>
6	<u>Operating Expenses:</u>					
7	Operating and maintenance	5,318,938 ^{1/}	(304,496)	5,014,442 ^{1/}		5,014,442 ^{1/}
8	Depreciation	282,977 ^{1/}	32,337	315,314 ^{1/}		315,314 ^{1/}
9	Property taxes	25,702 ^{1/}	15,512	41,214 ^{1/}		41,214 ^{1/}
10	Payroll taxes	147,469 ^{1/}	(6,847)	140,622 ^{1/}		140,622 ^{1/}
11	Regulatory fee	4,043 ^{1/}	8	4,049 ^{1/}	2,068 ^{7/}	6,115 ^{1/}
12	State income tax	0 ^{1/}	0	0 ^{1/}	21,920 ^{1/}	21,920 ^{1/}
13	Federal income tax	0 ^{1/}	0	0 ^{1/}	98,598 ^{1/}	98,598 ^{1/}
14	Total operating expenses	<u>5,770,120</u>	<u>(263,489)</u>	<u>5,515,640</u>	<u>122,585</u>	<u>5,638,225</u>
15	Net operating income for return	<u>(\$2,310,428)</u>	<u>\$1,039,397</u>	<u>(\$1,271,081)</u>	<u>\$1,599,344</u>	<u>\$328,283</u>
16	RATE BASE					
17	Plant in service	\$8,020,592 ^{2/}	\$636,380	\$8,656,972 ^{2/}		\$8,656,972 ^{2/}
18	Accumulated depreciation	<u>(2,085,249)</u> ^{2/}	<u>(317,396)</u>	<u>(2,402,645)</u> ^{2/}		<u>(2,402,645)</u> ^{2/}
19	Net plant in service	3,935,343	318,983	4,254,328	0	4,254,328
20	Cash working capital	664,867 ^{2/}	(38,062)	626,805 ^{2/}		626,805 ^{2/}
21	Average tax accruals	(37,429) ^{2/}	(6,815)	(44,044) ^{2/}		(44,044) ^{2/}
22	Deferred income taxes	<u>(860,584)</u> ^{2/}	<u>(33,166)</u>	<u>(893,752)</u> ^{2/}		<u>(893,752)</u> ^{2/}
23	Original cost rate base	<u>\$3,702,197</u>	<u>\$241,138</u>	<u>\$3,943,335</u>	<u>\$0</u>	<u>\$3,943,335</u>
24	Overall Rate of Return on Rate Base	-62.41%		-32.23%		8.33%

Footnotes:

- 1/ Mayfield Exhibit 1, Schedule 3.
2/ Mayfield Exhibit 1, Schedule 2.
3/ Column (c) minus column (a).
4/ Hoard Exhibit 2, Schedule 3.
5/ Column (e) minus column (d).

- 6/ Column (e) minus column (c).
7/ Line 8 x .0012%.
8/ Hoard Exhibit 1, Schedule 1 Revised, column(j).
9/ Hoard Exhibit 1, Schedule 3 Revised.
10/ Hoard Exhibit 1, Schedule 7.

Hoard Exhibit 2
Schedule 2
Revised

BALD HEAD ISLAND TRANSPORTATION, INC.
Docket No. A-41, Sub 7
RETURN ON EQUITY AND ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2009

Line No.	Item	Capital Structure (a)	Rate Base (b)	Before Recommended Increase			After Recommended Increase		
				Embedded Cost/Return % (c)	Weighted Cost/Return % (d)	Net Operating Income (e)	Embedded Cost/Return % (f)	Weighted Cost/Return % (g)	Net Operating Income (h)
1	Debt	50.00% ^{1/}	\$1,971,668	6.65% ^{1/}	3.33%	\$131,116	6.65% ^{1/}	3.33%	\$131,116 ^{6/}
2	Equity	50.00% ^{1/}	1,971,668	-71.12% ^{3/}	-35.56%	(1,402,177)	10.00% ^{1/}	5.00%	\$197,167 ^{6/}
3	Totals	100.00%	\$3,943,335 ^{2/}		-32.23% ^{4/}	(\$1,271,061) ^{5/}		8.33%	\$328,283

Footnotes:

- 1/ Per Settlement.
2/ Hoard Exhibit 1, Schedule 1 Revised.
3/ Column (e) divided by column (b).
4/ Column (e) divided by column (g).
5/ Hoard Exhibit 2, Schedule 1.
6/ Column (b) x column (f).

Hoard Exhibit 2
Schedule 3
Revised

BALD HEAD ISLAND TRANSPORTATION, INC.
Docket No. A-41, Sub 7
For The Test Year Ended December 31, 2009
ADJUSTMENT TO END OF PERIOD FERRY TICKET REVENUES

Line No.	Type of Passenger	Actual CY 2009 ^{1/}	Annual Growth Rate ^{2/}	EOP Billing Units	Current Fare ^{4/}	End of Period Ferry Ticket Revenue
1	Class I GENERAL	102,200	4.75%	107,055	\$15.00	\$1,605,825
2	Class II BULK	20,824	4.75%	21,813	\$12.50	272,663
3	Class III GROUP PURCH	19,257	4.75%	20,172	\$12.50	252,150
4	Class IV GOV'T EMPL	9,385		8,579 ^{3/}	\$9.00	77,211
5	Class V SPEC EVENT	3,379		2,175 ^{3/}	\$10.00	21,750
6	Class VI NO FRILLS	11,640		11,090 ^{3/}	\$10.00	110,900
7	Class VII CONTRACTOR	35,049		34,595 ^{6/}	\$10.00	345,950
8	Class VIII CORP GUEST	4,589		3,503 ^{3/}	\$8.00	28,024
9	Class IX EMPLOYEE	53,585		48,391 ^{3/}	\$8.00	387,128
10	Class X CHILDREN	17,745	4.75%	18,588	\$8.00	148,704
11	Class XI ANNUAL PASS	22		22 ^{3/}	\$1,500.00	33,000
12	Class XII SENIOR CITZ ANNUAL	22		21 ^{3/}	\$750.00	15,750
13	Class XIII EXCESS BAGGAGE	4,172	4.75%	4,370	\$15.00	65,550
14	Class XIV STUDENT TICKET	165		214 ^{3/}	\$4.00	856
15	Class XV LOST TICKET	1,294	4.75%	1,355	\$5.00	6,775
16	Total	<u>283,328</u>		<u>281,943</u>		<u>\$3,372,236</u>
17	Overall growth percent		-0.49%			
18	Company amount					<u>3,368,017</u> ^{5/}
19	Settlement Adjustment					<u>\$4,219</u>

Footnotes

1/ Fulton Exhibit 1, with revision of lost tickets.

2/ Stipulated growth rates.

3/ Actual ticket sales for the 12 months ended August 31, 2010.

4/ Fulton Exhibit 2.

5/ Mayfield Exhibit 1, Schedule 3.

6/ Actual ticket sales for the 12 months ended August 31, 2010 reduced by 3,450 contractor tickets related to golf course construction.

Hoard Exhibit 3
Schedule 1
Revised

BALD HEAD ISLAND TRANSPORTATION, INC.
DOCKET NO. A-41, SUB 7
FOR THE TEST YEAR ENDED DECEMBER 31, 2009
Summary of Stipulated Revenue Changes

Type of Passenger *	Annual Revenues	
	Present Rates	Stipulated Rates
Class I GENERAL	\$1,605,825	\$2,462,265
Class II BULK/Bulk 40	272,663	464,415
Class III GROUP PURCH/Bulk 80	252,150	71,055
Class IV GOV'T EMPL	77,211	-
Class V SPEC EVENT	21,750	-
Class VI NO FRILLS	110,900	155,260
Class VII CONTRACTOR	345,950	484,330
Class VIII CORP GUEST	28,024	-
Class IX EMPLOYEE	387,128	1,081,822
Class X CHILDREN	148,704	225,624
Class XI ANNUAL PASS	33,000	33,300
Class XII SENIOR CITZ ANNUAL	15,750	-
Class XIII EXCESS BAGGAGE	65,550	100,510
Class XIV STUDENT TICKET	856	-
Class XV LOST/ONE-WAY TICKET	6,775	15,583
TOTAL	\$3,372,236	\$5,094,164

* Before renumbering of rate classes.

OFFICIAL COPY

Oct 25 2022

Hoard Exhibit 3
Schedule 2
Revised

**BALD HEAD ISLAND TRANSPORTATION, INC.
DOCKET NO. A-41, SUB 7
FOR THE TEST YEAR ENDED DECEMBER 31, 2009
Summary of Stipulated Rate Changes**

Type of Passenger *	Present Rates **	Stipulated Rates
Class I GENERAL	\$16.00	\$23.00
Class II BULK/Bulk 40	\$13.50	\$17.50
Class III GROUP PURCH/Bulk 80	\$13.50	\$15.00
Class IV GOV'T EMPL	\$10.00	
Class V SPEC EVENT	\$11.00	
Class VI NO FRILLS	\$11.00	\$14.00
Class VII CONTRACTOR	\$11.00	\$14.00
Class VIII CORP GUEST	\$9.00	
Class IX EMPLOYEE	\$9.00	\$14.00
Class X CHILDREN	\$9.00	\$12.00
Class XI ANNUAL PASS	\$1,665.00	\$1,850.00
Class XII SENIOR CITZ ANNUAL	\$842.00	
Class XIII EXCESS BAGGAGE	\$15.00	\$23.00
Class XIV STUDENT TICKET	\$5.00	
Class XV LOST/ONE-WAY TICKET	\$5.00	\$11.50

* Before renumbering of rate classes.

** Includes fuel surcharge.

OFFICIAL COPY

Oct 25 2022

Hoard Exhibit 3
Schedule 3
Revised

BALD HEAD ISLAND TRANSPORTATION, INC.
DOCKET NO. A-41, SUB 7
FOR THE TEST YEAR ENDED DECEMBER 31, 2009
Rate Design Model

Revised Stipulation Revenue Level

\$5,094,164

Type of Passenger *	Billing Units	Proposed Fare - Unrounded	Unrounded Ticket Revenue	Rate Rounding	Proposed Fare - Rounded	Ticket Revenue	Rate Change %	Ratio to General Fare
Class I GENERAL	107,055	\$22.9910	\$2,481,304	\$0.01	\$23.00	\$2,462,265	44%	1.00
Class II BULK/Bulk 40	26,538	\$17.4732	463,703	\$0.03	\$17.50	464,415	30%	0.78
Class III GROUP PURCH/Bulk 80	4,737	\$14.9442	70,791	\$0.06	\$15.00	71,055	11%	0.65
Class IV GOVT EMPL	-	\$0.0000	-	-	\$0.00	-	N/A	0.00
Class V SPEC EVENT	-	\$0.0000	-	-	\$0.00	-	N/A	0.00
Class VI NO FRILLS	11,090	\$14.0245	155,532	(\$0.02)	\$14.00	155,280	27%	0.61
Class VII CONTRACTOR	34,595	\$14.0245	485,178	(\$0.02)	\$14.00	484,330	27%	0.61
Class VIII CORP GUEST	-	\$0.0000	-	-	\$0.00	-	N/A	0.00
Class IX EMPLOYEE	77,273	\$14.0245	1,083,717	(\$0.02)	\$14.00	1,081,822	56%	0.61
Class X CHILDREN	18,802	\$11.9553	224,784	\$0.04	\$12.00	225,624	33%	0.52
Class XI ANNUAL PASS	18	\$1,839,2820	33,107	\$10.72	\$1,850.00	33,300	11%	80.43
Class XII SENIOR CITZ ANNUAL	-	\$0.0000	-	-	\$0.00	-	N/A	0.00
Class XIII EXCESS BAGGAGE	4,370	\$22.9910	100,471	\$0.01	\$23.00	100,510	53%	1.00
Class XIV STUDENT TICKET	-	\$0.0000	-	-	\$0.00	-	N/A	0.00
Class XV LOST/ONE-WAY TICKET	1,355	\$11.4955	15,576	-	\$11.50	15,583	130%	0.50
TOTAL	285,833		\$5,094,164			\$5,094,164		

* Before renumbering of rate classes.

Rounding Error 0.000%

Average rate per rider (adjusted for annual pass riders)

\$17.72

Preliminary Rate Design Adjustments:

	Current Fares w Surcharge	Current Fares w Surcharge	Current Fares w Surcharge	Eliminated Rates	Rebalance Adjusts.	Adjusted Fares	Ratio to General Fare
Class I GENERAL	\$15.00	\$1.00	\$16.00			\$16.00	1.0000
Class II BULK/Bulk 40	\$12.50	\$1.00	\$13.50		(\$1.34)	\$12.16	0.7600
Class III GROUP PURCH/Bulk 80	\$12.50	\$1.00	\$13.50		(\$3.10)	\$10.40	0.6500
Class IV GOVT EMPL	\$9.00	\$1.00	\$10.00	(\$10.00)		\$0.00	-
Class V SPEC EVENT	\$10.00	\$1.00	\$11.00	(\$11.00)		\$0.00	-
Class VI NO FRILLS	\$10.00	\$1.00	\$11.00		(\$1.24)	\$9.76	0.8100
Class VII CONTRACTOR	\$10.00	\$1.00	\$11.00		(\$1.24)	\$9.76	0.8100
Class VIII CORP GUEST	\$8.00	\$1.00	\$9.00	(\$9.00)		\$0.00	-
Class IX EMPLOYEE	\$8.00	\$1.00	\$9.00		\$0.76	\$8.76	0.6100
Class X CHILDREN	\$8.00	\$1.00	\$9.00		(\$0.68)	\$8.32	0.5200
Class XI ANNUAL PASS	\$1,500.00	\$165.00	\$1,665.00		(\$385.00)	\$1,280.00	80.0000
Class XII SENIOR CITZ ANNUAL	\$750.00	\$92.00	\$842.00	(\$842.00)		\$0.00	-
Class XIII EXCESS BAGGAGE	\$15.00		\$15.00		\$1.00	\$16.00	1.0000
Class XIV STUDENT TICKET	\$4.00	\$1.00	\$5.00	(\$5.00)		\$0.00	-
Class XV LOST TICKET	\$5.00		\$5.00		\$3.00	\$8.00	0.5000

Hoard Exhibit 3
Schedule 6
Revised

**BALD HEAD ISLAND TRANSPORTATION, INC.
DOCKET NO. A-41, SUB 7
FOR THE TEST YEAR ENDED DECEMBER 31, 2009
Breakeven Points for Fare Selection**

ANNUAL PASSES VS. BULK TICKETS

Breakeven Point # of rides - Annual Pass v. Bulk 80

Regular annual pass rate	\$1,850.00
Bulk 80 rate per ticket	\$15.00
# of annual rides must exceed for annual pass to be more economical	<u>123.3</u>

Average number of rides per annual pass 126.0

Breakeven Point # of rides - Annual Pass v. Bulk 40

Regular annual pass rate	\$1,850.00
Bulk 40 rate per ticket	\$17.50
# of annual rides must exceed for annual pass to be more economical	<u>105.7</u>

SENIOR PASSES

Price Point Test for Senior Pass v Bulk 80 (@ average senior usage)

Bulk 80 rate per ticket	\$15.00
Average senior ridership	67
Price where Senior Pass is more economical than Bulk 80	\$1,005.00
Regular annual pass rate	\$1,850.00
Senior discount off regular annual pass required to be economical	45.7%

Breakeven Point # of rides - Bulk 80 v. Senior Pass discount off annual pass rate

Regular annual pass rate	\$1,850.00
Senior pass as % of annual pass	10% discount
Discounted senior pass rate	90%
Bulk 80 rate per ticket	\$15.00
# of rides must exceed for discounted senior pass to be more economical	<u>111.0</u>

Average number of rides per senior pass 67.0

Breakeven Point # of rides - Bulk 80 v. Senior Pass discount off annual pass rate

Regular annual pass rate	\$1,850.00
Senior pass as % of annual pass - current discount	50%
Discounted senior pass rate	\$925.00
Bulk 80 rate per ticket	\$15.00
# of rides must exceed for discounted senior pass to be more economical	<u>61.7</u>

Hoard Exhibit 1
Schedule 1A
RevisedBald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
For the Test Year Ended December 31, 2009
Settlement Cost of Service

Line No.	Item	Company Amount (a)	Settlement Adjustments									Settlement Amounts (h)
			Rate of Return (b)	Update Plant and Related Items (c)	Include Parking Revenues (d)	Include BHI Terminal in Rate Base (e)	Amortize Gain on Transfer of Indigo PI (f)	Adjust Interco Tram Charges (g)	Adjust DP Terminal Lease (h)	Other Adjustments (i)	Amortize Fuel Tracker Acct (j)	
1	Plant	\$6,020,592		20,193 ^{14/}		616,186 ^{14/}						8,866,972
2	Accumulated Depreciation	(2,085,249)		(144,275) ^{14/}		(173,122) ^{14/}						(2,402,645)
3	Net Plant	3,935,344	0	(124,082)	0	443,064	0	0	0	0	0	4,254,326
4	Cash Working Capital	664,687		0		(45,686) ^{14/}			26,667 ^{14/}	(19,040) ^{14/}		626,805
5	Average Tax Accruals	(37,429)		0					0	(6,615) ^{14/}		(44,044)
6	Deferred Income Taxes	(860,584)		704 ^{14/}		(33,872) ^{14/}						(863,752)
7	Rate Base	\$3,702,198 ^{14/}	\$0	(\$123,378)	\$0	\$363,503	\$0	\$0	\$26,667	(\$25,655)	\$0	\$3,843,335
8	Pre-Tax ROR %	12.28% ^{12/}	11.33%	11.31% ^{13/}	11.31%	11.38% ^{13/}	11.38%	11.38%	11.39% ^{13/}	11.38% ^{13/}	11.38%	11.38%
9	Overall Rate of Return %	9.25% ^{12/}	8.33% ^{13/}	8.33% ^{13/}	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%
10	Pre-Tax ROR on Rate Base	453,798 ^{14/}	(34,245) ^{13/}	(14,965) ^{13/}		44,090 ^{13/}			3,235 ^{13/}	(3,112) ^{13/}	0	448,801
11	Revenue Credits	(100,684) ^{14/}			(523,097) ^{14/}		(73,683) ^{14/}	(32,446) ^{14/}		(143,960) ^{20/}	1,528 ^{14/}	(872,344)
12	O&M Expenses	5,318,936 ^{14/}				(365,512) ^{14/}			213,338 ^{14/}	(152,324) ^{14/}		5,014,442
13	Depreciation	282,977 ^{14/}		4,531 ^{13/}		27,806 ^{14/}						315,314
14	Property Taxes	25,702 ^{14/}				15,512 ^{14/}						41,214
15	Payroll Taxes	147,468 ^{14/}								(8,848)		140,622
16	Regulatory Fee	7,365 ^{10/}	(41)	(13)	(628)	(334)	(89)	(39)	260	(368)	2	6,115
17	Total Cost of Service ^{11/}	\$8,135,565	(\$34,286)	(\$10,446)	(\$523,725)	(\$278,438)	(\$73,772)	(\$32,485)	\$216,833	(\$306,610)	\$1,528	\$5,094,164

Footnotes:

^{11/} Mayfield Exhibit 1, Schedule 2.^{12/} Line 10/Line 7.^{13/} Mayfield Exhibit 1, Schedule 1, Column(d), Line 9.^{14/} Mayfield Exhibit 1, Schedule 3, Column (e), Sum of Lines 76, 77 and 79.^{15/} Mayfield Exhibit 1, Schedule 3, Column (e), Sum of Lines 2 through 5.^{16/} Mayfield Exhibit 1, Schedule 3, Column (e), Lines 71.^{17/} Mayfield Exhibit 1, Schedule 3, Column (e), Lines 72.^{18/} Mayfield Exhibit 1, Schedule 3, Column (e), Lines 73.^{19/} Mayfield Exhibit 1, Schedule 3, Column (e), Lines 74.^{20/} Mayfield Exhibit 1, Schedule 3, Column (e), Lines 75.^{11/} Sum of lines 10 through 16.^{12/} Determined based on the following capital cost components:

Equity % of total capital 50.00%

Debt cost rate 6.65%

Return on equity 10.00%

^{13/} Hoard Exhibit 1, Schedule 1C.^{14/} Hoard Exhibit 1, Schedule 1C.^{15/} Hoard Exhibit 1, Schedule 2.^{16/} Hoard Exhibit 1, Schedule 2-1.^{17/} Hoard Exhibit 1, Schedule 3.^{18/} Hoard Exhibit 1, Schedule 2-2.^{19/} Hoard Exhibit 1, Schedule 4.^{20/} Hoard Exhibit 1, Schedule 5.^{21/} Revised Hoard Exhibit 1, Schedule 3.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. A-41, SUB 7

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Bald Head Island)	
Transportation, Inc. for a General Increase)	ORDER GRANTING
in its Rates and Charges Applicable to Ferry)	PARTIAL RATE INCREASE
Service Between Southport, North Carolina)	AND REQUIRING NOTICE
and Bald Head Island, North Carolina)	

HEARD: Friday, July 23, 2010, at 10:00 a.m., Ocean Room, Bald Head Island Club,
301 Salt Meadow Trail, Bald Head Island, North Carolina

Wednesday, October 20, 2010, at 9:00 a.m., Commission Hearing Room
2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina

BEFORE: Chairman Edward S. Finley, Jr., Presiding, and Commissioners Bryan E.
Beatty and Lucy T. Allen

APPEARANCES:

For Bald Head Island Transportation, Inc.:

M. Gray Styers, Jr. and Charlotte Mitchell, Styers & Kemerait PLLC,
1001 Haynes Street, Suite 101, Raleigh, North Carolina 27604

For Bald Head Island Club:

Daniel C. Higgins, Burns, Day & Presnell, P.A., P.O. Box 10667, Raleigh,
North Carolina 27605

For Bald Head Association, Inc.:

Odes L. Stroupe, Jr., Bode, Call and Stroupe, LLP, 3105 Glenwood
Avenue, Suite 300, Raleigh, North Carolina 27612

For The Village of Bald Head Island:

Mary Lynne Grigg, McGuire Woods, LLP, 2600 Two Hannover Square,
Raleigh, North Carolina 27601

OFFICIAL COPY

Oct 25 2022

For the Using and Consuming Public:

Dianna Downey, Staff Attorney, and Antoinette Wike, Chief Counsel,
Public Staff-North Carolina Utilities Commission, 4326 Mail Service
Center, Raleigh, North Carolina 27699-4326

BY THE COMMISSION: On May 5, 2010, Bald Head Island Transportation, Inc. (BHIT or Company) filed an application for a general rate increase, pursuant to G.S. 62-133 and G.S. 62-134 and Commission Rules R1-4, R1-5, and R1-17, along with the direct testimony and exhibits of James W. Fulton, Jr., Vice President of BHIT and Director of Operations for Bald Head Island Limited, LLC (BHIL); Shirley A. Mayfield, Secretary/Treasurer of BHIT and Chief Financial Officer of BHIL; and Fredrick W. Hering, outside consultant who is providing regulatory accounting services to BHIT. In its application, BHIT requested an increase in rates, fares, and operating revenues designed to produce an overall increase of \$2,767,548 in annual ferry operating revenues. On May 28, 2010, BHIT filed an amendment and/or clarification to its petition for a general rate case seeking to clarify the date rates were to become effective.

Motions to Intervene were filed by Bald Head Island Club (Club) on May 12, 2010, by The Village of Bald Head Island (Village) on May 19, 2010 and by Bald Head Association (BHA or Association) on June 7, 2010. The Commission granted intervention in this proceeding to the Club, the Village, and the Association (the Customer Group) by Orders dated June 3, 2010 and June 10, 2010.

On June 3, 2010, the Commission entered an Order Establishing General Rate Case, Suspending Rates, Scheduling Hearings, Requiring Public Notice, and Granting Petitions for Leave to Intervene. In accordance with that Order, a public hearing was conducted at the Bald Head Island Club on Bald Head Island on July 23, 2010. At the hearing, the following persons testified: Suzanne Dorsey, Brenda Quanstrom, Richard Mesaris, Sylvia Poole, Marilyn Ridgeway, Jane Johnson, John Earle, Harry Aylor, Barbara McQuaide, Patricia Garrett, Wendie Walker, Clark Pennell, Douglas Ledgett, Donna Finley, Donna Jarmusz, Norm Coryell, Timothy O'Brien, Erica Grantmyre, Bob Liesegang, Joseph Elrod, Larry Lammert, William Waddell, Patricia Barnard, Larry Patterson, Darren Witt, David Adcock, Nancy Giacci, and Sandra Hall.

On July 8, 2010, the Company provided notice of its filing of affidavits of publication of public notice of hearings as required by the Commission's June 3, 2010 Order.

On August 9, 2010, BHA filed a motion to reschedule the date for the hearing set for September 28, 2010, and on August 11, 2010, BHIT filed its response to BHA's motion. On August 11, 2010, the Village filed a motion for extension of time regarding the deadlines for the filing of testimony and for conducting discovery and BHIT filed a motion requesting to amend the schedule for taking depositions. On August 12, 2010, the Customer Group filed a joint reply to the response of BHIT. On August 13, 2010, BHIT filed its supplemental response to the motions to reschedule the hearing date. On

August 17, 2010, the Commission entered an Order Rescheduling Hearing, Requiring Public Notice, and Ruling On Motion to Compel that rescheduled the September 28, 2010 hearing to October 20, 2010, and directed the Public Staff and other intervenors to file direct testimony on or before Monday, September 20, 2010, and BHIT to file rebuttal testimony and exhibits on or before Monday, October 4, 2010.

On September 16, 2010, the Public Staff filed a motion for extension of time to file testimony. In its motion, the Public Staff notified the Commission that the Public Staff and BHIT had reached an agreement and required additional time to file a stipulation and supporting testimony. On September 20, 2010, the Commission entered an Order granting the Public Staff's motion, extending the time to file testimony to September 27, 2010, and the time to file rebuttal testimony to October 11, 2010. On September 27, 2010, the Customer Group filed a motion for extension of time to file testimony, indicating that discussions were ongoing for a global settlement and requesting an extension to September 30, 2010 to file testimony and to October 14, 2010 to file rebuttal testimony. On September 28, 2010, the Commission entered an Order granting the extension of time requested by the Customer Group.

On September 30, 2010, the Public Staff filed an Agreement and Stipulation of Settlement (Agreement) between BHIT and the Public Staff and the testimony of James G. Hoard, Assistant Director, Public Staff Accounting Division. On that same date, the Customer Group filed the testimony of Dr. Julius A. Wright, President of J.A. Wright & Associates, Inc. On October 14, 2010, BHIT filed the rebuttal testimony of Shirley A. Mayfield, Frederick W. Hering, and James W. Fulton, Jr. On October 15, 2010, BHIT filed its proposed order of witnesses and estimate of cross-examination times and also filed the amended rebuttal testimony of Shirley A. Mayfield and Frederick W. Hering. On October 18, 2010, the Customer Group filed a response to BHIT's proposed order of witnesses. On October 19, 2010, the Commission entered an Order Determining Order of Witnesses.

The hearing resumed in Raleigh on October 20, 2010 as scheduled. No public witnesses appeared to testify. Upon becoming informed that substantive negotiations were still underway between the Customer Group, BHIT, and the Public Staff and at the request of all the parties, the Commission adjourned the hearing until October 21, 2010, if needed, to allow the parties additional time to discuss and conclude the ongoing settlement negotiations. On October 21, 2010, the Customer Group, the Public Staff, and BHIT (the Stipulating Parties) entered and filed a Revised Agreement and Stipulation of Settlement (Stipulation) and the late-filed revised exhibits of James G. Hoard. Additionally, BHIL also entered into the Stipulation for the purpose of acknowledging its agreement with its obligations under Section 2.C.i. (Deep Point parking facilities) and Section 8 (Accounting Policies) of the Stipulation. The foregoing Stipulation comprehensively resolved all issues in this proceeding among all of the parties; therefore, the October 21, 2010 hearing was not reconvened. Pursuant to Section 12 of the Stipulation, the Stipulating Parties agreed that all prefiled testimony and exhibits may be received into evidence without objection, and each Stipulating Party waived all rights to cross-examine any witness except to affirm the provisions of

the Stipulation and to explain and clarify testimony consistent with the Stipulation. Consequently, the Commission receives into evidence the prefiled direct and rebuttal testimony and exhibits of Shirley A. Mayfield, Frederick W. Hering, and James W. Fulton, Jr.; the prefiled direct testimony and exhibits of James G. Hoard and Dr. Julius A. Wright; and the amended joint rebuttal testimony and exhibits of Company witnesses Mayfield and Hering. Further, the Commission receives into evidence the Stipulation and Stipulation Exhibits, and the late-filed revised exhibits of Public Staff witness Hoard.

After the Stipulation was filed, the Commission received a total of seven emails¹ from customers indicating, among other things, that the proposed rate increase in the Stipulation was unfair and unreasonable and that the Commission should reject the Stipulation and proceed to a further hearing and final ruling on all issues.

On November 22, 2010, the Stipulating Parties filed a Joint Proposed Order.

WHEREUPON, based upon consideration of the verified application, the prefiled direct and rebuttal testimony and exhibits, the amended rebuttal testimony and exhibits, the late-filed revised exhibits, the Stipulation, the Stipulation exhibits, and the record as a whole, the Commission now makes the following

FINDINGS OF FACT AND CONCLUSIONS

1. BHIT is duly organized as a public utility operating under the laws of the State of North Carolina and is subject to the jurisdiction of the North Carolina Utilities Commission pursuant to G.S. 62-3(23)a.3. The Company is engaged in the business of transporting passengers and their personal effects by ferry to and from Deep Point Marina terminal in Southport, North Carolina and the Bald Head Island terminal on Bald Head Island, North Carolina. BHIT is a wholly-owned subsidiary of BHIL.

2. The Commission has jurisdiction over the rates and charges, rate schedules, classifications, and practices of public utilities operating in North Carolina, including BHIT, under Chapter 62 of the General Statutes of North Carolina. BHIL is subject to the jurisdiction of the Commission to the extent provided for in G.S. 62-3(23)c, and BHIL joined in the Stipulation for the purpose of and only to the extent of approving BHIL's obligations under Section 2.C.i. (Deep Point parking facilities) and Section 8 (Accounting Policies) of the Stipulation and incorporating those obligations in this Order.

3. BHIT is lawfully before the Commission based upon its application for a general rate increase in its ferry ticket rates pursuant to G.S. 62-133, G.S. 62-134, and Commission Rule R1-17.

¹ Four emails were received on October 28, 2010; one email was received on November 2, 2010; and two emails were received on November 15, 2010.

4. The appropriate test period for use in this proceeding, is the 12-month period ended December 31, 2009, updated with actual changes to revenues, expenses, rate base, and cost of capital.

5. In its application, BHIT requested approval of an increase in total annual ferry ticket revenues of \$2,767,548 to permit BHIT to earn income of \$342,453. The increase requested in the application would have resulted in an overall rate of return per BHIT of 9.25%, a 10.00% return on common equity, and a 8.50% cost of long-term debt, based on an imputed capital structure of 50% long-term debt and 50% common equity.

6. The Stipulation filed on October 21, 2010 included revisions to several of the provisions set forth in the September 30, 2010 Agreement and Stipulation between BHIT and the Public Staff and also set forth new provisions that, as revised and expanded, comprehensively resolved all issues in this proceeding among all of the parties. Having carefully reviewed the Stipulation and all of the evidence of record, the Commission finds and concludes that the provisions of the Stipulation are just and reasonable to all parties under the circumstances of this proceeding and should be approved in their entirety. The provisions of the Stipulation are addressed in the following findings of fact and conclusions.

7. Consistent with the Stipulation, the Commission finds and concludes that it is appropriate for BHIT to adjust its rates, fares, and charges to produce annual revenues of \$5,094,164 from its ferry operations, which will result in total annual revenues of \$5,966,508, including \$872,344 of other operating revenues. The Stipulating Parties agreed that these revenues are intended to provide BHIT, through sound management, the opportunity to earn an overall rate of return of 8.33% on a rate base of \$3,943,335, with BHIT's long-term debt cost of 6.65% and a rate of return of 10.00% on the member's equity component of the following imputed capital structure:

Long-Term Debt.....	50%
Member's Equity.....	50%

The Commission finds and concludes that this aspect of the Stipulation is just and reasonable.

8. Exhibits A and B of the Stipulation summarize the gross revenues, operating revenue deductions, rate base, and rate of return agreed upon by the Stipulating Parties.

9. With respect to the parking operations and facilities at the Deep Point ferry terminal and the property formerly used for parking and ferry operations at Indigo Plantation, the Stipulating Parties agreed as follows:

- a. BHIL, the parent affiliate of BHIT, owns certain parking facilities adjacent to the BHIT ferry terminal in Southport (the Deep Point parking facilities). The imputation of the revenues of the Deep Point parking facilities, as

described in the testimony and shown in the exhibits of Public Staff witness James G. Hoard, is limited to this case and establishes no binding precedent for future cases, and shall not be binding in future cases as a reason for or against imputation of parking revenues or any other regulatory treatment of parking operations. However, the Stipulating Parties agreed that:

- i. Seasonal/Non-Seasonal Daily Parking: BHIL agrees not to increase the price of the Seasonal/Non-Seasonal Daily Parking rates currently in effect (\$10 Seasonal; \$8 Non-Seasonal) in any one 12-month period in an amount greater than the percentage change in inflation (inflation shall be defined as the Consumer Price Index for All Urban Consumers (CPI-U) as calculated by the U.S. Bureau of Labor Statistics), rounded to the nearest whole 25¢. Any increase in rates due to the CPI-U shall not exceed the compound average growth rate from January 1, 2011. BHIL agrees to be bound by this provision for a period beginning on January 1, 2011, and ending on December 31, 2016. This limitation shall apply through December 31, 2016, to any successor entity that owns, operates, or leases the Deep Point parking facilities.
- ii. Annual Parking: BHIL and the Village have a pre-existing understanding and commitment regarding accommodations afforded by BHIL associated with Annual Parking patrons. The understanding between BHIL and the Village is reflected in a letter dated April 24, 2009, attached as Exhibit C to the Stipulation. BHIL agrees to comply with the limitations set forth in the letter of April 24, 2009 with the following amendments: (i) the term "inflation" shall be defined as CPI-U as calculated by the U.S. Bureau of Labor Statistics and (ii) the term set forth in the letter shall be extended through December 31, 2016 and the following additional language shall be added: *"2015 Rates increase not to exceed annual inflation experienced during 2014, and 2016 Rates increase not to exceed annual inflation experienced during 2015."* Any increase in rates due to the CPI-U shall not exceed the compound average growth rate from January 1, 2011. These limitations shall apply through December 31, 2016, to any successor entity that owns, operates, or leases the Deep Point parking facilities.
- iii. BHIL will provide notice to the Public Staff and the Commission of any sale or lease of the Deep Point parking facilities or any part of those facilities not less than 90 days prior to the scheduled closing date for the sale or lease.
- iv. BHIL will include, in any contract for the sale or lease of the Deep Point parking facilities, the parking rate limitations described in the Stipulation and in this Order.

- v. Any gain or loss on the sale or lease of parking facilities owned by BHIL shall not be assigned, credited, or attributed for ratemaking purposes to BHIT.
- b. The applicability of the treatment of the gain on the transfer of the Indigo Plantation property from utility to nonutility property is limited to this case and establishes no precedent in future cases for the regulatory treatment of any property owned by BHIL and leased by BHIT.
- c. Notwithstanding the foregoing provisions, nothing in the Stipulation shall be construed to imply any limitation on the Commission's regulatory jurisdiction or ability to exercise its statutory powers and discharge its statutory duties to protect the public interest with respect to the rates charged and service rendered by BHIT pursuant to its grant of common carrier authority from the Commission.

The Commission finds and concludes that these provisions are just and reasonable and should be approved in this Order.

10. As agreed in the Stipulation, in Section 2.D., BHIT's revenues from its ferry operations for the 12 months ended December 31, 2009 (the test period), by customer class under current base rates, and as approved herein, will be as follows:

Type of Passenger	Annual Revenues	
	Current Rates	Approved Rates
Class I General	\$1,605,825	\$2,462,265
Class II Bulk/Bulk40	272,663	464,415
Class III Group Purchase/Bulk 80	252,150	71,055
Class IV Government Employees	77,211	-
Class V Special Event	21,750	-
Class VI No Frills	110,900	155,260
Class VII Contractor	345,950	484,330
Class VIII Corporate Guest	28,024	-
Class IX Employee	387,128	1,081,822
Class X Children	148,704	225,624
Class XI Annual Pass	33,000	33,300
Class XII Senior Citizen Annual Pass	15,750	-
Class XIII Excess Baggage	65,550	100,510
Class XIV Student Ticket	856	-
Class XV Lost/One-Way Ticket	6,775	15,583
Total	\$3,372,236	\$5,094,164

The Commission finds and concludes that this provision of the Stipulation is just and reasonable.

11. The Stipulating Parties agreed that the Schedule of Rates and Charges attached as Exhibit D to the Stipulation should be approved, and the Commission finds and concludes that this Schedule of Rates and Charges is just and reasonable.

12. The effective date of the rate change (Effective Date) is January 1, 2011. With respect to issues relating to the renewal and expiration of current tickets held by customers, the Stipulating Parties agreed to the following, as set forth in the Joint Proposed Order:

- a. Currently issued Class XI Annual Passes sold at the current rate will continue to be honored for passage until they expire, but no Class XI Annual Passes sold or renewed at the current rate will be honored after December 31, 2011. Annual passes held by agencies or nonresidential property owners that expire after December 31, 2010, will not be renewed. There shall be no proration in value of either a currently issued annual pass or new/renewed annual pass.
- b. Currently issued Class XII Senior Citizen Annual Passes will continue to be honored for passage until they expire, but shall not be renewed upon expiration after December 31, 2010. No Class XII Senior Citizen Annual Passes sold or renewed at the current rate will be honored after December 31, 2011. There shall be no proration in value of either a currently issued annual pass or new/renewed annual pass.
- c. All other tickets (except Class II Bulk Fare, Class XV Lost Tickets, and Class VI No Frills tickets) shall be honored when used and/or may be presented for refund or credit towards purchase of another ticket through March 31, 2011, but shall expire and have no value after that date. Class II Bulk Fare tickets issued on or before December 31, 2010, will be honored for passage only when used through March 31, 2011, but will be accepted for refund or credit towards purchase of other ticket(s) when presented or returned at any time up to and including June 30, 2011, and will have no value after that date.

The Commission finds and concludes that the foregoing agreement by the Stipulating Parties regarding ticket renewal and expiration dates is just and reasonable.

13. The Stipulating Parties agreed upon the following regarding the rate design changes proposed by BHIT:

- a. BHIT shall cancel the Class IV Government Employees; Class V Special Event; Class VIII Corporate Guest; Class XII Senior Citizen Annual Pass; and Class XIV Student Ticket classes, as recommended by BHIT witness Fulton.
- b. BHIT shall establish new Bulk 40 and Bulk 80 ticket classes as proposed by BHIT witness Fulton at the rates and as described in the rate schedule and tariff attached to the Stipulation as Exhibits D and E.

The Commission finds and concludes that these rate design changes are just and reasonable.

14. The Stipulating Parties agreed that BHIT's fuel surcharge shall be set at zero as of the Effective Date but agreed that the difference between fuel collections and fuel expenses should continue to be tracked in the fuel tracker account and reported to the Commission on a quarterly basis consistent with present procedures. The revised fuel component of rates recomputed based on the cost of service and billing units from this proceeding is set forth in Exhibit F of the Stipulation. A fuel surcharge adjustment may be requested in the future pursuant to the Commission's January 29, 2009 Order in Docket No. A-100, Sub 0. The Commission finds and concludes that this provision of the Stipulation is just and reasonable.

15. The Stipulating Parties agreed that the depreciation rates for regulatory accounting purposes shall, with the exception of the assets listed on Exhibit G of the Stipulation, be determined by the Company based on the straight-line method and the life of the asset used for federal income tax purposes. The Commission finds and concludes that the depreciation rates applicable to the specific assets listed on Exhibit G are just and reasonable and shall be the rates set forth thereon.

16. In the Stipulation, BHIT agreed that it will, within 30 days after the date of issuance of this Order, file with the Commission amendments to its affiliate agreements with BHIL that reflect any changes necessary to conform the affiliate agreements with this Order. The Commission finds and concludes that this provision of the Stipulation is just and reasonable.

17. BHIT operates on a calendar year basis ending December 31. In the Stipulation, the Company agreed to submit to the Commission and Public Staff a quarterly financial report of monthly information within 45 days after the end of each quarter. The report shall contain a calendar year-to-date income statement in a format presently produced for internal management purposes, information on the Company's month-end balances of plant, accumulated depreciation, and accumulated deferred taxes by plant category, monthly book depreciation expense by plant category, the number of customers by fare class for each month, and the number of tram riders by month. The quarterly reports to be provided in this regard should be filed with the Commission as "non-confidential" filings available to the public. The Commission finds and concludes that this provision of the Stipulation is just and reasonable.

18. The Stipulation provides that the Public Staff shall perform an audit (in accordance with the scope and process generally employed in connection with this docket) of BHIT, and file a report with the Commission regarding the earnings of BHIT and a recommendation as to whether the Public Staff believes there are grounds for requiring BHIT to show cause why its rates should not be reduced or increased for service rendered thereafter. The audit shall be commenced on the earlier of the following: (1) six years from the entry of the Approval Order or (2) the date BHIT's ferry ticket revenues as reported in BHIT's quarterly reports for any Reporting Period are 5% greater than the immediately preceding Reporting Period or the date BHIT's ferry ticket revenues as reported in BHIT's quarterly reports for any Reporting Period are 5% less than the immediately preceding Reporting Period. For purposes of this subsection, the Reporting Period shall be defined as the 12-month period ending with the quarterly report most recently filed with the Commission. The Stipulating Parties agreed that nothing contained in the Stipulation shall prevent BHIT from filing a general rate case or the Public Staff, any Stipulating Party, or any person from initiating a proceeding with the Commission regarding BHIT's rates, earnings, or service at any time. The Commission finds and concludes that this provision of the Stipulation is just and reasonable.

19. The Company employs a modified tax basis of accounting for regulatory reporting purposes. The financial statements produced by the Company for internal management purposes are prepared on a tax basis of accounting. The tax-basis financial statements are modified for regulatory reporting purposes to reflect book depreciation expense. The Company agreed in the Stipulation that it will use the same asset capitalization and asset retirement policies for regulatory reporting purposes that it uses for tax purposes. The Company and BHIL also agreed that consistent with codes of conduct governing transactions between other utilities regulated by the Commission and their unregulated affiliates, charges to the Company from affiliates will be priced at the lower of cost or fair market value and that charges by the Company to affiliates will be priced at the higher of cost or fair market value. The Commission finds and concludes that this provision of the Stipulation is just and reasonable.

20. Consistent with Section 9 of the Stipulation, the Commission finds and concludes that the overall quality of service provided by BHIT is good.

21. The Stipulation provided that, except as provided in the Stipulation, the Stipulation shall not be construed to allow, support, confer, or provide a basis for Commission regulation or jurisdiction over rates, service, or complaints regarding parking services provided by BHIL, or the assets utilized for those services, in this rate case. The Commission finds and concludes that this provision of the Stipulation is just and reasonable.

EVIDENCE IN SUPPORT OF FINDINGS OF FACT
AND CONCLUSIONS NOS. 1 THROUGH 3

The evidence supporting these findings of fact and conclusions is contained in the verified general rate case application, BHIT's direct and rebuttal testimony and exhibits, the testimony, exhibits, and revised exhibits of James G. Hoard, the Stipulation, and the entire record in this proceeding. These findings and conclusions are informational, procedural, and jurisdictional in nature and are not contested by any party.

EVIDENCE IN SUPPORT OF FINDINGS OF FACT
AND CONCLUSIONS NOS. 4 THROUGH 6

The evidence supporting these findings of fact and conclusions is contained in the verified general rate case application, BHIT's direct and rebuttal testimony and exhibits, the testimony and exhibits of Dr. Julius A. Wright, the testimony, exhibits, and revised exhibits of James G. Hoard, the Agreement (filed September 30, 2010), the Stipulation (filed October 21, 2010), the Stipulation Exhibits, and the entire record in this proceeding.

The Stipulation, among all of the parties, entered and filed on October 21, 2010, included revisions to several of the provisions set forth in the September 30, 2010 Agreement between BHIT and the Public Staff, and also set forth new provisions that, as revised and expanded, comprehensively resolved all issues in this proceeding among all of the parties. In particular, the revisions and additions included in the October 21, 2010 Stipulation are briefly summarized as follows:

(1) Exhibit A attached to the Stipulation provided that the Stipulating Parties have agreed to a revenue increase of \$1,721,928, which incorporated a revenue decrease of \$144,133 from the revenue increase that had been reflected in the Agreement; and it is \$1,045,620, or 38% less than the increase that BHIT requested in its application. An "Other revenue adjustment" column was added to Hoard Exhibit 1, Schedule 3 Revised, which was filed on October 21, 2010, to reflect such agreed-upon annual revenue decrease.

(2) Stipulation Section 2.C.i.a., regarding Seasonal/Non-Seasonal Daily Parking was added as an entirely new (additional) provision. This Section imposed limitations (tied to the percentage change in inflation) on the amount by which BHIL may increase the prices of the Seasonal/Non-Seasonal Daily Parking rates currently in effect (\$10.00 Seasonal and \$8.00 Non-Seasonal); and it was agreed that BHIL shall be bound to this provision for the period beginning January 1, 2011 and ending December 31, 2016.

(3) In Stipulation Section 2.C.i.b., Annual Parking, BHIL agreed to be bound to certain limitations (tied to the percentage change in inflation) on the amount by which it may increase the prices of the annual parking rates through December 31, 2016.

Whereas, in the Agreement, BHIL had agreed to similar provisions, but it would be bound for five years from the date of the Commission's Order adopting the Stipulation, rather than six years. Additionally, language was added referencing a letter dated April 24, 2009, which was attached to the Stipulation as Exhibit C, which addresses an understanding between the Village and BHIL, as to BHIL's annual parking rate commitment regarding changes in rates through 2014. As a result of the Stipulation, the terms of the letter were extended through December 31, 2016.

(4) Stipulation Section 2.C.i.c. included a modification to the timeframe for providing notice that BHIL is required to provide to the Commission and the Public Staff of any sale or lease of the Deep Point parking facilities or any part of those facilities. In the Agreement, BHIL had agreed to 30 days notice; whereas, the Stipulation provides that BHIL shall provide notice to the Commission and the Public Staff not less than 90 days prior to the scheduled closing date.

(5) Stipulation Section 7.B. regarding financial reporting was added as an entirely new (additional) provision. This Section establishes a requirement for a future audit by the Public Staff to be commenced on the earlier of (1) six years from the entry of the approval order or (2) the date BHIT's ferry ticket revenues for a quarterly reporting period (12-month period) are 5% greater than or 5% less than the immediately preceding quarterly reporting period. Once such audit is completed, the new provision requires the Public Staff to file a report with the Commission and a recommendation as to whether the Public Staff believes there are grounds for requiring BHIT to show cause why its rates should not be increased or decreased for service rendered thereafter.

(6) Some clarifying language regarding the tram service was added to Tracked Tariff NCUC No. 6 and certain admissibility language originally included in Section 10.B was excluded.

(7) As a result of the Stipulation, rates were reduced below previously stipulated rates for some customer classes and other rates remained unchanged from the previously stipulated rates; and the stipulated rates were lower than what the Company had initially requested as indicated in the following table:

<u>Type of Passenger²</u>	<u>Initially Requested Rates</u>	<u>9/30/2010 Stipulated Rates</u>	<u>10/21/2010 Stipulated Rates</u>
1. Class I General	\$ 28.00	\$ 23.00	\$ 23.00
2. Class II Bulk 40	\$ 22.00	\$ 19.65	\$ 17.50
3. Class III Bulk 80	\$ 18.00	\$ 17.50	\$ 15.00
4. Class VI No Frills	\$ 18.00	\$ 17.00	\$ 14.00
5. Class VII Contractor	\$ 16.00	\$ 14.00	\$ 14.00
6. Class IX Employee	\$ 16.00	\$ 14.00	\$ 14.00
7. Class X Children	\$ 15.00	\$ 14.00	\$ 12.00
8. Class XI Annual Pass	\$2,800.00	\$2,100.00	\$1,850.00
9. Class XIII Excess Baggage	\$ 28.00	\$ 23.00	\$ 23.00
10. Class XV Lost/One-Way Ticket	\$ 14.00	\$ 11.50	\$ 11.50

These findings and conclusions are not contested by any party.

EVIDENCE IN SUPPORT OF FINDINGS OF FACT AND CONCLUSIONS NOS. 7 AND 8

The evidence supporting these findings of fact and conclusions is contained in the verified general rate case application, BHIT's direct and rebuttal testimony and exhibits, the testimony and exhibits of Dr. Julius A. Wright, the testimony, exhibits, and revised exhibits of James G. Hoard, the Stipulation, and the entire record in this proceeding. Public Staff witness Hoard testified concerning certain adjustments reflected in the Stipulation, including the following:

- a. An adjustment that reduces the revenue requirement by \$73,683 for the gain on the transfer of the former ferry terminal located at Indigo Plantation from utility to nonutility property. Prior to June 2, 2009, BHIT conducted its ferry operations from facilities located at Indigo Plantation. Hoard Exhibit 1, Schedule 3-1, presented the computation of the gain amount and an adjustment that amortizes the gain over a five-year period.
- b. An adjustment to include the Bald Head Island terminal in rate base at its depreciated net book value of \$363,503, as computed on Hoard Exhibit 1, Schedule 2-2. The impact of including the terminal in rate base at the rate of return reflected in the Stipulation, in lieu of including the lease payment as an operating expense as originally proposed by BHIT, resulted in a reduction in revenue requirement of \$278,438.
- c. An adjustment to increase operating expenses by \$213,338 to reflect the annual impact of reformulating the lease of the Deep Point terminal as a levelized cost-based lease for the BHIT portion of the facility. The computation of the levelized payment was presented on Hoard Exhibit 4.

² The "Class" roman numerals are provided prior to the renumbering of rate classes and eliminated classes are not presented in the table.

- d. An adjustment to reflect the cost of debt to BHIT at 6.65%. The combination of this cost of debt with the stipulated imputed capital structure composed of 50% long-term debt and 50% member's equity, and a return on equity (ROE) of 10% produces an overall rate of return of 8.33% and a pretax interest coverage ratio of 3.4 times.

These findings and conclusions are not contested by any party.

The following schedules summarize the gross revenues and the rate of return that the Company should have a reasonable opportunity to achieve based upon the determinations made herein. These schedules, illustrating the Company's gross revenue requirement incorporate the findings and conclusions made by the Commission in this Order. As reflected in Schedule I, and as impacted by the other findings in this Order, BHIT is authorized to increase its annual level of ferry ticket revenues by \$1,721,928 based upon the updated test year level of operations:

SCHEDULE I
BALD HEAD ISLAND TRANSPORTATION, INC.
North Carolina Operations
Docket No. A-41, Sub 7
STATEMENT OF OPERATING INCOME
Twelve Months Ended December 31, 2009
(000s Omitted)

Item	Present Rates	Approved Increase	Approved Rates
Operating revenues:			
Ferry tickets	\$3,372,236	\$1,721,928	\$5,094,164
Other operating revenues	872,344*	-	872,344
Total operating revenues	<u>\$4,244,579~</u>	<u>\$1,721,928</u>	<u>\$5,966,508</u>
Operating revenue deductions:			
Operations and maintenance	5,014,442	-	5,014,442
Depreciation	315,314	-	315,314
Property taxes	41,214	-	41,214
Payroll taxes	140,622	-	140,622
Regulatory fee	4,049	2,066	6,115
State income tax	0	21,920	21,920
Federal income tax	<u>0</u>	<u>98,598</u>	<u>98,598</u>
Total operating revenue deductions	<u>\$5,515,640~</u>	<u>\$ 122,585~</u>	<u>\$5,638,225</u>
Net Operating Income	<u>(\$1,271,061)</u>	<u>\$1,599,344~</u>	<u>\$ 328,283</u>

Notes:

- * Other operating revenues is composed of the following:

<u>Item</u>	<u>Amount</u>
Intercompany tram	\$100,545
Other tram	4,615
Parking revenues	523,097
Gain on transfer of Indigo Plantation	73,683
Other miscellaneous	170,404
Total other operating revenues	<u>\$872,344</u>

~ Denotes rounding per Stipulation.

SCHEDULE II
BALD HEAD ISLAND TRANSPORTATION, INC.
North Carolina Operations
Docket No. A-41, Sub 7
STATEMENT OF RATE BASE AND RATE OF RETURN
Twelve Months Ended December 31, 2009
(000s Omitted)

Item	Amount
Plant in service	\$6,656,972
Accumulated depreciation	<u>(2,402,645)</u>
Net plant in service	4,254,326~
Cash working capital	626,805
Average tax accruals	(44,044)
Deferred income taxes	<u>(893,752)</u>
Original Cost Rate Base	<u><u>\$3,943,335</u></u>
Overall Rate of Return on Rate Base:	
Present rates	(32.23%)
Approved rates	8.33%

Note: ~ Denotes rounding per Stipulation.

OFFICIAL COPY

Oct 25 2022

SCHEDULE III
BALD HEAD ISLAND TRANSPORTATION, INC.
North Carolina Operations
Docket No. A-41, Sub 7
STATEMENT OF RATE BASE AND RATE OF RETURN
Twelve Months Ended December 31, 2009
(000s Omitted)

Present Rates – Original Cost Rate Base

Item	Capitalization Ratio	Original Cost Rate Base	Embedded Cost or ROE	Net Operating Income
Long-term debt	50.00%	\$1,971,668	6.65%	\$ 131,116
Member's equity	<u>50.00%</u>	<u>1,971,668</u>	(71.12%)	<u>(1,402,177)</u>
Total	<u>100.00%</u>	<u>\$3,943,335~</u>		<u>(\$1,271,061)</u>

Approved Rates – Original Cost Rate Base

Item	Capitalization Ratio	Original Cost Rate Base	Embedded Cost or ROE	Net Operating Income
Long-term debt	50.00%	\$1,971,668	6.65%	\$ 131,116
Member's equity	<u>50.00%</u>	<u>1,971,668</u>	10.00%	<u>197,167</u>
Total	<u>100.00%</u>	<u>\$3,943,335~</u>		<u>\$ 328,283</u>

Note: ~ Denotes rounding per Stipulation.

EVIDENCE IN SUPPORT OF FINDING OF FACT AND CONCLUSION NO. 9

The evidence supporting this finding of fact and conclusion is contained in the verified general rate case application, BHIT's direct and rebuttal testimony and exhibits, the testimony and exhibits of Dr. Julius A. Wright, the testimony, exhibits, and revised exhibits of James G. Hoard, the Stipulation, and the entire record in this proceeding.

Public Staff witness Hoard testified that the parking revenue adjustment of \$523,097 reflects a compromise that considers projected operating results of the parking facility over a period of years. He testified that neither the investment nor the operating expenses associated with the Deep Point parking facilities are reflected in the revenue requirement computation on a fully rolled-in basis, and thus the entire amount of the parking revenue adjustment results in a direct reduction in the amount of the rate

increase. Further, witness Hoard explained that had the parking facility been reflected in revenue requirement on a fully rolled-in basis, the full amount of parking revenues would have been offset by the pretax rate of return on the parking facility rate base investment, depreciation expense, operation and maintenance expenses, property taxes, and payroll taxes. Witness Hoard opined that the revenue requirement impact of reflecting the parking facility on a fully rolled-in basis would have been considerably less favorable for ratepayers than the stipulated adjustment. This finding and conclusion is not contested by any party.

EVIDENCE IN SUPPORT OF FINDINGS OF FACT
AND CONCLUSIONS NOS. 10 THROUGH 13

The evidence supporting these findings of fact and conclusions is contained in the verified general rate case application, BHIT's direct and rebuttal testimony and exhibits, the testimony and exhibits of Dr. Julius A. Wright, the testimony, exhibits, and revised exhibits of James G. Hoard, the Stipulation, the Joint Proposed Order, and the entire record in this proceeding. These findings and conclusions are not contested by any party.

EVIDENCE IN SUPPORT OF FINDINGS OF FACT
AND CONCLUSIONS NOS. 14 THROUGH 19

The evidence supporting these findings of fact and conclusions is contained in the verified general rate case application, BHIT's direct and rebuttal testimony and exhibits, the testimony and exhibits of Dr. Julius A. Wright, the testimony, exhibits, and revised exhibits of James G. Hoard, the Stipulation, and the entire record in this proceeding. These findings and conclusions are not contested by any party.

EVIDENCE IN SUPPORT OF FINDING OF FACT AND CONCLUSION NO. 20

The evidence supporting this finding of fact and conclusion is contained in the verified general rate case application, BHIT's direct and rebuttal testimony and exhibits, the testimony, exhibits, and revised exhibits of James G. Hoard, the Stipulation, and the entire record in this proceeding. This finding and conclusion is not contested by any party.

EVIDENCE IN SUPPORT OF FINDING OF FACT AND CONCLUSION NO. 21

The evidence supporting this finding of fact and conclusion is contained in the verified general rate case application, BHIT's direct and rebuttal testimony and exhibits, the testimony and exhibits of Dr. Julius A. Wright, the testimony, exhibits, and revised exhibits of James G. Hoard, the Stipulation, and the entire record in this proceeding. This finding and conclusion is not contested by any party.

Customer emails were received between October 28, 2010 and November 15, 2010, wherein such customers expressed, among other things, that the

stipulated rate increase was unfair and unreasonable and that the Commission should reject the Stipulation and proceed to a further hearing and final ruling on all issues. The Commission has reviewed such correspondence and appreciates all the customer participation in this matter. The Commission acknowledges that there has been significant involvement by consumer interests in this proceeding which has greatly influenced the outcome of this rate case. In particular, the three Customer Group Intervenor - BHA, the Club, and the Village - played a very active and important role in asserting the interests of the specific consumer groups they represented; and they endeavored to support their recommendations through the submission of expert testimony. The Commission believes that the Customer Group Intervenor represented the vast majority of the consumers that will ultimately be affected by the final determinations made in this proceeding.

Furthermore, according to information provided in their respective petitions to intervene - BHA is a NC non-profit corporation, organized for the purposes of providing for beautification, maintenance, and architectural control of the exterior of homes and common areas of Stage 1 of BHI, to promote the health, safety, and welfare of the residents and act as an advocate for approximately 1,200 property owners; the Club is a NC non-profit corporation, organized for social and recreational purposes on BHI and its facilities include restaurants, a golf course, tennis courts, a swimming pool, and other sports and social facilities; and the Village is a municipal corporation, governed by an elected Village Council which exists, in part, to help property owners maintain the Island's unique qualities and to ensure that the Island is an accessible and enjoyable place to live, visit, and work. Further, the Public Staff, an independent agency from the Commission that represents the using and consuming public in all Commission proceedings affecting rates or service, was also very actively involved in the ultimate resolution of the issues in this proceeding.

The Commission believes that the compromises and ultimate settlement that was reached in this proceeding fairly acknowledged the interests represented by the various consumer groups in large measure. Unfortunately, it is not unusual for some affected consumers to be partially or completely dissatisfied with the final resolution of various opposing issues in a general rate case proceeding. However, the Commission is of the opinion that, in light of the various provisions set forth in the Stipulation that were agreed upon by the opposing parties, particularly those provisions such as the imputation of the revenues related to the Deep Point parking facilities (Stipulation Section 2.C.i.) and the limitations and the terms of such limitations agreed to by BHIL regarding price increases with respect to seasonal/non-seasonal daily parking rates and annual parking (Stipulation Section 2.C.i.a. and Section 2.C.i.b.), that opening up the hearing to obtain further evidence for review and consideration would not be productive or beneficial in this proceeding. Additionally, the Commission finds and concludes that the agreed-upon quarterly financial reporting (Stipulation Section 7.A.) as well as the future Public Staff audit (Stipulation Section 7.B.) should effectively apprise the Commission in a timely manner of any rate issues regarding the operations of BHIT that may need to be further investigated in the future.

The Commission has carefully reviewed the Stipulation and Stipulation Exhibits. The revenue requirement and allocation, accounting treatment, and other issues addressed and resolved in the Stipulation are the result of negotiations among the parties to this proceeding and are not opposed by any party. The Commission finds and concludes that the Stipulation provides a just and reasonable resolution of all of the issues necessary to be addressed in this proceeding and that its adoption will result in rates that are just and reasonable to all customer classes in consideration of all of the evidence presented in this proceeding.

IT IS, THEREFORE, ORDERED as follows:

1. That the Stipulation is hereby received into evidence in this proceeding and is approved in its entirety. The provisions of the Stipulation are incorporated herein by reference as if set out in full in this Order. Pursuant to Section 12 of the Stipulation regarding the receipt of testimony, the prefiled direct and rebuttal testimony and exhibits of Shirley A. Mayfield, Frederick W. Hering, and James W. Fulton, Jr., the prefiled direct testimony and exhibits of James G. Hoard and Dr. Julius A. Wright, and the amended joint rebuttal testimony and exhibits of Company witnesses Mayfield and Hering are received into evidence in this proceeding. Further, the Commission receives into evidence the Stipulation Exhibits and the late-filed revised exhibits of Public Staff witness Hoard.

2. That the Schedule of Rates and Charges (Tariff NCUC No. 6) attached as Exhibit D to the Stipulation with an effective date of January 1, 2011, shall be, and hereby is approved. In addition, the following provisions regarding ticket renewal and expiration dates of current tickets held by customers are approved:

- a. Currently issued Class XI Annual Passes sold at the current rate will continue to be honored for passage until they expire, but no Class XI Annual Passes sold or renewed at the current rate will be honored after December 31, 2011. Annual passes held by agencies or nonresidential property owners that expire after December 31, 2010, will not be renewed. There shall be no proration in value of either a currently issued annual pass or new/renewed annual pass.
- b. Currently issued Class XII Senior Citizen Annual Passes will continue to be honored for passage until they expire, but shall not be renewed upon expiration after December 31, 2010. No Class XII Senior Citizen Annual Passes sold or renewed at the current rate will be honored after December 31, 2011. There shall be no proration in value of either a currently issued annual pass or new/renewed annual pass.
- c. All other tickets (except Class II Bulk Fare, Class XV Lost Tickets, and Class VI No Frills tickets) shall be honored when used and/or may be presented for refund or credit towards purchase of another ticket through March 31, 2011, but shall expire and have no value after that date. Class II

Bulk Fare tickets issued on or before December 31, 2010, will be honored for passage only when used through March 31, 2011, but will be accepted for refund or credit towards purchase of other ticket(s) when presented or returned at any time up to and including June 30, 2011, and will have no value after that date.

3. That prior to implementing Tariff NCUC No. 6, BHIT shall provide the Public Staff's Transportation Rates Division with its revised tariff sheets, incorporating the increased rates and ferry operation changes approved herein. Further, upon review and acceptance by the Public Staff, that the increased rates and ferry operation changes approved herein have been properly reflected in the Company's revised tariff, BHIT shall file with the Commission a copy of its new Tariff NCUC No. 6.

4. That within 30 days of the date of this Order, BHIT shall file with the Commission all amendments to BHIT's affiliate agreements with BHIL that reflect any changes necessary to conform the affiliate agreements with this Order.

5. That BHIT (and BHIL, as applicable,) shall comply with the Stipulation, including the provision that BHIT shall file with the Commission the quarterly financial reports described in Finding of Fact and Conclusion No. 17.

6. That, not later than Friday, December 31, 2010, BHIT shall, at its own expense, publish in newspapers having general coverage in its service area, the Notice to Customers attached hereto as Appendix A, once a week for two consecutive weeks. The Notice shall cover no less than one-fourth of a page. In addition, within 10 days after the date of this Order and until January 30, 2011, BHIT shall post a copy of the Notice to Customers at the Deep Point and Bald Head Island ferry terminals.

7. That, BHIT shall file no later than Monday, January 17, 2011, an affidavit of publication and a certificate of service showing that it provided notice as required herein.

ISSUED BY ORDER OF THE COMMISSION.

This the 17th day of December, 2010.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Deputy Clerk

fh121710.01

APPENDIX A

Page 1 of 3

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. A-41, SUB 7

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Bald Head Island Transportation, Inc.)	NOTICE TO CUSTOMERS
for a General Increase in its Rates and Charges)	OF RATE INCREASE
Applicable to Ferry Service Between Southport,)	EFFECTIVE
North Carolina and Bald Head Island, North)	JANUARY 1, 2011
Carolina)	

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission (Commission) issued an Order on December 17, 2010, authorizing Bald Head Island Transportation, Inc. (BHIT), to increase and adjust its rates and rate design for ferry transportation service to and from Southport, North Carolina and Bald Head Island, North Carolina, effective on January 1, 2011, as explained below.

Pursuant to the Commission's Order, there are certain changes in rate design, classifications, fares, and tariffs for the ferry transportation service. The number of classes of tickets will be reduced from 15 to 10, eliminating six of the current classes and adding one new class. The classes that will be eliminated will be Class III Group Purchases; Class IV Government Employees; Class V Special Event; Class VIII Corporate Guest; Class XII Senior Citizen Annual Pass; and Class XIV Student Ticket. A new Bulk 80 ticket class will be created. The following table presents the rate changes and the classes that will be eliminated and created effective January 1, 2011:

<u>Type of Passenger</u>	<u>Current Rate*</u>	<u>Approved Rate</u>
General	\$16.00	\$23.00
Bulk 40	\$13.50	\$17.50
Bulk 80	N/A	\$15.00
No Frills	\$11.00	\$14.00
Contractor	\$11.00	\$14.00
Employee	\$9.00	\$14.00
Children, ages 3-12	\$9.00	\$12.00
Annual Pass	\$1,665.00	\$1,850.00
Excess Baggage	\$15.00	\$23.00
One-Way	\$5.00	\$11.50

OFFICIAL COPY

Oct 25 2022

APPENDIX A

Page 2 of 3

<u>Eliminated Classes</u>	<u>Eliminated Rates</u>
Group Purchases	\$13.50
Government Employees	\$10.00
Special Event	\$11.00
Corporate Guest	\$ 9.00
Senior Citizen Annual Pass	\$842.00
Student Ticket	\$5.00

General - Available to all persons traveling to Bald Head Island (BHI) from Southport who do not qualify for any other fare.

Bulk 40 - Available to persons or organizations who purchase packages of 40 ferry tickets at one time.

Bulk 80 - Available to persons or organizations who purchase packages of 80 tickets at one time. The Bulk 80 ticket will be issued via a durable plastic, photo ID bar-coded ticket, specific to each customer, valid for 80 round trips. No tram service is provided.

No Frills - Round trip tickets available for purchase only on BHI by persons living or staying on BHI and valid only on day of purchase. No baggage service or tram service available with this ticket and hand-held parcels only.

Contractor - Available to bona fide contractors traveling to BHI to provide service. Not available on Saturday or Sunday. Contractor ferry must be used unless otherwise noted. Shuttle bus only is included. No baggage handling or tram services are included.

Employee - Available to employees of governments, governmental agencies, commercial, and non-profit businesses on BHI who are traveling in the course of their employment. Allowed to board after all other fares have boarded. No tram or baggage included.

Children - For ages 3-12 traveling with an adult. No charge for children under age 3.

Annual Pass - Available only to persons whose primary residence is on BHI who are residential property owners of record or persons leasing residential property. Tram service is not included.

Excess Baggage - Applicable to each bicycle or other non-carry-on item deemed too large to fit into baggage containers.

One-Way - Available only on BHI to persons who cannot present a valid ticket for passage on the second leg of their round trip under any fare described above except No Frills.

*The current rate includes a \$1.00 fuel surcharge previously approved by Order of the Commission in Docket No. A-41, Sub 5, on December 16, 2008. The approved rate does not include a fuel surcharge.

On and after January 1, 2011, currently issued Class XI Annual Passes sold at the current rate will continue to be honored for passage until they expire, but no Class XI Annual Passes sold or renewed at the current rate will be honored after December 31, 2011. Annual passes held by agencies or nonresidential property owners and that expire after December 31, 2010, will not be renewed. In addition, currently issued Class XII Senior Citizen Annual Passes will continue to be honored for passage until they expire, but shall not be renewed upon expiration, if such pass expires after December 31, 2010. No Class XII Senior Citizen Annual Passes sold or renewed at the current rate will be honored after December 31, 2011. All other tickets (except Class II Bulk Fare, Class XV Lost Tickets, and Class VI No Frills tickets) shall be honored when used and/or may be presented for refund or credit towards purchase of

APPENDIX A

Page 3 of 3

another ticket through March 31, 2011, but shall expire and have no value after that date. Class II Bulk Fare tickets issued on or before December 31, 2010, will be honored for passage only when used through March 31, 2011, but will be accepted for refund or credit towards purchase of other ticket(s) when presented or returned at any time up to and including June 30, 2011, and will have no value after that date. Refunds or credits are allowed only upon presentation of the two-part round trip ticket. A single part will not be refunded or credited. There shall be no proration in value of either a currently issued annual pass or new/renewed annual pass.

A complete copy of the Commission's Order authorizing these new rates and approving this rate design can be obtained from the offices of BHIT or may be viewed and printed from the Commission's website at www.ncuc.net. Click on "Docket Search" and type in the docket (A-41) and sub (7) numbers. Detailed ferry information including hours of operation may be viewed at www.ferrytobhi.com or www.baldheadisland.com/contact/ferry_information.aspx.

This the 17th day of December, 2010.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Deputy Clerk

OFFICIAL COPY

Oct 25 2022

I/A

KWO Cross-X – Exhibit 6
A-41, SUB 21

$$\frac{\$ 2,452,385}{\$56,000,000} = 4.38\%$$

OFFICIAL COPY

Oct 25 2022

INDEX TO EXHIBITS

KWO-1	Kevin W. O'Donnell - Experience and Qualifications
KWO-2	Financial Statements - Parking and Barge

EXHIBIT KWO-1

Kevin W. O'Donnell – Experience and Qualifications

Kevin W. O'Donnell, CFA
Nova Energy Consultants, Inc. (Nova)
1350-101 SE Maynard Rd.
Cary, NC
919-461-0270
919-461-0570 (fax)
kodonnell@novaenergyconsultants.com

Kevin W. O'Donnell, is the founder of Nova Energy Consultants, Inc. in Cary, NC. Mr. O'Donnell's academic credentials include a B.S. in Civil Engineering - Construction Option from North Carolina State University as well as a MBA in Finance from Florida State University. Mr. O'Donnell is also a Chartered Financial Analyst (CFA).

Mr. O'Donnell has over thirty-four years of experience working in the electric, natural gas, and water/sewer industries. He is very active in municipal power projects and has assisted numerous southeastern U.S. municipalities cut their wholesale cost of power by as much as 67%. On Dec. 12, 1998, *The Wilson Daily Times* made the following statement about O'Donnell.

Although we were skeptical of O'Donnell's efforts at first, he has shown that he can deliver on promises to cut electrical rates.

Mr. O'Donnell has completed close to 30 wholesale power projects for municipal and university-owned electric systems throughout North and South Carolina. In May of 1996 Mr. O'Donnell testified before the U.S. House of Representatives, Committee on Commerce, Subcommittee on Energy and Power regarding the restructuring of the electric utility industry.

Mr. O'Donnell has appeared as an expert witness in over 110 regulatory proceedings before the North Carolina Utilities Commission, the South Carolina Public Service Commission, the Virginia Corporation Commission, the Minnesota Public Service Commission, the New Jersey Board of Public Utilities, the Colorado Public Service Commission, the Wisconsin Public Service Commission, the Maryland Public Service Commission, the District of Columbia Public Service Commission, the Pennsylvania Public Utility Commission, the Indiana Public Utility Commission, the California Public Service Commission, and the Florida Public Service Commission. His area of expertise has included rate design, cost of service, rate of return, capital structure, asset valuation analyses, fuel adjustments, merger transactions, holding company applications, as well as numerous other accounting, financial, and utility rate-related issues.

Mr. O'Donnell is the author of the following two articles: "Aggregating Municipal Loads: The Future is Today" which was published in the Oct. 1, 1995 edition of *Public Utilities Fortnightly*; and "Worth the Wait, But Still at Risk" which was published in the May 1, 2000 edition of *Public Utilities Fortnightly*. Mr. O'Donnell is also the co-author of "Small Towns, Big Rate Cuts" which was published in the January, 1997 edition of *Energy Buyers Guide*. All of these articles discuss how rural electric systems can use the wholesale power markets to procure wholesale power supplies.

Regulatory Cases of Kevin W. O'Donnell, CFA
Nova Energy Consultants, Inc.

Year	Name of Applicant	State Jurisdiction	Docket No.	Client/Employer	Case Issues
1985	Public Service Company of NC	NC	G-5, Sub 200	Public Staff of NCUC	Return on equity, capital structure
1985	Piedmont Natural Gas Company	NC	G-9, Sub 251	Public Staff of NCUC	Return on equity, capital structure
1986	General Telephone of the South	NC	P-19, Sub 207	Public Staff of NCUC	Return on equity, capital structure
1987	Public Service Company of NC	NC	G-5, Sub 207	Public Staff of NCUC	Return on equity, capital structure
1988	Piedmont Natural Gas Company	NC	G-9, Sub 278	Public Staff of NCUC	Return on equity, capital structure
1989	Public Service Company of NC	NC	G-5, Sub 246	Public Staff of NCUC	Return on equity, capital structure
1990	North Carolina Power	NC	E-22, Sub 314	Public Staff of NCUC	Return on equity, capital structure
1991	Duke Energy	NC	E-7, Sub 487	Public Staff of NCUC	Return on equity, capital structure
1991	North Carolina Natural Gas	NC	G-21, Sub 306	Public Staff of NCUC	Natural gas expansion fund
1991	North Carolina Natural Gas	NC	G-21, Sub 307	Public Staff of NCUC	Natural gas expansion fund
1991	Penn & Southern Gas Company	NC	G-3, Sub 186	Public Staff of NCUC	Return on equity, capital structure
1995	North Carolina Natural Gas	NC	G-21, Sub 334	Carolina Utility Customers Assoc.	Return on equity, capital structure, rate design, cost of service
1995	Carolina Power & Light Company	NC	E-2, Sub 680	Carolina Utility Customers Assoc.	Fuel adjustment proceeding
1995	Duke Power	NC	E-7, Sub 559	Carolina Utility Customers Assoc.	Fuel adjustment proceeding
1996	Piedmont Natural Gas Company	NC	G-9, Sub 378	Carolina Utility Customers Assoc.	Return on equity, capital structure, rate design, cost of service
1996	Piedmont Natural Gas Company	NC	G-9, Sub 382	Carolina Utility Customers Assoc.	Return on equity, capital structure, rate design, cost of service
1996	Public Service Company of NC	NC	G-5, Sub 356	Carolina Utility Customers Assoc.	Return on equity, capital structure, rate design, cost of service
1996	Cardinal Extension Company	NC	G-39, Sub 0	Carolina Utility Customers Assoc.	Capital structure, cost of capital
1997	Public Service Company of NC	NC	G-5, Sub 327	Carolina Utility Customers Assoc.	Return on equity, capital structure, rate design, cost of service
1998	Public Service Company of NC	NC	G-5, Sub 386	Carolina Utility Customers Assoc.	Return on equity, capital structure, rate design, cost of service
1998	Public Service Company of NC	NC	G-5, Sub 386	Carolina Utility Customers Assoc.	Natural gas transportation rates
1999	Public Service Company of NC/SCANA Corp	NC	G-5, Sub 400	Carolina Utility Customers Assoc.	Merger case
1999	Public Service Company of NC/SCANA Corp	NC	G-43	Carolina Utility Customers Assoc.	Merger Case
1999	Carolina Power & Light Company	NC	E-2, Sub 753	Carolina Utility Customers Assoc.	Holding company application
1999	Carolina Power & Light Company	NC	G-21, Sub 387	Carolina Utility Customers Assoc.	Holding company application
1999	Carolina Power & Light Company	NC	P-708, Sub 5	Carolina Utility Customers Assoc.	Holding company application
2000	Piedmont Natural Gas Company	NC	G-9, Sub 428	Carolina Utility Customers Assoc.	Return on equity, capital structure, rate design, cost of service
2000	NUI Corporation	NC	G-3, Sub 224	Carolina Utility Customers Assoc.	Holding company application
2000	NUI Corporation/Virginia Gas Company	NC	G-3, Sub 232	Carolina Utility Customers Assoc.	Merger application
2001	Duke Power	NC	E-7, Sub 685	Carolina Utility Customers Assoc.	Emission allowances and environmental compliance costs
2001	NUI Corporation	NC	G-3, Sub 235	Carolina Utility Customers Assoc.	Tariff change request.
2001	Carolina Power & Light Company/Progress E	NC	E-2, Sub 778	Carolina Utility Customers Assoc.	Asset transfer case
2001	Duke Power	NC	E-7, Sub 694	Carolina Utility Customers Assoc.	Restructuring application
2002	Piedmont Natural Gas Company	NC	G-9, Sub 461	Carolina Utility Customers Assoc.	Return on equity, capital structure, rate design, cost of service
2002	Cardinal Pipeline Company	NC	G-39, Sub 4	Carolina Utility Customers Assoc.	Cost of capital, capital structure
2002	South Carolina Public Service Commission	SC	2002-63-G	South Carolina Energy Users Committee	Rate of return, accounting, rate design, cost of service
2003	Piedmont Natural Gas/North Carolina Natura	NC	G-9, Sub 470	Carolina Utility Customers Assoc.	Merger application
2003	Piedmont Natural Gas/North Carolina Natura	NC	G-9, Sub 430	Carolina Utility Customers Assoc.	Merger application
2003	Piedmont Natural Gas/North Carolina Natura	NC	E-2, Sub 825	Carolina Utility Customers Assoc.	Merger application
2003	Carolina Power & Light Company	NC	E-2, Sub 833	Carolina Utility Customers Assoc.	Fuel case
2004	South Carolina Electric & Gas	SC	2004-178-E	South Carolina Energy Users Committee	Return on equity, capital structure, rate design, cost of service
2005	Carolina Power & Light Company	NC	E-2, Sub 868	Carolina Utility Customers Assoc.	Fuel case
2005	Piedmont Natural Gas Company	NC	G-9, Sub 499	Carolina Utility Customers Assoc.	Return on equity, capital structure, rate design, cost of service
2005	South Carolina Electric & Gas	SC	2005-2-E	South Carolina Energy Users Committee	Fuel application
2005	Carolina Power & Light Company	SC	2006-1-E	South Carolina Energy Users Committee	Fuel application
2006	IRP in North Carolina	NC	E-100, Sub 103	Carolina Utility Customers Assoc.	Submitted rebuttal testimony in investigation of IRP in NC.
2006	Piedmont Natural Gas Company	NC	G-9, Sub 519	Carolina Utility Customers Assoc.	Creditworthiness issue
2006	Public Service Company of NC	NC	G-5, Sub 481	Carolina Utility Customers Assoc.	Return on equity, capital structure, rate design, cost of service
2006	Duke Power	NC	E-7, 751	Carolina Utility Customers Assoc.	App to share net revenues from certain wholesale pwr trans

Regulatory Cases of Kevin W. O'Donnell, CFA
Nova Energy Consultants, Inc.

Year	Name of Applicant	State Jurisdiction	Docket No.	Client/ Employer	Case Issues
2006	South Carolina Electric & Gas	SC	2006-192-E	South Carolina Energy Users Committee	Fuel application
2007	Duke Power	NC	E-7, Sub 790	Carolina Utility Customers Assoc.	Application to construct generation
2007	South Carolina Electric & Gas	SC	2007-229-E	South Carolina Energy Users Committee	Rate of return, accounting, rate design, cost of service
2008	South Carolina Electric & Gas	SC	2008-196-E	South Carolina Energy Users Committee	Base load review act proceeding
2009	Western Carolina University	NC	E-35, Sub 37	Western Carolina University	Rate of return, accounting, rate design, cost of service
2009	Duke Power	NC	E-7, Sub 909	Carolina Utility Customers Assoc.	Cost of service, rate design, return on equity, capital structure
2009	South Carolina Electric & Gas	SC	2009-261-E	South Carolina Energy Users Committee	DSM/EE rate filing
2009	Duke Power	SC	2009-226-E	South Carolina Energy Users Committee	Return on equity, capital structure, rate design, cost of service
2009	Tampa Electric	FL	080317-EI	Florida Retail Federation	Return on equity, capital structure
2010	Duke Power	SC	2010-3-E	South Carolina Energy Users Committee	Fuel application - assisted in settlement
2010	South Carolina Electric & Gas	SC	2009-489-E	South Carolina Energy Users Committee	Return on equity, capital structure, rate design, cost of service
2010	Virginia Power	VA	PUE-2010-00006	Mead Westvaco	Rate design
2011	Duke Energy	SC	2011-20-E	South Carolina Energy Users Committee	Nuclear construction financing
2011	Northern States Power	MN	E002/GR-10-971	Xcel Large Industrials	Return on equity, capital structure
2011	Virginia Power	VA	PUE-2011-0027	Mead Westvaco	Capital structure, revenue requirement
2011	Duke Energy	NC	E-7, Sub 989	Carolina Utility Customers Assoc.	Accounting, cost of service, rate design, ROE, capital structure
2011	Duke Energy	SC	2011-271-E	South Carolina Energy Users Committee	Accounting, cost of service, rate design, ROE, capital structure
2011	Dominion Virginia Power	VA	PUE-2011-00073	Mead Westvaco	Rate design
2012	Town of Smithfield/Partners Equity Group	NC	ES-160, Sub 0	Partners Equity Group	Rate design, asset valuation
2012	Florida Power & Light	FL	120015-EI	Florida Office of Public Counsel	Capital structure
2012	South Carolina Electric & Gas	SC	2012-218-E	South Carolina Energy Users Committee	Accounting, cost of service, rate design, ROE, capital structure
2013	Progress Energy Carolinas	NC	E-2, Sub 1023	Carolina Utility Customers Assoc.	Accounting, cost of service, rate design, ROE, capital structure
2013	Duke Energy Carolinas	NC	E-7, Sub 1026	Carolina Utility Customers Assoc.	Rate design
2013	Jersey Central Power & Light	NJ	BPU ER12111052	Gerdau Ameristeel	Return on equity, capital structure
2013	Duke Energy Carolinas	SC	2013-59-E	South Carolina Energy Users Committee	Accounting, cost of service, rate design, ROE, capital structure
2013	Tampa Electric	FL	130040-EI	Florida Office of Public Counsel	Capital structure and financial integrity
2013	Piedmont Natural Gas	NC	G-9, Sub 631	Carolina Utility Customers Assoc.	Accounting, cost of service, rate design, ROE, capital structure
2014	Dominion Virginia Power	VA	PUE-2014-00033	Mead Westvaco	Recoverable fuel costs, hedging strategies
2014	Public Service Company of Colorado	CO	14AL-0660E	Colorado Healthcare Electric Coordinating Council	Return on equity, capital structure
2015	WEC Acquisition of Integrys	WI	9400-YO-100	Staff of Wisconsin Public Service Commission	Merger analysis
2015	Dominion Virginia Power	VA	PUE-2015-00027	Federal Executive Agencies	Return on equity
2015	South Carolina Electric & Gas	SC	2015-103-E	South Carolina Energy Users Committee	Return on equity
2015	Western Carolina University	NC	E-35, Sub 45	Western Carolina University	Accounting, cost of service, rate design, ROE, capital structure
2016	Sandpiper Energy	MD	9410	Maryland Office of People's Counsel	Return on equity, capital structure
2016	Washington Gas Light	DC	FC 1137	Washington, DC Office of People's Counsel	Return on equity, capital structure
2016	Florida Power & Light	FL	160021-EI	Florida Office of Public Counsel	Capital Structure
2016	Jersey Central Power & Light	NJ	EM15060733	NJ Division of Rate Counsel	Asset valuation
2016	Rockland Electric Company	NJ	ER16050428	NJ Division of Rate Counsel	Rate design
2016	Dominion NC Power	NC	E-22, Sub 532	Carolina Utility Customers Assoc.	Accounting, cost of service, rate design, ROE, capital structure
				Healthcare Council of the National Capitol Area (HCNCA)	
2017	Potomac Electric Power	DC	FC 1139	(HCNCA)	ROE and capital structure
2017	Columbia Gas of Maryland	MD	FC 9447	Maryland Office of People's Counsel	ROE and capital structure
2017	Washington Gas Light	DC	FC 1142	Washington, DC Office of People's Counsel	Merger analysis
2017	Duke Energy Progress	NC	E-2, Sub 1142	Carolina Utility Customers Assoc.	Accounting, cost of service, rate design, ROE, capital structure
2018	Public Service Electric & Gas	NJ	GR17070776	NJ Division of Rate Counsel	ROE and capital structure
2018	Duke Energy Carolinas	NC	E-7, Sub 1146	Carolina Utility Customers Assoc.	Accounting, cost of service, rate design, ROE, capital structure
2018	Elkton Gas/SJI	MD	FC 9475	Maryland Office of People's Counsel	Merger analysis
2018	Entergy Texas	TX	PUC 48371	Entergy Texas Cities	ROE
2018	Duke Energy Carolinas	SC	2018-3-E	South Carolina Energy Users Committee	Fuel case

Regulatory Cases of Kevin W. O'Donnell, CFA
Nova Energy Consultants, Inc.

Year	Name of Applicant	State Jurisdiction	Docket No.	Client/Employer	Case Issues
2018	Elkton Gas Company	MD	FC 9488	Maryland Office of People's Counsel	Accounting, ROE, capital structure
2018	Baltimore Gas & Electric	MD	FC9484	Maryland Office of People's Counsel	ROE, capital structure
2018	South Carolina Electric & Gas	SC	2017-370-E	South Carolina Energy Users Committee	Creditworthiness issue
2018	Jersey Central Power & Light	NJ	EO18070728	NJ Division of Rate Counsel	ROE and capital structure
2019	Duke Energy Carolinas	SC	2018-319-E	South Carolina Energy Users Committee	Accounting, rate design
2019	Duke Energy Progress	SC	2018-318-E	South Carolina Energy Users Committee	Accounting, rate design
2019	Public Service Electric and Gas	NJ	EO18060629	NJ Division of Rate Counsel	ROE and capital structure
2019	Potomac Electric Power	MD	FC 9602	Maryland Office of People's Counsel	ROE, capital structure
2019	Oklahoma Gas and Electric	OK	PUD 201800140	Sierra Club	Creditworthiness issue
2019	Peoples Natural Gas	PA	R-2018-3006818	Pennsylvania Office of Consumer Advocate	ROE, capital structure
2019	UGI Natural Gas	PA	R-2018-3006814	Pennsylvania Office of Consumer Advocate	ROE, capital structure
2019	Dominion Virginia Power	VA	PUR-2019-00050	Federal Executive Agencies	Return on Equity
2019	Piedmont Natural Gas	NC	G-9, Sub 743	Carolina Utility Customers Assoc.	Accounting, cost of service, rate design, ROE
	Pacific Gas & Electric, Southern California				
2019	Edison, San Diego Gas & Electric	CA	A-1904014, et al	Federal Executive Agencies	ROE, capital structure
2019	Duke Energy Indiana	IN	Cause 45253	Federal Executive Agencies	ROE, capital structure
2020	Duke Energy Carolinas	NC	E-7 Sub 1214	Carolina Utility Customers Assoc.	Accounting, cost of service, rate design, ROE
2020	Duke Energy Progress	NC	E-2 Sub 1219	Carolina Utility Customers Assoc.	Accounting, cost of service, rate design, ROE
2020	Dominion Virginia Power	VA	PUR-2019-00154	Southern Environmental Law Center	Financial analysis of plant investment
2020	Southwest Electric Power Company	LA	U-35324	Alliance for Affordable Energy	Financial analysis of plant investment
2020	Texas Gas Company	TX	PUC 10928	Texas Gas Cities	ROE, capital structure
2020	Potomac Electric Power	DC	FC 1156	District of Columbia Office of Peoples Counsel	ROE, capital structure
2020	UGI Gas	PA	R-2019-3015162	Pennsylvania Office of Consumer Advocate	ROE, capital structure, creditworthiness
2020	Columbia Gas of Maryland	MD	FC 9644	Maryland Office of People's Counsel	ROE, capital structure
2020	Columbia Gas of Pennsylvania	PA	R-2020-3018835	Pennsylvania Office of Consumer Advocate	ROE, capital structure
2020	New Mexico Gas Company	NM	19-00317-UT	Federal Executive Agencies	ROE, capital structure, accounting, rate design, cost of service
2020	Washington Gas Light	DC	FC 1162	District of Columbia Office of Peoples Counsel	ROE, capital structure
2020	Dominion Energy South Carolina	SC	2020-125-E	South Carolina Energy Users Committee	Accounting, rate design
2021	Suez Water Company	NJ	BPU WR2011	NJ Division of Rate Counsel	ROE, capital structure, rate design
2021	Columbia Gas of Pennsylvania	PA	R-2021-3024296	Pennsylvania Office of Consumer Advocate	ROE, capital structure
2021	Florida Power & Light	FL	20210015-EI	Florida Office of Public Counsel	Capital structure, financial rate analysis
2021	Piedmont Natural Gas Company	NC	G-9 Sub 781	Carolina Utility Customers Assoc.	Rate of return, cost of service, rate design
2021	Dominion Virginia Power	VA	PUR-2021-00058	Federal Executive Agencies	ROE, capital structure
2021	Public Service Company of NC	NC	G-5 Sub 632	Carolina Utility Customers Assoc.	Rate of return, cost of service, rate design
2022	Entergy Texas	TX	52487	Texas Gas Cities	Generation plant feasibility analysis
2022	New Mexico Gas Company	NM	21-00267-UT	Federal Executive Agencies	ROE, capital structure, accounting, rate design, cost of service

EXHIBIT KWO-2 Intentionally Omitted

CONFIDENTIAL MATERIALS

Exhibit STG-1

**Consumer Statement of Position letter
dated August 1, 2022**

August 1, 2022

Via Electronic Filing

Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina. 27699-4300

Re: **Docket A-41, Sub 21**
Village of Bald Head Island v. Bald Head Island Transportation, and Bald Head Island Limited, LLC

and;

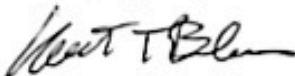
Docket A-41, Sub 22
In the Matter of Joint Application of Bald Head Island Transportation, Inc., and Bald Head Island Ferry Transportation, LLC, for Approval of Transfer of Common Carrier Certificate to Bald Head Island Ferry Transportation, LLC, and Permission to Pledge Assets

Dear Ms. Dunston:

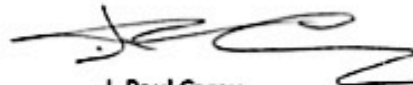
Transmitted on behalf of over 400 Bald Head Island property owners is a letter to Charlotte Mitchell, Chair, North Carolina Utilities Commission in the above referenced dockets.

The letter is being filed as a *Consumer Statement of Position* in both proceedings. Should you have any questions, please do not hesitate to contact us.

Respectfully yours,



Robert T. Blau
5 Starrush Trail
Bald Head Island, NC 28461
Cell: 910-200-7430



J. Paul Carey
611 Currituck Way
Bald Head Island, NC 28461
Cell: 202-669-0674

Attachment

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

August 1, 2022

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4300

Dear Chairwoman Mitchell:

We are writing as Bald Head Island property owners concerned about the cost, reliability, and safety of ferry transportation services to and from the island. We support the petition that the Village of Bald Head Island recently filed with the Commission asking that the parking and barge operations located at the Deep Point ferry terminal in Southport NC be regulated along with the BHI passenger ferry.

The Deep Point parking facility, barge and passenger ferry are essential components of a single transportation system that serves only one market: BHI. Few would bother to park at Deep Point if the passenger ferry did not run, just as few would bother to park and get on the passenger ferry if the barge did not transport goods needed to sustain the BHI community. The system also is a commercially-owned monopoly which BHI property owners, visitors, workers and service providers have no choice but to use; it should be regulated as such.

Recently, the transportation system's current owner, Bald Head Island Limited, announced that it intends to sell the system to SharpVue Capital, a small private equity investor. We urge the Commission to act on the Village's petition before any sale of Limited's transportation assets are finalized. A change in ownership will not diminish the need to regulate the system as a whole. Failing that, we are concerned that the current system will be broken up with the less profitable regulated passenger ferry and the exceedingly profitable unregulated parking and barge components sold off to different owners.

We do not believe that breaking up BHI's transportation system is in the Island's best interest, particularly if the regulated passenger ferry were left to operate on its own, and different owners of the currently unregulated parking and barge monopolies were free to set rates at whatever level they believe the market will bear. A far better, and more efficient outcome would be for the Commission to regulate the entire system and allow a single commercial operator to earn a fair rate-of-return on its investment; no more, no less.

Respectfully yours,

AC Linstead
Al Buzzard
Alan J Reyner
Alana Argersinger

117 N. Bald Head Wynd
31 Ibis Roost
11 Dogwood Ridge
129 N. Bald Head Wynd

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

Alexander Hattaway	34 Horsemint Trail
Alison Ravin	341 South Bald Head Wynd
Amy Brown	207 Portsmouth Way
Amy Lothrop	801 South Bald Head Wynd
Amy T Glasgow	21 Keelson Row
Andrea Provencher	9 Snowy Egret Trail
Andy Sayre	131 W Bald Head Wynd
Anette Morriion	22 Keepers Landing
Angela Georgallis	37 Cape Creek Road
Anna Ball	7 Red Bay Court
Anna Hattaway	34 Horsemint Trail
Anne Beery	120 Edward Teach Wynd
Anne Gardner	429 S Bald Head Wynd
Anne Rex	Did not provide
Annemarie Sherlock	305 S Bald Head Wynd
Annie Norman	2 Fortrt Holmes Trail
Anthony Gargano	18 Laughing GullTrail
Antoinette Powell	18 Poormans Pepper Trail
Antonio E Ferrer	665 Chicamacomico
Arlin Bostian	5 Earl of Craven Court
Barbara Ackerman Johnson	21 Keepers Landing
Barbara McQuaide	24 Black Skimmer Trail
Barbara Richardson	48 Transom Row
Beth Fordham-Meier	3 Sandwich Tern
Betsy Byrne	5 Ibis Roost
Beverly P Suhr	405 South Bald Head Wynd
Bill Argersinger	129 North Bald head Wynd
Bill Michels	541 Chicamacomico Way
Blair Kaine	617 Ocracoke Way
Bo H Holmgreen	5 Eilean Way
Bob Morrison	Ibis Roost 13
Bob Nixon	4 Seaton Court
Brad Wenner	30 Horsemint Trail
Bradley Kohn	2 Coquina Trail
Brandy Munroe	7 Bufflehead Court
Brent Belch	20 Mourning Warbler Trail
Brian Orman	Did not provide
Brooke Pollard	656 Wash Woods way
Bruce Mortimer	974 South Bald Head Wynd
C. Stephen Ford	Timbercreek 6B

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

Candy Shivers	7 Royal Tern Court
Carl Aschman	3 Keepers Landing
Carl Ravin	341 South Bald Head Wynd
carmen harris	305 S Bald Head Wynd - Villa 27
Carol Caufield	11 Mourning Warbler Trail
Carol Hipps	8killegray ridge
Carol McBride	220 Row Boat Row
Catherine Sigal	214 Portsmouth Way
Charles Byrne	5 Ibis Roost
Charles K Scott	15 Timber Creek
Charles McBride	220 Row Boat Row
Charles Mitchell	318 Stede Bonnet Wynd
Charles P Stuckey	6 Ibis Roost
Charles Richard Gaukel	215 North Bald Head Wynd
Charles Rowe	1 Cape Creek Rd.
Chip Beery	120 Edward Teach Wynd
Chris Meyer	102 Edward Teach Wynd
Christine Osborne	7 Laurel Cherry Court
Cindy Gaunt	976 S Bald Head Wynd
Claire Tuttle	208 Station House Way
Colleen C Salter	819 B South Bald Head Wynd
Courtney Kaprelian	16 Sumners Crescent
Craig Wulff	136 Edward Teach Wynd
Cyndi Chaney	Did not provide
Cynthia B. Irby	46 Hammocks
Cynthia Kleeberger	819B Killegray Ridge
Cynthia L Hill	8 Spike Rush Ct
Dan Magid	222 Station House Way
Dan Nelson	226 North Bald Head Wynd
Danny Brewer	46 The Hammocks
Dave Hunter	54 Dowitcher Trail
David Fisher	4 Sumners Crescent
David Guilkey	2 Silversides
David Hayes	5 Sumners Crescent BHI
David Tuxhorn	102 West Bald Head Wynd
Dawn Bekker	305 S. Bald Head Wynd
Dawn Exner	52 Earl of Craven Court
Deb Geraghty	206 SE Beach Drive
Deb Geraghty	206 Southeast Beach Drive

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

Deb Rausch	16 Sea Gull Trail
Debbie Ward	2 Dogwood Trail
Debbie Wildgoose	16 Ibis Roost
Deborah A Brooks	850 Bainbridge Drive
Deborah Gouldin	Did not provide
Dennis Carwile	2033 Palmetto Cove Ct
Deon Roach	2027 Palmetto Cove Ct.
Doreen Fairbank	5 Towhee Ct
Doug Jellison	27 Sandspur Trail
Doug Rees	25 Sandspur Trail
Doug Woodard	229 West Bald Head Wynd
Douglas Eberle	123 N Bald Head Wynd
Douglas K. Anderson	Did not provide
Drew Ann Cook	BHI Marina
Edmund Jooste	37 Cape Creek Road
Elizabeth Bellucci	20 Horsemint Trail
Elizabeth Deterding	45 Transom Row
Elizabeth Kapil	56 Dowitcher Trail
Eric J. Scott	13 Lighthouse Landing
Eric Villamater	24 and 25 Tanbark Ct
Erin Pate	12 Royal Tern Court
Fran Summerlin	38 Sandpiper Trail
Frank Klaine	989 South Bald Head Wynd
Fred Bekker	305 S. Bald Head Wynd
Gary D. Melchionni	17 Cape Creek Rd.
Gary Giambrone	Did not provide
Gene Douglas	7 Fort Holmes Trail
Georgia Spogli	706 Shoals Watch
George Corvin	105 N Bald Head Wynd
Gerald Maggio	431 South Bald Head Wynd
Glen Kelley	8 Kinross Ct
Gordon W Holmes	41 Cape Fear Trail
Gregg Pollander	907 Bramble Reach
Gretchen Meyer	1A Keelson Row BHI NC
Gretchen Meyer	1 Keelson Row
Hailey Helton	Did not provide
Harry McCarthy	7 Sea Lavender Court
Heather Kirk	123 West Bald Head Wynd
Heather Lee	10 Morning Warbler Trail
Hugh M Powell	21 Silversides Trail

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

James A Koch	118 Edward Teach Wynd
James A Wasson	8 Bay Tree Trail
James A. Clark	968 South Bald Head Wynd
James Ashby IV	48 Earl of Craven H
James Bohanek	5 Leeward Court
James Bourdon	513 Currituck Way
James Bourdon	513 Currituck Way
James Deterding	45 Transom Row
James G Hanes	41 Transom Row
James Henderson	40 Transom Row
James Liverman	4 Bufflehead Court
James Pawlowski	48 Earl of Craven
James Price	2 Sandspur
James Riff	27 Silversides Trail
James Roese	905A Bramble Reach
Jane E Mago	5 Starrush Trail
Jane O. Hansen	2 Keepers Landing
Jason Ainsworth	14 Indian Blanket Court
Jason Harris	305 S Bald Head Wynd - Villa 27
Jean Pierre Lefebvre	61 Fort Holmes Trail
Jeanette Tyson	11 Elephant's Foot Trail
Jeanne Elberfeld	307 S Bald Head Wynd,
Jeff Caudle	206 Row Boat Row
Jeff Cummings	47 Transom Row
Jeff Dickerson	217 Row Boat Row
Jeff Parker	2003 Palmetto Cove
Jeffrey Hull	340 South Bald Head Wynd
Jenny Hackeling	5 Cape Fear Trail
Jesse Hermann	210 Station House Way
Joan Guilkey	2 Silversides
Joan Maggio	431 South Bald Head Wynd
Joan Mueller	6 Keepers Landing
Joe Barnard	1 Dogwood Ridge Road
Joe Brawner	319 Steed Bonnet
Joel Sutherland	526 Chicamacomico Way
Johanna Ainsworth	14 Indian Blanket Court
John Bruffey	25 East Beach Drive
John C Liguori	308 Stede Bonnet Wynd
John C Richter	4 Elephants Foot Trail
John Cheesborough	Timbercreek 9b

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

John D'Angelo	23 Isle of Skye Crescent
John Dimling	995 South Bald Head Wynd
John F Gottshall	201 West Bald Head Wynd
John Healy	306 and 308 Whale Head Way
John Marcelis	30 Keepers Landing
John Marcelis MD	30 Keepers Landing
John Marinelli	209 Portsmouth Way
John McVicker	Did not provide
John Munroe	7 Bufflehead Court
John P Clarke	5 Royal Tern Court
John P Jelinek	18 Cedar Court
John R. Dyer	5 East Beach Drive
John Register	24 Sabal Palm Trail
John Schoeb	Did not provide
Jonathan Thompson	6 Poorman Pepper Trail
Joseph Makar	714 Shoals Watch
Joseph Snee	47 Cape Creek
Josh O,ÄôBrien	14 Killegray Ridge
Joshua Lippiner	Did not provide
Joyce Douglas	7 Fort Holmes Trail
Joyce Lambert	6 Clapper Rail
Joyce Nelson	6 Widgeon Court
Juan Ortiz	8 Sandwich Tern Trail
Judy Brawner	319 Stede Bonnet
Judy Richter	4 Elephant Foot Trail
Julia Jayatilaka	Villa 42
Julie Burson	14 Sabal Palm Ct
Julie Keenan	210 Station House Way
Justin Exner	721 Shoals Watch Way
Karen Bennett	123 N Bald Head Wynd
Karen Corvin	105 N Bald Head Wynd
Karen Klaine	989 South Bald Head Wynd
Karen Machikas	658 Wash Woods Way
Karen Mortimer	974 South Bald Head Wynd
Karen Stuver	218 Stede Bonnet Wynd
Karen Williams	7 Earl of Craven
Katherine Anderson	3 Fort Holmes Trail
Kathleen Koch	118 Edward Teach Wynd
Kathryn Murphy Liguori	308 Stede Bonnet Wynd
Kathy Newman	27 Black Skimmer Trail

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

Kathy Pawlowski	48 Earl of Craven
Kathy Price	411 S Bald Head Wynd
Kathy Tennyson	9 Sea Holly Court
Keith Fehring	345 S Bald Head Wynd
Keith Mann	302 South East E Beach Drive
Kelly Timmerman	19 Peppervine trail
Kenneth D Ridings	6 Leeward Ct
Kenneth Dodge	15 Indian Blanket Court
Kenny Cooper	305 South Bald Head Wynd
Keri Cobb	18 Dowitcher Trail
Kevin Arata	112 Stede Bonnet Wynd
Kevin Paley	12 Isle of Skye
Kim Clarke	5 Royal Tern Court
Kim Gottshall	201 West Bald Head Wynd
Kim Scagnelli	9 Live Oak Trail
Kirby Ward	2 Dogwood Trail
Kourtney Tuxhorn	102 W Bald Head Wynd
Kris Burson	14 Sabal Palm Ct
Kristen Astilla	115 Edward Teach Wynd
Kristen Rauth	205 Muscadine Wynd
Kristin del Rosso	!7 Seagull Trail
Kristin Henson	224 West Bald Head Wynd
Kristin White del Rosso	17 Seagull Trail
Kristine Webster	354 South Bald Head Wynd
Kurt Haglund	423 South Bald Head Wynd,
Laura Hollingsworth	14 Water Thrush Court
Laura Hollingsworth	14 Water Thrush Court
Laura Howell	12 Laughing Gull Trail
Lawana Jellison	27 Sandspur Trail
Lawrence A Leonard	11 Cape Fear Trail
LeeAnn Pounds	3 Laughing Gull
Lesle McClure	21 Keelson Row
Leslie Parent	Did not provide
Linda Rabb	305 S Bald Head Wynd
Linda Stockton	20 Sabal Palm Trail
Liz Stafford	605 Wash Woods Way
Lora Seay	9 Red Bay
Lori Bostian	5 Earl of Craven Court
Lori Carey	611 Currituck Way
Lori McBrayer	8 Creeping Cucmber Court

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

Louis Meyer	1 Keelson Row
Louis Vaickus	23 Cape Fear Trail
Lyle Wildgoose	16 Ibis Roost
Lynn Barnard	1 Dogwood Ridge Road
Lynne Ross	625 Kinnakeet Way
Mara Becker	302 South East Beach Dr
Marcel Provencher	9 Snowy Egret Trail
Margaret F Morrison (Peggy)	Ibis Roost 13
Marie Chabot-Fletcher	617 Currituck Way
Marilyn Dimling	995 South Bald Head Wynd
mark roemer	4 Summer Place
Mark Scagnelli	9 Live Oak Trail
Mark Sherburne	903 Bramble Reach
Mark Smith	9 Indian Blanket
Mark Stafford	605 Wash Woods Way
Marlene Carter	115 North Bald Head Wynd
Martha Hollinshed Fisher	5 Red Cedar Trail
Mary Anne Arata	112 Stede Bonnet Wynd
Mary Anne Arata	112 Stede Bonnet Wynd
Mary Beth Brewer	46 The Hammocks
Mary Beth Snee	47 Cape Creek Rd
Mary Harmon	14 Dogwood Trail
Mary Jane Robertson	968 South Bald Head Wynd
Mary L Feins	5 Royal Tern
Mary Mears	122 Edward Teach Wynd
Mary Michels	541 Chicamacomico Way
Mary Ortiz	9 Sandwich Tern Trail
Mary Taylor	#1 Bayberry Court
Maura Zarnik	805 South Bald Head Wynd
Melanie Robbins	7 East Beach Drive
Meredith Vaughan	28 Mourning Warbler Trail 3275
Michael Ashburn	208, 217 Stede Bonnet Wynd
Michael Becker	35 Mourning Warbler Trail
Michael Brown	217 N. Bald Head Wynd
Michael Caufield	11 Mourning Warbler Trail
Michael Dieter	Hammocks 20G
Michael Gandy	31 Dowitcher Trail
Miriam R Leonard	11 Cape Fear Trail
Miroslav Poznić	Did not provide
Molly Friedel	25 and 25 Tanbark Ct

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

Mystie McCormick	39 Cape Creek Road
Nana Smith	512 Currituck Way
Nathan McBrayer	8 Creeping Cucumber Court
Nathan McBrayer	8 Creeping Cucumber
Neil Anderson	Did not provide
Nick del Rosso	!7 Seagull Trail
Noel Sior-Woodard	229 West Bald Head Wynd
Noel Woodard	229 West Bald Head Wynd
Noreen Fling	231 West Bald Head Wynd
Norman Stockton	20 Sabal Palm Trail
Nuno Valentine	308 South Bald Head Wynd
Pablo Martinez	110 & 90 Turks Head Court
Pamela Douglas	4 Coquina Trail
Pamela Ridings	6 Leeward Court
Pamela Schlosser	629 Kinnakeet Way
Patricia Riff	27Silversides trail
Paul Carey	611 Currituck Way
Paul H Suhr	405 South Bald Head Wynd
Paul Norman	2 Fortrt Holmes Trail
Paula O. Henry	25 Dogwood Ridge Lane
Penny and David Emonson	102 North Bald Head Wynd
Peter C English	2005 Palmetto Cove
Peter C Quinn	25 Dogwood Ridge Lane
Peter Kaprelian	16 Sumners Crescent
Peter Schroer	9 Wood Duck Trail
Phil Ross	559 Historic Drive
Philip Macnabb	5 Seaton Ct
Prudy Weaver	121 N. Bald Head Wynd
Ramona Rowe	1 Cape Creek Rd.
Raymond J. Harbert	11 East Beach Drive
Renee Burns	Hamocks
Renee Liverman	4 Bufflehead Court
Richard Belton	#3 Ibis Roost
Richard Easley	2 Brown Pelican Trail
Richard Feins	5 Royal Tern
Richard Hansen	#2 Keepers Landing
Rick Anderso	3 Ft Holmes Trail
Rick Nelson	6 Widgeon Court
Robert B Liesegang Sr	16 Ibis Roost
Robert Blau	5 Starrush Trail

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

Robert Carter	115 North Bald Head Wynd
Robert Clayton Fletcher	617 Currituck Way
Robert H Vaughan	28 Mourning Warbler Trail
Robert Iseman	20 Horsemint Trail
Robert L. Decker, Jr.	Did not provide
Robert Morrion	22 Keepers Landing
Robert Price	985 South Bald Head Wynd
Robert Taylor	#1 Bayberry Court
Robert White	216 Station House Way
Roberta Nixon	4 Seaton Court
Roberta Scott	44 Broadway
Robin Smilek	49 Earl of Craven Court
Rocky Rausch	16 Sea Gull Trail
Rodger Blake-ward	354 South Bald Head Wynd
Rodger Fling	231 West Bald Head Wynd
Ron Ross	625 Kinnakeet Way
Ronald Mentzer	35 Horsemint Trail
Russ and Diane Walker	Marsh Harbour Inn
Russell Iannuzzelli	11 Sandwich Tern Trail
Ruth Young	121 Stede Bonnet Wynd
Sally Johnston	31 Cape Fear Trail
Sally Johnston	31 Cape Fear Trail
Sandra Gleich	438 S Bald Head Wynd
Sara Cauley	PO Box 3522
Sarah English	2005 Palmetto Cove
Scott Mueller	6 Keepers Landing
Scott Yancey	7 Loosetrife CT
Scott Yancey	7 Loosetrife
Shari Beavers	Did not provide
Sharon A. Decker	Did not provide
Sharon Donatucci	202 North Bald Head Wynd
Sharon W McCoy	111 N. Bald Head Wynd
Sherry Becker	35 Mourning Warbler Trail
Sherry Roese	905A Bramble Reach
Slaughter Fitz-Hugh	210 Portsmouth Way
Soloman Mohamed	9 Keepers Landing
Stephen Cobb	18 Dowitcher Trail
Stephen T. Mclean	98 Turks Head Court
Steve Cook	BHI Marina
Steve Deane	821 S Bald Head Wynd

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

Steve Henson	224 West Bald Head Wynd
Steve Kennedy	3 Bufflehead Court
Steve McLean	28 Earl of Craven
Steven Robert McCoy	111 North Bald Head Wynd
Steven Sasz	61 Cape Creek Road
Sue Kennedy	3 Bufflehead Court
Susan Baker	Royal James Landing 2A
Susan Burkhart	13 Water Thrush
Susan Chapman	17 Cape Fear Trail
Susan Kelly	209 West Bald Head Wynd
Susan Schill	21 Keelson Row
Suzanne Whitmeyer	5 Widgeon Court
Suzi Buzzard	31 Ibis roost
Tammy C Holmes	41 Cape Fear Trail
Terri Kelly-Hopkins	9-B Isle of Skye Crescent
Terry Reger	215 N Bald Head Wynd
Theresa Bourdon	513 Currituck Way
Thomas Schlosser	629 Kinnakeet Way
Thyra Easley	2 Brown Pelican Trail
Timothy C Smith	Did not provide
Tippi Antalík	593 Kinnakeet Way
Todd Hillyard	448 Kitty Hawk Woods Way
Tom Antalík	593 Kinnakeet Way
Tom Johnston	31 Cape Fear Trail
Tom Lunsford	34 Cape Creek Road
Trish Healy	306 and 308 Whale Head Way
Valerie Halas	18 Peppervine Trail
Virginia Oliver	213 West Bald Head Wynd
Virginia Santana-Ferrer	665 Chicamacomico
Watts Carr	Did not provide
Wayne Lambert	6 Clapper Rail
Wendy Stocum	7 Palm Court
Wendy Wilmot	131 West Bald Head
William A Morton	214 Portsmouth Way
William Argersinger	129 North Bald Head Wynd
William Bennett	123 N Bald Head Wynd
William Brencick	12 Ibis Roost
William J Zigmund	3814 Writers Way
Willis Paul Brooks Jr.	850 Bainbridge Dr.

Charlotte Mitchell
Chair, North Carolina Utilities Commission

cc: Mr. Chris Ayers, NC Utilities Commission Public Staff
Mr. Krishna Rajeev, Director Transportation Rates Division, Public Staff

Aug 01 2022 OFFICIAL COPY

Aug 25 2022 OFFICIAL COPY

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

August 1, 2022 Letter to the North Carolina Utilities Commission
Comments from Signers

"I concur with the request to the NCUC regarding the Village of BHI petition. This is extremely important to us homeowners on Bald Head Island"

"We urge the commission to regulate the BHI Ferry, Barge Parking and tram operations as they are vital to all BHI owners & workers"

"Strongly support the Village process to regulate the parking and barge monopoly"

"The transportation system for BHI and its operation are important to us as owners at the island. The last year has been a nightmare with late ferries, broken ferries, barge unavailable which is lifeblood of the island. It is hopeful that whoever the owner the transportation be a fair and efficient operation."

"I strongly support the NCUC oversight of the BHI Deep Point parking and barge operations."

"I support the Village of BHI process to regulate the barge, parking and ferry system"

"It's essential for Bald Head's future to have the parking & barge under the same owner and regulated like the ferry tickets."

"As full time residents we are especially concerned with unregulated parking. If those rates increase to untenable amounts, it will cause us to rethink our long term plans for living and owning a home on BHI. "

"I support the need to regulate parking at Deep Point. I am fearful of the monopolistic nature of the entire ferry system (from parking to trams). We simply have no other choice for these critical services."

"The entire transportation system, not just the boats and trams, needs to have regulatory oversight, regardless of the final owner!"

"I support the regulation of parking and barge operations. They are monopolies and they are critical to the island. "

"Please protect our interests as property owners on Bald Head Island."

" I'm also concerned about recent actions to limit or restrict other emergency and transportation options that have served BHI for many years . "

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

"Please regulate the parking and barge operations as they now regulate the passenger ferry. The NCUC would oversee the service levels as well as rates for parking and the barge. I am a full time resident of Bald Head Island. Thank you."

"This system is crucial to the viability of the island. Workers, residents (many retired), and visitors have no other option to get on and off BHI. A monopoly could set rates so high that it will cripple the island. Especially eliminating services that will refuse to come over due to cost. "

"I am requesting NCUC regulate the parking and barge operations as they now regulate the passenger ferry for BHI. "

"I've has a house on BHI since 1994 and a business for the past 20 years. I've noticed the ferry and tram service has never been worse. Ferries are constantly broken and are running late almost every hour. Trams are in terrible shape. The experience of getting on and off the island is so difficult, that visitors say they will be staying somewhere else in the future. Something needs to be done to improve the service. It's awful."

"Please regulate the parking and barge operations along with the transportation system."

"Current barge and Deep Point parking profits are obscenely high now and user cost will rise even more if these operations remain unregulated. Barge costs all are directly or indirectly borne by BHI property owners as are contractor parking fees. The barge and parking must be regulated and then sold, preferably with the ferry, to an independent owner/operator."

"It's essential for Bald Head's future to have the parking & barge under the same owner and regulated like the ferry tickets."

"We have been property owners since 1997. The entire transportation system including the parking and barge operation needs to be regulated so as not to create a monopolistic system in which all dependent on the system will have no say and all will be subject to the whim and caprice of the new owners."

"It is imperative that the Deep Point Parking network and the working Bald Head Barge fall under the jurisdiction of the state commission. "

"Unregulated prices on parking ,barge and ferry will drive out many long-standing property owners."

"It is so important to the future of the island that the NCUC regulate the parking and barge operations as they now regulate the passenger ferry. The NCUC would oversee the service levels as well as rates for parking and the barge."

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

"No oversight or controls on parking and the barge is not in the best interest of our property owners. Transportation must be operated with input from those with skin in the game. "

"Life on BHI depends on the ferry, barge and parking services, not just for residents but for the many employees who must travel to the island every day. This is not a tourist luxury, it is essential to the life of the island and to the communities near to it."

"BHI ferry system needs to be accountable and under control by the residents who have no choice but to rely on the ferry for access to our property. The proper ownership is with the Town Council. Thank you "

"Please approve the petition to regulate the Bald Head Island Barge, and Deep Point parking, as they are part of the entire transportation system that also includes the Bald Head Island Ferry that is already regulated."

"We are in full support of the content and proposed regulations and operations of the Deep Point parking, barge and ferry operations put forth in this letter."

"As owner of a house on Bald Head, we know how critical the ferry service is to the viability of the island. As such, the entire ferry operation—including not only the direct ferry operations, but also the tram service, the marinas, the facilities at Deep Point, and the parking, must all be regulated as a monopoly that ensures reasonable prices for ferry users and a return on investment that allows proper maintenance and capital improvements."

"We support the concerns of other residents and homeowners to be protected from profiteering for the benefit of investors in a minor equity fund, at the expense of the actual users of BHI transportation system. We can't conceive of a reason the investors, now, or at some point in the future are to be benign or charitable or necessarily invest in a transportation system, a near monopoly, which the equity fund has shown it intends to establish as a total monopoly, by, as example, banning private water taxis from BHI. Their intent is already made clear and we fear the worst."

"We need fair pricing and adequate service levels"

"I am a property owner of 2 suites at the Marsh Harbour Inn . It is critical to regulate all components of the BHI ferry system, including the barge operation and parking facility. "

"We depend on the barge & parking. They are an integral part of the ferry service. "

"I support State oversight of BHI ferry parking and barge as well as the ferry."

"PLEASE pay heed to the points/request made in the BHI Ferry Letter to the NCUC regarding prohibiting the breaking up and sale of various assets to other buyers. Life on BH and the

OFFICIAL COPY

Aug 01 2022

OFFICIAL COPY

Aug 25 2022

Charlotte Mitchell
Chair, North Carolina Utilities Commission

livelihoods of many Brunswick County residents are dependent upon a reliable and fairly priced ferry system. “

“We agree that the NCUC needs to regulate parking and barge fees for BHI”

“As owner of a house on Bald Head, we know how critical the ferry service is to the viability of the island. As such, the entire ferry operation—including not only the direct ferry operations, but also the tram service, the marinas, the facilities at Deep Point, and the parking, must all be regulated as a monopoly that ensures reasonable prices for ferry users and a return on investment that allows proper maintenance and capital improvements.”

“The North Carolina Utility Commission should assert regulatory oversight of the parking and barge operations in addition to the passenger ferry system.”

“Having access to other private for hire boat services to get on and off the island is important for homeowners and people living on the island full and part time.”

“The Ferry system is critical to the continued success of BHI. We are asking for the NCUC’s support for this request. “

“I am in totally agreement with the concerns outlined in this letter.”

“I support NCUC regulation of the BHI ferry/tram/barge/parking system because it is vital to the economic survival of the island and to the the interests of all those who live, work, and visit Bald Head Island.”

“Rates must be regulated to preserve this unique environment. If the ferry n parking n so forth r not controlled in some way or at least designed to protect island homeowners and / or regular users such as workers then this unique place will lose value to all parties. Basically what this place needs is a competitor ferry / parking but without one, it is in the best interests of the new ferry owners and state to maintain maximal ferry n parking use thru lower prices. This will preserve the charm of this island as well as enhance home owner values instead of reducing them. “

“A more efficient outcome would be for the Commission to regulate the entire system and allow a single commercial operator to earn a fair rate-of-return on its investment; no more, no less”

“In support of the letter to NCUC. The parking and barge should be managed together with the passenger ferry, to ensure fair pricing and a minimum level of quality service. “

“I urge the Utilities Commission’s regulation of the BHI ferry, barge and parking. These operations are all interconnected and they should be regulated as the monopoly that they are.”

Charlotte Mitchell
Chair, North Carolina Utilities Commission

Aug 01 2022 OFFICIAL COPY

Aug 25 2022 OFFICIAL COPY

I/A

Exhibit STG-2.1

**Exhibits to Transcript of Public Hearing,
Docket No. A-41, Sub 1,
September 3, 1998**

INFORMATION SHEETRECORD: 183
VOLUME:

PRESIDING: PITTMAN
PLACE: 9 BALD HEAD ISLAND, NORTH CAROLINA
DATE: 09/09/98 TIME:
DOCKET NO.: A-41, SUB 1 HOURS: 4.00
COMPANY: BALD HEAD ISLAND TRANSPORTATION, INC
DESCRIPTION: SUPPLEMENT #1 TO TARIFF FILING FOR PROPOSED CHANGE IN OPER

APPEARANCES

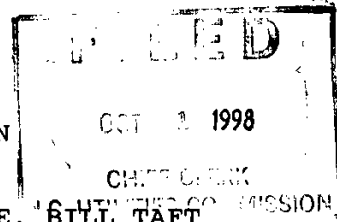
PUBLIC STAFF: WIKE
COMMISSION STAFF:
ATTORNEY GENERAL:

APPLICANT-A COMPLAINANT-C RESPONDENT-R PROTESTANT-P INTERVENOR-I
KENNETH M. KIRKMAN JUDITH WARD

WITNESSES

JACK COX
WENDIE WALKER
KIT ADCOCK, MARTHA LEE
KING TRIPLETT
BILL WADDELL
BOB PITTILO, PHIL COOKE

JAMES WILSON
THAD WESTER
DAVID BERNE
PAM LAWRENCE, BILL TAFT
BILL BERNE
KENNETH M. KIRKMAN

EXHIBITS

COX EXHIBIT 1 ID/AD
WILSON EXHIBITS 1 AND 2 ID/AD
WALKER EXHIBIT 1 ID
ADCOCK EXHIBIT 1 ID/AD
APPLICANT EXHIBITS 1 THRU 7 AND 10 THRU 13 ID/AD

BRIEFS/PROPOSED ORDERS DAYS FROM MAILING OF TRANSCRIPT.
COPIES ORDERED: KIRKMAN-1 LEGAL-1 COOKE-1

COMMISSIONERS:
CHIEF CLERK:

REPORTED BY: SJ
TRANSCRIBED BY: SJ
DATE TRANSCRIBED: 09/22/98
MISC. INFO:

TRANSCRIPT PAGES: 128
PREFILED PAGES: 4

OFFICIAL COPY

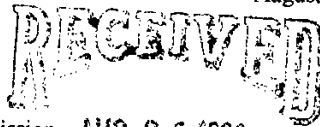
Oct 25 2022

Cox EXH. 1

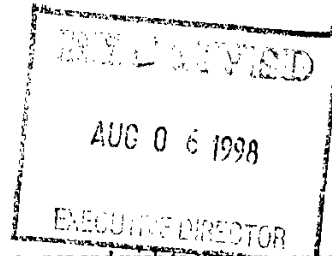
ID/AD 6

August 4, 1998

Mr. Robert Gruber
Executive Director
Public Staff
NC Utilities Commission
PO Box 29520
Raleigh, NC 27626-0520



TRANSPORTATION
PUBLIC STAFF



Dear Mr. Gruber,

I am a full time resident of Bald Head Island and property owner and wish to voice my opposition to the proposed change in the ferry and tram service which is the only access to my property.

In 1996 after years of operating a ferry and tram service for access to Bald Head Island the Utilities Commission finally took authority over the operation and approved a plan for the operation of the service as presented by Bald Head Island Management/Transportation Company. Since 1996 as before the schedule has been changed at will by Bald Head Island Management without notice to the property owners or receiving Commission approval.

On two occasions in 1997 I was forced to spend the night in my car due to the cancellation of the 11pm ferry. This is not an isolated incident as I have heard similar complaints from other property owners.

On numerous occasions I have been ask to provide transportation to and from the ferry for friends (also property owners) when tram service was not available. This is bothering primarily because the people in question had been required to purchase a ticket, which included tram service.

At a recent Village Council meeting a citizen voiced their opposition to being charged for tram service when in fact it was not available. I reinforced these comments and was immediately threatened by Mr. Kirkman, CEO, Bald Head Island Management, with a fare increase if such a problem became an issue.

The service provided property owners has deteriorated over the past year as emphasis has been placed on taking care of the Bald Head Island guest ahead of property owners. This is I suppose reasonable from Bald Head Management's point of view since many of the guest are their real estate clients.

There are two related areas, which are of concern and are not currently governed or controlled by the Commission.

1. Parking – The parking on the mainland side is for the sole purpose of using the ferry for transport to the island. It is so directly related that it is actually part of the tariff for transportation to the island just as automobile transport on state owned ferry system is part of that tariff. The only difference being that the automobiles are not transported. **Being a part of the cost of transportation or tariff parking should be regulated to protect the property owner.**
2. Barge Service – The barge service which is the only means by which a property owner can transport household goods and other large items required for the use and enjoyment of their property is owned and operated by Bald Head Island Management and is operated at their sole unregulated discretion. Schedules, who may and may not use the barge service and all tariff charges are set by the owner. **This service needs to be regulated so as to protect the interest of the property owner.**

When the barge service and parking are taken into account the overall Bald Head Island Management / Transportation Company shows a large profit after depreciation. This is even after creative accounting which reflects over a \$1,000,000 dollars in other expenses.

OFFICIAL COPY

Oct 25 2022

Page #2

The tariff for similar services varies based on your relationship to Bald Head Island Management. Employees of the Management Company, pay a lower tariff, than do employees of other businesses operating on the island. A guest of the Management Company pay still a different tariff than does a guest of other property owners or property owners themselves.

Why not have the same tariff for like services regardless of who a person is?

I recommend the Commission address the following areas.

- **One price for similar service i.e. ferry service one price, tram services one price. A standard fare for all citizens.**
- **Charge only for services needed or available.**
- **Provide protection for property owners by regulating the barge service. Equal service at standard regulated tariff.**

Summary and discussion of recommendation

1. Disregard for Commission authority in the past.

Bald Head Island Management has always shown a total disregard for the Commission's authority. They operated the ferry transportation prior to 1996 unregulated by the Commission even when it was the law. Since 1996 Bald Head Island Management has without approval of the Commission changed scheduled services at will.

Why should the Commission expect any different behavior from Bald Head Island management in the future?

2. Reduction in service.

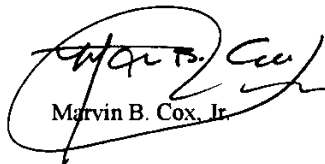
While the proposed decrease in approved service has been presented to the public as "No increase in Tariff" it in fact is. By reducing services and not reducing the tariff an increase in tariff is a reality.

3. A reduction in service reduces the enjoyment of a property owners property by limiting access to early hours of the evening. Making it virtually impossible to visit the mainland during the evening hours and still return home for a 9pm ferry.

Recommendation:

That the Commission denies the proposed schedule changes and rules in favor of the citizens' right to access their property.

Respectfully submitted,



Marvin B. Cox, Jr.

August 11, 1998

Walker Exhibit 1
ID

Mr. Robert Gruber
Executive Director
Public Staff
NC Utilities Commission
PO Box 29520
Raleigh, NC 27626-0520

Re: Request for Change in Tariff from Bald Head Island Transportation Company

Dear Mr. Gruber:

I am opposed to the North Carolina Utilities Commission granting Bald Head Island Transportation Company any cutback in service. Please consider this letter one of protest, and I am requesting a public hearing.

Bald Head Island is my primary residence, and I want to be part of not just the Bald Head Island community, but also the Southport community, where my business is located. Meetings sometimes take place in the evening, and I don't want to have to choose my activities based around a changing ferry schedule. Also, my mother lives in Southport. If she needs me, I want to be able to help her out and know I can still get back home.

I use the tram service as infrequently as possible, but occasionally I get caught and tram service is the only way to get from the ferry depot to our home. Last winter tram service was cancelled after the 5 pm ferry without notice. That was extremely inconvenient because I was stuck without a ride a few times, and I'm not comfortable taking advantage of friends. Virtually every single time I needed tram service, it was unavailable – although I paid for it. But also, 95 percent of the time I pay for it, and don't even want it.

Along with the cutback in tram service comes cutback in baggage handling. I, along with other residents, have to leave the Island to get groceries. The Island grocery store is inadequately supplied (often running out of staples), and closes at 5 pm in the winter time. Therefore, those who get back to the Island after 5 pm (many of us work off Island) are forced to make several trips to and from the ferry with their groceries on the Indigo side. Then they have to repeat the process on the Bald Head side. It is a ridiculous and inconvenient situation. There is simply no reason one baggage handler cannot be hired to handle baggage on both sides – especially since property owners are already paying for the service. Many complaints were made to Bald Head Island Transportation Company, but the situation did not change.

"Employee ferries" concern me – I don't understand what that really means. On July 19 the ferries were overcrowded, overbooked, and very late (which is more usual than not lately). BHI Transportation Company ran the Sans Souci as a luggage ferry. The mate on that boat announced that it was an "employees only" ferry. As a property owner who didn't need luggage handling or tram service, I walked aboard the boat and was not denied access. However, there were other property owners standing on the dock that didn't need the extra services and did not realize they could board the ferry. They had to wait for the next ferry and sit (or be forced to stand) in overcrowded conditions. The only passengers on the San Souci other than myself were a family of four, and a man.

In addition, when employees request an extra ferry runs at night, who pays for the ferry run? I would imagine those runs are paid for with part of my ticket purchases. A fair profit is acceptable, but subsidizing the developer's interests is not.

OFFICIAL COPY

Oct 25 2022

The use of contractor tickets on weekends from Indigo doesn't bother me. What DOES bother me is contractors are allowed a lower rate than I can get for the same service. "No frills" are available on the Island, but I usually don't know when I leave the Island if I will be bringing items back to the Island, which means I may need baggage handling. Permanent residents tend to use the ferries frequently, and they should be allowed at least as much flexibility as a contractor. In addition, contractors do get a ride to the center of the Island, and the ride is included in their \$10 rate. If there is a complaint about the cost of operating tram service, maybe the contractors should be charged for using the contractor buses. If contractors get discounted tickets, they should not be able to use them on weekend days during the summer months when the ferry system is already stressed.

I hope the NC Utilities Commission will consider regulating parking and barge service. You can't use ferry service without parking your car. It currently costs a whopping \$400 a year per car to park. There is no reasonable effort made to ensure safe parking and there is no effort at all to ensure parking in the lot for which we paid. Permanent residents have pretty much figured out they should only leave the Island on summer weekends for extreme emergencies; otherwise, they run the risk of having to park in Lot D (1/2 mile walk) and then sit around waiting for an extremely late ferry. You should know that there is not a sidewalk that runs to Lot D and the street is not very well lighted for walkers.

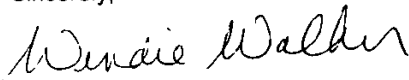
The barge should be regulated. The charge of transporting items to the Island far exceeds the cost. In addition the barge service favors the developer's interests. When our new house was under construction, the builder was denied reasonable barge service because the developer tied the barge up for their own use. In addition, I was present when a staff member representing the developer made a statement in a public meeting that the developer could make it difficult for a particular builder by making sure the barge was not available for the builder's use.

When moving furniture to my new home, it took three U-Haul trucks and cost me \$540 in barge fees to move the furniture three miles. To move a golf cart costs \$80.

I realize the changes in the tariff that are under review concerns only the schedule. However, I hope you will consider reviewing the entire rate structure. The current rate structure is simply not fair.

In my opinion, the Bald Head Island Transportation Company has shown no regard for their passengers or the current tariff, and they are in constant violation of the tariff. Any cutback in service should not be considered. With the number of new homes on the Island, there is more argument to expand the service, rather than decrease it.

Sincerely,



Wendie H. Walker
PO Box 3057
Bald Head Island, NC 28461
(910) 457-6627 home
(910) 457-6600 work

Enclosure

ADCOCK Exhibit 1
ID/AD 559 Dowitcher Trail
P.O. Box 3044
Bald Head Island, NC 28461Mr. Robert Gruber
Executive Director, Public Staff
NC Utilities Commission
P.O. Box 29520
Raleigh, NC 27626-0520

Re: Bald Head Transportation Company Request(s) for Tariff Changes

Dear Mr. Gruber,

I have been a homeowner at Bald Head Island since November 1990. During that time I have been angered by unilateral, unannounced schedule changes as well as limitations to service provided to owners made by the Bald Head Transportation Company. These have become increasingly frequent making it difficult to visit my own home on the Island. In my opinion, transportation includes parking, reservations and ticket purchases, assistance with both loading and unloading vehicles and trams, ferry service to and from the Island, and tram service to and from our home. I hope that you will consider this letter and others you may receive when you consider both the need for a public hearing regarding tariff changes for Bald Head Island Transportation Company and the tariff changes themselves.

My first complaint is with respect to ferry ticket prices. We typically purchase owners tickets, currently priced at 40 tickets for \$500, or \$12.50 per individual ticket, a savings of 16 % on each ticket. These tickets last us approximately six months. Ignoring the advantage to BHT Transportation of the time value of the money received on such advanced purchases, we are more often than not denied the opportunity to use tram service once we reach the Island because of insufficient numbers of trams. Granted, when I call the day of service needed, particularly on Friday afternoons or weekends at any time of the year, I expect to have some difficulty and always do. However, when I call more than 24 hours in advance I believe that some level of tram service should be provided, even if only for one member of our party to get a ride to our home so a golf cart can be brought to us to pick up the rest of our party and our belongings.

During summer months we avoid weekend ferries whenever possible. Since my children and I reside on the Island for the duration of this time, this is possible. However, during the academic year, we are limited with respect to our window of arrival times because of school closure times and the worsening traffic we encounter in the Raleigh area. Thus we are forced to travel to and from the Island during peak ferry transit hours during fall, winter and spring months. We are frequently not provided tram service once we reach the Island. Furthermore, the ferry delays can be atrocious. Generally, ferries run at least one half hour behind schedule; this Memorial Day they were at least an hour behind in both directions on Friday and Monday.

As a specific example of "unilateral unannounced changes" I shall relate my experience of March 16, 1998. I had made a reservation for the 7 p.m. ferry for my daughter and myself prior to six p.m. as the "ferry rules" require. I was informed that there would be no transportation, which surprised me since it was a Monday evening, and certainly not peak season. I had a rather large cumbersome box with me, which required assistance to remove from my car, and with which my daughter was too small to assist. To my dismay, there were no employees on duty loading trolleys (used for transport of items to and from the Island on the ferries). Now no tram service on the Island side is one thing, but requiring customers to carry on all luggage is something else again.

Because we spend extended periods on the Island we make frequent use of what are called "no frills tickets." These cost \$10, can be purchased only on the Island side, and must be used the same day as they are purchased. A handout given with the ticket indicates that all items must be hand-carried and that no tram service is included in the ticket. I believe this is fair. I also believe that the sale of these tickets reflects the cost of passage without assistance and without tram. Thus, on the day I found myself all alone with my cumbersome box, two suitcases, three tubs of food and a 60 pound child to transport by myself on and off the ferry I asked if I could please buy a no frills ticket since I was getting no frills. It angered me immensely when I was told no, I was required to use one of my discounted tickets, which should be for full service, for merely the ferry ride.

OFFICIAL COPY

Oct 25 2022

It is my belief that the Transportation Company takes advantage of the property owners in a variety of ways. By offering discounted tickets, discounted service is regularly provided. Furthermore, on fall and spring weekends, a glance at the reservation book shows that reservation names and location names do not coincide (those of us with homes show a designation of "hse" or "house"). It infuriates me to no end when I am denied tram while tourists taking advantage of "Passport" freebies are traveling to their marketing-subsidized golf weekends literally at my expense. (We have often kidded about selling our home and arranging to use "Passport" packages for our fall, winter and spring visits, since they are much more economical and provide true "service".)

Other owners like us have purchased jon boats to travel back and forth to Southport when the need arises for day trips, especially on summer weekends. I can not imagine what the impact on the ferries would be if homeowners like us did not make alternative plans to get to our homes. In any event, my time is as precious as anyone's, and if my reservation is for a 2:30 ferry, I need to leave within 15 minutes of that time, not an hour.

My husband and I have often considered the possibility of making Bald Head Island our permanent home. We have two school-aged children however, and realized that the logistics of transporting children to school in a timely manner, with minimal unsupervised time awaiting ferries, made it impossible. (In fact we lobbied for charter schools in 1996 to attempt to circumvent the issue.) I am sure you will hear from others about the headaches they have encountered with the Transportation Company in attempting to send children off the Island to school. It certainly discouraged us from making Bald Head Island our permanent home until our children are in college.

Because of the irregularity of our family schedule, we purchase annually two parking passes to lot A, which provides the closest access to the ferry. Since 1996, the rate for each car has increased from \$300 per car, to \$400 per vehicle. Furthermore, since lot A is oversubscribed, this year we were "informed" on our bill, that our passes would now also be good in Lots B and C which are farther from the ferry. Since this announcement came with \$50 per car increase in fees, I was truly annoyed. This was how we were informed that we could no longer rely on having accessible parking in Lot A. I realize that employees on the Island must also have parking. That this was not factored into parking accommodations except at the expense of property owners who have enjoyed Lot A parking for years, is poor planning by the Transportation Company and Bald Head Management.

Our decision to purchase the annual pass (at least for the second car) was purely economic. At \$300 or \$350, it costs less for us to park in the premium, long-term lot for the number of days we actually park than it would using the daily rate of lots B or C. At \$400 per car, the economic benefit of long-term, convenient parking no longer holds. Since property owners are more inclined to park for longer consecutive periods, and may need to leave for short term trips, such as doctors visits, shopping, etc., absence of an "owners" lot is a deterrent to property ownership at Bald Head.

I do want to add that the employees handling the loading and unloading of cars, ferries and trams (when they are scheduled to work), as well as those who take reservations, could not be more polite, helpful, and kind. I truly commend them for their hard work in what must be difficult jobs dealing with delays, inadequate trams, as well as other management dictates.

I urge you to please look more carefully into the transportation arrangements in all its facets from the perspective of the variety of users who must be accommodated. The current system is outdated and inadequate for the numbers of travelers, particularly on weekends throughout the year and especially during peak seasons and holidays.

I urge you to hold a public hearing to consider these and other complaints regarding accessing our homes on Bald Head Island.

Thank you for your attention to this matter.

Sincerely,

Kit Adcock, homeowner

Exhibit STG-2.2

**Transcript of Public Witness Hearing,
Docket No. A-41, Sub 7,
July 23, 2010**

OFFICIAL COPY

1 PLACE: Bald Head Island Club, Bald Head Island, North
2 Carolina

3 DATE: Friday, July 23, 2010

4 DOCKET NO.: A-41, Sub 7

5 TIME IN SESSION: 10:00 a.m. - 3:32 p.m.

6 BEFORE: Chairman Edward S. Finley, Jr, Presiding
7 Commissioner Bryan E. Beatty
8 Commissioner Lucy T. Allen

8 IN THE MATTER OF:

9 Application of Bald Head Island Transportation, Inc., for
10 a General Increase in its Rates and Charges Applicable to
11 Ferry Service between Southport and Bald Head Island.

11 A P P E A R A N C E S:

12 BALD HEAD ISLAND TRANSPORTATION

13 Gray Styers
14 Charlotte Mitchell
15 Styers, Kemerait PLLC
16 1101 Haynes Street, Suite 101
17 Raleigh, North Carolina

16 BALD HEAD ISLAND CLUB

17 Dan Higgins
18 PO Box 10667
19 Raleigh, North Carolina 27605

19 BALD HEAD ISLAND ASSOCIATION

20 Odes Stroupe
21 3105 Glenwood Avenue, Suite 300
22 Raleigh, North Carolina 27612

22 USING AND CONSUMING PUBLIC

23 Dianna Downey
24 4326 Mail Service Center
Raleigh, North Carolina 27699

1 DIRECT EXAMINATION BY MS. DOWNEY:

2 Q Would you please state your name and address for
3 the record?

4 A My name is Dr. Suzanne Dorsey. I'm the Executive
5 Director of the Bald Head Island Conservancy on 700
6 Federal Road on Bald Head Island.

7 Q That's the address for the Conservancy; is that
8 correct?

9 A Yes, ma'am.

10 Q And you wish to make a statement before the
11 Commission?

12 A Yes, ma'am.

13 Q Please proceed.

14 A Thank you very much. There's a couple of points I
15 would like to make. I'm not sure if I need to hold this.
16 Basically, I want to talk a little bit about the
17 Conservancy. I want to talk about our outreach efforts
18 within our broader regional community. I'd like to talk
19 about our internship opportunities for college juniors and
20 seniors. And finally, I want to talk about the
21 organization and the impact that rate increases would have
22 on the organization. So those are the three topics that I
23 will very briefly touch on.

24 Just as an introduction we're a 501(C-3)

1 been able to locate alternatives although we have looked.
2 So the total cost of Conservancy for parking for our
3 internship is estimated to be about \$3200 in 2010, and
4 that's a 36% increase over last year. That's a pretty big
5 hit to the budget for this program that we have.

6 In the future in 2012 we hope to start bringing
7 in addition to our Summer program a semester partnership
8 with UNCW where we're bringing in 20 to 25 students to not
9 only learn technical skills that they need for their
10 professional development, but also to help develop
11 solutions for barrier island communities. So these
12 prices, for us, will continue to represent a limitation on
13 what we are able to provide in terms of educational
14 programs for our internship. So we ask that the
15 Commission consider regulating parking in addition to the
16 fees.

17 The last point that I want to make is an
18 organizational impact. We're not a large organization.
19 We like to think that the 17,000 people coming through our
20 doors every year we have a large impact, but we only have
21 8 full time staff, 4 part time staff and that's not
22 including our internship program.

23 In 2010 our ferry and parking cost we estimate
24 will be \$40,000. The transition to Deep Point with the

1 CROSS-EXAMINATION BY MR. STROUPE:

2 Q Will the increases that have been proposed in this
3 docket, in particular the parking issue, will those have
4 an affect on your operations on Bald Head Island?

5 A Yes, sir. The cost will. We estimate 20 --
6 another -- we had a 20 to 30% percent increase this year.
7 We estimate on top of that additional 20 to 30% increase
8 on our operations.

9 Q Ms. Dorsey, are you funded solely by private
10 contributions?

11 A Yes, sir.

12 MR. STROUPE: I have no further questions.

13 CROSS-EXAMINATION BY MR. HIGGINS:

14 Q Ms. Dorsey, I'm Dan Higgins. I'm here on behalf
15 of Bald Head Island Club. Do you own an automobile?

16 A Yes, I do.

17 Q Where do you park your automobile when you take
18 the ferry to Bald Head Island?

19 A Parking Lot B at Deep Point Marina.

20 Q Are you familiar with the Southport area?

21 A Yes, sir. My home is in Southport.

22 Q What alternatives are you aware of, if any, for
23 parking your vehicle --

24 A This Summer we looked for alternative parking --

1 in the past where our interns were able to park at a
2 public school that was adjacent to the old ferry terminal.
3 And they were able to do that free of charge -- this year
4 we looked for an alternative such as that for our interns
5 especially, and we were not able to find something that
6 would reasonably allow interns to travel safely to and
7 from the marina and find a safe parking location. We
8 looked throughout Southport, and we investigated the other
9 ferry terminal, but were told, no, we couldn't use that,
10 the Fort Fisher Ferry.

11 Q You investigated using the parking lot at the Fort
12 Fisher Ferry?

13 A Yes.

14 MR. HIGGINS: Thank you. I don't have any
15 further questions.

16 MR. STYERS: Thank you. Just a question or two,
17 Ms. Dorsey.

18 CROSS-EXAMINATION BY MR. STYERS:

19 Q First of all, Bald Head Island Transportation very
20 much applauds and commends the work of Bald Head
21 Conservation -- Conservancy does here on the island. You
22 have had a chance to look at the proposed rates schedule?

23 A Yes, sir.

24 Q And you recognize that the lowest rate class that

1 A Yes, sir.

2 MR. STYERS: Thank you. No further questions.

3 CHAIRMAN FINLEY: Questions by the Commission?

4 (No response.)

5 All right, Dr. Dorsey. Thank you very much for
6 coming. We appreciate your interest.

7 DR. DORSEY: I do have a letter I'd like to
8 submit with your permission.

9 CHAIRMAN FINLEY: Give that to Ms. Downey, and
10 we will mark that for identification as Dorsey Exhibit No.
11 1.

12 (Whereupon, Dorsey Exhibit No. 1 was marked
13 for identification.)

14 BRENDA QUANSTROM; Being first duly sworn,
15 testified as follows:

16 DIRECT EXAMINATION BY MS. DOWNEY:

17 Q Would you state your name and address for the
18 record, please?

19 A My name is Brenda Quanstrom, and I reside at 9
20 Scotes Court, Bald Head Island with my husband Dana.
21 We've been full time residents with Bald Head Island for
22 over 10 years. It's my understanding that Bald Head
23 Island Limited has requested a significant ferry rate
24 increase because they believe they've improved services to

1 Many of us because of our age have needed cardiac therapy,
2 physical therapy or other medical services on a long-term
3 basis.

4 So let's compare the service of Deep Point
5 Marina with the previous Indigo Marina. At the Indigo
6 Marina, we had a much shorter walk from parking to the
7 ferry, and we had a ramp in order to pull our coolers.
8 Now we have a 14 plus steps or one small elevator or a
9 road that winds around down to the ferry landing which is
10 pretty lengthy. Our family in the past was able to park
11 in the D Parking Lot for a much reduced price and there
12 was a shuttle to run them back up to the ferry. There was
13 also an alternative free parking at the elementary school
14 if you were willing to walk. Now visitors must pay \$10 a
15 day with this new -- currently -- walk a much greater
16 distance and there's no shuttle. They have no
17 alternative. Some of our family members and friends due
18 to their age are now unable to visit any longer due to the
19 distance of the walk.

20 In the past we could always call ahead for a
21 tram when returning from a trip. Over the past year we
22 have been informed several times that all of the trams are
23 booked even when I've called a day ahead and paid full
24 fare. Even though I have paid full fare, I've had to call

1 friends from the island to pick me up in the golf cart.
2 Another small thing is that we used to have free coffee
3 waiting for us at the old terminal. This was a nice
4 gesture during the colder months. Now it's \$5 for one
5 vitamin drink. Bottom line, the services have not
6 improved, they have diminished. Our parking was doubled
7 last year with the Deep Point Marina opening. Since Bald
8 Head Island Limited has made parking a monopoly with no
9 other available place to park, they have already in effect
10 raised their ferry rates for we have no other alternative
11 but to park there.

12 Many of us are on fixed incomes and look forward
13 to the annual pass when you reach the age of 65. This,
14 too, is being eliminated under the new proposal by
15 Limited. To do this during a downturn in the economy when
16 people are dealing with financial issues and cannot even
17 move from the island to escape the situation, this rate
18 increase is intolerable. If we decided to move I'm not
19 sure who would buy our homes. I know that if knew now
20 that the ferry rates were going to be this high I
21 certainly wouldn't buy a home on Bald Head Island. It's
22 one thing to increase the ferry rate for tourists, their
23 trip is a one-time vacation experience for them. Island
24 full time residents depend on the ferry for transportation

1 itself is a hardship.

2 MR. STYERS: No further questions. Thank you.

3 CHAIRMAN FINLEY: Questions by the Commission?

4 (No response.)

5 Ms. Quanstrom, thank you for coming. We
6 appreciate your interest and participation.

7 RICHARD MESARIS; Being first duly sworn,
8 testified as follows:

9 DIRECT EXAMINATION BY MS. DOWNEY:

10 Q Would you please state your name and address for
11 the record?

12 A My name is Richard Mesaris. My address is 3 Bay
13 Tree Trail on Bald Head Island.

14 Q Is that your permanent residence?

15 A Yes, it is.

16 Q Do you have a statement you wish to make to the
17 Commission?

18 A Yes, I do. I don't have anything in writing, it's
19 strictly extemporaneous, but I'll give it a shot. My wife
20 Diane and I have been full time residents on this island
21 since 1999. We've been property owners out here since
22 1973. We both originally were born and raise in North
23 East Pennsylvania in the antracite coal mining country.
24 We are familiar with what a company town is. Bald head

1 Island is a company town, make no bones about it, under
2 Limited's control, everything commercial on this island.
3 It's a high-end-company town, but it, nonetheless, is
4 under their control. They have compounded their control
5 by separating their corporate entity into multiple small
6 divisions within Bald Head Island Limited such as the
7 Transportation Company. And they further separate things
8 like transportation from the parking which is an absolute
9 integral part of the transportation system with very very
10 few exceptions. I cannot think of anybody that would be
11 using the parking lot over here except to make a transit
12 to the island. So they are integrally linked and they
13 should be considered as part of the whole rate setting
14 process.

15 I have not submitted a written statement or
16 email as part of the process up to this point. I have
17 read through everything that was submitted and anything I
18 sent would be redundant. I want to make it clear that
19 there is nothing that's been submitted that I disagree
20 with. Some of the points I favor more highly than others,
21 but, nonetheless, I don't disagree with any of them.

22 The idea of the terminal at Deep Point is part
23 of Limited's corporate expansion mentality. The facility
24 at Indigo Plantation was adequate for all purposes that we

1 Head Association 3 days a week.

2 Q Pretty much on a fixed income?

3 A Yes.

4 MR. STROUPE: I have no further questions.

5 CROSS-EXAMINATION BY MR. HIGGINS:

6 Q Mr. Mesaris, Dan Higgins with Bald Head Island
7 Club. Can I assume from your statement about your parking
8 that you own an automobile?

9 A Yes.

10 Q And do you park at the Deep Point Marina?

11 A That's correct.

12 Q Take the ferry?

13 A Yes.

14 Q What alternatives are you aware for parking at the
15 Deep Point Marina --

16 A There are no practical alternatives that I'm aware
17 of.

18 MR. HIGGINS: Thank you.

19 MR. STYERS: Just have one question.

20 CROSS-EXAMINATION BY MR. STYERS:

21 Q So you've been riding the ferry for at least --
22 many many years you've been coming here?

23 A That's the only way on and off.

24 Q With the exception of the fuel surcharge recently

1 recognizes the standing objection, and will defer ruling
2 on the objection until a later time.

3 Ladies and gentlemen, we had a procedural
4 discussion up here at the bench. You've probably seen
5 some of those things on television, nothing to be
6 concerned about. But it's all under control, and we will
7 proceed.

8 SYLVIA POOLE; Being first duly sworn,
9 testified as follows:

10 DIRECT EXAMINATION BY MS. DOWNEY:

11 Q Would you please state your name and address for
12 the record, please?

13 A My name is Sylvia Poole. I live at 6 Sandspur
14 Trail on Bald Head Island.

15 Q And you're a permanent resident here?

16 A I consider myself to be a permanent resident. I'm
17 here about 95% of the year I guess.

18 Q Do you have a statement you would like make before
19 the Commission today?

20 A I do.

21 Q Please proceed.

22 A Like Mr. Mesaris, I obviously did not plan to
23 speak, but I was informed when I got here that I should.

24 I -- Everybody knows a lot of the business part of it, but

1 I'm going to give you a personal part of it. My husband
2 and I -- My husband still resides in Kinston and comes
3 every Thursday and Friday and goes back home every Monday.
4 And we both have permanent passes on the ferry. It used
5 to be nice. It's turned into gold. I'm not really sure
6 of the exact number because I did not plan to speak here,
7 but we have been island about 6 years. We've been
8 homeowners for about 6 years. I was the first one to get
9 a permanent pass because I was here more and going off and
10 on the island more. My husband decided to get a permanent
11 pass because he is of the senior citizen age, and he got
12 the break of half price pass which Limited probably still
13 makes a great profit on us. But it's a matter of
14 convenience. But I think the first time I got this pass
15 it was right around \$1500. Then the second time or the
16 next time there was an increase it went up -- I know that
17 last year it was approximately \$1600. And I've been
18 informed when I renew, and I have to renew before July 27,
19 that it will be \$1665. That's for one. Now you've got
20 two, and they are going to take away the senior citizen
21 privilege.

22 I know all about your Bulk Fares, I'm not
23 interested. I don't like getting to the ferry and going
24 oh crap, all my ferry tickets are at home. And I have

1 ended up paying full price on several occasions because of
2 that. But -- so you have got now proposed
3 \$2800(indicating), \$2800(indicating). When we moved our
4 parking at Indigo was \$500 a year. Well, we have two
5 vehicles. That is a thousand dollars a year. Now we are
6 over at Deep Point and you are looking at \$1200 plus
7 \$2800, \$1200 plus \$2800 for transportation and parking.

8 I would not say that my husband and I are
9 wealthy. We are comfortable. And I thank God for that.
10 And as has been stated -- I love Bald Head Island, do not
11 get me wrong. I love this island. And I would like to
12 stay here. I am remodeling my house just so I can stay
13 here. So I don't have the records, I don't have anything
14 written, this is just personal of what it is to me. Thank
15 you.

16 MARILYN RIDGEWAY; Being first duly sworn,
17 testified as follows:

18 DIRECT EXAMINATION BY MS. DOWNEY:

19 Q Would you please state your name and address for
20 the record?

21 A Marilyn Ridgeway, 12 Laughing Gull Trail, Bald
22 Head Island.

23 Q Are you a permanent resident?

24 A I'm a permanent resident and have been since 2000.

1 A I'm so glad that you asked. We Captain -- We have
2 Blackbeards crew from Hampton Virginia. We have Rusty,
3 pirate band from Orlando Florida Disney World. We have
4 Beth Patches who has written the official pirate song for
5 Old Baldy from the Outer Banks Lighthouse Society. And we
6 have Braise(phonetic) Castle Bell and Stinky
7 Tudor(phonetic) from Georgia. Thank you very much.

8 JANE JOHNSON; Being first duly sworn,
9 testified as follows:

10 DIRECT EXAMINATION BY MS. DOWNEY:

11 Q Can you please state your name and address for the
12 record?

13 A My name is Jane Johnson. I live at 14 Dogwood
14 Ridge Lane.

15 Q Is that on Bald Head Island?

16 A Yes --

17 Q Are you a permanent resident?

18 A I am a permanent resident. We have owned property
19 here since 1994, and I moved here in 1998.

20 Q Do you have a statement you wish to make today?

21 A Yes.

22 Q Please proceed.

23 A My husband and I are both retired. We volunteer
24 our time and energies in many organizations on the island.

1 This letter is based on our concerns and observations and
2 in way speaks for any of the organizations of which we are
3 in involved and which we volunteer. This letter is to
4 express our continuing concern over the attempt of Bald
5 Head Island Limited and its Company Bald Head Island
6 Transportation to raise the cost of the ferry tickets to
7 and from Bald Head Island. Other than private boat, the
8 only way to the island is by ferry.

9 Bald Head Island Limited Transportation holds
10 the monopoly on parking at Deep Point, the ferry, the
11 long-term and short-term parking at Bald Head and the tram
12 service on the Island. The parking at the mainland marina
13 has risen greatly over the last year, and there is no
14 control to keep it from going higher. We have no other
15 place to park that is reasonable and acceptable. Indigo
16 Landing worked. A new marina was not necessary for ferry
17 service here. Bald Head Island Limited Transportation has
18 reduced the amount of free parking available on the island
19 and has made no provisions for free parking on the island
20 -- free overnight parking on the island.

21 If you have an emergency here, and do not make
22 it back to the island on the last ferry you are going to
23 pay a large fee to retrieve your vehicle. The ferry
24 service has not improved since it moved from Indigo

1 Landing. Indeed we are already being charged a \$1 fuel
2 surcharge increase. The ferry is no longer on time many
3 days due to traffic on the intercoastal water way, because
4 of the tidal changes we are now going up river as well as
5 the longer distance travel.

6 However, in preparation for the request for a
7 rate increase, Bald Head Island Transportation did add
8 tram service to all the ferry arrivals. Before we did not
9 have transportation for the first ferry or for the last
10 one. Before we would have to ask friends to deliver us to
11 the early morning ferry or pick us up when we arrived at
12 the last ferry if we were going to be off island for more
13 than a day. But in addition to adding the tram they also
14 changed the ferry schedule and cut out the 6:30 ferry.

15 We would ask that the proposed fee rate include
16 controls on all transportation costs including all
17 parking, the ferry tickets and tram service. This is a
18 retirement community of full time residents and a
19 second-home community for many who do rent out their homes
20 until they can retire here.

21 Many of our residents have gone through or are
22 facing off-island medical treatments such as chemo
23 therapy, radiation therapy, physical therapy, respiratory
24 therapy, cardiac rehab and weekly and daily treatments.

1 to make profit. And we do believe they're asking for this
2 very high rate increase in hopes to of gaining a
3 compromised rate. However, Bald Head Island Limited did
4 purchase the land on Bald Head Island to sell to the
5 general public knowing there was no other general
6 transportation than the ferry service which they also own.
7 We do not believe that that we who have purchased land and
8 homes here mostly from Bald Head Island Limited and at a
9 very high cost and we who volunteer show the
10 responsibility of running this island should have to be
11 subjected to costly high rates on ferry and parking also.
12 A profit, yes. An outrageous profit that drives away
13 residents and property owners, reduces the number of
14 visitors, closes down our stores and services and drives
15 down our land values, no.

16 CROSS-EXAMINATION BY MR. STROUPE:

17 Q I'm Odes Stroupe on behalf of Bald Head
18 Association. You do have a car?
19 A Yes, I do.
20 Q Do you park at any one of the lots at Deep Point?
21 A Yes, I do.
22 Q Have you seen increased rates in parking from the
23 transfer from Indigo Plantation to Deep Point?
24 A Personally, I have not because my husband and I

1 individual places they were going?

2 A No. Since we purchased in '93 there's always been
3 tram service --

4 CROSS-EXAMINATION BY MR. HIGGINS:

5 Q Dan Higgins with Bald Head Island Club. Are you
6 aware of alternatives -- Do you own an automobile?

7 A Yes.

8 Q Are you aware of any alternatives to parking at
9 Deep Point Marina --

10 A No.

11 Q -- when you're taking the ferry?

12 A No.

13 MR. HIGGINS: No further questions.

14 MR. STYERS: Just a few.

15 CROSS-EXAMINATION BY MR. STYERS:

16 Q I think you said in your statement that you found
17 that Bald Head Island Transportation employees to be kind
18 and concerned in working with those --

19 A Yes.

20 Q -- leaving for medical treatment.

21 A All the time.

22 Q And they will work with those who may be confined
23 to a wheelchair or special needs on and off the ferry,
24 will they not?

1 was adopted. It would be an extreme hardship on me. That
2 is all I have.

3 CHAIRMAN FINLEY: Ms. McQuaide's three emails
4 will be marked for identification as McQuaide Exhibit No.
5 1.

6 (Whereupon, McQuaide Exhibit No. 1 was
7 marked for identification.)

8 There are no questions. Ms. McQuaide, thank you
9 for coming.

10 PAT GARRETT; Being first duly sworn,
11 testified as follows:

12 DIRECT EXAMINATION BY MS. DOWNEY:

13 Q Would you please state your name and address for
14 the record?

15 A Yes. My name is Patricia Garrett. I have owned
16 property on Bald Head Island since 1994 with my spouse
17 Michael Shulman. We live on -- Our permanent residence is
18 Raleigh, North Carolina. I came from Raleigh precisely
19 for this meeting.

20 Q And your address --

21 A On Bald Head Ibis Roost #10. We wrote two emails,
22 one signed by my spouse and myself; and the second by
23 myself. The gist of our commentary is that there is an
24 attitude on the part of Bald Head Island Limited that

1 inadequate about the service that was provided at both as
2 to ferry service and parking at Indigo Plantation?

3 A No. And back to the disability act, that was
4 perfectly adequate as well.

5 Q Anything that you can remember inadequate about
6 the facility at Indigo Plantation?

7 A Coffee was never very good.

8 Q Other than that?

9 A No.

10 Q Have you seen any significant improvements since
11 you've now been riding the ferry from Deep Point rather --

12 A I get more exercise. I suppose that's good for
13 me. It's a much longer walk from the park to the
14 terminal.

15 MR. STROUPE: I have no further questions.

16 CROSS-EXAMINATION BY MR. HIGGINS:

17 Q Ms. Garrett, Dan Higgins with Bald Head Island
18 Club. What alternatives, if any, are you familiar with
19 parking your car in lots at the Deep Point Marina --

20 A I know of none.

21 CROSS-EXAMINATION BY MR. STYERS:

22 Q Ms. Garrett, in your e-mail that's been admitted
23 you said that your home was worth a lot more than what you
24 paid for it 15 years ago.

1 ferry passes, that's a total of \$8,000. They also
2 mentioned they did some remodeling to their house, with
3 barge operations, their transportation fees for that year
4 are probably over \$15,000. I know this because we
5 recently had remodeling done on our house.

6 CHAIRMAN FINLEY: We will mark Ms. Walker's
7 email as Walker Exhibit No. 1.

8 (Whereupon, Walker Exhibit No. 1 was marked
9 for identification.)

10 Thank you very much, Ms. Walker. We appreciate
11 you coming and for your participation.

12 CLARK PENNELL; Being first duly sworn,
13 testified as follows:

14 DIRECT EXAMINATION BY MS. DOWNEY:

15 Q Would you please state your name and address for
16 the record?

17 A Clark Pennell, 25 Sabal Palm Trail, Bald Heal
18 Island, North Carolina.

19 Q Are you a permanent resident?

20 A Yes, I am.

21 Q Do you have a statement you would like to make?

22 A I'd like to read my statement and submit it into
23 evidence. Then I would also like to make another
24 statement that I hadn't planned on making, but I will.

1 My wife and I bought property on Bald Head
2 Island in 1998, built our house in 2004. Beverly moved
3 here full time in November of 2007, and I moved here full
4 time in March of 2008. We both still work full time jobs:
5 Beverly for Wells Fargo in Wilmington, and I work for
6 Brunswick County Habitat for Humanity in Southport. We
7 must use the ferry system and the parking system provided
8 by Bald Head Island Transportation, Bald Head Island
9 Limited in order for us to continue to work. We were
10 aware of this when we chose to move here. But the
11 increase proposed by this proposal seems to us to be
12 extremely out of line with services provided.

13 When we first moved here, our annual ferry
14 passes were a cost of \$1500 each and parking was \$500 per
15 car for a total of \$4,000 per year for the two of us. In
16 December of 2008 a surcharge was added to the ferry passes
17 which increased that cost to \$1665 per pass, parking
18 remained at \$500. So our total cost went to \$4330 per
19 year. With the move to Deep Point Marina which was not
20 requested by the property owners nor has it improved
21 services for us, parking suddenly jumped to \$1,000 for
22 general parking, which is where we parked at Indigo or
23 \$1200 for premium parking. Since we were assured that we
24 would always have a place to park in the premium lot but

1 there are no guarantees in the general lot that you will
2 always have a spot to park, we felt that the extra \$400
3 was worth it even though on some days we walked further to
4 the terminal than what we were at Indigo in general
5 parking. Currently our cost for 2 annual passes and 2
6 parking spots is \$5730.

7 With the proposed increase, our cost will rise
8 to \$8,000 per year to ride the ferry and to park our cars.
9 This is double what it was when we moved to Bald Head
10 Island 3 years ago. Also there are no guarantees that
11 Bald Head Island Limited or Bald Head Island
12 Transportation will not raise the prices on parking. They
13 currently change prices in the Summer to higher rate for
14 the daily parking rate.

15 We would like for the Public Utilities
16 Commission to consider including parking in the proposed
17 increases asked in this proposal since we have no other
18 choice as to where to park. We would also request that
19 consideration for discounted rates be offered to full time
20 residents. Bald Head Island Transportation is proposing
21 that special rates will be available for employees and
22 contractors as they have in the past even at bulk rate the
23 pricing for those two groups is less than for residents.
24 We feel as if Bald Head Island Transportation both

1 directly and indirectly is creating hardship for those of
2 us who live here on a full time basis. If this rate
3 increase goes through, it is very likely that those of us
4 who are members of the Bald Head Island Club, the
5 Conservancy and other groups that have staff that must
6 come and go might be paying for this increase 3 and 4
7 times. If the rates are allowed be increased it is very
8 possible that our dues at the club and our memberships at
9 the Conservancy could go up offset these expenses.

10 In conclusion, we would like for the Commission
11 to please keep in mind the following: By whatever name
12 the developer of Bald Head Island Limited, Bald Head
13 Island Transportation or some other name, all the public
14 transportation and parking are controlled by a single
15 entity. This for all practical purposes is a monopoly.
16 Indigo Marina was and still could be a fully functional
17 facility. Deep Point might have been built so the
18 developer could build residential units at Indigo and
19 commercial property at Deep Point.

20 Why is Bald Head Island Transportation using
21 2009 as it's base year? 2009 was the lowest year in --
22 since 2002 for riders. Most businesses use a 5-year
23 average for calculations. Service has not improved since
24 the move to Deep Point. The only thing that has changed

1 is that our expenses have gone up. We urge the Commission
2 not to allow this increase and to put parking under your
3 jurisdiction. Thank you.

4 BY MS. DOWNEY:

5 Q I believe you had something else you wanted to
6 say.

7 A Yes. I do have one other statement I would like
8 to make. I have the privilege during the school year to
9 escort a student off the island every day to take him to
10 school so that his grandparents don't have to make that
11 trip on a daily basis since I'm going off. He is
12 currently paying -- or currently paying \$5 per day. I
13 noticed in the proposal that the student rate has been
14 taken away, and has now gone to \$15 or \$16, I'm not
15 exactly sure which amount, but it's somewhere in there.
16 That to me seems exorbitant for a child to go to school in
17 the State of North Carolina. Thank you.

18 CHAIRMAN FINLEY: Did you read the complete
19 email?

20 MR. PENNELL: Yes, sir.

21 CHAIRMAN FINLEY: All right, we don't need that.
22 Whatever you read there, if you read it completely, we
23 just got your testimony, we don't need it.

24

CROSS-EXAMINATION BY MR. HIGGINS:

Q Dan Higgins, Bald Head Island Club.

A Yes, sir.

Q Did I understand that your office is in Southport?

A Correct.

Q And you are familiar with Southport area?

A Yes, sir.

Q Are you familiar with any alternatives for parking
in the lots at Deep Point?

A No, sir, I'm not.

Q Are you familiar with the general daily parking
rates that are charged?

A Yes.

Q I believe you said something about the rate having
been increased in the Summer. Do you know what the daily
rate is --

A Ten dollars per day for the months of June, July,
August.

Q And do you know, Mr. Pennell, when that rate was
implemented the first time?

A I do not. I don't know if it was when we moved to
Deep Point or if it just went into effect this year.

MR. HIGGINS: Thank you. No further questions.

1 Limited being able to charge even the outrageous increase
2 they were asking for a general fare. It is also my
3 opinion that we as homeowners and especially as full time
4 residents should not be subjected to subsidizing the cost
5 of bringing over employees and subcontractors to the
6 detriment of our cost of living on this island.

7 MR. STYERS: No further questions.

8 A I have one more question to make: Someone asked
9 about the parking over in Deep Point as to whether or not
10 it met the ADA specifications. In Lot B it did not. It
11 had to be restructured(sic).

12 CHAIRMAN FINLEY: All right. Thank you for
13 coming, Mr. O'Brien.

14 RICKI GRANTMYRE; Being first duly sworn,
15 testified as follows:

16 DIRECT EXAMINATION BY MS. DOWNEY:

17 Q Please state your name and address for the record?

18 A My full name is Erica Grantmyre. I live 638
19 Chicamacomico Way, I can spell that if you need for me to,
20 on Bald Head Island. My husband and I have lived here --
21 bought our home in 2002. We have been permanent residents
22 since about 2005. And you're talking about how -- So much
23 of what I had written out to say has already been said and
24 I do want to repeat it. But there's a couple of things

1 children to pay -- even now they are expensive for my
2 children. It will become very difficult to have them come
3 for often. I am afraid they will be coming less often.

4 Again, as I said, I'm leaving out much of what I
5 was going to say because people have already addressed it
6 very eloquently. But the two issues I was most concerned
7 about is the cost of Deep Point, and the fact that we felt
8 we absolutely loved Indigo. **Parking also is a major issue**
9 **that you have heard very well talked about.**

10 But one thing I wanted to mention that
11 originally -- I'm not sure how many years ago --
12 parking for contractors was free. They have their own
13 little space and it was over at Deep Point for years while
14 we were still at Indigo. And they had free parking. And
15 they took the contractor boat over to Bald Head. It ran
16 several times in the morning and then it would come at
17 lunch time and then back to Deep Point and in the evening.

18 Now, I guess 2 or 3 years ago they started, at
19 least at Deep Point, they now charge those contractors for
20 their parking. And these are -- when our contractors pay
21 more, we pay more. It's a double whammy for all of us.
22 These are people like our electricians, heating and air
23 conditioning people, our painters, our house keepers, the
24 people that make our lives doable. It's hard enough for

1 have two cars that we're paying for. For sure we will
2 have plenty of parking in the A Lot.

3 Q You from time to time had two cars in the A Lot?

4 A We have two cars in the A Lot.

5 MR. STROUPE: I have no further questions.

6 MR. HIGGINS: I have no questions.

7 MR. STYERS: I have no questions.

8 CHAIRMAN FINLEY: Ms. Grantmyre, thank you very
9 much. Glad to see you are more clever than your husband.

10 BOB LIESEGANG; Being first duly sworn,
11 testified as follows:

12 DIRECT EXAMINATION BY MS. DOWNEY:

13 Q Would you please state your name and address for
14 the record, and you might want to spell your name for the
15 court reporter.

16 A Robert Liesegang, L-i-e-s-e-g-a-n-g.

17 Q Your address, please?

18 A 16 Ibis Roost, Bald Head Island.

19 Q Are you a permanent resident?

20 A Yes, we are.

21 Q Do you have a statement you wish to make?

22 A Yes. Prior to reading my statement, I'd like to
23 introduce as evidence an email I sent to Chairman Finley
24 on June 25th to which you, Dianna, responded to rather

1 quickly.

2 MS. DOWNEY: Mr. Chairman, we will mark that as
3 Exhibit 1.

4 CHAIRMAN FINLEY: That will be marked as
5 Liesegang Exhibit No. 1.

6 (Whereupon, Liesegang Exhibit No. 1 was
7 marked for identification.)

8 A Chairman Finley, Commissioners Allen and Beatty,
9 thank you very much for this opportunity, and thank you
10 for coming down to Bald Head Island. My wife and I full
11 time residents of Bald Head Island. We've owned property
12 here since 1978. Utilizing the ferry to Bald Head Island
13 necessitates the use of Deep Point parking which is owned
14 by Bald Head Island, the Limited, the parent company of
15 Bald Head Island Transportation. Limited thus controls
16 both the parking and the ferry.

17 Parking is a monopoly simply because there's
18 nowhere else to park when utilizing that ferry from Deep
19 Point to Bald Head Island. There are simply no other
20 parking alternatives available within miles of the ferry
21 terminal. Downtown Southport is 1.9 miles away. Parking
22 on the roads to and from Southport could result in parking
23 fines and/or towing. I have confirmed this with the
24 Southport Police Department and Brunswick County Sheriff's

Office. Parking at the Fort Fisher ferry is not an option simply because the number of parking spots are a small fraction, very small fraction of what might be required for parking on this island. In addition, overnight parking at Fort Fisher is not permitted. So those of us who live here full time can simply not park our cars there overnight. Given this lack of alternative parking, is Deep Point parking not a monopoly and should it not also be regulated by the North Carolina Utilities Commission?

To say to the residents and others coming to Bald Head Island are captive is an understatement. The transportation company is a wholly-owned subsidiary of Limited. Since they own both the parking and the ferry, their operations are nothing short of a monopoly. We are over a barrel with no alternatives but to accept their demands. Thus you, the Commission, needs to stand up for us.

My parking at Indigo Plantation, the predecessor parking lot to Deep Point, was \$625 the last annual pass only 2 years ago. It's now \$1200. This is an increase of nearly 100%. It needs to be regulated. The old terminal and its parking were more than adequate for my wife and myself. We did not ask for this new parking arrangement and do not believe we should be made to pay to write off

1 this investment by Limited.

2 Limited has essentially created its own parking
3 monopoly using its leverage to pass substantial cost
4 increases directly to the users of the parking lot which
5 is necessitated when using the ferry service to Bald Head
6 Island.

7 Parking is thus a component of the
8 transportation system and should be subject to the
9 Commission's review of the rates and brought under
10 Commission regulation.

11 That's it for the statement that I wish to make.
12 I would also like to introduce a couple items as further
13 evidence of this matter. The first two items are
14 commercial advertisements from the local newspaper here.
15 One is for a restaurant and marina and the other is for
16 the marina itself advertising the 82 slips for sale or
17 rent.

18 MS. DOWNEY: Mr. Chairman, we would mark the
19 marina as Liesegang Exhibit 2 and the restaurant Liesegang
20 Exhibit 3.

21 CHAIRMAN FINLEY: Marina Exhibit 2 and the
22 restaurant Exhibit 3.

23 (Whereupon, Liesegang 2 and 3 were marked
24 for identification.)

111

1 Q So how many others did you copy on your letter?

2 A I was going to answer that. I am President of the
3 Ibis Roost Homeowners Association. I copied all of the
4 residents of Ibis Roost on my letter.

5 Q All right. That explains it. I was curious. I
6 did not understand it.

7 MR. STYERS: I have no further questions.

8 CHAIRMAN FINLEY: All right, Mr. Liesengang, we
9 appreciate you coming to testify today.

10 JOE ELROD; Being first duly sworn,
11 testified as follows:

12 DIRECT EXAMINATION BY MS. DOWNEY:

13 Q Would you please state your name and address for
14 the record?

15 A My name is Joe Elrod, Joseph E. Elrod, III. I
16 reside at 15 Silversides Trail, Bald Head Island, North
17 Carolina.

18 Q Are you a permanent resident?

19 A I am.

20 Q Do you have a statement you wish to make?

21 A I do.

22 Q Please proceed.

23 A Thank you. First of all, I would like to have my
24 letter to you, Chairman Finley, dated June 14, 2010,

1 have the ferry service in order to go back and forth to
2 the mainland. And I would encourage the Commission to
3 establish a rate class that recognizes that permanent
4 residents, actual residents, the people that live here
5 deserve a rate that is just and reasonable and reflects
6 the fact that they have to have the service of the ferry
7 in order to handle all of their daily needs: To go to
8 doctors, dentists, shopping, acquire things they can't
9 here on the island.

10 I see that there are many many rate classes and
11 many many preferences that Bald Head Island Transportation
12 has granted over the years to others such as employees,
13 contractors and the like, but none to the actual residents
14 of this island, none to the non-resident property owners
15 who should also, in my opinion, have a special rate class.
16 So I would say to you that that needs to be established
17 and it needs to be done.

18 Parking, you've heard a lot about parking and I
19 echo every comment that you've heard. And I'm not going
20 to try to beat that horse. It's already been pretty well
21 whipped. But what you've heard about the situation about
22 parking needs to have a little more light thrown on it.
23 When I bought my property on Bald Head Island back in
24 1985, the dock that was in use was called Moore Street

1 Dock. It had a small parking lot that was paved. It had
2 an adjacent dirt lot, obviously that wasn't paved. And,
3 you know, I engaged in conversations with Bald Head Island
4 Limited, and I was told that property owners would always
5 have free parking. I was told that, because I asked. I
6 inquired. Well, we did have free parking then at the
7 Moore Street dock. The move then came to Indigo
8 Plantation. And for a while free parking was provided at
9 Indigo Plantation in the form of Lot D. It was a little
10 bit of a treck, but not unbearable to walk from Lot D
11 parking, which was free, up to the terminal. Eventually
12 Lot D became paved parking also and the so-called free
13 parking, if any, came as catch as catch can at the
14 elementary school, which was indeed was even more of a
15 treck. I'm sure you can go out there and see if for
16 yourself.

17 As you've already heard, the people here on Bald
18 Head Island received quite stunning bit of news in
19 conjunction with the move to Deep Point as concerns
20 parking. Our parking went from \$625 to \$1200, nearly
21 doubling in the parking fee in conjunction with the move
22 to Deep Point. But I got to looking at the parking
23 situation prior to that, I found some interesting things,
24 and I brought with me some canceled checks to prove. I

1 seem to remember that parking was about three hundred and
2 something dollars when the move to Indigo was made. I may
3 be incorrect about that. But I do know that as of 2002,
4 the parking rate to park in the A Lot, the premium lot was
5 \$500, and again in 2003 it was \$500, and again, I see I
6 have a canceled check here of December 2005 in the amount
7 of \$500. So sometime after 2005 the price jumped up to
8 six and a quarter. And then as I've already testified to
9 it nearly doubled to \$1200. But I found something
10 interesting on the check and I don't know how significant
11 it is to you. My checks are made payable to Bald Head
12 Island Transportation Incorporated. And it's my
13 contention that parking is indeed an integral part of the
14 transportation operation. It's not only a monopoly
15 operation as you've already heard from other witnesses and
16 as the evidence clearly shows because we have no other
17 alternatives or place to park, but from all appearances,
18 my money anyway was going to Bald Head island
19 Transportation Incorporated. I don't have the so-called
20 forms that one had to fill out. You usually fill those
21 out with your license number, your name, maybe your
22 residence location on the island and sent those forms back
23 with the check. But my checks are made payable to the
24 transportation company, they are not made payable to

1 Limited.

2 CHAIRMAN FINLEY: What are the dates on those
3 checks?

4 MR. ELROD: I have three of them here; one dated
5 December 18, 2002; December 8, 2003; and another here
6 dated December 14, 2005. I was unable to find the one
7 before that. Moved from Greensboro, North Carolina and
8 quite frankly things when we moved got tossed hither and
9 yond. But I looked on the back of these checks about the
10 endorsement as to where the money went once it got to Bald
11 Head Island Transportation Incorporated, and I find it's
12 for deposit only to Bald Head Island Limited. Didn't know
13 my money was going to Bald Head Island Limited. What was
14 Limited doing with my money? Now what is Limited doing
15 with my parking money? Is it being used to defray
16 subsidize expenses associated with ferry transportation?
17 I know not. I'm sure that the attorneys in this case in
18 their discovery and other methodologies available to them
19 may find that out.

20 About the parking operation at Deep Point, it
21 is a monopoly, it ought to be regulated and you folks
22 ought to take a hard look at what it really costs to
23 establish that parking facility. If you take a look,
24 you're going to find that Bald Head Island Limited has a

1 net land cost, cost of real estate, some 76 acres of
2 \$50,000. This is reflected by the public record. Limited
3 bought this property hundred and seventy something acres
4 from Phizer back in 1996. The deed stamps show that
5 Limited paid \$1,450,000 for that 172 acre tract. Well, I
6 don't fault them for being a good business man, they
7 turned right around and about a year later they sold a
8 portion of it \$400,000 to the North Carolina Department of
9 Transportation. And then a month after that or couple
10 months after that they sold another portion for \$1 million
11 to a developer out of Wilmington, North Carolina to
12 develop the housing that's adjacent to Deep Point. That's
13 leaving them with a net cost of 50,000 in real estate. I
14 don't know how much it costs to put in this parking lot
15 and drainage and sewer and so and so forth like that, but
16 I'm sure that that can be determined.

17 My point is that I have a hunch this is a real
18 money making operation. A quick hasty back calculation
19 based on the number of the parking spaces represented as
20 being available by Limited, and even excluding the
21 contractor and overflow spaces of 368 and the employee
22 spaces of 172, just looking at the general parking spaces
23 1,021 and the premium spaces is 396, whack the general
24 parking to only 50% of capacity because it certainly isn't

1 full all year long, you quickly reach a parking revenue
2 that approaches or exceeds \$2 million a year. That's per
3 year. It's not going to take long to recoup those costs
4 at that kind of rate of return. Limited would ask for a
5 9.25% rate of return on its investment. I don't think
6 anybody in this room can get 9.25% on their money these
7 days. If you look at cash-on-cash basis, cash flow type
8 statement, they receive a 10% net profit margin or
9 cash-on-cash basis.

10 I don't begrudge Limited a profit. I really
11 don't. What I want and what I think the people of this
12 island want is something that's fair, fair and reasonable.
13 We don't want to be gouged by a doubling of parking fees.
14 We don't want to be gouged by a ferry rate that goes
15 upwards of 86%, 75%, you can do the numbers. I do some
16 quick numbers and usually come up with something between
17 62, 80 something percent in the way of an increase. I
18 don't think that's just, and I don't think it's
19 reasonable. And I think the folks in this room would
20 agree with me. And I don't see that you can find anybody
21 on this island who ought to be unfairly prejudiced by
22 perhaps maybe some hasty or perhaps even ill conceived
23 business decisions made by Bald Head Island Limited to put
24 into place a new facility at Deep Point to, I guess,

1 to live. I'm not trying to sell you on the idea that it
2 is. But what I am trying to sell you on the idea is that
3 the folks that are here, we invested in island thinking
4 the developer in some sense were going to be fairly decent
5 to us.

6 MR. STYERS: I have no further questions.

7 CHAIRMAN FINLEY: All right, Mr. Elrod. I
8 appreciate you testifying. Ladies and gentlemen, it's ten
9 minutes after 1:00. We have a number of witnesses that
10 have still indicated that they would like to testify. So
11 we are going to take a one-hour break and come back at ten
12 minutes after 2.

13 (Whereupon, off the record.)

14 (Whereupon, a lunch break was taken.)

15 (Whereupon, back on the record.)

16 LARRY LAMMERT; Being first duly sworn,
17 testified as follows:

18 DIRECT EXAMINATION BY MS. DOWNEY:

19 Q Would you please state your name and address for
20 the record?

21 A Larry Lammert, 21 Laughing Gull Trail, Bald Head
22 Island.

23 Q Are you a permanent resident?

24 A Yes, I am, for the last 10 years.

1 a million dollars between '07 and '09. As stated earlier,
2 the revenue has been understated by I would think almost
3 800,000 for the year '09 by using the '09 billing filing
4 instead of the billing filing of '07. And as I stated,
5 there's 66,000 difference. As volume increases over the
6 next few years, there is a case to be made that there is
7 no need for a rate increase. A mere increase in 20% of
8 the billing units of '07 will increase a revenue by
9 \$828,000 which will more than offset the loss of 800,000
10 in '07.

11 And I think that's most of what I want to talk
12 to concerning the cost and revenue side as far as the
13 ferry situation is concerned. I contend volume has
14 generated a lot of income and they've offset it by putting
15 expenses against it by using the leases.

16 I believe parking and barge should become part
17 of rates. The move from Indigo to Deep Point in June of
18 2009 improved Limited's parking revenue by at least \$1.2
19 million. The revenue for 2010 for parking at Deep Point
20 is close to \$4 million.

21 Let me talk a little bit about parking. The
22 previous counsel in January, February of 2009 was working
23 on the legislature to introduce a bill to have Utilities
24 Commission regulate the parking and barge for Bald Head

1 Island. When that came about, the developer wanted to
2 talk to the counsel. And the RC Shoals agreed that we
3 should meet prior to them introducing legislation. I will
4 read from an email that's dated April 22nd, during the
5 meeting, Limited assured The Village leadership that the
6 annual rate for parking at the new facility will not
7 change from those shown on the chart until 2012. In the
8 time period in 2014 any increase after 2012 will not
9 exceed the rate of inflation as calculated from 2009. We
10 understand the Mayor Lambert and Village representatives
11 were in support of this commitment. We thought that was a
12 good arrangement.

13 I found out yesterday as I went to make
14 reservation for my son coming tomorrow that the rate at A
15 Lot for daily went from \$8 to \$10, a 25% increase after we
16 had this agreement which I think is unacceptable.

17 The revenue -- I believe homeowners of Bald Head
18 Island are paying a very high premium for ferry, parking,
19 and barge service when there is no other available
20 service. It is time that the Utilities Commission bring
21 all these operations associated with service to the island
22 under one umbrella. I thank you for your time.

23
24 further DIRECT EXAMINATION BY MS. DOWNEY:

1 A No, they have not. They have not changed from
2 '09.

3 Q You said previous counsel did take the initiative
4 to look at having the Legislature/General Assembly adopt
5 legislation to bring parking within the jurisdiction of
6 the Commission?

7 A Parking and barge.

8 MR. STYERS: No further questions.

9 CHAIRMAN FINLEY: Thank you. I think she said
10 not. Believe it or not we can find out own records.

11 BILL WADDELL; Being first duly sworn,
12 testified as follows:

13 DIRECT EXAMINATION BY MS. DOWNEY:

14 Q Would you state your name and address for the
15 record?

16 A William Waddell. I am a -- my wife and I are
17 20-year property owners, and 15-year permanent residents.
18 My wife has a business in Wilmington and travels back and
19 forth. We have two vehicle as a result of that that are
20 engaged in parking.

21 Q And your address?

22 A My address is 14 Windward Court. Let me say at
23 the start that I am here to praise Caesar, not to bury
24 him. We tend to forget in these proceedings that, and

Exhibit STG-2.3

**Exhibits to Transcript of Public Hearing,
Docket No. A-41, Sub 7,
July 23, 2010**

OFFICIAL COPY**FILED**

SEP 14 2010

Clerk's Office
N.C. Utilities Commission

RECORD: 24

INFORMATION SHEET

VOLUME:

OFFICIAL COPY

PRESIDING: Finley, Beatty, Allen

PLACE: Bald Head Island, North Carolina

DATE: Friday, July 23, 2010

TIME: 10:00 a.m. to 3:32 p.m.

DOCKET NO.: A-41, Sub 7

DESCRIPTION: Application of Bald Head Island Transportation, Inc., for a General Increase in its Rates and Charges Applicable to Ferry Service between Southport and Bald Head Island.

APPEARANCES

PUBLIC STAFF: Dianna Downey

COMMISSION STAFF:

ATTORNEY GENERAL:

APPLICANT-A COMPLAINANT-C RESPONDENT-R PROTESTANT-P INTERVENOR-I

Dan Higgins, Gray Styers, Charlotte Mitchell, Odes Stroupe

WITNESSES

Dorsey, Quanstrum, Mesaris, Poole, Ridgeway, Johnson, Earle, Aylor, McQuaide, Garrett, Pennel, Ledgett, Finley, Garmusz, Coryell, O'Brien, Grantmyre, Liesgang, Elrod, Lammert, Waddell, Barnard, Patterson, Witt, Adcock, Giccai, Hall, Walker

EXHIBITS

McQuaide Ex 1-3 ✓ Garrett Ex. 1-2 ✓ Walker Ex. 1 ✓ Ledgett Ex 1 ✓ Finley Ex. 1 ✓
 Coryell Ex. 1 ✓ O'Brien Ex. 1 ✓ Liesgang Ex. 1-3 ✓ Dorsey, Ex 1 ✓ Quanstrum Ex. 1 ✓
 and CX Ex 1 ✓ Ridgeway 1-2 ✓ Earle Ex. 1 ✓ Elrod 1-2 ✓ Barnard Ex. 1 ✓ Hall Ex. 1 ✓

BRIEFS/PROPOSED ORDERS DAYS FROM THE MAILING OF TRANSCRIPT

REPORTED BY: SM

TRANSCRIBED BY: SM

DATE TRANSCRIBED: 8-31-2010

TRANSCRIPT PAGES: 173

PREFILED PAGES:

Sandy Mayer said McQuaide Ex. 1-3 and O'Brien Ex. 1 never
 given to her

OFFICIAL COPY

Aug 25 2012

Walker Ex 1

Wendle H. Walker
P O Box 3057, 5 Wood Duck Trail
Bald Head Island, NC 28461

(910) 457-6627 phone
walkerw1@bellsouth.net

July 10, 2010

Edward S. Finley, Jr., Chairman
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4325

Re: RE: Docket A-41, Sub 7, Bald Head Island Transportation, Inc.

Dear Chairman Finley:

I am writing to express opposition to the Petition filed by Bald Head Island Transportation, Inc., for a general rate increase, and for a restructuring of its rate classes.

My husband and I have been full time permanent residents of Bald Head Island for sixteen years and property owners for 21 years. The requested rate increase will be particularly difficult for us and other full-time residents as we leave the island frequently for medical appointments, dental appointments, shopping trips, etc. Bald Head Island is part of Brunswick County, a fact that is often overlooked. Many of us have business, community, and personal interests off the island. Most of the island residents, including myself and my husband, are on fixed incomes. The increase in parking fees along with the proposed increase in ferry fees are a staggering blow to the people who do the most for the island.

If a couple with no association to Bald Head Island were to rent property for a week, their total annual ferry expenses would be \$56. If a property owner makes 75 trips in one year, their annual expenses would be \$1,650 per person or \$3,300 per couple. Getting an annual pass isn't practical for the price it costs and the lack of flexibility. At least bulk tickets can be given to visiting friends. But having to buy 80 tickets at a time is unfair.

If permanent residents want to spend an evening in Southport at the movies, the ferry cost would be \$44. Please imagine paying an additional \$44 to go to the movies! Therefore, permanent residents would likely stay on the island where their entertainment choice is going to the Shoals Club (developer owned), the Bald Head Island Club (developer has interest), Eb and Flo's Restaurant (developer owned), The River Pilot Café (developer owned), or the market deli (developer owned).

Just before the NC Utilities hearing in 1998, a member of the NC Utilities commission wondered why permanent residents didn't have a special commuter rate. While that hearing was about the ferry schedule, the upcoming hearing will be about rates. I would like to request a special commuter rate for permanent residents. Bald Head Island Transportation would make a case that the "no frills" tickets are our special commuter rate. That is not the case. I have purchased only 5 or 6 "no frills" tickets in the last 10 years. The problem is they are inconvenient to purchase (must plan for additional time to stand

OFFICIAL COPY

Aug 25 2022

in line at the ticket window each trip off the island) and it is difficult to know when leaving the island if there will be time for shopping before coming back to the island. Therefore, it is difficult to tell whether a different kind of ticket that includes luggage handling would be required.

I don't understand why permanent residents are paying a higher rate than contractors since contractors have on-island transportation (to the middle of the island) included in their tickets and, therefore, their associated expenses are higher. Permanent residents are paying a higher fee for less service.

I have heard that a large portion of the rate increase is due to the new Deep Point Marina facility. That is a choice made by Bald Head Island Limited and it does not improve service for the residents. The Indigo Marina facility was adequate and the parking lots were certainly paid for many times over. I feel like we are subsidizing the developer's start of construction on their condominium project in the old Indigo Plantation parking lot. Now the ferry riders are subsidizing the Deep Point facility. Yes, there was a lot of planning, paving, and construction, but the developer intends to build restaurants, gift shops, and a hotel at the facility. The ferries use one small section of the marina. The rest of the marina will provide the developer with income from slip space, marine fuel, restaurants, hotels, rental, etc. Are the ferry riders subsidizing construction of the entire marina complex?

We are tired of subsidizing the developer's interests and hope the NC Utilities Commission will help us. The developer has a right to earn a profit on all of their businesses. But, they do not have a right to take advantage of their monopoly. The developer currently has ownership in almost every business associated on the island. In those businesses that the developer does not have interest, in most cases they own the property and lease it to the tenant.

Years ago parking and barge operations were regulated by the NC Utilities Commission, and we would love to see that happen again. Parking and barge operations were hugely profitable at that time and are probably more profitable now.

There is no way for most people to get people or items to the island without the developer's services. The developer went to great length to make sure that would never happen. On request I would be happy to supply details. At one time Village representatives talked to the State of NC about running a NC State ferry to the island. The developer campaigned hard and that opportunity was lost.

Please help us out in this matter

Sincerely,



Wendie H. Walker

cc: Robert P. Gruber
Executive Director-Public Staff

Antoinette R. Wike
Chief Counsel-Public Staff

Carol Kimball Stahl
Director, Transportation Rates Division-Public Staff

Print

Page 1 of 1

Finley & /

From: Donna finley (finl2860@bellsouth.net)
To: finley@ncuc.net;
Date: Sat, June 26, 2010 5:11:47 PM
Cc:
Subject: Fw: BHIT ferry rate increase

----- Forwarded Message -----

From: Donna finley <finl2860@bellsouth.net>
To: tjoyner@ncuc.net; culpepper@ncuc.net; bbeatty@ncuc.net; sraBon@ncuc.net; tbrownbland@ncuc.net; iallen@ncuc.net
Sent: Sat, June 26, 2010 5:02:12 PM
Subject: BHIT ferry rate increase

I am writing to express my opposition to the proposed BHIT rate increase.

I purchased my property in 1996 before prices became so high and have lived full-time on the island for almost nine years. Like many other residents I am over fifty-five and live on a fixed income. The island does not provide all of the necessary services for day-to-day living. There are no doctor's, dentists, drug stores, dry cleaner's, legal services, etc. and therefore residents must use the ferry on a regular basis. We must also use the BHIT parking lots when we use the ferry and the rates doubled last year.

I believe that the proposed increase would cause a hardship for many of the residents and be detrimental to other island entities as well. The Old Baldy Foundation and the Bald Head Island Conservancy depend on tourists and day visitors to keep their non-profits viable. It is already expensive for families and groups of visitors to park, ride the ferry, and rent a golf cart to tour the island. I believe the rate increase requested would make it prohibitive.

There are only about 200 full-time residents on the island. We provide many volunteer services that make the island a more desirable place to live which in turn benefits the developer. We volunteer as firefighters and first-responders, we organize litter sweeps, we staff the gift shops at the lighthouse and conservancy, we provide educational and recreational programs for residents and visitors alike and volunteer countless hours on committees and boards. I do not believe that a lower rate for 200 full-time residents would make a significant difference in income to the developer, but would be a tremendous benefit for the residents.

I would like to request that the Commission reject the requested rate hike, set reasonable parking rates, and establish a rate category for full-time residents.

Thank you,

Donna Finley
29 Dowitcher Trail
Bald Head Island, NC

In a message dated 6/29/2010 10:30:32 A.M. Eastern Daylight Time, Normcoryell@aol.com writes:

Dear Commissioners:

I understand you are a member of the NC Utilities Commission who will be addressing the rate increase proposed by Bald Head Island, Ltd. I don't know how much you know about our island community and how much we depend on our ferry for transportation. Unless you own your own boat you are at the mercy of the ferry schedule and the costs of traveling to and from the island.

While I believe we have approximately 1200 to 1400 homes on the island most of which are second homes or investment properties we have a permanent community of approximately 200 people who call Bald Head Island home (our one and only). I know there is the perception that anyone living here is wealthy and can afford whatever comes our way, that is truly a misperception. The average age of most of our permanent residents is between 60 and 80 something. We are on fixed incomes and like most of the population our age, we have seen our savings disappear over the last few years. We all know things won't be recovering in our lifetimes.

My husband and I moved here full time 13 years ago. We have been a part of this wonderful community filled with people who volunteer as firefighters (my husband is a volunteer firefighter and has been for ten years) and first responders who are called upon at all hours of the day and night throughout the year to transport injured and ill visitors. During the summer months and even spring and fall we can be called out sometimes up to a dozen times in a day. We have had many night's sleep interrupted to respond to helping mainly visitors who need our help. We have had houses burn down, innumerable false alarms that must be responded to, people falling out of golf carts, and anything else you can think of. The level of commitment from residents working as volunteers at the Lighthouse, the Chapel, The Conservancy, overseeing turtle nests, picking up garbage on the roads and the beach, etc. indicates the commitment we all have to this beautiful island and we take our commitment very seriously! BHI, Ltd. would most certainly have to spend a considerable amount of extra money to make this a place that attracts so many visitors. After major storms, we as residents are here clearing roads and putting things back together so that life will return to normal as quickly as possible for all of us, especially BHI, Ltd.

At our stage in life most of us have ailments and illnesses, some very serious, which require us to leave the island several times weekly over long periods of time to obtain treatments. If you have parents at this stage of life or if you are there yourself then you certainly understand. We already spend \$11.00 for a daily ticket and \$16.00 if we're gone for more than just the day. Many are too ill to drive to appointments which then requires payment for a spouse or friend's ticket. This leaves us with very few choices.

It seems that BHI LTD is happy to pay to host potential buyers of their properties providing them with parking, transportation and lots of other deals while the residents are left to subsidize these visits. Most visitors I've encountered believe that if you are a resident you are afforded a special rate to ride the ferry. When they discover that we pay the same rate as everyone else they are aghast!

We understand that it cost money to run the ferry but should the people who give so much to our community be treated without consideration? A yearly pass issued at a substantially discounted rate would seem fair especially when people coming here to work either receive discounted transportation or are subsidized by their employers. All of the above also applies to parking. To charge people \$1,000 to \$1,200 for a yearly pass or \$10.00 daily over and above the price of a ferry ticket seems like price gouging. To now go before the Commission and ask for these exorbitant increases seems ludicrous!

Since we purchased our first property in 1993 Bald Head Island has become an almost year-round destination albeit a bit quieter in the wintertime. We have owned our own business in the past and totally understand the necessity of making a profit but Bald Head Island Ltd. is taking unfair advantage of everyone who lives, works or visits. The new Deep Point Terminal is their business asset and they would not have undertaken such a detailed project if they thought they would lose money. Raising transportation and parking prices especially during a recession doesn't seem like a very wise decision to me.

I apologize that I could not have made this more concise. I truly appreciate your time and consideration in this matter. It is critical to all who live, work and visit this beautiful island that you consider how these price increases will impact everyone.

6/25/10

Liesegang Ex 1

Dear Chairman Finley, I fully concur with the letter written to you by Bald Head Island resident Joe Elrod dated June 14, 2010. Please use that letter to understand and appreciate the position of me and my wife. Mr. Elrod's letter says it all and is the best point of reference on this proposed rate increase.

We are full time residents of Bald Head Island. We are opposed to the proposed BHIT rate increase. This will no doubt work an economic hardship on us and we may have to consider moving.

We request that you and the Commission deny this exorbitant increase.

BHIT is obviously attempting to justify the expense of building the new Deep Point Ferry Terminal which is and was not needed. Those of us who live on Bald Head Island permanently were perfectly happy with the old ferry terminal at Indigo whose cost had been fully written off. The rate increases which range from about 60% to 75% are indicative of the folly to build this new terminal.

Deep Point Parking—utilizing the ferry necessitates the use of the Deep Point Parking owned by the BHI Ltd the parent company of BHIT. BHI Ltd controls both the parking and the ferry. There is simply no other parking alternatives available within 2 miles of the terminal. Is this not a monopoly and should it not also be regulated by the Commission? Yearly parking fees have gone from \$500 to \$1200 in just 4 years. That is just outrageous.

To say we are captive is an understatement. BHIT is a subsidiary of BHI Ltd. Since they own both the only parking and the ferry their actions are nothing short of monopolistic.

Robert B and Gail R Liesegang Sr.
16 Ibis Roost
Bald Head Island, N.C. 28461
910-457-4498

OFFICIAL COPY

Aug 25 2022

Subj: **RE: Bald Head Island Transportation proposed rate increase**
Date: 6/25/2010 12:36:45 P.M. Eastern Daylight Time
From: dianna.downey@psncuc.nc.gov
To: BobLiesegangSr@aol.com
CC: Vance@ncuc.net, thomas.farmer@psncuc.nc.gov, jim.hoard@psncuc.nc.gov,
david.poole@psncuc.nc.gov, cynthia.smith@psncuc.nc.gov, ck.stahl@psncuc.nc.gov,
antoinette.wike@psncuc.nc.gov

Dear Mr. and Ms. Liesegang:

Thank you for your email concerning the request by Bald Head Island Transportation, Inc. (BHIT) for a rate increase. A copy of your message and this response will be given to the Chief Clerk of the Commission for inclusion in the official file.

The Public Staff is responsible for representing the interests of the using and consuming public in utility matters, and we will participate on the public's behalf in this case. The Public Staff will be reviewing the books and records of BHIT and will present its views on BHIT's request to the Commission. We will give consideration to your comments as we conduct our investigation.

The Commission will be conducting a public hearing at the Bald Head Island Club on July 23, 2010 at 10:00 a.m. At that hearing, members of the public will have the opportunity to present statements to the Commission regarding BHIT's application.

Thank you for your interest in this matter.

Dianna Downey
Staff Attorney
Public Staff
North Carolina Utilities Commission
dianna.downey@psncuc.nc.gov

E-mail correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

From: BobLiesegangSr@aol.com [<mailto:BobLiesegangSr@aol.com>]
Sent: Friday, June 25, 2010 12:13 PM
To: Downey, Dianna
Subject: Fwd: Bald Head Island Transportation proposed rate increase

From: BobLiesegangSr@aol.com
To: finley@ncuc.net
CC: diana.downey@psncuc.nc.gov
Sent: 6/25/2010 12:05:56 P.M. Eastern Daylight Time
Subj: Bald Head Island Transportation proposed rate increase

Tuesday, July 20, 2010 AOL: Bob Liesegang Sr

DOCK FOR THE DAY, OR MAKE DEEP POINT MARINA YOUR HOME PORT.



Boaters looking for a great deal on short-term or long-term slip rentals should check out the new 82-slip Deep Point Marina.

Located along the Cape Fear River in Southport, Deep Point Marina offers comfortable dockage for both large and small vessels, along with easy ocean, ICW and river access. Slips are available for lease on a daily, monthly and annual basis.

Sign up now through May 31, 2010 for an annual lease and receive 12 months for the price of 10*.



DEEP POINT MARINA DETAILS

- 33°55'872"N - 77°59'772"W
- Across from red Cape Fear River Buoy #20
- Accommodates vessels up to 102' with 10' draft at MLW
- Lighted entrance channel
- 30, 50, and 100 amp electric hookup
- Gas and diesel fuel
- Marine pump-out available
- Cable TV access with some slips
- Wireless internet service
- Harbourmaster building with laundry, showers, ship's store and pool underway
- Convenient to Southport's downtown restaurants, shopping and historic district
- Adjacent to the Bald Head Island Marland Ferry terminal
- Overnight rates are \$120 (oct 24 minimum)

DEEP POINT
MARINA

Call 910-269-2380 today or email dockmaster@bhisland.com.
www.deeppointmarina.com

* Offer expires 5/31/10. All specifics and prices subject to change without notice.

State Port
Pilot
6/30/10

BHIT RATE CASE PARKING MONOPOLY

My Wife and I are full time residents of BHI. I wish to address the issue of parking at Deep Point Marina.

Utilizing the ferry to BHI necessitates the use of Deep Point parking which is owned by BHI Ltd the parent company of BHITransportation. BHI Ltd thus controls the both the parking and the ferry. Parking is a monopoly simply because there is nowhere else to park when utilizing the ferry from Deep Point to BHI. There are simply no other parking alternatives available within miles of the ferry terminal. Downtown Southport is miles away and parking on the roads to and from Southport could result in parking fines and/or towing. Parking at the Fort Fisher ferry terminal is not an option simply because (1) there are not enough parking spaces for even a small fraction of users of the BHI ferry and (2) overnight parking is not permitted unless you are utilizing the State owned Fort Fisher ferry. Given this lack of alternative parking is Deep Point parking not a monopoly and should it not also be regulated by the NCUC?

To say that residents and others coming to BHI are captive is an understatement. BHIT is a wholly owned sub of BHI Ltd. Since they own both the parking and the ferry their operations are nothing short of a monopoly. We are over a barrel with no alternatives but to accept what BHIT demands. Thus the NCUC needs to stand up for us.

My parking at Indigo Plantation, the predecessor to Deep Point marina, was \$625 for an annual pass only two years ago and is now \$1200 for the same parking privileges in conjunction with the move to Deep Point. The same holds true for pretty much all of BHI residents and pass holders. This increase of nearly 100% is outrageous and needs to be regulated. The old terminal and its parking were fine by my wife and me. We did not ask for this new parking arrangement and do not believe we should be made to pay to write off this investment by BHI Ltd.

BHI Ltd has essentially created its own parking monopoly using its leverage to pass substantial cost increases directly to the users of the parking lot which is necessitated when using the ferry service provided by BHIT, a wholly owned subsidiary of BHI Ltd.

Parking is thus a component of the transportation system and should be subject to the commission's review of rates and brought under NCUC regulation.

Dorsey Ex 1



July 23, 2010

Utilities Commission
430 North Salisbury Street
Raleigh, NC 27603-5931

Dear Commissioner,

The Bald Head Island Conservancy is a 501C(3) non-profit established in 1983 for the purpose of Barrier Island Conservation, Education, and Preservation. Our organization educates over 17,000 people every year both on and off Bald Head Island. Our conservation efforts focus on endangered sea turtles, a "globally imperiled" maritime forest, dunes and wetlands. Our internship program not only serves the public but it provides unique experiences for future scientists and educators.

The BHI Conservancy respectfully asks Commissioners to consider the following impacts the proposed Bald Head Ferry rate changes for the would have on our organization.


- To date we partner with organizations in Brunswick, New Hanover, Duplin and Columbus County to bring school children to BHI for unique education and experienced base learning opportunities. These expeditions range from working with school children to help them meet their science curriculum standards to working with charitable organizations like Wilmington Health Access for Teens to provide targeted experiences for "at-risk" children. **The costs of ferry transportation are frequently the "deal breaker" in setting up field trips.** This is true whether students, schools or the non-profits that serve them are organizing the trip. In the past we have been able to get the \$11 "special event" fare, which has permitted some participation. High transportation and parking costs typically preclude the BHI Conservancy from covering any of our education costs. Thus the burden of transportation requires that we find external funding to completely underwrite our outreach efforts and limits our ability to achieve our mission. The current proposal has no opportunity to provide free or low cost transportation for children on educational trips. These are children that have never been to a barrier island, let alone a beach, despite living in coastal counties. Some of the children we serve have issues that could benefit from the unique natural environment that the BHI Conservancy can provide. We ask that you help BHI Transportation to provide a low cost alternative so that the BHI Conservancy can provide environmental and experienced based education to the broader regional community. These trips would concentrate in the school year and thus be "off-season" for BHI Transportation. We believe a \$5/student educational fee would allow most children to reach BHI and take advantage of the unique beauty and educational experiences found only here.

- The BHI Conservancy hosts up to 13 paid interns every year. These college juniors and seniors develop professional skills as they support our conservation and education efforts. In years past students have been able to take advantage of alternative parking, outside the marina. This year, despite searching for reasonable options the BHI Conservancy has no alternative except to pay for parking in the Deep Point Marina. The total costs to the Conservancy of parking for our internship is estimated to be \$3,240 in 2010 this is a 36% increase over last year. We hope to be able to expand the internship program into a semester-long program for college students. Students would learn environmental monitoring skills to further their professional ambitions while providing the state with important baseline information about coastal habitats. The daily parking fees increase the total costs of studying on BHI tremendously. We believe that the utility commission should regulate parking.
- The BHI Conservancy is not a large organization; we have 8 full time staff and 4 part time staff. The 2010 ferry and parking costs will be \$40,000. This year the transition to Deep Point with addition parking fees has increased costs 21% over last year. The proposed changes to parking and ferry costs will significantly increase the cost of doing business. In addition to fee increases, we have been informed that our annual ferry passes, we are only allocated 3, although we own 27 lots of land, will be revoked beginning next year. This additional blow will increase those costs by 103% before any additional fare increases. Our costs are a result of donations made by our constituents. The benefits of our organization extend far beyond the boundary of our island. Please consider the impact of rate increases on the small businesses that serve the interests of the entire state.

The double impact of increasing parking and ferry fees will limit the BHI Conservancy's ability to fulfill our mission now and into the future. Our Barrier Island Study Center, proposed to be operational in 2012, will expand the statewide benefits of our mission by providing environmental solutions for this and other barrier island communities. We seek the opportunity to continue to reach out to school children throughout our state and ensure they have access to the rare and special places on BHI.

We appreciate the attention of the Utilities Commission and thank you in advance for your consideration of the impact on a BHI ferry rate increase and the recent increases in parking on our organization and our mission.

Sincerely,


Suzanne E. Dorsey, Ph.D.
Executive Director


Jay Copan
Board President

Quanstrom Ex 1

Vance, Renne

From: Downey, Dianna [dianna.downey@psncuc.nc.gov]
Sent: Friday, May 14, 2010 2:40 PM
To: 'Bquanstrom@aol.com'
Cc: Chief Clerk's Office; Stahl, Ck; Wike, Antoinette; Hoard, Jim; Poole, David A; Smith, Cynthia
Subject: RE: BHI Rate Proposal - Quanstrom

Dear Mr. and Mrs. Quanstrom:

Thank you for your email concerning the request by Bald Head Island Transportation, Inc. (BHIT) for a rate increase. A copy of your message and this response will be given to the Chief Clerk of the Commission for inclusion in the official file.

The Public Staff is responsible for representing the interests of the using and consuming public in utility matters, and we will participate on the public's behalf in this case. The Public Staff will be reviewing the books and records of BHIT and will present its views on BHIT's request to the Commission. We will give consideration to your comments as we conduct our investigation.

The Commission will be conducting a public hearing in the area on a date and at a place to be specified in a Public Notice. At that hearing, members of the public will have the opportunity to present statements to the Commission regarding BHIT's application.

Thank you for your interest in this matter.

Dianna Downey
Staff Attorney
Public Staff
North Carolina Utilities Commission
dianna.downey@psncuc.nc.gov

E-mail correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

From: Bquanstrom@aol.com [mailto:Bquanstrom@aol.com]
Sent: Friday, May 14, 2010 2:26 PM
To: Downey, Dianna
Cc: bquanstrom@aol.com
Subject: BHI Rate Proposal

Dear Ms. Downey:

I have been a full time resident on Bald Head Island for over ten years. All of our full time residents are over 55 years of age, most are in their late sixties and seventies, and some are in their mid 80s. It is true that we chose to reside on an island and we realized that we would have to travel by ferry for groceries, doctor's

appointments, etc. Those of us who live on the island use the NO Frills rated ticket which is \$11.00. This means that we must carry or drag our groceries, cleaning, medicine, shopping, etc. in coolers to avoid paying the \$16.00 full fare ticket. We then use our own transportation to take the items to our home. Quite frankly it is exhausting but worth it to live on this peaceful island.

Last year the BHI Limited Developer closed our marina so that he could develop all of the parking lots into housing; and he opened an incredibly large Marina with food and shopping and five times the parking area. HE DOUBLED the price of parking for all of us and increased the ferry ticket by one dollar. By doubling the price of parking, he in effect increased the ferry tickets because we are required to park in his parking area in order to take the ferry. It has been a considerable hardship for many of us who are on a fixed income. In our opinion, the developer had no need to increase this marina into an area as big as a small airport terminal. Now he wants us to help pay for the increased gas (his ferries have to drive farther and against the current); the increased up keep; and the increased staff and utilities. Meanwhile, he will sell the land at the other ferry terminal and make a fortune by developing the parking lot area.

To add insult to injury, we used to be able to get a year round, reduced rate ticket once you reached 65 years of age. He is also planning to eliminate this option. On the island side, he has cut parking of carts by 1/2 in hopes that we would have to pay full fair and take one of his trams.

We are asking for assistance from the state for residents who need to leave the island on a regular basis and cannot afford this horrendous increase. We will definitely be at the hearing and look forward to knowing the time and date. I hope you will keep our letters on file.

Sincerely,

Dana and Brenda Quanstrom
9 Scoters Court
Bald Head Island, NC 28461

E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized state official.

I/A

RE: Bald Head Ferry Rate Increase - Inbox - 'att.net Mail'

Page 1 of 2

Hi, Marilyn Sign Out | All-New Mail Help

Search

Web Search

at&t Mail
Ridgeway Ex 2

10-Yr Level Term Life Insurance Sample Monthly Premiums*	FEMALES			MALES		
	AGE	\$250K	\$500K	AGE	\$250K	\$500K
	30	\$12	\$18	30	\$13	\$20
	35	\$12	\$18	35	\$13	\$20
	40	\$13	\$21	40	\$14	\$22

* Subject to underwriting requirements.

MetLife
Guarantees for the if in Life.™

Get a Life
Insurance
Quote

Mail | Contacts | Calendar | Notepad

What's New? | Mobile Mail | Options

Check Mail | New

Mail Search

Try the new att.net Mail

Netfix
Only \$4.99/mo.

Previous | Next | Back to Messages

Mark as Unread | Print

Delete | Reply | Forward | Spam | Move...

RE: Bald Head Ferry Rate Increase

Monday, June 21, 2010 2:43 PM

From: "Finley, Ed" <Finley@ncuc.net>

To: "Marilyn RIDGEWAY" <pataskalam@bellsouth.net>

Ms. Ridgeway,

Thank you for your email of June 14, 2010, regarding the application of Bald Head Island Transportation, Inc., for a general increase in its rates and charges applicable to ferry service between Southport and Bald Head Island.

The Commission is in the process of reviewing this application and a public hearing is set for Friday, July 23, 2010, at Bald Head Island Club, 301 Sale Meadow Trail in the Ocean Room, beginning at 10:00 a.m. This hearing will be conducted solely for the purpose of receiving the testimony of public witnesses, such as yourself. The hearing will resume in Raleigh on Wednesday, September 28, 2010, and will continue for further testimony of public witnesses and testimony and cross-examination of witnesses for Bald Head Island Transportation, the Public Staff (representing the using and consuming public), and other intervenors.

At the conclusion of the hearings in this docket, the Commission will determine the appropriate level of rates to be established and will issue a written order with its decision to the public. The Commission's decision must be based on the evidence presented and the applicable law as established by the General Assembly.

You can keep informed of the proceedings and filings in this matter by going to the Commission's website at <http://www.ncuc.net>, and clicking on Dockets, Docket Search, and typing A-41, Sub 7 to review all the documents that have been filed and issued regarding this matter.

From: Marilyn RIDGEWAY [mailto:pataskalam@bellsouth.net]

Sent: Monday, June 14, 2010 11:33 AM

To: Finley, Ed

Subject: Bald Head Ferry Rate Increase

As an active volunteer for Old Baldy Lighthouse, the oldest lighthouse in North Carolina, I am very concerned about the proposed Bald Head Island "ferry rate." We depend on day visitors to the lighthouse for a major part of our budget to maintain the lighthouse and the grounds. The proposed ferry rate increase would cost a family of four over a hundred dollars to see the lighthouse and climb to the top. Many families will not be able to afford that and will not come. This will impact our bottom line and may impact the upkeep of this historical treasure. Our other major financial support comes from gift shop sales. With fewer visitors our sales will be drastically reduced. We also depend on the wonderful community of Bald Head for support. With increase costs of getting to and from the island, added to a probable tax increase, and deflated property values, residents are sitting on their donations for both the non profits on the island.

Another very important group who will not be able to afford the increase, will be the thousands of school children who visit Old Baldy under our Lighthouse Learners program. We waive the admission charge to 4th graders attending under this program as a school group. The schools must fund their own transportation. We have been able to secure grant funding to offset some of these expenses, but will not be able to find grants to support the increase. Consequently, youngsters, the future preservers of history, will not be coming to visit Old Baldy.

I am also a Board member for Old Baldy Foundation. The Board has not taken a position on this issue as Kent Mitchell is also a board member and has been a great financial supporter of Old Baldy. I am disheartened to learn that he has chosen to propose this step because he has been a great support to us. My comments are my own and are not comments from the Board.

Having read the entire document for the proposed rate increase, I have deep concerns over Limited's "chase the money"-accounting by renting facilities to an arm of the company, giving themselves management fees for businesses they own, etc. I, too, would like a 10 per cent return on my investments, but BBT does not give me that type of return. I trust your able accountants will see the shell game, but I am concerned since a former accountant of yours is working for them!

Looking at this in a historical light, I feel like a miner in a company store. As a resident, I am dependent on the ferry service for medical appointments. I shop at the Maritime Market, a company store. I feel this rate is abusive for all island residents. A rate for full time island residents should be established. Renters will not see this increase as it will be built into the rental price. Residents, however, will feel it daily. How can we support our local economy in Southport if we cannot afford to go there on a regular basis? Would that extra money have gone to dinner in Southport?

I think Limited also should reconsider and withdraw this abusive increase. If nothing else, this issue has united an island that sometimes divides itself.

No one is in favor of this increase. I usually do not speak in absolutes, but in this case, I am certain.

Folders
Inbox (181)
Drafts (126)
Sent
Spam (46) [Empty]
Trash [Empty]

My Photos

My Attachments

Chat & Mobile Text [Hide]
I am Available
3 Online Contacts [Add]
lennt1
nonieandbrooke
willbrooke1
Not Listed? New Chat
0 Mobile Contacts [Add]
You don't have any Mobile Text contacts yet.
Start a Text Message
Settings

My Folders [Add - Edit]

2009 PIRATES (6)
artisan for gr... (6)
bad mail
berne
BHA
boathouse
book suppliers... (1)
Bootsponsor (1)
Community Watc...
Croquet (5)
dog ordinance ... (75)
duck race 2009
ebay (8)
election 2008
Family (13)
fire
Friends (2)
Garden Club
generator soci... (2)
habitat
italytrip
joe (4)
Lighthouse Day... (40)
lighthouse (9)
online auction

OFFICIAL COPY

Aug 25 2022

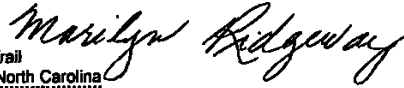
RE: Bald Head Ferry Rate Increase - Inbox - 'att.net Mail'

Page 2 of 2

PAC volunteers
pirate minddum...
Pirates 2008 (12)
Pirates 2009
pirates 2010 (1)
pons
Public Safety (2)
Quilt make up
quilters
real estate (2)
realestate
Registrations (2)
sponsor
stock research
t shirt contes...
to the top
untitled
yoga

Please deny this abusive increase, regulate parking as a part of the ferry rate, and establish a school group rate and a full time resident rate.

Sincerely,
Marilyn Ridgeway
12 Laughing Gull Trail
Bald Head Island, North Carolina



E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized state official.

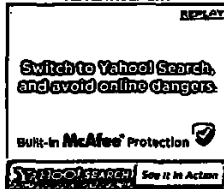
Delete Reply Forward Spam Move...

Previous | Next | Back to Messages

Select Message Encoding

Full Headers

ADVERTISEMENT



Check Mail New

Mail Search

Copyright 2010 © Yahoo! Inc. Privacy Policy | About Our Ads | Terms of Service | Send Feedback | Help

Earle Ex 1

July 20, 2010

The North Carolina Utilities Commission
Raleigh, North Carolina

Dear Commission:

My wife and I own a second home on Bald Head Island. On June 17, 2010, I wrote an email to Lucy Allen, a member of the Commission, expressing my opposition to the very large rate increase in the price of ferry tickets being requested by Bald Head Island Transportation.

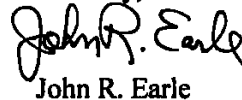
An increase of this magnitude would create a severe hardship for the residents of the Island who depend on ferry transportation between the Island and the mainland. Thus, we once again oppose the size of the rate increase being requested and also recommend that the Commission create a rate class for residents.

The cost of parking at the Deep Point facility is a second concern. The original parking facility at Indigo was generally adequate; however, Bald Head Island Limited (i.e., the Developer) chose to build the more elaborate facility at Deep Point. In point of fact, the new facility is essentially a monopoly and should be regulated accordingly. In short, those who use the ferry have no alternative place to park as they did at the Indigo facility.

While Bald Head Island Limited clearly has the right to request occasional rate increases and to function as a profitable business, an unreasonable increase in the cost of ferry tickets and parking while visiting the Island will ultimately discourage tourist traffic and thus diminish the profit potential for the Developer.

I am attaching a copy of my email of June 17, 2010, will be in attendance at the July 23 meeting at the Bald Head Island Club, and request that this letter be entered into the public record of that meeting.

Sincerely,



John R. Earle

OFFICIAL COPY

Aug 29 2022

Print

Page 1 of 1

From: Earle Elizabeth (bettyearle@yahoo.com)
To: lallen@ncuc.net;
Date: Thu, June 17, 2010 12:08:46 PM
Cc:
Subject: Greetings and appeal from a childhood friend

Dear Lucy,

I hope you are well. As a childhood friend and a member of the North Carolina Utilities Commission, I am writing to express opposition to Bald Head Island Transportation's request for a huge rate increase (i.e., in the price of ferry tickets). Betty and I have a second home at Bald Head Island. The size of the rate increase would have a very detrimental effect on residents of the Island who must depend on the ferry service for transportation to and from their homes and the mainland, and it is our wish that the Commission establish a rate class for these residents. Finally, it is our opinion that the ferry parking facility at Deep Point is essentially a monopoly and thus should be regulated accordingly.

We would very much appreciate your serious consideration of these matters.

Warmest regards,
John and Betty Earle

Elrod & I

Joseph E. Elrod III

910-457-6270
jelrod3@bellsouth.netPO Box 3021
Bald Head Island, NC 28461

June 14, 2010

Edward S. Finley, Jr., Chairman
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4325Checks attached
were not scanned**RE: Docket A-41, Sub 7, Bald Head Island Transportation, Inc.**

Dear Chairman Finley:

I am writing to express opposition to the Petition filed by Bald Head Island Transportation, Inc., for a general rate increase, and for a restructuring of its rate classes.

My wife and I are full time residents of Bald Head Island. We have owned property here since 1985. We completed our home in 1986. We are dependent upon the ferry operation run by Bald Head Island Transportation ("BHIT") for transportation to and from the mainland.

The rates and classes proposed by BHIT are a perfect example of how "captive customers" can be overcharged by an abusive monopoly. BHIT is owned and/or controlled by Bald Head Island Limited, the current developer of real estate on Bald Head. The proposed rate increases are roughly 63% to 75% higher than current rates. Limited and BHIT have no doubt asked for more than they expect to get. But should they be rewarded for requesting rates that most see as outrageous? I submit not.

The roots of this proposed rate increase can largely be traced to the construction of Limited's extravagant Deep Point facility. Operations out of the previous mainland location at Indigo Plantation were quite adequate. In truth and in fact, from a consumer standpoint, there has been no improvement in ferry service over what existed at Indigo. In reality, however, two changes have occurred that will benefit Limited, but not its customers: (1) Limited will now be free to develop the real estate surrounding the Indigo Plantation Marina, and will thereby stand to profit from this development, and (2) ferry customers will be required to shoulder the cost of Deep Point. We did not ask for Deep Point, but we will be required to pay for it absent protection by the N.C. Utilities Commission.

A further example of Limited's abuse of its monopoly power can be found in their parking operation at Deep Point. When ferry operations shifted from the original dock on Moore Street, where parking was free, to the new marina at Indigo Plantation, Limited started charging for parking. I believe that the initial rate for Lot A parking was \$300. By January 2007, the rate had climbed to \$500. In January 2008, the rate was increased to \$625. In December 2008, residents and property owners were stunned when Limited increased the rate to \$1200 for 2009 in anticipation of the move to Deep Point. This constituted a 92% increase in the parking rate for Lot A. Limited "graciously" prorated the 2009 rate to \$960 to reflect the days that one would park at Indigo before the move. This still was a 53.6% rate increase for 2009, and ultimately a 92% increase over what was paid for parking in 2008.

OFFICIAL COPY

Aug 25 2012

It is high time that the parking operations at Deep Point were regulated by the N.C. Utilities Commission. The parking operation is clearly a monopoly. There is no other place to park at Deep Point, and there is no reason to park there save and except to use the ferry. Parking along the shoulder of State Road 1540 leading to Deep Point is impractical. It would further constitute a violation of G.S. 20-161, and would result in the removal of one's vehicle by law enforcement authorities if left there for more than 24 hours. Limited owns and/or controls the parking operation, and owns and/or controls BHIT. Property owners and residents have no choice. We are getting gouged for parking at Deep Point, and we have no remedy. Yet, Limited and BHIT have excluded the costs and revenues of their parking operation from consideration by the Commission. Parking revenues could well approach or exceed \$2.0 million on an annual basis. I submit that the Commission should regulate the parking operation as a public utility through its regulation of BHIT, or by regulating Limited directly.

I also urge the Commission to use a normalized number of passengers for revenue projection purposes, as opposed to using BHIT's test year of 2009, in order to fairly measure the number of passengers using the ferry. Passengers were down in 2009 because of a depressed economy, resulting in 38,000 fewer round trip passengers than the 5 year average as measured from 2005 to 2009. Using a normalized passenger number will greatly impact revenue projections and provide a fairer picture of BHIT's income going forward.

With regard to the rate classes proposed by BHIT, there is one rate class that is conspicuously absent. And that is a rate class for those of us who actually live on Bald Head Island, and must use the ferry for needed transportation to and from the mainland and our homes. Most of us are seniors. Many of us live on fixed incomes. Several have, or will have, special needs that require multiple trips off the island. Has BHIT or Limited ever stopped to ask whether residents are being subjected to an "unreasonable prejudice or disadvantage," contrary to G.S. 62-140, by being required to pay the rates that we currently pay and which are being proposed? The Commission should order a rate classification for full time residents that is "just and reasonable," in accordance with G.S. 62-2.

In summary, I submit that the Commission should (1) reject or severely curtail the rates requested by BHIT; (2) bring the parking operation at Deep Point under regulation; (3) set reasonable parking rates for those who must park at Deep Point; (4) order a rate classification for actual residents of Bald Head Island, and (5) set a fair and reasonable rate that actual residents must pay for ferry service.

Your earnest consideration of this matter is greatly appreciated.

Sincerely,

Joseph E. Elrod III

cc: Robert P. Gruber
Executive Director-Public Staff

Antoinette R. Wike
Chief Counsel-Public Staff

Carol Kimball Stahl
Director, Transportation Rates Division-Public Staff

Barnard Ex 1

625 Kinnakeet Way
Bald Head Island, NC 28461
July 22, 2010Edward S. Finley, Jr., Chairman
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4325**RE: Docket A-41, Sub 7, Bald Head Island Transportation, Inc.**

Dear Chairman Finley:

We are writing to express our opposition to the Petition filed by Bald Head Island Transportation, Inc. (BHIT) for a general rate increase, and for a restructuring of its rate classes for the Bald Head Island Ferry.

My wife and I have owned property on BHI since the end of 1999 and have been full time residents of BHI since January of 2004. We are totally dependent on the Bald Head Island Ferry to go anywhere on the mainland. Most residents, including us, are retired and have regular need for Drs. and Dentists, as well as shopping of all sorts, cultural activities, travel, etc. All of this requires going to the mainland. We feel the amount of BHIT's request for an increase to the ferry rates is usurious, and downright unfair.

Before the PUC makes any decisions, we would like to submit the following questions and comments:

- Next to BHI Employees, and Contractors, full time residents are the largest class of year round riders. Why is there not, and has there never been, a fare for full time residents?
- In the last six years, our cost for parking on the mainland has increased ^{by 3 times} ~~250%~~. ^(PKS)
This fee is not optional if one lives on BHI. As long as parking is not regulated, BHIT can raise parking rates however much they wish, ~~wherever~~ they wish. Should this unfettered access to the pocketbooks of ~~the people who~~ live on Bald Head be allowed? We believe that the price of parking ~~should be~~ regulated along with the price of the Ferry, because one cannot ride ~~the BHI~~ ferry without parking in the BHIT lots.
- In addition, we understand that part of Bald Head Island Limited's BHI Marina Improvement Plan is to eliminate the small amount of free parking available on the island for people going off-island for the day, and to replace it with a parking structure, which we assume they will charge for as they do currently for overnight parking. The amount they may choose to charge is unknown to us at this time, but we have no doubt that it will contribute to the quickly rising cost of living on

OFFICIAL COPY

Aug 25 2022

BHI. There needs to be regulation of parking both on and off the island for lots owned by BHIT because, both relate to the use of the Ferry.

- Why is the tram service tied to the ferry ticket? The tram is used mostly by renters, and part time residents, yet full time residents, who mostly use their own transportation, are paying for it all the time. Day trippers, who haven't been here before, are not even told that they can request tram service to the beach or other parts of the island, but they are paying for it. BHIT has indicated previously that the reason for tying the tram to the ferry ticket is because they don't want the tram drivers to be responsible for taking tickets? Does this make sense? Including the tram appears to be an excuse to charge more money for Ferry tickets.
- BHIT is suggesting that the Bulk 80 class of tickets will be a bargain for residents and that the up front cost of purchase will provide them with "increased cash flow which will offset the reduced price". For a couple living on the island full time to take advantage of this "bargain", it will cost \$2880 to buy 2 of these cards! BHIT is requiring that each person have a card, rather than allowing one card to be swiped multiple times, so if a couple wants to go off the island together, they must buy separate cards, and pay BHIT almost \$3000 up front. Although the card will last until all 80 tickets are used, doesn't this seem rather steep in terms of providing "improved cash flow" for BHIT? Why can't one card be used for multiple fares? Or why can't this fare class be done with paper tickets so that multiple people can use them?
- Another cost for property owners is the price of parking and ferry tickets for Contractors. Contractors used to have free parking at Deep Point, (before the terminal was built), and their own low cost ferry service. Non-contractors seldom used the contractor ferries because they arrived and departed from a different location in Southport. First, BHIT started charging contractors for parking, the cost of which, was of course, passed on to BHI homeowners who employ them for things like house cleaning, landscaping, house repairs, etc. Next, BHIT wants to raise the price of contractors ferry tickets. Homeowners will be paying this increase along with the increase for their own tickets.
- In addition, the Contractors are slighted at every turn. For the parking lot, they can buy a yearly parking pass to save a little, or pay by the day. However, after purchasing a pass, they have to wait in the single line available to get out of the lot. Apparently, at busy times, this takes them 20 minutes or more. Is this fair?
- The Contractor ferries are now available for anyone to ride. This has enabled BHIT to eliminate the regular 6:30 AM ferry leaving the island, which was frequently used by departing vacationers or part-time home owners. These people now ride the Contractor ferry, and other people can do the same any time they find the Contractor ferry schedule more convenient. As a result, BHIT has told the contractors that if their boat is filled with non-contractors, they can be

bumped. If they are bumped and have to get to work or home on a schedule, they have to buy a full price ticket for the non-contractor ferry. Is this fair?

- During the off season, October – May with the exception of holidays, the number of riders on the ferry is substantially decreased. The largest number of riders during this period is composed of Bald Head Island Limited employees, residents, other employees, and contractors. Why does BHIT not consider running a smaller Ferry which would reduce running costs approximately 8 months a year?
- Although the old Indigo Plantation Ferry terminal was busy during high season and holidays, the facilities were quite adequate, baggage handling was efficient, and the overhead appeared to be reasonable. BHIT chose to build Deep Point, not because it was needed, but because they wanted to develop the land used for parking at Indigo for residences, while also creating the opportunity to charge more for Parking and Ferry tickets at the new Terminal. The Deep Point terminal is a keystone to their announced plan to develop the area into a complex including a marina, a hotel, restaurants, and shopping. For Ferry service, they are running the same boats they did from Indigo. The only increase in costs is for fuel for the slightly longer distance to Deep Point. A review of passenger operations at Deep Point will quickly reveal that much of what was designed and built is rarely used. The upper baggage area is used maybe 3 ½ months (in aggregate) a year during high season and holidays. The upper ticket booth is rarely used. Those of us who use the Ferry regularly continue to ask: Why did they need this?

Deep Point was not built to satisfy a demand from the BHI Ferry customers, and has not improved service in any noticeable way. In fact, baggage handling at Deep Point is very inefficient compared to the system at Indigo. It requires more staff, more overhead in every way for BHIT, and more time for the customer while delivering a far less secure system for delivering luggage to the island in a timely way. We could detail the difference in the process, and identify the poor planning that went into the design of the new building in relation to baggage, but will not use up space in this letter to do that. Our point is: Deep Point is not providing any improved services to the BHI Ferry customers, and is, in fact, providing a decrease in service from our perspective.

To summarize, in our opinion:

1. There should be a full time resident fare that includes baggage.
2. The charges for parking at Deep Point should be regulated, since one has nowhere else to park in order to ride on the Ferry.
3. Any changes to *on-island* parking should be regulated. This should include both the existing overnight parking as well as the anticipated “cart garage” announced as part of the Marina “improvement” plan.

4. The cost for riding the Tram should be separate from the cost of riding the Ferry.
5. If Bulk 80 remains one of the ticket options, it should be possible to use one such card for multiple fares at any one time, if the customer so desires. Otherwise an option for paper tickets should be available.
6. It should be recognized that increased costs for Contractors really means increased costs to homeowners on BHI.
7. Contractors should not be "bumped" because of non-Contractors riding the Contractor Ferry.
8. A 2nd exit should be built for the Contractor parking lot, so that those who pay for a yearly card do not have to wait for others to pay the daily fee.
9. It should be suggested, that BHIT could run a smaller more cost efficient Ferry during the off season.
10. From the customer perspective, Deep Point was not needed and has not provided any improvements in service. It has in fact, made baggage far more complicated and inefficient.

It was BHIT's choice to build this expensive, high overhead facility. Please do not make the Ferry customers pay for BHIT's poor management decisions. We appreciate your serious consideration of this matter.

Sincerely,



Brewster and Patricia Barnard

cc: Robert P. Gruber
Executive Director-Public Staff

Antoinette R. Wike
Chief Counsel-Public Staff

Carol Kimball Stahl
Director, Transportation Rates Division-Public Staff

Bald Head Island Transportation Rate Increase

Page 1 of 2

Subj: **FW: Bald Head Island Transportation Rate Increase**
Date: 7/23/2010 8:11:17 A.M. Eastern Daylight Time
From: PShaw@solarishs.org
To: bobliesegangsr@aol.com

Haw Ex 1

From: Shaw, Gaither (WESTFIELD, NJ) [mailto:gaither_b_shawjr@ml.com]
Sent: Friday, July 23, 2010 5:53 AM
To: bhisandra@gmail.com; Shaw, Pamela
Subject: Bald Head Island Transportation Rate Increase

Dear Chairman Finley:

I am opposed to the rate increases proposed by BHIT. I am a property owner and thus must use their services if I want to visit our vacation home. BHIT controls the parking lot and the ferry. I feel the parking should come under the Commission's regulation due to there being no other alternative parking arrangements available.

I would imagine BHIT is asking for extremely high increases knowing they will be cut back by the Commission. It's not the percentage the Commission cuts the request but the actual rates it approves. I hope you will consider an "average" year when evaluating BHIT's business and not just the Great Recession year.

Thank you for listening.

Sincerely,

Gaither Shaw

38 Whippoorwill Way

Mountainside, NJ 07092



Sandra Hall

22 Ibis Roost

Bald Head Island, NC

CAUTION: electronic mail sent through the Internet is not secure and could be intercepted by a third party. For your protection, avoid sending identifying information such as account, Social Security, or card numbers to us or others. Further, do not send time-sensitive, action-oriented messages such as transaction orders, fund transfer instructions or check stop payments, as it is our policy not to accept such items electronically.
This message w/attachments (message) may be privileged, confidential or proprietary, and if you

Friday, July 23, 2010 AOL: Bob Liesegang Sr

OFFICIAL COPY

Aug 25 2022

Exhibit STG-2

Bald Head Island Prior Citizen Comments (as filed with NCUC)

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
Settlement Computation of Parking Revenue Contribution
For the Test Year Ended December 31, 2009

Line No.	Description	Amount	
1	<u>Annual pass revenue:</u>		
2	General	\$520,602	1/
3	Overnight parking @ BHI	43,062	1/
4	Contractor	31,702	1/
5	Interdepartmental	160,207	1/
6	Subtotal - annual passes	755,573	
7	<u>Daily parking revenues:</u>		
8	General	1,086,011	2/
9	Contractor	96,583	2/
10	Interdepartmental	17,925	2/
11	Subtotal - daily parking	1,200,519	
12	Actual parking revenues - 12 months ended June 30, 2010	\$1,956,092	
13	Less: Overnight parking @ BHI	(43,062)	
14	Add: Imputed Shoals' Club member discounts	46,200	3/
15	Adjusted DP parking revenues - 12 months ended June 30, 2010	\$1,959,230	
16	Revenue required for cost recovery @ BHIT authorized ROR	1,436,133	4/
17	Parking revenue above BHIT authorized ROR	\$523,097	
18	Ferry parking revenue as percent of total fee parking @ Deep Point	100.0%	5/
19	Parking revenue contribution to BHIT	\$523,097	

Footnotes:

- 1/ Response to DR 3-17.
2/ Response to DR 3-16.
3/ Response to BHI Club DR 2-11.
4/ Settlement levelized payment computation.
5/ Per Settlement.

OFFICIAL COPY

Oct 25 2022

Confidential - For Settlement Purposes Only

Bald Head Island Transportation, Inc.
 Deep Point Parking Facility
 Computation of Levelized Payment

	Tax	Book
<u>Parking Facilities by tax class and method:</u>		
Non-Depreciable	0	0
3 year property	751	
5 year property - S/L	14,727	
5 year property - 200 DDB	269,877	
7 year property - S/L	38,934	
7 year property	290,083	
15 year property SL		6,130,035
15 year property 150 DB	5,515,663	
25 year property		3,345,262
39 year property	3,345,262	
Total Cost	<u>9,475,297</u>	<u>9,475,297</u>

Other Rate BaseBook Depreciation Rates

Depreciable life in years	40	
O&M Expenses	311,540	Actual 12 ME Jun 2010 per PS DR 3-14 plus \$6000 adjustment for pot hole repairs
Growth rate O&M + pay taxes	0%	
Payroll taxes	8,540	Annualized Jan - Jun 2010 per PS DR 3-14
Property taxes rate	0.08%	Annualized Jan - Jun 2010 per PS DR 3-14 as a percent of plant
Property tax escalator	0%	

Contract Information

Inception	6/1/2009
Termination Date	5/31/2049

Income Tax Rates:

State Income Tax Rate	6.9%
Federal Inc Tax Rate	34.0%
Composite Inc Tax Rate	38.554%

Cost of Capital and Discount Rate:

Debt % of Capital	50.000%
Equity % of Capital	50.000%
Debt Cost Rate	6.650%
Equity Cost Rate	10.000%
Overall Rate of Return	8.325%
Pre-Tax ROR	11.462%
Net of Tax ROR	7.0431% Discount rate

OFFICIAL COPY

Oct 25 2022

Bald Head Island Transportation, Inc.
Deep Point Parking Facility
Computation of Levelized Payment

Rate Base Treatment of Facilities																Payment Schedule			Cumulative Discounted Cash Flows		
	Book	Depreciation					Average Rate	Pre-Tax	O&M	Book	Payroll	Property	Annual	Discount	Discounted Cash	Annual	Discount	Discounted	Levelized	Rate Base	Over (Under)
	Plant	Depreciation	Reserve	Net Plant	ADIT	Net Rate Base	Base	Return on RB	Expense	Depreciation	Taxes	Taxes	Revenue Reqmnt	Factor	Flows	Payment	Factor	Cash Flows	Payment	Treatment	ROR
1	9,475,297	271,240	(271,240)	9,204,057	(56,762)	9,147,295	9,311,296	1,067,282	311,540	271,240	8,540	7,600	1,666,202	0.96654	1,610,454	1,436,133	0.96654	1,388,083	1,388,083	1,610,454	(222,371)
2	9,475,297	542,479	(813,719)	8,661,578	(146,763)	8,514,814	8,831,055	1,012,235	311,540	542,479	8,540	7,600	1,882,395	0.90295	1,699,702	1,436,133	0.90295	1,296,752	2,684,834	3,310,156	(625,321)
3	9,475,297	542,479	(1,356,199)	8,119,098	(203,245)	7,915,853	8,215,334	941,660	311,540	542,479	8,540	7,600	1,811,820	0.84354	1,528,335	1,436,133	0.84354	1,211,430	3,896,264	4,838,491	(942,226)
4	9,475,297	542,479	(1,898,678)	7,576,619	(222,657)	7,353,962	7,634,907	875,130	311,540	542,479	8,540	7,600	1,745,290	0.78803	1,375,348	1,436,133	0.78803	1,131,722	5,027,986	6,213,838	(1,185,852)
5	9,475,297	542,479	(2,441,158)	7,034,139	(216,256)	6,817,884	7,085,923	812,204	311,540	542,479	8,540	7,600	1,682,364	0.73618	1,238,529	1,436,133	0.73618	1,057,258	6,085,244	7,452,367	(1,367,124)
6	9,475,297	542,479	(2,983,637)	6,491,660	(188,408)	6,303,252	6,560,568	751,987	311,540	542,479	8,540	7,600	1,622,147	0.68775	1,115,624	1,436,133	0.68775	987,694	7,072,938	8,567,991	(1,495,054)
7	9,475,297	542,479	(3,526,116)	5,949,180	(146,982)	5,802,199	6,052,725	693,777	311,540	542,479	8,540	7,600	1,563,937	0.64249	1,004,820	1,436,133	0.64249	922,707	7,995,645	9,572,811	(1,577,167)
8	9,475,297	542,479	(4,068,596)	5,406,701	(101,174)	5,305,526	5,553,862	636,596	311,540	542,479	8,540	7,600	1,506,756	0.60022	904,385	1,436,133	0.60022	861,996	8,857,641	10,477,196	(1,619,556)
9	9,475,297	542,479	(4,611,075)	4,864,221	(50,561)	4,813,660	5,059,593	579,942	311,540	542,479	8,540	7,600	1,450,101	0.56073	813,112	1,436,133	0.56073	805,279	9,662,920	11,290,308	(1,627,388)
10	9,475,297	542,479	(5,153,555)	4,321,742	52	4,321,794	4,567,727	523,563	311,540	542,479	8,540	7,600	1,393,723	0.52383	730,079	1,436,133	0.52383	752,295	10,415,215	12,020,387	(1,605,172)
11	9,475,297	542,479	(5,696,034)	3,779,262	50,666	3,829,928	4,075,861	467,184	311,540	542,479	8,540	7,600	1,337,344	0.48937	654,452	1,436,133	0.48937	702,796	11,118,011	12,674,839	(1,556,828)
12	9,475,297	542,479	(6,238,514)	3,236,783	101,279	3,338,062	3,583,995	410,806	311,540	542,479	8,540	7,600	1,280,965	0.45717	585,617	1,436,133	0.45717	656,555	11,774,566	13,260,456	(1,485,890)
13	9,475,297	542,479	(6,780,993)	2,694,303	151,893	2,846,196	3,092,129	354,427	311,540	542,479	8,540	7,600	1,224,586	0.42709	523,006	1,436,133	0.42709	613,355	12,387,921	13,783,462	(1,395,541)
14	9,475,297	542,479	(7,323,473)	2,151,824	202,506	2,354,330	2,600,263	298,048	311,540	542,479	8,540	7,600	1,168,208	0.39899	466,100	1,436,133	0.39899	572,999	12,960,920	14,249,562	(1,288,642)
15	9,475,297	542,479	(7,865,952)	1,609,345	253,120	1,862,464	2,108,397	241,669	311,540	542,479	8,540	7,600	1,111,829	0.37274	414,418	1,436,133	0.37274	535,297	13,496,217	14,663,980	(1,167,762)
16	9,475,297	338,145	(8,204,097)	1,271,200	287,048	1,558,248	1,710,356	196,045	311,540	338,145	8,540	7,600	861,870	0.34821	300,112	1,436,133	0.34821	500,077	13,996,294	14,964,092	(967,798)
17	9,475,297	133,810	(8,337,908)	1,137,389	305,567	1,442,956	1,500,602	172,002	311,540	133,810	8,540	7,600	633,493	0.32530	206,075	1,436,133	0.32530	467,173	14,463,467	15,170,167	(706,700)
18	9,475,297	133,810	(8,471,718)	1,003,579	324,087	1,327,665	1,385,311	158,787	311,540	133,810	8,540	7,600	620,278	0.30390	188,500	1,436,133	0.30390	436,435	14,899,902	15,358,667	(458,765)
19	9,475,297	133,810	(8,605,529)	869,768	342,606	1,212,374	1,270,020	145,573	311,540	133,810	8,540	7,600	607,063	0.28390	172,345	1,436,133	0.28390	407,719	15,307,621	15,531,012	(223,391)
20	9,475,297	133,810	(8,739,339)	735,958	361,125	1,097,083	1,154,728	132,358	311,540	133,810	8,540	7,600	593,848	0.26522	157,501	1,436,133	0.26522	380,892	15,688,513	15,688,513	-
21	9,475,297	133,810	(8,873,150)	602,147	379,644	981,791	1,039,437	119,143	311,540	133,810	8,540	7,600	580,633	0.24777	143,863	1,436,133	0.24777	355,831	16,044,344	15,832,376	211,967
22	9,475,297	133,810	(9,006,960)	468,337	398,164	866,500	924,146	105,928	311,540	133,810	8,540	7,600	567,418	0.23147	131,339	1,436,133	0.23147	332,418	16,376,762	15,963,715	413,047
23	9,475,297	133,810	(9,140,771)	334,526	416,683	751,209	808,855	92,713	311,540	133,810	8,540	7,600	554,203	0.21624	119,840	1,436,133	0.21624	310,546	16,687,308	16,083,555	603,753
24	9,475,297	133,810	(9,274,581)	200,716	435,202	635,918	693,563	79,498	311,540	133,810	8,540	7,600	540,988	0.20201	109,285	1,436,133	0.20201	290,113	16,977,421	16,192,840	784,581
25	9,475,297	133,810	(9,408,391)	66,905	453,721	520,626	578,272	66,283	311,540	133,810	8,540	7,600	527,773	0.18872	99,601	1,436,133	0.18872	271,025	17,248,446	16,292,441	956,006
26	9,475,297	66,905	(9,475,297)	-	446,446	446,446	483,536	55,424	311,540	66,905	8,540	7,600	450,009	0.17630	79,337	1,436,133	0.17630	253,192	17,501,639	16,371,778	1,129,861
27	9,475,297	-	(9,475,297)	-	413,376	413,376	429,911	49,277	311,540	-	8,540	7,600	376,957	0.16470	62,085	1,436,133	0.16470	236,533	17,738,172	16,433,863	1,304,308
28	9,475,297	-	(9,475,297)	-	380,306	380,306	396,841	45,487	311,540	-	8,540	7,600	373,167	0.15386	57,417	1,436,133	0.15386	220,970	17,959,142	16,491,280	1,467,861
29	9,475,297	-	(9,475,297)	-	347,236	347,236	363,771	41,696	311,540	-	8,540	7,600	369,376	0.14374	53,094	1,436,133	0.14374	206,431	18,165,573	16,544,375	1,621,198
30	9,475,297	-	(9,475,297)	-	314,166	314,166	330,701	37,906	311,540	-	8,540	7,600	365,586	0.13428	49,092	1,436,133	0.13428	192,848	18,358,421	16,593,467	1,764,954
31	9,475,297	-	(9,475,297)	-	281,096	281,096	297,631	34,115	311,540	-	8,540	7,600	361,795	0.12545	45,386	1,436,133	0.12545	180,160	18,538,581	16,638,853	1,899,728
32	9,475,297	-	(9,475,297)	-	248,025	248,025	264,560	30,325	311,540	-	8,540	7,600	358,005	0.11719	41,956	1,436,133	0.11719	168,306	18,706,886	16,680,809	2,026,077
33	9,475,297	-	(9,475,297)	-	214,955	214,955	231,490	26,534	311,540	-	8,540	7,600	354,214	0.10948	38,780	1,436,133	0.10948	157,232	18,864,118	16,719,589	2,144,529
34	9,475,297	-	(9,475,297)	-	181,885	181,885	198,420	22,743	311,540	-	8,540	7,600	350,423	0.10228	35,841	1,436,133	0.10228	146,886	19,011,005	16,755,430	2,255,574
35	9,475,297	-	(9,475,297)	-	148,815	148,815	165,350	18,953	311,540	-	8,540	7,600	346,633	0.09555	33,121	1,436,133	0.09555	137,222	19,148,227	16,788,551	2,359,676
36	9,475,297	-	(9,475,297)	-	115,745	115,745	132,280	15,162	311,540	-	8,540	7,600	342,842	0.08926	30,603	1,436,133	0.08926	128,193	19,276,420	16,819,154	2,457,266
37	9,475,297	-	(9,475,297)	-	82,675	82,675	99,210	11,372	311,540	-	8,540	7,600	339,052	0.08339	28,273	1,436,133	0.08339	119,758	19,396,178	16,847,427	2,548,751
38	9,475,297	-	(9,475,297)	-	49,605	49,605	66,140	7,581	311,540	-	8,540	7,600	335,261	0.07790	26,118	1,436,133	0.07790	111,879	19,508,057	16,873,545	2,634,512
39	9,475,297	-	(9,475,297)	-	16,535	16,535	33,070	3,791	311,540	-	8,540	7,600	331,471	0.07278	24,123	1,436,133	0.07278	104,517	19,612,574	16,897,668	2,714,906
40	9,475,297	-	(9,475,297)	-	0	0	8,268	948	311,540	-	8,540	7,600	328,628	0.06799	22,343	1,436,133	0.06799	97,641	19,710,215	16,920,011	2,790,203

OFFICIAL COPY
Oct 25 2022

Bald Head Island Transportation, Inc.
Deep Point Parking Facility
Computation of Levelized Payment
Tax Depreciation

Year of Service	3 Year Property				5 Year Property - S1				5 Year Property - 2000R				7 Year Property - S1				7 Year Property - 2000R				15 Year S1				15 Year 150 DR				25 Year S1				30 Year S1				Regular	Total	Cumulative Book	Book Basis		
	Rate	Regular	Bonus	Total	Rate	Regular	Bonus	Total	Rate	Regular	Bonus	Total	Rate	Regular	Bonus	Total	Rate	Regular	Bonus	Total	Rate	Regular	Bonus	Total	Rate	Regular	Bonus	Total	Rate	Regular	Bonus	Total										
1	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	7.143%	-	-	-	14.286%	-	-	-	3.333%	204,334	-	-	204,334	5.000%	-	-	-	2.000%	66,905	-	-	66,905	1.262%	-	-	271,240	-	271,240	271,240	9,204,057
2	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	6.000%	408,669	-	-	408,669	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	815,719	8,691,876
3	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	1,368,199	8,119,098
4	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	1,910,678	7,576,619
5	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	2,441,158	7,034,139
6	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	2,983,637	6,491,660
7	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	3,526,116	5,949,180
8	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	4,068,595	5,406,701
9	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	4,611,075	4,864,221
10	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	5,153,555	4,321,742
11	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	5,696,034	3,779,262
12	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	6,238,514	3,256,783
13	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	6,780,993	2,694,303
14	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	7,323,473	2,151,824
15	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	7,865,952	1,608,345
16	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	8,408,431	924,966
17	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	8,950,910	354,987
18	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	9,493,389	117,389
19	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	10,035,868	60,990
20	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	10,578,347	-
21	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	11,120,826	-
22	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	11,663,305	-
23	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	12,205,784	-
24	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	12,748,263	-
25	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	13,290,742	-
26	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	13,833,221	-
27	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	14,375,700	-
28	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	14,918,179	-
29	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	15,460,658	-
30	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	16,003,137	-
31	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	16,545,616	-
32	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	17,088,095	-
33	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	17,630,574	-
34	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	18,173,053	-
35	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-	-	133,810	2.564%	-	-	542,479	-	542,479	18,715,532	-
36	16.887%	-	-	-	10.000%	-	-	-	20.000%	-	-	-	14.286%	-	-	-	14.286%	-	-	-	4.000%	133,810	-	-	133,810	5.000%	-	-	-	4.000%	133,810	-</										

Confidential - For Settlement Purposes Only

Bald Head Island Transportation, Inc.
Deep Point Parking Facility
Computation of Levelized Payment
Tax Deacceleration

Year of Service	3 Year Property				5 Year Property - SL				5 Year Property - 2000DB				7 Year Property - SL				7 Year Property - 2000DB				15 Year 150 DB				39 Year SL				Cumulative Tax	Tax Basis			
	Rate	Residual	Bonus	Total	Rate	Residual	Bonus	Total	Rate	Residual	Bonus	Total	Rate	Residual	Bonus	Total	Rate	Residual	Bonus	Total	Rate	Residual	Bonus	Total	Rate	Residual	Bonus	Total					
1	16.867%	125	-	125	10.000%	1,473	-	1,473	20.000%	53,975	-	53,975	7.143%	2,781	-	2,781	14.286%	41,440	-	41,440	5.000%	275,763	-	275,763	1.282%	42,888	-	42,888	418,466	-	418,466	418,466	9,056,831
2	13.333%	250	-	250	20.000%	2,945	-	2,945	12.000%	86,361	-	86,361	14.286%	5,562	-	5,562	24.490%	71,041	-	71,041	8.000%	523,988	-	523,988	85.776	85.776	-	85.776	775,923	-	775,923	1,184,389	9,380,168
3	33.333%	250	-	250	20.000%	2,945	-	2,945	19.200%	51,816	-	51,816	14.286%	5,562	-	5,562	24.490%	71,041	-	71,041	8.000%	471,589	-	471,589	85.776	85.776	-	85.776	688,980	-	688,980	1,883,369	7,591,928
4	16.867%	125	-	125	20.000%	2,945	-	2,945	11.500%	31,090	-	31,090	14.286%	5,562	-	5,562	14.694%	42,626	-	42,626	7.707%	424,708	-	424,708	85.776	85.776	-	85.776	892,829	-	892,829	2,474,198	6,999,099
5	-	-	-	-	20.000%	2,945	-	2,945	11.500%	31,090	-	31,090	14.286%	5,562	-	5,562	6.297%	18,268	-	18,268	6.930%	382,235	-	382,235	85.776	85.776	-	85.776	525,876	-	525,876	3,002,074	6,473,223
6	-	-	-	-	10.000%	1,473	-	1,473	5.760%	15,545	-	15,545	14.286%	5,562	-	5,562	6.297%	18,268	-	18,268	6.297%	343,626	-	343,626	85.776	85.776	-	85.776	470,349	-	470,349	3,472,323	6,952,874
7	-	-	-	-	-	-	-	-	-	-	-	-	14.286%	5,562	-	5,562	6.297%	18,268	-	18,268	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	430,030	-	430,030	3,907,352	5,567,944
8	-	-	-	-	-	-	-	-	-	-	-	-	7.143%	2,781	-	2,781	5.910%	325,976	-	325,976	5.910%	325,976	-	325,976	85.776	85.776	-	85.776	423,666	-	423,666	4,331,019	5,144,278
9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	411,200	-	411,200	4,742,219	4,733,878
10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	411,200	-	411,200	5,153,419	4,321,878
11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	411,200	-	411,200	5,564,619	3,910,878
12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	411,200	-	411,200	5,975,819	3,489,478
13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	411,200	-	411,200	6,387,019	3,088,278
14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	411,200	-	411,200	6,798,219	2,677,078
15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	411,200	-	411,200	7,209,419	2,265,878
16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.980%	164,367	-	164,367	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	250,143	-	250,143	7,459,562	2,015,735
17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.000%	0	-	0	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	7,545,306	1,920,959
18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.000%	0	-	0	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	7,631,114	1,844,183
19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.000%	0	-	0	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	7,716,890	1,758,407
20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.000%	0	-	0	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	7,802,666	1,672,631
21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.000%	0	-	0	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	7,888,442	1,588,855
22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	7,974,218	1,501,079
23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	8,059,994	1,415,303
24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	8,145,770	1,329,527
25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	8,231,545	1,243,751
26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	8,317,321	1,157,915
27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	8,403,097	1,072,199
28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	8,488,873	986,423
29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	8,574,649	900,847
30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	8,660,425	814,872
31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	8,746,201	729,096
32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	8,831,977	643,301
33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	8,917,753	557,544
34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	9,003,529	471,768
35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	9,089,305	385,592
36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	9,175,081	300,216
37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	9,260,857	214,440
38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	9,346,633	128,664
39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	9,432,409	42,688
40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	9,475,297	-
41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.900%	325,424	-	325,424	5.900%	325,424	-	325,424	85.776	85.776	-	85.776	85.776	-	85.776	9,475,297	-
Total	100.000%	751	-	751	100.000%	14,727	-	14,727	100.000%	269,877	-	269,877	100.000%	38,934	-	38,934	100.000%	290,083	-	290,083	#####	5,515,663	-	5,515,663	100.000%	3,345,262	-	3,345,262	9,475,297	-	9,475,297		

Assumed that the plant is fifteen-year property for tax purposes and depreciated using 200% declining balance method with crossover to straight line.

Bald Head Island Transportation, Inc.
Docket No. A-41, Sub 7
Public Staff Data Request No. 2, Question 9

Question: Please provide the following information for each Deep Point passenger ferry parking facility asset as of December 31, 2009 and year-to-date 2010:

- The corporate accounting system identification number.
- Description
- In-service date
- Cost of the asset
- Book service life or depreciation rate
- Tax depreciation class, depreciation life, and method
- Tax depreciation reserve

(a.) Dept	(b.) Corporate Asset#	(c.) Description	(d.) Date in Service	(e.) Cost	(f.) Post Close & Cost Seg Revision	(g.) Revised Cost	(h.) Book Service Life	(i.) Tax Depreciation Life	(j.) Tax Depreciation Method	(k.) Tax Accum Deprec (Deprec Reserve) 12/31/2009	(l.) Post Close Cost Seg Revision 12/31/2009	(m.) Revised Tax Accum Deprec (Deprec Reserve) 12/31/2009	(n.) Tax Accum Deprec (Deprec Reserve) 5/31/2010	(o.) Post Close Cost Seg Revision 5/31/2010	(p.) Revised Tax Accum Deprec (Deprec Reserve) 5/31/2010
715	109	Land-Fill & Paving Indigo	7/1/90	176,101.00	(176,101.00)	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
715	110	Land-Rock & Mari Indigo	7/1/90	1,687.00	(1,687.00)	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal Dept 715 Land				177,788.00	(177,788.00)	0.00				0.00	0.00	0.00	0.00	0.00	0.00
715	926	Overnight Lot - Island	7/25/02	30,165.65	0	30,165.65	15.0	15.0	150 DB	20,658.23	0.00	20,658.23	21,177.76	0.00	21,177.76
715	1548	DP Employee Parking Lot	12/31/05	160,875.56	0	160,875.56	15.0	15.0	150 DB	56,644.48	0.00	56,644.48	60,387.44	0.00	60,387.44
715	2242	DP Unallocated Road-Class 00.3	6/5/09	329,971.00	3,461.00	333,432.00	15.0	15.0	150 DB	16,498.55	173.05	16,671.60	29,696.90	173.05	29,869.95
715	2244	DP Main Road (Parking Alloc)-Class 00.3	6/5/09	112,203.00	1,176.00	113,379.00	15.0	15.0	150 DB	5,610.15	58.80	5,668.95	10,098.07	58.80	10,156.87
715	2246	DP Service Road (Parking Alloc)-Class 00.3	6/5/09	62,189.00	652.00	62,841.00	15.0	15.0	150 DB	3,109.45	32.60	3,142.05	5,596.91	32.60	5,629.51
715	2247	DP General Parking Lot-Class 00.3	6/5/09	2,325,175.00	24,416.00	2,352,594.00	15.0	15.0	150 DB	116,408.90	1,220.80	117,629.70	209,532.41	1,220.80	210,753.21
715	2248	DP Premium Parking Lot-Class 00.3	6/5/09	1,071,254.00	11,235.00	1,082,489.00	15.0	15.0	150 DB	53,562.70	561.75	54,124.45	96,411.23	561.75	96,972.98
715	2249	DP Employee Prking Lot Expansn-Class 00.3	6/5/09	246,388.00	2,584.00	248,972.00	15.0	15.0	150 DB	12,319.35	129.25	12,448.60	22,174.49	129.25	22,303.74
715	2250	DP Contractor Parking Lot-Class 00.3	6/5/09	1,052,753.00	11,040.21	1,063,793.21	15.0	15.0	150 DB	52,637.56	552.10	53,189.66	94,746.04	552.10	95,298.14
Subtotal Dept 715 Land Improvements				5,393,977.21	54,564.21	5,448,541.42				337,448.37	2,728.35	340,177.72	550,421.25	2,728.35	553,148.60
715	108	Parking Gates & Equipment	7/1/90	27,697.00	0	27,697.00	7.0	7.0	S/L	27,697.00	0.00	27,697.00	27,697.00	0.00	27,697.00
715	377	Parking Equipment	7/1/97	2,171.50	0	2,171.50	5.0	5.0	S/L	2,171.50	0.00	2,171.50	2,171.50	0.00	2,171.50
715	988	Anti-Hassback Equipment	1/31/09	11,236.95	0	11,236.95	7.0	7.0	S/L	11,236.95	0.00	11,236.95	11,236.95	0.00	11,236.95
715	726	Fee Computer	6/6/01	10,553.16	0	10,553.16	5.0	5.0	S/L	10,553.16	0.00	10,553.16	10,553.16	0.00	10,553.16
715	1199	Upgrade to Parking Equipment	5/31/03	93,982.00	0	93,982.00	5.0	5.0	200 DB	93,982.00	0.00	93,982.00	93,982.00	0.00	93,982.00
715	1322	Upgrade to Parking Equipment	4/1/04	13,000.00	0	13,000.00	5.0	5.0	200 DB	13,000.00	0.00	13,000.00	13,000.00	0.00	13,000.00
715	1386	Marine Access Control Gate	6/1/02	1,972.98	0	1,972.98	5.0	5.0	S/L	1,972.98	0.00	1,972.98	1,972.98	0.00	1,972.98
715	1755	"Pay-in-lane" Parking Equipment	8/1/06	34,294.45	0	34,294.45	7.0	7.0	200 DB	23,135.54	0.00	23,135.54	24,463.98	0.00	24,463.98
715	2213	Reflective Parking Lot Signs	10/1/09	2,198.10	0	2,198.10	5.0	5.0	200 db	439.62	0.00	439.62	732.70	0.00	732.70
715	2242	DP Unallocated Road-Class 57.0	6/5/09	6,020.00	63.00	6,083.00	5.0	5.0	200 DB	1,204.00	12.60	1,216.60	2,015.07	12.60	2,027.67
715	2244	DP Main Road (Parking Alloc)-Class 57.0	6/5/09	2,047.00	21.00	2,068.00	5.0	5.0	200 DB	409.40	4.20	413.60	685.13	4.20	689.33
715	2246	DP Service Road (Parking Alloc)-Class 57.0	6/5/09	1,134.50	11.50	1,146.00	5.0	5.0	200 DB	226.80	2.40	229.20	379.60	2.40	382.00
715	2247	DP General Parking Lot-Class 57.0	6/5/09	42,473.00	446.00	42,919.00	5.0	5.0	200 DB	8,494.60	89.20	8,583.80	14,217.13	89.20	14,306.33
715	2248	DP Premium Parking Lot-Class 57.0	6/5/09	19,543.00	205.00	19,748.00	5.0	5.0	200 DB	3,908.60	41.00	3,949.60	6,541.67	41.00	6,582.67
715	2249	DP Employee Prking Lot Expansn-Class 57.0	6/5/09	4,495.00	47.00	4,542.00	5.0	5.0	200 DB	899.00	9.40	908.40	1,504.60	9.40	1,514.00
715	2250	DP Contractor Parking Lot-Class 57.0	6/5/09	15,205.00	202.00	15,407.00	5.0	5.0	200 DB	3,841.00	40.40	3,881.40	6,428.60	40.40	6,469.00
715	2242	DP Unallocated Road-Class 00.11	6/5/09	15,040.00	162.00	15,202.00	7.0	7.0	200 DB	2,291.43	26.00	2,317.43	3,946.73	26.00	3,972.73
715	2244	DP Main Road (Parking Alloc)-Class 00.11	6/5/09	5,454.00	62.00	5,516.00	7.0	7.0	200 DB	779.14	8.86	788.00	1,342.00	8.86	1,350.86
715	2246	DP Service Road (Parking Alloc)-Class 00.11	6/5/09	3,023.00	34.00	3,057.00	7.0	7.0	200 DB	431.86	4.85	436.71	743.80	4.85	748.65
715	2247	DP General Parking Lot-Class 00.11	6/5/09	113,172.00	1,287.00	114,459.00	7.0	7.0	200 DB	16,167.43	183.86	16,351.29	27,846.92	183.86	28,030.78
715	2248	DP Premium Parking Lot-Class 00.11	6/5/09	52,073.00	593.00	52,666.00	7.0	7.0	200 DB	7,439.00	84.71	7,523.71	12,813.08	84.71	12,897.79
715	2249	DP Employee Prking Lot Expansn-Class 00.11	6/5/09	11,977.00	136.00	12,113.00	7.0	7.0	200 DB	1,711.00	19.43	1,730.43	2,947.02	19.43	2,966.45
715	2250	DP Contractor Parking Lot-Class 00.11	6/5/09	51,174.00	582.00	51,756.00	7.0	7.0	200 DB	7,310.57	83.14	7,393.71	12,591.80	83.14	12,674.94
Subtotal Dept 715 Machinery & Equipment				544,965.21	3,871.50	548,836.71				239,331.15	610.05	239,941.20	279,841.99	610.05	280,452.04
715	1570	Computer Hardware	12/31/05	5,127.80	0	5,127.80	5.0	5.0	200 DB	4,636.76	0.00	4,636.76	4,859.96	0.00	4,859.96
715	2142	Optiplex (2) & Peripherals - DP	5/1/09	3,532.16	0	3,532.16	5.0	5.0	200 DB	706.43	0.00	706.43	1,177.38	0.00	1,177.38
715	2242	DP Unallocated Road-Class 00.12	6/5/09	3,522.00	37.00	3,559.00	5.0	5.0	200 DB	704.40	7.40	711.80	1,178.93	7.40	1,186.33
715	2244	DP Main Road (Parking Alloc)-Class 00.12	6/5/09	1,197.50	13.50	1,211.00	5.0	5.0	200 DB	236.40	2.60	242.00	400.87	2.60	403.47
715	2246	DP Service Road (Parking Alloc)-Class 00.12	6/5/09	664.00	7.00	671.00	5.0	5.0	200 DB	132.80	1.40	134.20	222.27	1.40	223.67
715	2247	DP General Parking Lot-Class 00.12	6/5/09	24,849.00	265.00	25,114.00	5.0	5.0	200 DB	4,969.80	53.00	5,022.80	8,318.33	53.00	8,371.33
715	2248	DP Premium Parking Lot-Class 00.12	6/5/09	11,434.00	121.00	11,555.00	5.0	5.0	200 DB	2,286.80	24.20	2,311.00	3,827.47	24.20	3,851.67
715	2249	DP Employee Prking Lot Expansn-Class 00.12	6/5/09	2,630.00	28.00	2,658.00	5.0	5.0	200 DB	526.00	5.60	531.60	886.40	5.60	892.00
715	2250	DP Contractor Parking Lot-Class 00.12	6/5/09	11,236.95	120.00	11,356.95	5.0	5.0	200 DB	2,247.20	24.00	2,271.20	3,761.33	24.00	3,785.33
Subtotal Dept 715 Computer Hardware				64,192.46	591.50	64,783.96				16,449.59	118.40	16,567.99	24,626.94	118.40	24,745.34
715	2146	MS Office Software (2)	5/1/09	750.88	0	750.88	3.0	3.0	Amort	166.86	0.00	166.86	271.15	0.00	271.15
Subtotal Dept 715 Computer Software				750.88	0.00	750.88				166.86	0.00	166.86	271.15	0.00	271.15
715	2223	Furniture - Indigo Renovations	12/31/05	10,953.42	(10,953.42)	0.00	5.0	5.0	200 DB	9,415.56	0.00	9,415.56	0.00	0.00	0
Subtotal Dept 715 Furniture & Fixtures				10,953.42	(10,953.42)	0.00				9,415.56	0.00	9,415.56	0.00	0.00	0.00
715	1998	Parking Booth - DP Contractor Lot	10/9/08	31,177.99	0	31,177.99	15.0	15.0	150 DB	17,649.18	0.00	17,649.18	18,404.53	0.00	18,404.53
715	2158	Parking Booth - DP Main Parking Lot	6/1/09	35,944.16	0	35,944.16	15.0	15.0	150 DB	17,971.21	0.00	17,971.21	3,220.00	0.00	3,220.00
715	2242	DP Unallocated Road-Class 00.3	6/5/09	209,968.00	2,189.00	212,157.00	39.0	39.0	S/L	2,916.22	30.41	2946.63	5,182.85	30.41	5,213.26
715	2244	DP Main Road (Parking Alloc)-39yr Prop	6/5/09	71,397.50	743.50	72,141.00	39.0	39.0	S/L	991.62	10.34	1001.96	1,762.36	10.34	1,772.70
715	2246	DP Service Road (Parking Alloc)-39yr Prop	6/5/09	39,572.50	412.50	39,985.00	39.0	39.0	S/L	549.61	5.74	555.35	976.80	5.74	982.54
715	2247	DP General Parking Lot-39yr Prop	6/5/09	1,481,472.00	15,445.00	1,496,917.00	39.0	39.0	S/L	20,576.00	214.51	20,790.51	36,568.70	214.51	36,783.21
715	2248	DP Premium Parking Lot-39yr Prop	6/5/09	681,653.00	7,107.00	688,760.00	39.0	39.0	S/L	9,467.54	98.71	9,566.25	16,526.19	98.71	16,624.90
715	2249	DP Employee Prking Lot Expansn-39yr Prop	6/5/09	156,782.00	1,635.00	158,417.00	39.0	39.0	S/L	2,177.53	22.71	2,200.24	3,870.02	22.71	3,892.73
715	2250	DP Contractor Parking Lot-39yr Prop	6/5/09	669,891.00	6,984.00	676,875.00	39.0	39.0	S/L	9,304.04	97.00	9,401.04	16,535.61	97.00	16,632.61
Subtotal Dept 715 Buildings				3,377,867.75	34,516.00	3,412,383.75				65,628.95	479.42	66,108.37	103,347.06	479.42	103,826.48
				9,570,494.93	(95,198.21)	9,475,296.72				668,441.48	3,936.22	672,377.70	958,508.39	3,936.22	962,444.61

Currently on the GL for 2009

Currently on the GL for 2010

Public Staff Work
 Property by class
 Non-depreciable
 3 year
 5 year S/L
 5 year 200DB
 7 year S/L
 7 year 200DB
 15 year
 39 year
 Total

January 27, 2021

The Local Government Commission
North Carolina Department of State Treasurer
Attention: Dale R. Folwell, CPA Chairman
3200 Atlantic Avenue
Raleigh, North Carolina 27604

Re: Bald Head Island Transportation Authority ("Authority")

Dear Mr. Folwell:

We write this letter as concerned homeowners, residents, business owners and, most of all, taxpayers of Bald Head Island. We have great concern about the potential adverse impact the sale of the Bald Head Island Ferry to the Bald Head Island Transportation Authority (BHITA). In the nearly three years the BHITA has existed property owners have received little or no information about the process or deliberations. This is troubling. The ferry's affordability and service levels are critical to the island.

We do not represent any organization in particular, we are just highly concerned Bald Head Island stakeholders. It is unfortunate that the largest homeowner's association on the island does not believe advocacy for homeowners is their responsibility and that the seller of the ferry system has seen fit to exclude virtually all the BHI property owners from knowledge and information of this transaction. We write this letter of request as concerned ferry system customers.

We request that the transaction be delayed by six months and require during this extension, the BHITA have a series of public meetings disclosing the details of the transaction, the projections for the future in terms of ferry rates, parking fees and operating schedules. Additional information on ferry replacement schedule and capital improvements to the ferry landings in Southport and Bald Head Island would be needed as the current structures are insufficient at busy periods now. These facilities will need significant capital improvements in the next five years, especially given current projections of rising sea level and navigation channel deepening. The information shared with the public by the BHITA is non-existent. The BHITA is a public entity created by the State and should be providing information to the public and seeking public input.

We support the concept of the transaction. The BHITA, as a state entity, is a better long-term solution to own and operate the ferry than the Texas based Mitchell family. The BHITA will have greater interest in the residents and visitors to the state than a non-resident owner. We understand that the ferry system is valuable and a fair value must be paid. However, from our perspective, the BHITA has been more focused on maximizing the amount paid to the Mitchells rather than ensuring a long term, viable transportation system for the island, Brunswick County and the state.

Currently, the ferry system is operated under the oversight of the North Carolina Utilities Commission (NCUC) and service level changes and fare increases are reviewed and approved by that entity. The parking fees and barge fees are not controlled by the NCUC and have risen substantially since operations were relocated to Deep Point. Although not perfect, it allows for changes to ferry ticket price increases to go through a process with customer input as well as input from the Mitchell family. The current price control system has proven to be a good check on the cost and operations of the ferry to keep prices fair and provide a profit that has been acceptable to the owner. We would like to understand how the service levels, schedule and prices will be determined in the future. The scant information provided so far gives us no comfort.

Again, we request a delay of six months of the pending transaction to allow for public education and input. A series of presentations from the BHITA and allowing for stakeholder input would be a positive step in making the transaction effective for all parties. In the attached we outline some of our concerns.

Thank you,

Al Buzzard	Doug Anderson	Lisa Way
Andrea Taylor	Drew Ann Cook	Lori Carey
Antoinette Powell	Elyse Armitage	Louis Welmore
Barbara McQuaide	Gene Douglas	Marlene Carter
Beth Kapil	Gordon Davis	Marty Gaunt
Betsy Barr	Hayler Osborn	Meredith Jeffries
Betsy Carr	James Henderson	Miriam Leonard
Bill Morton	Jason Ainsworth	Missy Anderson
Bill Way	Joan Guilkey	Norman Armitage
Bob Carter	Joe Brawner	Pam Ridings
Brett Belch	Johanna Ainsworth	Patricia Barnard
Browse Barnard	John Day	Patrick Smithey
Carmen Mugge	John Jeffries	Paul Carey
Cathy Sigal	John Register	Paul Mugge
Chris Taylor	Joseph Elphick	Richard Beavers
Chuck Hunter	Joyce Douglas	Richard Nelson
Cindy Belch	Joyce Lambert	Richard Swaim
Cindy Gaunt	Joyce Nelson	Rick Anderson
Cindy Swaim	Judith Osborn	Robert Nixon
Claude Pope III	Judy Brawner	Robert White
Courtney Callihan	Jules Showalter	Sean Callihan
Cynthia Henderson	Kathey Anderson	Shari Beavers
Dale Krapf	Kay Carwile	Stephen Cook
David Guilkey	Kay Murphy-Brown	Susan Nance
David Hunter	Ken Ridings	Suzi Buzzard
David Showalter	Larry Leonard	Virginia White
Dennis Carwile	Leigh Day	Watts Carr
		Wayne Lambert

Copy:

Sharon Edmundson, Deputy Treasurer
 Tim Romocki, Director Debt Management
 Susan Rabon, Chair, Bald Head Island Transportation Authority
 Village of Bald Head Island Council
 K. Christopher McCall, Village Manager
 Chad Paul, CEO, Bald Head Island Limited, LLC

Some Bald Head Island Ferry Concerns

Cost and schedule:

Apparently the BHITA will increase fares immediately upon acquisition of the assets. Cost increases at this point will all be built into the price paid to the Mitchell's and does not increase available cash flow for the authority to spend on operations and capital improvements. Will the schedule be that same as it has been for years? The island has thrived on a set schedule of the ferry system overseen by the NCUC.

Capital improvements (boats):

What is the schedule for replacing and/or maintaining the ferry vessels? The vessels have recently had sporadic performance issues and have had to be pulled out of service a number of times in the past year. Is there capital available to support improved ferry schedule performance?

Capital improvements (ferry terminals):

How much capital is available for needed improvements at the terminals. Deep Point needs to have the baggage handling system replaced as it has not been used as was designed originally for years because of design flaws. New parking has to be built as the parking lot is overflowing in the busy summer months. The Bald Head terminal is woefully inadequate. Issues including one of the docks is under water at monthly high tides (and tides are projected to continue to increase even more rapidly as a result of global warming and increased dredging of the shipping channel) and is un-useable at those times. The baggage handling and vehicle service areas are too small and poorly designed resulting in failure at busy times. Bags piled on top of bags as they are loaded and off loaded. This building should be completely rebuilt. The BHI terminal area available for trams, tram parking, arriving and departing passengers, and baggage drop-off and pick-up is not currently adequate and requires redesign, improvement, and possibly relocation.

Management:

Who is going to manage the ferry system going forward? As the Mitchell family has sold off a number of businesses and real estate in the past few years the ferry service levels have deteriorated culminating in an unusually poor 2020 service levels. In addition to the abandoned baggage handling system at Deep Point the ticket system utilizes paper tickets purchased only at the Deep Point terminal and there is no reservation system to allow for planning by travelers. Frankly, it is hard to believe that these antiquated systems are still in place in 2020. The process for deciding the management structure and company should solicit and fully consider user input.

Operating capital:

How much operating capital is available to the authority in the event of lower-than-expected demand or unforeseen capital needs? From the available information it appears that there is little cushion for those possibilities. With the bond rating of BBB- it would be fair to assume that any additional capital would be difficult to find and, if found, likely very expensive. In that event it is likely the authority would have to increase fares dramatically or decrease service which would further reduce demand. Since the ferry and the island's economic viability are closely linked it could create a downward economic spiral for both entities.

Additional signatures January 28, 2020

Andrew Aronson
 Ann Elder
 Anna Hattaway
 Anne Berry
 Annemarie Marinelli
 Ashley Jones
 Beth Fordham-Meier
 Betsy Nelson
 Betty Lawrence
 Bill Linebarger
 Bob Price
 Bob Vaughan
 Braden Holloway
 Buddy Lawrence
 Buddy Reger
 Chip Berry
 Chris Hoke
 Chris Parrish
 Colleen Parrish
 Dan Boyce
 Dan Nelson
 Dave Stuver
 David Elder
 Deborah L Wildgoose
 Douglas B. Eberle
 Elizabeth Bellucci
 Gail Liesegang
 Garnett Kelsoe
 Gordon Holmes
 Hobart Corwin
 Hollis King
 James A. Koch
 Jerry Maggio

Jim Bourdon
 Joan Maggio
 Joe Barnard
 Joe Snee
 Joep van Huystee
 John Marinelli
 John Richter
 Joseph Novia
 Judy Richter
 June Beasley
 June Beasley
 Karen Stuver
 Kate King
 Kathleen T. Koch
 Kathy Linebarger
 Kim Scagnelli
 Kris Clark Aronson
 Kris Riley
 L. Darryl Quarles
 Lee Gutshall
 Lee Weaver
 Lewis Beasley
 Linda St Jean Carlow
 Lynn Barnard
 Marcella Kelsoe
 Marijke van Huystee
 Mark King
 Mark Scagnelli
 Mary Beth Snee
 Mary Holloway
 Mary Mears
 Mary Taylor

Melanie Robbins
 Merry Vaughan
 Michael Caufield
 Michael Jones
 Mike Becker
 Mike Stevens
 Mitch Boyd
 Natalie Boyd
 Patricia J Miller
 Paula Corwin
 Phil Ross
 Prudy Weaver
 Randy Novia
 Randy Riley
 Robert B Liesegang JR
 Robert B Liesegang Sr
 Robert Iseman
 Robert Taylor
 Robert Vaughn
 Roger Mustian
 Roxann Mustian
 Sandy Hattaway
 Scott Mears
 Sherry Becker
 Stephen M Cobb
 Steve Smalley
 Sue Stevens
 Suzanne Price
 Tammy Holmes
 Terry Reger
 Theresa Bourdon
 Wyndham E. Eberle

Additional signatures January 29-31, 2020

Abby Brotherton	FA Mcleod	Phil Ross
Ainsley Moyer	Frank Klaine	Rex Osborne
Ann Cathcart	Gage Bennington	Richard Allison
Ann Haglund	Gail Gaukel	Rick Zelina
Anne Gardner	Gene O'Callaghan	Robert Blau
Ben Bonifant	Gene Ramm	Robert Drumheller
Bill Grantmyre	Heather Ruland	Ruth Young
Bill Michels	Jane Mago	Ryland Pruett
Brian Geraghty	Jeanmarie Dellosso	Sandra Yancey
Cam McIntyre	Jennifer Golwyn	Sarah Neuwirth
Carmen Mugge	Jim Roese	Scott Ingersoll
Carolyn Bell	Joe Snee	Scott Yancey
Catherine McIntyre	John Jeffries	Sharon McCoy
Charles Gaukel	Karen Klaine	Sherry Roese
Christine Osborne	Kelly Pruett	Steve Kennedy
Chuck Ruland	Kurt Haglund	Steve Terrio
Claire Bonifant	Kurtis Moyer	Sue Kennedy
Clinton Young	Lisa Zelina	Susan Allison
Conn Sharp	Mark Dellosso	Susan Terrio
Dan Golwyn	Marvin Neuwirth	Susan Weaver
David Bennington	Mary Beth Snee	Suzanne Whitmeyer
Deb Geraghty	Mary Michels	Tim Bell
Debra Drumheller	Mary Sue Smith	Tim Brotherton
Delores O'Callaghan	Maryann Ingersoll	Tim Smith
Dixon McLeod	Mike Stocum	Tina Bullard
Drew Bullard	Palmer Sugg	Wendy Stocum
Erica Grantmyre	Paul Mugge	

OFFICIAL COPY**Oct 25 2022**



STATE OF NORTH CAROLINA
Office of the State Auditor

2 S. Salisbury Street
20601 Mail Service Center
Raleigh, NC 27699-0600
Telephone: (919) 807-7500
Fax : (919) 807-7600
<https://www.auditor.nc.gov>

Beth A. Wood, CPA
State Auditor

November 15, 2021

The Honorable Dale Folwell
North Carolina State Treasurer
3200 Atlantic Avenue
Raleigh, NC 27604

Dear Treasurer Folwell:

I am writing this letter to **insist** that you, as the Chairman of the Local Government Commission, remove from the December 2021 agenda both applications to sell bonds to purchase the assets of the Bald Head Island Transportation System.

N.C.G.S. § 159-52(a) lists thirteen criteria that the Commission **should** consider when deciding to approve an application to sell bonds. Specifically, item (8) references the consideration of the "appraised and assessed value of the property subject to taxation."

Additionally, N.C.G.S. § 159-52(b) states "(b) The Commission shall approve the application **if**, upon the information and **evidence** it receives, it finds and determines... (2) That the amount proposed is **adequate** and **not excessive** for the proposed purpose of the issue." (*Emphasis added*).

To date, the Commission has **not** received the **evidence**, required by statute, that supports the value of the assets, and provides adequate support for Commission member consideration verifying that the amount proposed is adequate and not excessive.

The two valuations/appraisals of the assets of the Bald Head Island Transportation System that have been submitted used assumptions that have raised a number of questions, have used estimates of asset values supplied by the seller, and has garnered so many other questions that have gone unanswered, even after multiple requests. Until the applications to sell bonds to purchase the assets of Bald Head Island Transportation System is supported by a valuation/appraisal that accurately and reliably sets the value of the assets, no application should be allowed on the Commission agenda at any time.

NO other unit of government, nor any authority that has to go through the Commission for approval to sell bonds, is allowed to appear on the agenda without the evidence to support the sale. Why are the two applications for the sale of bonds to purchase the Bald Head Island Transportation System assets being treated differently?



OFFICIAL COPY

Oct 25 2022

The Honorable Dale Folwell
November 15, 2021
Page 2

As a voting member of the Commission, N.C.G.S. § 159 requires that I have the information/evidence I need to approve or reject the application. Thus far, I have not been provided that information.

As the State Auditor, I question the preferential treatment of these applicants and the precedent that will be set for other units applying for approval to sell bonds.

Also, it is imperative to note that the Commission just lost three Commissioners, whose term ended June 30, 2021 and were not reappointed. These three terminated Commissioners have been intricately involved in all the discussions, issues, history of the application for the bond sale, and all the associated problems. There is absolutely not enough time for the new appointees to educate themselves well enough to make an informed vote at the December meeting, especially since the appointments for the vacated positions have not been made as of this date.

While I have seen, first-hand, the **extreme pressure** put upon you to get the application(s) on the Commission agenda, that cannot be the reason for putting them on the December 2021 agenda. The application(s) to purchase the Bald Head Island assets should not be back on the agenda until the Commission has the evidence, required by state statute, to make informed decisions and the new appointees to the Commission have had an opportunity to become well versed in the details of the bond sale so they can make an informed vote.

Again, I **insist** the two applications for the approval of the sale of bonds to purchase the Bald Head Island Transportation System be removed from the December 2021 agenda.

Best regards,



Beth A. Wood, CPA
STATE AUDITOR

OFFICIAL COPY

Oct 25 2022





BETH A. WOOD, CPA
STATE AUDITOR

STATE OF NORTH CAROLINA
Office of the State Auditor

2 S. Salisbury Street
20601 Mail Service Center
Raleigh, NC 27699-0600
Telephone: (919) 807-7500
Fax: (919) 807-7600

OFFICIAL COPY

Oct 25 2022

January 12, 2022

The Honorable Dale Folwell
North Carolina State Treasurer
3200 Atlantic Avenue
Raleigh, NC 27604

Dear Treasurer Folwell:

I am writing to follow up on my letter, dated November 15, 2021 regarding applications submitted to the Local Government Commission (Commission) to sell bonds to purchase the assets of the Bald Head Island Transportation System.

While the applications for approval to sell bonds were removed from the December 2021 agenda, I insist that "no" applications should be included in the Commission agenda, in the future, for approval, without the support of a valuation/appraisal that provides a credible AND reliable value of the assets.

I will reiterate the statutory requirements for Commission Members to approve "any" application related to the sale of bonds:

- N.C.G.S. § 159-52(a) lists thirteen criteria that the Commission **should** consider when deciding to approve an application to sell bonds. Specifically, item (8) references the consideration of the "appraised and assessed value of the property subject to taxation."
- Additionally, N.C.G.S. § 159-52(b) states "(b) The Commission shall approve the application **if**, upon the information and **evidence** it receives, it finds and determines... (2) That the amount proposed is **adequate** and **not excessive** for the proposed purpose of the issue." (*Emphasis added*).

Most importantly, **no other** unit of government, nor authority is allowed to appear on the Commission agenda without meeting the criteria/requirements of N.C.G.S. § 159-52 and without providing the required evidence to support the sale of bonds. To allow "any" application to be included on the agenda, without meeting all the requirements of the above referenced statute, will set a dangerous precedence and undermines the integrity of the Commission's responsibility in the approval process for units of government and authorities to sell bonds.

Therefore, until "any/all" applicant(s), who wish to sell bonds for the purpose of purchasing the assets of the Bald Head Island Transportation System meets the criteria of N.C.G.S. § 159-52, the applications should "not" be included in the Commission agenda for Member approval.



The Honorable Dale Folwell
January 12, 2022
Page 2

I recognize that there will be renewed efforts to apply pressure to get one or both of the previous applications (or possibly others) on the Commission agenda; however, I trust that you, as the Chairman of the Commission, will ensure that does not happen until the application(s) meet all criteria required by North Carolina Statutes and the policies and procedures of the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth A. Wood". The signature is fluid and cursive, with the first name "Beth" being the most prominent.

Beth A. Wood, CPA
STATE AUDITOR

OFFICIAL COPY

Oct 25 2022

ROBERTS CROSS EXHIBIT 1

CONFIDENTIAL

(Submitted separately under seal)

ROBERTS CROSS EXHIBIT 2

CONFIDENTIAL

(Submitted separately under seal)