

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. A-41, SUB 21

VILLAGE OF BALD HEAD ISLAND,)	
Complainant,)	
)	
v.)	DIRECT TESTIMONY OF
)	SCOTT T. GARDNER
)	ON BEHALF OF
BALD HEAD ISLAND TRANSPORTATION,)	VILLAGE OF BALD HEAD
INC., BALD HEAD ISLAND LIMITED, LLC,)	ISLAND
and SHARPVUE CAPITAL, LLC,)	
Respondents.)	

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**DOCKET NO. A-41, SUB 21****Direct Testimony of Scott T. Gardner****On Behalf of the Village of Bald Head Island****August 9, 2022**

1 **Q. PLEASE STATE YOUR NAME, TITLE, AND ADDRESS.**

2 A. My name is Scott Thomas Gardner. I am currently serving as the Mayor Pro Tem
3 for the Village of Bald Head Island (the “Village”). On September 18, 2020, the
4 Village Council appointed me to fill a vacancy on the Council. I was then elected
5 to continue to serve on the Village Council in 2021. My current term will expire in
6 2025. My official address is 106 Lighthouse Wynd, Bald Head Island, NC 28461.

7
8 **Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS DIRECT**
9 **TESTIMONY?**

10 A. I am submitting this Direct Testimony on behalf of the Village.

11

12 **Q. WHERE DO YOU RESIDE?**

13 A. My wife and I have owned a home on Bald Head since 1997, and we made Bald
14 Head our primary residence in 2017.

15

1 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**
2 **EXPERIENCE.**

3 A. I have a bachelor's degree in Business and Biology from the University of North
4 Carolina at Charlotte. I spent my thirty-three year career at Duke Energy and retired
5 in 2010 as Director of North Carolina State Governmental Affairs.

6
7 **Q. AS A MEMBER OF THE VILLAGE COUNCIL, CAN YOU SPEAK TO**
8 **WHY THE VILLAGE HAS INITIATED THIS PROCEEDING?**

9 A. Yes. The transportation system owned and operated by Bald Head Island Limited,
10 LLC and Bald Head Island Transportation, Inc. (collectively, "Limited") is the
11 lifeblood to Bald Head Island—in fact, according to the Limited's most recent
12 Annual Report the ferry carried over three-hundred and seventy thousand
13 passengers in 2021 alone. The passenger ferry is essential because, being a
14 bridgeless island, Bald Head is only accessible to the public by the ferry. As no
15 vehicles are allowed for transportation on the island, the parking facilities are
16 integral to the ferry's operations since all passengers must leave their cars at the
17 terminal before boarding the ferry. Similarly, the barge is the exclusive means of
18 transporting supplies and household goods to the island.

19 If any three of these essential components of the transportation system were
20 to become inaccessible to the public, the island community would cease to exist in
21 its current form. Thankfully, the Commission has regulated the passenger ferry
22 since the 1990s. The parking facilities and the barge, however, have never been

1 regulated. Members of the public have, for decades, expressed concerns that the
2 parking and barge should be regulated, just like the ferry. For the convenience of
3 the Commission, attached as Exhibit STG-2 are copies of citizen comments on this
4 issue that have been previously submitted to the Commission. These comments are
5 consistent with comments that have been made directly to me by various citizens
6 and they are representative of the concerns animating the Village's initiation of this
7 proceeding. Although the issue of the regulatory status of the parking and barge
8 operations have been identified for years, the question of regulating the parking and
9 barge has never been resolved by the Commission.

10

11 **Q. WHY HAS THE VILLAGE CHOSEN TO PURSUE THIS ISSUE NOW?**

12 A. The issue raised by the Village in its complaint has been lingering in the
13 background the entire time that Limited has been operating the transportation
14 system. I look at it like this: the issue of the regulatory status of the parking and
15 barge operations was a question that was inevitably going to need resolution, it was
16 just a matter of when.

17 With Limited's announced intention to sell the transportation system, the
18 regulation of the parking facilities and barge has become paramount. While the
19 current owner of the transportation system, as the island's developer, has been
20 motivated to appease the public's concerns about the parking and barge in the past
21 based on its own economic development interests, the future owner might not be so
22 motivated. Absent regulation, the next owner of the transportation system will be

1 free to operate the parking and barge however they want, including by raising rates,
2 and citizens will have no recourse. Given the island's dependency on the
3 transportation system, the concerns expressed to the Council by islanders, and long
4 unanswered questions regarding the regulatory status of these assets, the Village
5 initiated this proceeding to ensure that the next owner of the ferry, parking, and
6 barge will operate the entire system in the public interest. We believe that it is
7 imperative that this issue be resolved now, before the assets are conveyed to a new
8 and subsequent buyer, both for the benefit of the new owner and for the benefit of
9 those relying on the transportation system.

10

11 **Q. HOW WOULD YOU CHARACTERIZE WHAT THE VILLAGE IS**
12 **ASKING THE COMMISSION TO DO IN THIS PROCEEDING?**

13 A. We are asking for a determination by the Commission that the parking and barge
14 are, like the ferry, utility assets that should be operated under the Commission's
15 supervision for the benefit of the using and consuming public. While I am not a
16 lawyer, I am generally familiar with the Commission's supervision of utilities from
17 my prior career with Duke, and it seems the parking facilities are used and useful
18 as essential components of the ferry's utility operations. My understanding of the
19 "regulatory compact" here is that, in exchange for its certificate awarded by the
20 Commission, BHIT is required to provide adequate service to ratepayers at just and
21 reasonable rates. Adequate service in this instance necessarily includes the
22 availability of parking to any ratepayer. In other words, the ratepayers, who are the

1 ferry passengers, must use and pay for parking at Deep Point to ride the ferry –
2 there is no alternative to this critical component of the regulated ferry transportation
3 service. It strikes me that the regulatory compact would require that the parking be
4 subject to regulation just like the passenger ferry.

5
6 **Q. PLEASE PROVIDE A BRIEF OVERVIEW OF BALD HEAD ISLAND AND**
7 **ITS SIGNIFICANCE TO THE CITIZENS OF NORTH CAROLINA.**

8 A. Bald Head Island is located at the mouth of the Cape Fear River and adjacent the
9 Atlantic Ocean. It is the most unique of the barrier islands of North Carolina in that
10 you can only get there by ferry, can only travel around the island by golf cart or
11 bicycle, has the oldest lighthouse in North Carolina, and has a state-owned
12 Maritime Forest making up a sizeable portion of the island. For these collective
13 reasons, it is a highly sought after destination for vacationers, for those who wish
14 to explore the island for a day (“day trippers”), and for those who seek to make the
15 island a home.

16
17 **Q. HOW DOES THE PUBLIC REACH BALD HEAD ISLAND?**

18 A. The public reaches the island by the transportation system owned and operated by
19 Limited, which includes the parking facilities, the barge, and the ferry.

20

1 **Q. WHAT MEMBERS OF THE PUBLIC RELY ON THE FERRY TO**
2 **REACH THE ISLAND?**

3 A. There are several categories, but all members of the public rely on the ferry to reach
4 the island. First, there are property owners and their friends and family. This might
5 be the smallest group of passengers, though. Second, there are vacationers who
6 typically rent by the week, and this category of passengers explodes in the summer
7 season. Third, there are also day trippers who come over for a day to enjoy Bald
8 Head's amenities, including the lighthouse and beaches.

9 Also, critically important, there are the workers who make the island
10 function. These include Village employees who manage our public safety, water,
11 waste water, solid waste management and road systems, as well as the Island
12 Package Center. It includes contractors and tradesmen who build and repair homes
13 and businesses, including plumbing, electrical, HVAC, housekeeping, and other
14 building and repair services. It includes employees of the restaurants, the grocery
15 store, the hardware store, and retail shops among others providing vital commerce
16 to the island. It includes employees of the Bald Head Island Club and Shoals Club
17 restaurant and recreational services. It includes employees of the non-profit
18 organizations on the island, including the Bald Head Island Conservancy, the Old
19 Baldy Foundation, and the Bald Head Association. Finally, it includes employees
20 of the Bald Head Island Club and, importantly, the Club's golf course maintenance
21 operations which serve an important stormwater and wastewater effluent
22 management role, including during major rain events.

1 **Q. DO CITIZENS OF THE ISLAND EVER EXPRESS CONCERNS TO YOU**
2 **ABOUT THE TRANSPORTATION OPERATIONS?**

3 A. Yes. I do hear from citizens on a regular basis expressing concerns about the
4 transportation operations. Lately, with Limited's announcement of the sale of the
5 transportation system there is a good bit of angst within the community regarding
6 the future of the system, particularly given that the parking operation and barge are
7 not currently regulated by the Commission. There is a lot of concern that the assets
8 could be disposed of in "piece parts" or that parking and barge might be operated
9 in a manner that is not consistent with the public interest.

10 A good illustration of these concerns is a Consumer Statement of Position
11 letter filed in this docket on August 1, 2022, a copy of which is attached to my
12 testimony as Exhibit STG-1. The letter was submitted on behalf of property owners
13 on the island in support of the Village's petition in this proceeding. Approximately
14 400 individuals signed onto the letter, which is a rather astounding number given
15 that there are only approximately 1,250 total residences on the island and
16 approximately 35% of these are rental properties. The individual "Comments from
17 Signers" attached to the letter resonate with me, as they are reflective of exactly the
18 sort of sentiments that have been expressed directly to me by citizens and property
19 owners. People on the island care deeply about these issues, and they are very
20 concerned that their critical ability to access the island may be compromised
21 because of the manner in which Limited is divesting itself of ownership of the
22 transportation assets.

1 **Q. HOW IMPORTANT IS THE PARKING AND THE BARGE TO THE**
2 **ISLAND?**

3 A. As reflected by the comments on Exhibit STG-1, the public's access to the parking
4 facilities and the barge is critical to the island's economy and the wellbeing of all
5 of those on the island.

6
7 **Q. HOW IS THE ISLAND'S ECONOMY IMPACTED BY THE PARKING**
8 **FACILITIES?**

9 A. In myriad ways. The island's economy is fueled by tourism, and each tourist must
10 park a vehicle in the parking facilities before boarding the passenger ferry. If the
11 parking rates were to become cost prohibitive to tourists, the island's economy
12 would be harmed significantly.

13 Let's first consider the impact to the island's rental market. Bald Head is a
14 vacation destination. It is notable that some 65-70% of property owners on Bald
15 Head are residents of North Carolina. While there are approximately 1,250
16 residences on the island, I believe there are 250 to 300 permanent or primary
17 residences, approximately 500-550 second home properties, where owners have
18 sought a place to get away for weekends and vacations, and the remaining homes
19 (approximately 450) are rental properties. A reduction in the number of vacationers
20 would reduce the demand for rentals and the rental income for these properties
21 would shrink. I am not a real estate expert, but my expectation based on logic is
22 that property values would sharply fall. The reduction in rentals would further

1 impact all of the rental agencies that manage the vacation homes. The cascading
2 erosion of the tourist economy would further impact the businesses and laborers
3 who service the rental properties, whether by cleaning or making maintenance and
4 repair visits.

5 I would expect the construction industry also to take a hit. My understanding
6 is that many of the new residential homes that are being built on the island are
7 intended to be rental properties, at least, for part of the year. It is common for a
8 property owner to offset the cost of an island home with rental revenues. In a future
9 of fewer tourists, the construction industry would dwindle.

10 Another obvious victim of a tourism drought would be the commercial
11 establishments on the island. There are about eight restaurants and thirteen retail
12 stores on the island. Each of the owners of these businesses would likely tell you
13 that their most profitable months are in the summer tourist season. Omit those
14 tourists, and these businesses will obviously suffer. One can logically envision
15 shuttered store fronts and employees having to find new jobs on the mainland.
16

17 **Q. WOULD THE ECONOMIC IMPACT BE LIMITED TO THOSE WHO**
18 **LIVE OR OTHERWISE OWN PROPERTY ON THE ISLAND?**

19 **A.** Absolutely not. Should the tourism industry on Bald Head Island disappear, the
20 impact will reach beyond the island. The vast majority of workers on the island live
21 on the mainland. These workers ride the contractors ferry in the morning to reach
22 their weekday jobs, so that they can bring home their earnings to provide for their

1 families on the mainland. If the island is no longer able to support jobs for these
2 workers, the personal incomes flowing from the island would cease to support
3 communities in Southport, Wilmington, and elsewhere in Brunswick and New
4 Hanover Counties.

5
6 **Q. ARE THERE PUBLIC SAFETY CONCERNS AT PLAY HERE?**

7 A. The issue of safety is of the utmost concern to the Village – the entity responsible
8 for Public Safety on the island. The current working relationship between the
9 Village and Limited with the ferry and barge operation is good. During major
10 events like a hurricane, when the Village has called on Limited to evacuate people,
11 the joint effort has led to a relatively smooth evacuation. After the storm has passed
12 and response and recovery are necessary, the Village has worked with Limited on
13 getting emergency personnel and critical supplies/response vehicles to the island.
14 In these events, it is critical that all transportation assets – whether it be the ferry,
15 barge or parking – be available to coordinate an appropriate response to ensure the
16 safety of the public. This is yet another compelling reason to regulate parking and
17 barge operations with the ferry and tram to ensure proper operations of public safety
18 and emergency response.

19
20 **Q. FROM A PERSONAL STANDPOINT, DO YOU PERSONALLY USE THE**
21 **PARKING FACILITIES AT THE DEEP POINT MARINA?**

22 A. Yes. My wife and I use the Deep Point parking facilities quite frequently.

1 **Q. PLEASE DESCRIBE YOUR USE OF THE PARKING FACILITIES AT**
2 **THE DEEP POINT MARINA.**

3 A. Every time we come to Bald Head, we park in the Deep Point Marina parking lot.
4 As Bald Head is our primary home, our car is parked for many days in the Deep
5 Point lot. Consequently, we have purchased a “Premium Parking Pass,” which
6 allows for unlimited parking days for a flat fee.

7
8 **Q. ARE YOU AWARE OF ANYBODY WHO HAS USED THE PASSENGER**
9 **FERRY WITHOUT HAVING TO PARK AT THE PARKING FACILITIES?**

10 A. No. I am not aware of anybody who has used the passenger ferry to get to Bald
11 Head without having to park a vehicle at the Deep Point parking facilities. If you
12 need to get to Bald Head, you need to park in those parking facilities. The only
13 exception that I am aware of is a few people who keep their own boats and have
14 boat slips at the Southport Marina and in the Bald Head Marina. These people could
15 get to the island without parking at the parking facilities. But most of the general
16 public does not own a boat and, even if they did, they do not own slips in Southport
17 and on Bald Head. Also, to my understanding, boat slips are limited in number and
18 in demand in Southport and Bald Head Island. So I still stand by the statement that
19 if you need to get to Bald Head, you need to park at the Deep Point parking
20 facilities.

21

22

1 **Q. HAVE YOU EVER USED THE BARGE AND TUG SERVICE?**

2 A. Yes.

3

4 **Q. PLEASE DESCRIBE YOUR USE OF THE BARGE AND TUG SERVICE.**

5 A. My wife and I have had appliances, furniture, and construction material for small
6 projects delivered on the barge. For larger projects, our contractors have used the
7 barge to deliver larger loads of furniture, appliances, and construction material. Just
8 recently we had two HVAC units and a water heater replaced, all of which were
9 transported on the barge. Also, we used to have a small boat and trailer that I would
10 transport to the mainland and back for maintenance and repair.

11

12 **Q. DO YOU HAVE ANY CONCLUDING THOUGHTS?**

13 A. Yes. I am very grateful for the Commission's time and efforts in this proceeding.
14 Having come from this world in my pre-retirement life, I appreciate the demands
15 placed on the Commission's limited time. I also realize that the issues that the
16 Village has raised in its petition are not issues that the Commission hears about
17 every day.

18 That said, Bald Head Island is one of the State's natural treasures. Among
19 its coastal destinations, the island is unique due to its natural beauty, its relaxed,
20 vehicle-less atmosphere, and its commitment to environmental stewardship as
21 illustrated by the Maritime Forest and the Conservancy's coastal research mission
22 and turtle nesting program. As a consequence of these features and attractions, the

1 island serves as a vital economic engine for the southeast coast of North Carolina
2 and Brunswick County. As such, state oversight of the monopoly transportation
3 system serving as the gateway to the island is paramount.

4 For all these reasons, I cannot overemphasize how important these matters
5 are to the people who care about Bald Head Island. And this group includes not
6 just the approximately 300 citizens who have permanent residences on this island.
7 It includes the tens of thousands of visitors every year, the hundreds (if not
8 thousands) of employees who work on the island, the business and property owners
9 on the island, and even the surrounding communities that benefit from a vibrant
10 island economy.

11 To an island that is fueled by tourism, access to the island on terms and
12 conditions that are fair and reasonable and in the public interest is essential. Without
13 parking and without the barge there is no meaningful public access, and without
14 access there is no Bald Head Island as we know it. I urge the Commission to
15 exercise its authority for the benefit of the public to assert regulatory oversight over
16 the barge and the parking facilities.

17

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

19 **A. Yes.**

INDEX TO EXHIBITS

- STG-1 Consumer Statement of Position letter dated August 1, 2022
- STG-2 Bald Head Island Prior Citizen Comments (as filed with NCUC)
 - STG-2.1 Exhibits to Transcript of Public Hearing, Docket No. A-41, Sub 1, September 3, 1998
 - STG-2.2 Transcript of Public Witness Hearing, Docket No. A-41, Sub 7, July 23, 2010
 - STG-2.3 Exhibits to Transcript of Public Hearing, Docket No. A-41, Sub 7, July 23, 2010

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;

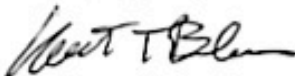
Docket A-41, Sub 22
In the Matter of Joint Application of Bald Head Island Transportation, Inc., and Bald Head Island Ferry Transportation, LLC, for Approval of Transfer of Common Carrier Certificate to Bald Head Island Ferry Transportation, LLC, and Permission to Pledge Assets

Dear Ms. Dunston:

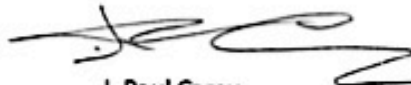
Transmitted on behalf of over 400 Bald Head Island property owners is a letter to Charlotte Mitchell, Chair, North Carolina Utilities Commission in the above referenced dockets.

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

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August 1, 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

Charlotte Mitchell
Chair, North Carolina Utilities Commission

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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 Morrión	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

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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

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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

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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

Charlotte Mitchell
Chair, North Carolina Utilities Commission

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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

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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

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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

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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

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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

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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

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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 . "

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"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."

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"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

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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

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Exhibit STG-2

Bald Head Island Prior Citizen Comments (as filed with NCUC)

Exhibit STG-2.1

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

INFORMATION SHEET

RECORD: 183
VOLUME:

PRESIDING: PITTMAN
PLACE: 9 BALD HEAD ISLAND, NORTH CAROLINA
DATE: 08/05/98 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

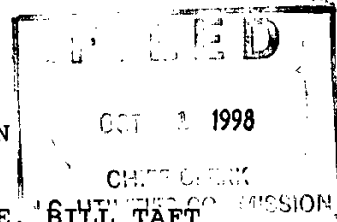
PUBLIC STAFF: WIKE
COMMISSION STAFF:
ATTORNEY GENERAL:

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

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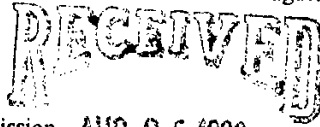
Aug 09 2022

Cox EXH. 1

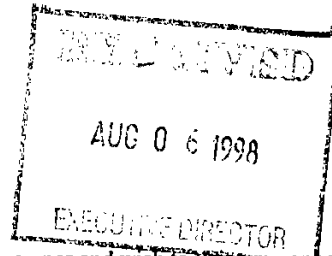
ID/AD 6

August 4, 1998

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



TRANSPORTATION
DIVISION
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.

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.

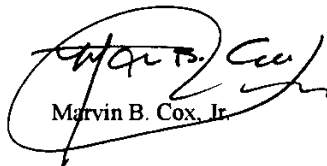
While the proposed decrease in approved service has been presented to the public as "No increase in Tariff" it in fact is. By reducing services and not reducing the tariff an increase in tariff is a reality.

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.

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.

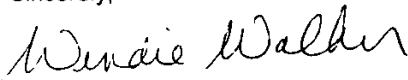
The barge should be regulated. The charge of transporting items to the Island far exceeds the cost. In addition the barge service favors the developer's interests. When our new house was under construction, the builder was denied reasonable barge service because the developer tied the barge up for their 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
9 Dowitcher Trail ID/AD 55
P.O. Box 3044
Bald Head Island, NC 28461

Mr. 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.

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Aug 09 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**

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Aug 09 2022

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
9
10 IN THE MATTER OF:
11 Application of Bald Head Island Transportation, Inc., for
12 a General Increase in its Rates and Charges Applicable to
13 Ferry Service between Southport and Bald Head Island.
14
15 A P P E A R A N C E S:
16
17 BALD HEAD ISLAND TRANSPORTATION
18
19 Gray Styers
20 Charlotte Mitchell
21 Styers, Kemerait PLLC
22 1101 Haynes Street, Suite 101
23 Raleigh, North Carolina
24
25 BALD HEAD ISLAND CLUB
26
27 Dan Higgins
28 PO Box 10667
29 Raleigh, North Carolina 27605
30
31 BALD HEAD ISLAND ASSOCIATION
32
33 Odes Stroupe
34 3105 Glenwood Avenue, Suite 300
35 Raleigh, North Carolina 27612
36
37 USING AND CONSUMING PUBLIC
38
39 Dianna Downey
40 4326 Mail Service Center
41 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)

14

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 --

17

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 Scotches 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

22

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

42

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.

53

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

99

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.)

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**

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SEP 14 2010

Clerk's Office
N.C. Utilities Commission

RECORD: 24

INFORMATION SHEET

VOLUME:

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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

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Aug 09 2022

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

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Aug 09 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

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Aug 09 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

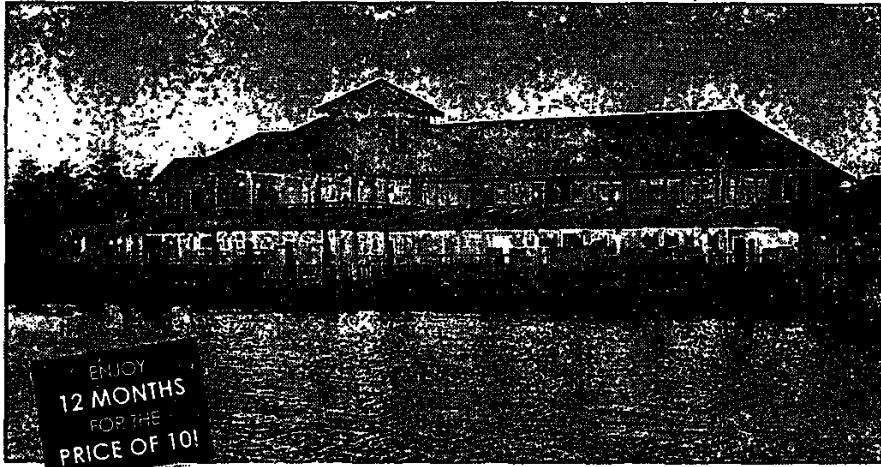
E-mail correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

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

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

Page 1 of 2

Hi, Marilyn Sign Out | All-New Mail Help

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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
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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 the 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.

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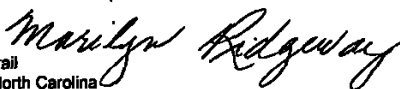
RE: Bald Head Ferry Rate Increase - Inbox - 'att.net Mail'

Page 2 of 2

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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



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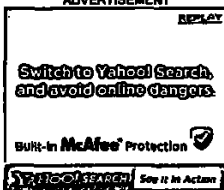
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Earle Ex 1

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.

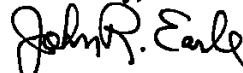
An increase of this magnitude would create a severe hardship for the residents of the Island who depend on ferry transportation between the Island and the mainland. Thus, we once again oppose the size of the rate increase being requested and also recommend that the Commission create a rate class for 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

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Aug 09 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.net

PO 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 27699-4325

Checks 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.

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AUG 09 2022

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, 2010

Edward 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, ~~whenever~~ 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

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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

17 Jul 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

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Friday, July 23, 2010 AOL: Bob Liesegang Sr

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