

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. A-41, SUB 21

VILLAGE OF BALD HEAD ISLAND,)
Complainant,)
v.)
BALD HEAD ISLAND TRANSPORTATION,)
INC., BALD HEAD ISLAND LIMITED, LLC,)
and SHARPVUE CAPITAL, LLC)
Respondents.)

DIRECT TESTIMONY OF
DR. JULIUS A. WRIGHT
ON BEHALF OF
VILLAGE OF BALD HEAD
ISLAND

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. A-41, SUB 21

Direct Testimony of Dr. Julius A. Wright

On Behalf of the Village of Bald Head Island

August 9, 2022

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I. INTRODUCTION AND PURPOSE

Q. PLEASE STATE YOUR NAME, OCCUPATION, TITLE AND BUSINESS ADDRESS.

A. Julius A. Wright, Managing Partner, J. A. Wright & Associates, LLC, 6 Overlook Way, Cartersville GA, 30121. I am a consultant to regulated utilities and regulatory agencies and other public bodies on issues related to economics, economic modeling, regulatory policy, industry restructuring, demand-side investments, and resource planning.

Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS DIRECT TESTIMONY?

A. I am submitting this Direct Testimony on behalf of the Village of Bald Head Island (the "Village").

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE.

1 as an unregulated parking facility separate and apart from the still regulated ferry
2 operations will result in an unregulated, monopoly ferry parking enterprise. Such
3 an outcome would likely result in increased parking rates, potentially to
4 unreasonable levels with ferry system riders having no alternative parking or other
5 readily available option and thus being forced to either pay the exorbitant parking
6 fees, or don't go to the Island—a rather daunting proposition for the residents of
7 the Island.

8 Finally, I am aware that in its Response, Motion to Dismiss, and Answers
9 filing in this proceeding⁸¹ Limited and BHIT claim that, “Hypothetically, if the
10 Commission were to consider parking and barge operations to be part of the
11 regulated ferry service . . . , the appropriate time to revisit these issues is in the next
12 rate case, so that the cost of service of the operations and rate of return on all
13 associated assets could be considered in setting reasonable rates.” However, this
14 claim is illogical and unfair given the current circumstances. Limited and BHIT
15 are in the process of selling the parking facilities and barge. It would be unfair to
16 a purchaser to proceed with said purchase without the purchaser knowing whether
17 they are buying a competitive or regulated company. Also, it is illogical to proceed
18 with the sale and assume that once the assets are no longer in possession of Limited
19 that in some future BHIT (or BHIT’s successor’s) rate proceeding that the NCUC
20 can unwind history and claim regulatory control over these long-sold assets. The
21 only logical and fair time to determine whether the parking service is an ancillary
22 service necessary to support the regulated ferry operations is prior to the disposal

⁸¹ This proceeding, filing dated March 30, 2022, p. 22-23.

1 of these parking assets. The same logic applies to the barge assets.

2 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

3 **A. Yes.**