



**Fox Rothschild** LLP  
ATTORNEYS AT LAW

434 Fayetteville Street  
Suite 2800  
Raleigh, NC 27601  
Tel (919) 755-8700 Fax (919) 755-8800  
www.foxrothschild.com

BRADLEY M. RISINGER  
Direct No: 919.755.8848  
Email: BRisinger@Foxrothschild.com

September 8, 2022

Ms. A. Shonta Dunston  
Chief Clerk  
North Carolina Utilities Commission  
430 N. Salisbury Street  
Room 5063  
Raleigh, NC 27603

Re: In the Matter of  
Village of Bald Head Island v. Bald Head Island Transportation, Inc.  
and Bald Head Island Limited, LLC  
NCUC Docket No. A-41, Sub 21  
***Direct Testimony and Exhibits of Shirley A. Mayfield***

Dear Ms. Dunston:

On behalf of Bald Head Island Transportation, Inc. and Bald Head Island Limited, LLC, I herewith submit the attached Direct Testimony and Exhibits of Shirley A. Mayfield in the above referenced docket.

Thank you in advance for your assistance with this filing. If you should have any questions concerning this submittal, please contact me.

Sincerely,

Brad M. Risinger

pbb

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota  
Nevada New Jersey New York North Carolina Pennsylvania South Carolina Texas Washington

Ms. A. Shonta Dunston  
Page Two  
September 8, 2022

Enclosure

cc: Counsel and Parties of Record  
Zeke Creech – NC Public Staff  
Lucy Edmondson – NC Public Staff  
Jessica Heironimus – NC Public Staff

OFFICIAL COPY

Sep 08 2022

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. A-41, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

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

**DIRECT TESTIMONY OF  
SHIRLEY A. MAYFIELD**

**September 8, 2022**

1 **Q. Please state your name, occupation, and business address.**

2 A. My name is Shirley A. Mayfield. I am the Chief Financial Officer of Bald Head  
3 Island Limited LLC (“BHIL”). I also serve as Secretary/Treasurer and a Manager  
4 for Bald Head Island Limited, LLC. My business address is 6 Marina Wynd, Bald  
5 Head Island, North Carolina 28461-5073.

6 **Q. Please describe your educational and professional background.**

7 A. I have a B.S. degree in accounting and a Master of Business Administration degree  
8 from the University of North Carolina at Wilmington. I am a Certified Public  
9 Accountant and have been licensed in the State of North Carolina since 1988. I  
10 have worked for BHIL for 21 years. Prior to that, I worked as the Controller for  
11 The Bonita Bay Group, a prominent developer in Southwest Florida, for three years,  
12 and for Landfall Associates in Wilmington, North Carolina, for nine years before  
13 that.

14 **Q. In your work for BHIL, do you also have any involvement with Bald Head  
15 Island Transportation, Inc.?**

16 A. Yes. Bald Head Island Transportation, Inc., (“BHIT”) is a wholly-owned  
17 subsidiary of BHIL. As Chief Financial Officer for BHIL, I also have oversight  
18 and responsibility for the finances of BHIT and serve as its Secretary/Treasurer.

19 **Q. Have you testified before the North Carolina Utilities Commission before?**

20 A. Yes, I testified in the general rate case for BHIT, Docket No. A-41, Sub 7, in 2010.

21 **Q. What is the purpose of your testimony in this proceeding?**

1 A. The purpose of my testimony is threefold: to describe the manner in which the  
2 business lines of BHIT's regulated assets and BHIL's unregulated assets are  
3 financially recorded, maintained, and analyzed; to discuss how those procedures  
4 and practices impact analysis of BHIT's and BHIL's separate business lines; and  
5 to address issues and circumstances arising from BHIT's 2010 Rate Case that are  
6 relevant to this docket.

7 **Q. What is your approach as CFO to a BHIL corporate umbrella that includes**  
8 **within its scope the regulated enterprises of BHIT – ferry and tram – and the**  
9 **unregulated enterprises of BHIL – parking and tugboat/barge.**

10 A. We have a commitment and responsibility to ensure that BHIT's regulated activities  
11 and records are independently and separately logged, maintained, and analyzed  
12 apart from BHIL's non-regulated activities. This follows the basic guidepost of a  
13 public utility that independence and transparency in such affairs is paramount so  
14 that regulators can accurately assess the activities and economic health of the  
15 regulated activity. This serves the interests of a regulator like the Commission in  
16 ensuring safe and reliable service to consumers at a reasonable cost.

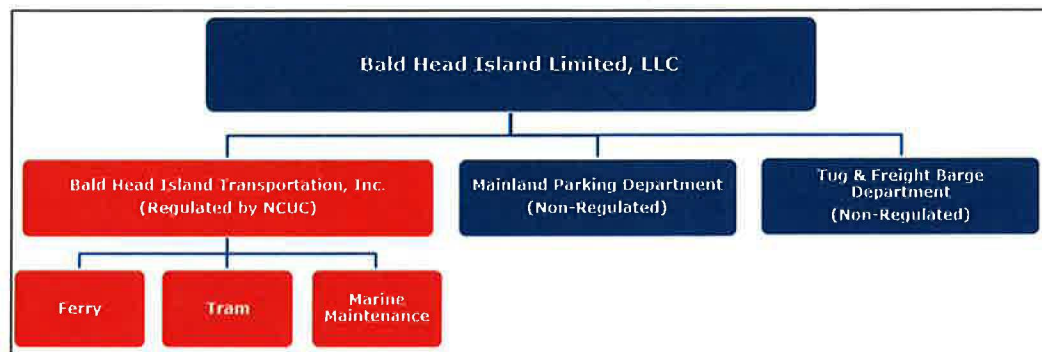
17 **Q. Does this approach to financial transparency have an impact on what the ferry**  
18 **and tram can, and do, charge for their services?**

19 A. Yes, because we have a responsibility to conduct the business lines of BHIT and  
20 BHIL in a way that allows the Commission to ascertain that the rates and allowable  
21 rate of return on the public utility's business are based only on the used and useful  
22 assets of BHIT and the revenues and expenses generated by those activities and

1 assets. Financial transparency allows the Commission to ensure that a regulated  
2 utility does not, for instance, divert revenue to an unregulated entity that would  
3 artificially reduce the utility's revenue or absorb expenses not specifically used in  
4 the regulated activity and perhaps bolster a case for higher than justified rates.

5 **Q. What steps do BHIL and BHIT take to ensure the type of transparency**  
6 **required for the conduct of these distinct business lines?**

7 **A.** First, BHIL is organized in a way that bolsters this structural ethic. Our  
8 organization chart sets it forth, below, in Figure 1 (*see Exhibit A*):



9  
10 **Figure 1**

11 BHIT is a separate and distinct subsidiary of BHIL, and the ferry and tram activities  
12 are conducted wholly within its bounds. Second, Parking and Tug & Freight Barge  
13 are, themselves, distinct departments of BHIL with reporting lines only to BHIL.

14 **Q. What kinds of specific measures are in place to ensure the distinct natures of**  
15 **the regulated activities from a practical, and financial, perspective?**

16 **A.** One key metric is that, by Order of the Commission in the 2010 Rate Case, Docket  
17 No. A-41, Sub 7, I have signed and filed, every quarter for the past twelve years (in  
18 Docket No. A-41, Sub 7A), an income statement and plant schedules listing all of

1 the asset categories and accumulated depreciation for the rate base assets of BHIT.  
2 These reports are publicly available on the Commission's website, and  
3 Respondents also have produced each of those reports to Complainant in this  
4 docket. A true and accurate copy of the most recent set of financial statements  
5 produced to Complainant is attached hereto as Exhibit B.

6 **Q. Are any parking or barge assets included on the plant schedules included in**  
7 **Exhibit B, or any of the other quarterly BHIT reports filed with the**  
8 **Commission?**

9 **A.** No, the parking and barge assets are not owned by BHIT and have never been  
10 considered to be part of BHIT's rate base; therefore, it would have been inaccurate  
11 to include them on the financial statements.

12 **Q. If the Commission were to now determine that either the parking or barge**  
13 **businesses lines of BHIL are regulated activities within the Commission's**  
14 **jurisdiction, how would this affect the rate base of the utility?**

15 **A.** Because it is necessary for all used and useful assets necessary for the provision of  
16 a regulated utility function to be owned (or leased) by the utility, the parking lot  
17 and/or assets would need to be sold or leased to BHIT. As previously explained,  
18 those assets have never been owned by BHIT in the past and have never been  
19 considered to be part of BHIT's rate base, so, hypothetically, this would be a new  
20 addition to BHIT's balance sheet and plant schedules. Those assets were appraised  
21 for purposes of their potential sale to the Bald Head Island Transportation  
22 Authority, so we know that their fair market value in an arm's length transaction is

1 well in excess of the *total* rate base of the regulated utility in the 2010 Rate  
2 Case. Therefore, any new lease by BHIT of those assets should be based upon that  
3 value and be included in the cost of service. As well, any purchase of those assets  
4 by BHIT for inclusion, for the first time, in the BHIT rate base would increase the  
5 BHIT rate base by more than its total from the 2010 Rate Case.

6 **Q. Are there activities conducted by either BHIT or BHIL that in some fashion**  
7 **benefit the other? If so, how does BHIL account for such activities on the**  
8 **books of the appropriate entity?**

9 **A.** Yes, there are certainly functions performed that benefit a regulated and non-  
10 regulated entity that require us to appropriately charge costs and expenses so the  
11 financial records of each entity reflects the appropriate expenses. One clear  
12 example is the Marine Maintenance (MM) department that is a part of BHIT.  
13 Because marine vessel maintenance and repair is a common and regular need for  
14 BHIT's four ferries and BHIL's tugboat and barge, the same staff and shop  
15 resources from the MM department are tasked with the maintenance of each entity's  
16 vessels. Indeed, the MM department's facilities are purposefully situated on the  
17 Deep Point campus so that all of the subject vessels can easily access its facility.  
18 Costs and expenses of the MM Department are typically recorded in one of three  
19 ways. First, the cost is a direct charge for a specific expense to the maintenance of  
20 a specific vessel or to the barge. Second, for a split invoice -- where one invoice  
21 covers multiple vessels and/or the barge -- the maintenance history, time expended,  
22 parts and supplies are all considered and the decision to assign cost is determined



1 by experienced personnel in the MM department and then signed off on by the MM  
2 Supervisor. Lastly, we engage in detailed monthly allocations of expenses related  
3 to numerous Deep Point campus maintenance and services so that the cost is  
4 appropriately and fairly shared among the entities and departments consistent with  
5 their usage and afforded benefits.

6 Figure 2 (*see* Exhibit C), below, demonstrates at a broad level the categories of  
7 expenses that the Accounting department allocates on a monthly basis:

<u>Departmental Allocations of common expenses</u>	
Telephone	
Cable	
Utilities Water & Sewer	
Utilities Electric	
Trash & Garbage	
Supplies General	
Supplies Fuel	
R&M Buildings	
R&M Carts & Vehicles	
R&M Machinery & Equipment	
R&M Landscaping and Grounds	
R&M Docks & Piers	
Copying, Printing & Forms	
Pest Control	
Rental Equipment	
Taxes, Licenses, & Permits	
Security	
Property Tax	
Insurance	
Sales Tax	
Depreciation	
(Gain) or Loss Cap Asset	
VC Facilities Maintenance	
VC Housekeeping	
VC Monthly Parking ( for security guard)	

8

9

**Figure 2**

10

The allocation model used today is the same methodology audited by the Public

11

Staff and approved in the 2010 rate case.

1 **Q. Were you the CFO at the time of the last general rate case for BHIT, in Docket**  
2 **No. A-41, Sub 7?**

3 **A.** Yes, I was.

4 **Q. In that position, did your work include the accounting calculations to**  
5 **determine the rate base for BHIT in that rate case?**

6 **A.** Yes, it did. Working with our regulatory accountant, I identified and determined  
7 the value of the assets of BHIT used and useful in providing regulated utility service  
8 to and from and on the island.

9 **Q. Were your rate base calculations in the initial rate case application the same**  
10 **as the ones eventually adopted by the Commission in its final order in that**  
11 **docket?**

12 **A.** No, during the course of the Rate Case, we had numerous discussions and  
13 negotiations with the Public Staff, and specifically with its Accounting Division,  
14 head, Jim Hoard. Those negotiations resulted in various revisions to the rate base  
15 calculations, but we were able to reach an agreement and stipulation of settlement  
16 with the Public Staff and all of the intervenors prior to the hearing.

17 **Q. Was the Village of Bald Head Island an intervenor and party in that docket?**

18 **A.** Yes, they were.

19 **Q. Did the Village agree to the rate base calculations in the stipulation?**

20 **A.** Yes, they did. I was present during the negotiations and agreement.

21 **Q. Were the rate base calculations set forth in that stipulation of settlement**  
22 **accepted and approved by the Commission and set forth in its Order?**

1 A. Yes, they were. All of the parties agreed that the rate base value of all assets used  
2 and useful in the provision of the regulated utility service upon which the rates were  
3 based was \$3,943,335, and, likewise, the Commission found in its Order that the  
4 value of all assets used and useful were \$3,943,335. *Proposed Order of the*  
5 *Stipulating Parties*, Docket No. A-41, Sub 7, ¶ 7 (Nov. 22, 2010); *Order Granting*  
6 *Partial Rate Increase and Requiring Notice*, Docket No. A-41, Sub 7, ¶ 7 (Dec. 17,  
7 2010).

8 **Q. At any time – in the initial application, in the negotiations with the Public Staff,**  
9 **in the Stipulation of Settlement, or in the Commission’s final order -- did the**  
10 **rate base of assets include any assets that were part of the parking or barge**  
11 **businesses lines conducted by BHIL?**

12 A. No. Parking or barge assets were never part of the rate base calculations.

13 **Q. Have you reviewed the documents from BHIT’s initial application to the**  
14 **Utilities Commission for authority to operate ferry service?**

15 A. Yes. The initial application in 1993, and the Commission Orders from 1993 and  
16 1995, were filed in Docket No. A-41, Sub 0 and can found on the Commission’s  
17 website.

18 **Q. Were any real estate assets including in the financial statement filed in Docket,**  
19 **No. A-41, Sub 0 or in any regulatory filings made since then?**

20 A. Indeed, there were no real estate assets (*see* Exhibit D) in rate base connected with  
21 parking furnished at Indigo Plantation as shown, below, in Figure 3:

1

**EXHIBIT D** Applicant's assets and liabilities are as follows: As of December 31, 1992:

<u>ASSETS</u>		<u>LIABILITIES</u>	
Real Estate	\$ <u>-0-</u>	Liens on Real Estate	\$ <u>-0-</u>
Rolling Equipment	<u>773,208</u>	Liens on Equipment	<u>835,710</u>
Cash on Hand	<u>800</u>	Judgments	<u>-0-</u>
Cash in Bank	<u>14,713</u>	Other Liabilities	<u>53,612</u>
Other Assets	<u>197,773</u>	Advances from Parent Co.	1,297,321
<b>Total</b>	<b>\$ <u>1,486,494</u></b>	<b>Total</b>	<b>\$ <u>2,186,643</u></b>

Page 2

2

3

**Figure 3**

4

In the almost thirty years that parking has been provided both at Indigo Plantation and, more recently, at Deep Point, parking facilities have never been regulated by the Commission and parking assets have never been part of the rate base of BHIT on which rates were calculated. Accordingly, rates for BHIT have never included recovery of a rate of return on the property used for parking, depreciation expenses of improvements on that property, or property taxes paid.

5

6

7

8

9

10 **Q. Does a prospective inclusion of parking and/or barge assets into the rate base**  
11 **of the regulated utility pose concerns for BHIL and BHIT, or the public?**

12 **A.** I believe the inclusion does pose a concern, not only for BHIL and BHIT, but also  
13 for the consuming public. First, there would be the matter of the form of inclusion  
14 -- lease or ownership; either would create a higher rate base and/or higher cost of  
15 service on which required revenues would be calculated to determine new ferry  
16 rates. One would also need to evaluate how and to what extent parking and barge

1 revenue generated would be applied in rate design to satisfy that requirement along  
2 with the determination of how parking and barge assets would be assigned. If  
3 services were on a first-come, first-served basis, what would be the consideration  
4 of parking locations and availability on revenue generation? And how would barge  
5 capacity and usage affect the overall financials? Hypothetically, with multiple  
6 revenue streams from disparate sources with different cost structures, it would be a  
7 much more complicated rate design process to determine the rates for various,  
8 different services for various, different classes of customers (not to mention the  
9 allocation of the parking and barge function assets and expenses between ferry and  
10 non-ferry customers). I have not undertaken that analysis, nor is it broached by the  
11 Complaint.

12 **Q. Would the manner in which the assets newly proposed for inclusion in the**  
13 **utility's rate base be significant for BHIL and BHIT, and any prospective**  
14 **owner of the assets such as SharpVue Capital?**

15 **A.** Very much so. We understand and agree with the Commission's recent order that  
16 indicated there is no request in the Complaint to set or modify any rates, and we see  
17 no basis for the Commission to change that view and convert this "complaint"  
18 proceeding into a Rate Case. If the Commission were to entertain the inclusion into  
19 the utility's rate base of some or all of the parking or barge assets, we believe that  
20 is a process suited for a Rate Case and not a "complaint" proceeding. In particular,  
21 there are unique issues related to these historically non-regulated assets that make

1 their treatment as a newly-declared used and useful asset an important  
2 consideration.

3 **Q. Are there particular issues about the parking or barge assets that you would**  
4 **commend to the Commission's attention?**

5 **A.** It will be particularly important for there to be thorough consideration in a future  
6 Rate Case about how assets newly placed in the rate base are valued. This is  
7 because BHIT, or SharpVue if the Commission approves the request pending in the  
8 transfer docket (A-41, Sub 22), would be entitled to earn a reasonable rate of return  
9 on its rate base assets, less depreciation.

10 Two of the many issues this invokes are how the Commission would value in the  
11 utility's new rate base (i) improvements that have been significantly depreciated  
12 since 2009 but for which BHIL has been allowed no recovery; and (ii) the real  
13 property (land) used by BHIL for its parking operation (for both ferry and non-ferry  
14 purposes), adjacent to the Cape Fear River, that does not depreciate. In fact, that  
15 land has become increasingly valuable over time; thus, if the owner of the utility  
16 (BHIT or SharpVue) was required to purchase it or lease it as a condition of its  
17 inclusion in rate base, the fair market value of the land would necessarily underlie  
18 either transaction.

19 **Q. Can you explain this with reference to sample financial metrics?**

20 **A.** For example, one of the certified appraisals done for the Bald Head Island  
21 Transportation Authority ("Authority" or "BHITA") valued the real property  
22 associated with the Deep Point campus at \$36,325,000. Another appraisal secured

1 by the Authority valued that real property at \$33,000,000. If BHIT must acquire or  
2 lease the land on which BHIL's parking operations is conducted (approximately  
3 half of the real property valued by the two appraisers) the fair market value of one  
4 of those transactions should be included in rate base. However, witnesses for the  
5 Village have suggested in discovery that only the net book value of the land (as  
6 currently carried by BHIL) should be included in the utility's rate base. In essence,  
7 the Village suggests that BHIT or SharpVue acquire or lease extremely valuable  
8 land to make the Village's newly imagined regulatory regime possible, but only be  
9 allowed to recover rates, and a reasonable rate of return, calculated off of a  
10 historical book value that dates to 1996. This docket presents neither the  
11 appropriately framed issues, nor the data, that are necessary for the Commission,  
12 Public Staff, and the parties to argue and draw appropriate conclusions on this issue.

13 **Q. Are there other ways in which this docket is an improper forum to address**  
14 **these issues?**

15 **A.** Yes, we believe it presents a premature exercise that combines concepts, data, and  
16 parties to reach conclusions not requested in the Complaint. For instance, a witness  
17 for Complainant, Kevin O'Donnell, suggests that it would be useful for the  
18 Commission to aggregate the financial data of regulated and non-regulated assets  
19 owned by different entities and combine them to make judgments about the  
20 propriety of taking certain regulatory steps involving the parking and barge  
21 businesses of BHIL. The Commission has stated this docket is directed at *whether*  
22 the parking and barge businesses should be regulated. If it so elects, in that event,

1        *then* a rate case, pursuant to the applicable rules and regulations, the Commission  
2        can identify the used and useful assets used in rendering utility service, determine  
3        the ways in which they should be accounted for in the rate base, and undertake the  
4        detailed task of discerning rates of return (based in part on the disparate risk profiles  
5        of the various assets) and ultimately rates (and rate design for the various services)  
6        supported by the data presented in the record in such a future docket. This  
7        complexity underscores how and why parking, barge, and ferry/tram are separate  
8        businesses and should be treated differently from a regulatory perspective. For this  
9        and other reasons explained in other testimony, BHIL objects to the relief sought  
10       in the Complaint and does not believe that this scenario should ever be reached.

11    **Q. Will you have any continuing role in the finances of BHIT's regulated assets**  
12    **and BHIL's currently unregulated assets, if SharpVue ultimately acquires**  
13    **them?**

14    **A.** Yes. I have reached an agreement with SharpVue to stay on as Chief Financial  
15    Officer and manager for at least thirty-six (36) months.

16    **Q. Does this conclude your testimony?**

17    **A.** Yes, at this time.





STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. A-41, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

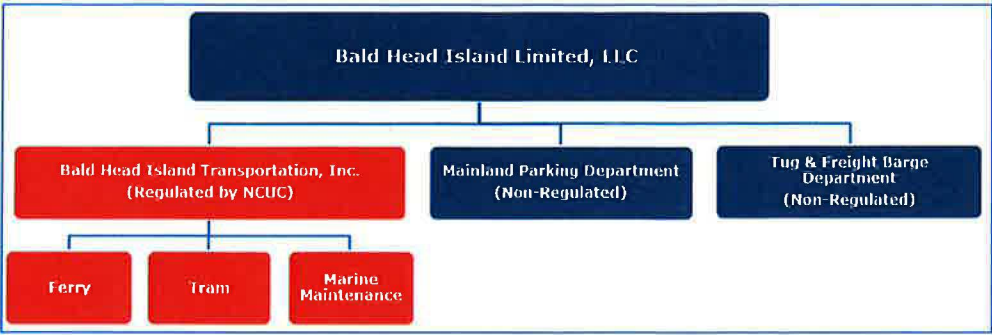
VILLAGE OF BALD HEAD ISLAND,	)	
Complainant,	)	
v.	)	
	)	
BALD HEAD ISLAND	)	
TRANSPORTATION, INC. and	)	
BALD HEAD ISLAND LIMITED,	)	
LLC,	)	
Respondents.	)	

DIRECT TESTIMONY OF  
SHIRLEY MAYFIELD

EXHIBIT A

September 8, 2022

EXHIBIT A  
TO DIRECT TESTIMONY  
OF S. MAYFIELD  
NCUC A-41, SUB 21





STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. A-41, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

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

DIRECT TESTIMONY OF  
SHIRLEY MAYFIELD

EXHIBIT B

September 8, 2022

EXHIBIT B  
TO DIRECT TESTIMONY  
OF S. MAYFIELD  
NCUC A-41, SUB 21



May 15, 2022

Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, NC 27699

**Re: Docket No. A-41, Sub 7A – Quarterly Financial Report of Monthly Information**

Chief Clerk:

As required by Commission Order dated December 17, 2010, Bald Head Island Transportation, Inc. files the attached Quarterly Financial Report of Monthly Information for the first quarter calendar year 2022.

Sincerely,

A handwritten signature in blue ink that reads "Shirley A. Mayfield".

Shirley A. Mayfield  
Secretary/Treasurer  
Bald Head Island Transportation, Inc.

/att

OFFICIAL COPY  
May 18 2022  
OFFICIAL COPY  
Sep 08 2022

EXHIBIT B  
TO DIRECT TESTIMONY  
OF S. MAYFIELD  
NCUC A-41, SUB 21

OFFICIAL COPY

OFFICIAL COPY

May 18 2022

Sep 08 2022

VERIFICATION UNDER OATH REGARDING ACCURACY OF REPORT

(NOTE: THIS VERIFICATION SHALL BE COMPLETED BY EITHER THE CHIEF EXECUTIVE OFFICER, A SENIOR LEVEL FINANCIAL OFFICER, OR THE RESPONSIBLE ACCOUNTING OFFICER)

I, Shirley A. Mayfield, state and attest that the attached Quarterly Financial Report of Monthly Information is filed on behalf of Bald Head Island Transportation, Inc., as required by the North Carolina Utilities Commission; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, no material information or fact has been knowingly omitted or misstated therein, and all of the information contained in said report has been prepared and presented in accordance with all applicable North Carolina General Statutes, Commission Rules, and Commission Orders.

Shirley A. Mayfield  
Shirley A. Mayfield

Secretary/Treasurer  
Bald Head Island Transportation, Inc.

May 16, 2022  
Date

Subscribed and sworn before me this the 16 day of May, 2022



Peggy H. Russell  
Notary Public

My Commission Expires: 3-18-2023

EXHIBIT B  
TO DIRECT TESTIMONY  
OF S. MAYFIELD  
NCUC A-41, SUB 21

Bald Head Island Transportation, Inc.  
Income Statement  
For the Quarter Ended March 31, 2022

	January	February	March	1st Qtr	YTD
<b>Operating Revenues</b>					
Ferry Tickets	264,967	332,973	478,827	1,076,767	1,076,767
Fuel Surcharge & Amortization	0	-	0	0	0
Interco Tram	0	-	0	0	0
Tram	0	-	1,020	1,020	1,020
Other Miscellaneous	410	664	2,560	3,634	3,634
<b>Total Operating Revenues</b>	<b>265,377</b>	<b>333,637</b>	<b>482,407</b>	<b>1,081,421</b>	<b>1,081,421</b>
<b>Operating Expenses</b>					
Wages and Benefits	248,380	222,096	252,944	723,420	723,420
Insurance	21,021	21,021	21,021	63,063	63,063
General & Administrative	1,858	2,783	6,219	10,860	10,860
Legal & Professional	3,204	5,335	7,055	15,594	15,594
Uniforms	200	1,099	0	1,299	1,299
Utilities	3,973	2,636	2,918	9,527	9,527
Deep Point Allocation	28,322	27,759	27,147	83,228	83,228
Safety Equipment	988	1,949	673	3,610	3,610
Baggage Products	67	63	171	301	301
Supplies General	1,865	1,446	1,738	5,049	5,049
Fuel	56,463	54,508	85,577	196,548	196,548
Supplies LP Gas	0	0	52	52	52
Supplies Small Tools	125	0	30	155	155
R&M Buildings	24	24	25	73	73
R&M Carts & Vehicles	11,571	3,371	13,709	28,651	28,651
R&M Machinery & Equipment	0	20	47	67	67
R&M Docks & Piers	0	0	1,449	1,449	1,449
Marina Maintenance Reserve	0	0	0	0	0
Dredging	0	0	0	0	0
R&M Ferries	9,343	3,077	6,342	18,762	18,762
Credit Card	3,067	3,918	6,290	13,275	13,275
Equipment Rental	85	85	0	170	170
Taxes Licenses & Permits	77	27	71	175	175
Signage	850	850	975	2,675	2,675
<b>Total Operating Expenses</b>	<b>391,483</b>	<b>352,067</b>	<b>434,453</b>	<b>1,178,003</b>	<b>1,178,003</b>

OFFICIAL COPY  
May 18 2022



EXHIBIT B  
TO DIRECT TESTIMONY  
OF S. MAYFIELD  
NCUC A-41, SUB 21

Bald Head Island Transportation, Inc.  
Income Statement  
For the Quarter Ended March 31, 2022

	January	February	March	1st Qtr	YTD
<b>Intercompany/Department Trans</b>					
Management Fees	17,258	17,258	17,258	51,774	51,774
Facility Maintenance	0	0	0	0	0
Facilities Lease	104,392	104,392	104,392	313,176	313,176
Employee Ferry	4,760	4,690	5,964	15,414	15,414
Other Interco Expense	81	288	104	473	473
Monthly Parking	4,558	4,558	4,613	13,729	13,729
Vehicle Maintenance	0	0	0	0	0
Fuel	0	0	0	0	0
<b>Total Intercompany Expenses</b>	<b>131,049</b>	<b>131,186</b>	<b>132,331</b>	<b>394,566</b>	<b>394,566</b>
<b>Total Operating &amp; Interco Exp</b>	<b>522,532</b>	<b>483,253</b>	<b>566,764</b>	<b>1,572,569</b>	<b>1,572,569</b>
Depreciation Exp/Amortization	32,773	32,738	33,000	98,511	98,511
Gain or Loss on Capital Asset	1,102	2,324	0	3,426	3,426
Property Taxes	5,869	5,808	5,997	17,674	17,674
Payroll Taxes	16,446	16,609	18,817	51,872	51,872
Regulatory Fee	0	0	1,400	1,400	1,400
State Income Tax	0	0	3,720	3,720	3,720
Federal Income Tax	0	0	0	0	0
<b>Total Operating Rev Deductions</b>	<b>578,722</b>	<b>540,732</b>	<b>629,718</b>	<b>1,749,172</b>	<b>1,749,172</b>
<b>Net Operating Income for Return</b>	<b>(313,345)</b>	<b>(207,095)</b>	<b>(147,311)</b>	<b>(667,751)</b>	<b>(667,751)</b>
Interest	2,199	2,009	2,245	6,453	6,453
<b>Net Profit/(Loss)</b>	<b>(315,544)</b>	<b>(209,104)</b>	<b>(149,556)</b>	<b>(674,204)</b>	<b>(674,204)</b>

Footnote:

1/ Reflects accelerated tax depreciation methodologies not used in the regulated financials

May 18 2022 OFFICIAL COPY

EXHIBIT B  
TO DIRECT TESTIMONY  
OF S. MAYFIELD  
NCUC A-41, SUB 21

Bald Head Island Transportation, Inc.  
Plant Schedule - Per Regulatory Accounting Basis  
For the Quarter Ended Mar 31, 2022

OFFICIAL COPY

OFFICIAL COPY

Sep 08 2022

May 18 2022

Description	At end of Month			
	Plant	Accumulated Depreciation	Deferred Taxes	Regulated Depreciation
<b>January 2022:</b>				
Land	64,355	-	-	-
Docks & Piers	94,648	39,946	-	526
Vehicles	1,186,386	790,706	2,293	11,886
Equipment	260,089	214,346	3,520	899
Computer Hardware	71,583	71,583	-	-
Computer Software	67,087	67,087	-	-
BHIT Boats	4,957,751	2,415,186	7,662	21,733
<b>Total BHIT</b>	<b>6,701,899</b>	<b>3,598,854</b>	<b>13,475</b>	<b>35,044</b>
<b>February 2022:</b>				
Land	64,355	-	-	-
Docks & Piers	94,648	40,472	-	526
Vehicles	1,186,386	802,558	1,960	11,852
Equipment	260,089	215,244	3,472	899
Computer Hardware	71,583	71,583	-	-
Computer Software	67,087	67,087	-	-
BHIT Boats	4,951,690	2,433,181	7,167	21,733
<b>Total BHIT</b>	<b>6,695,838</b>	<b>3,630,125</b>	<b>12,599</b>	<b>35,009</b>
<b>March 2022:</b>				
Land	64,355	-	-	-
Docks & Piers	94,648	40,998	-	526
Vehicles	1,186,386	814,409	1,628	11,852
Equipment	260,089	216,143	3,424	899
Computer Hardware	71,583	71,583	-	-
Computer Software	67,087	67,087	-	-
BHIT Boats	4,959,194	2,455,176	6,672	21,995
<b>Total BHIT</b>	<b>6,703,342</b>	<b>3,665,396</b>	<b>11,724</b>	<b>35,271</b>
<b>1st QUARTER 1/</b>	<b>6,703,342</b>	<b>3,665,396</b>	<b>11,724</b>	<b>105,324</b>
<b>YTD as of 3/31/2022 1/</b>	<b>6,703,342</b>	<b>3,665,396</b>	<b>11,724</b>	<b>105,324</b>

EXHIBIT B  
TO DIRECT TESTIMONY  
OF S. MAYFIELD  
NCUC A-41, SUB 21

**BALD HEAD ISLAND TRANSPORTATION, INC.**  
Report of Passengers Boarded by Fare Class  
On-Time Performance (OTP) Information

TYPE TICKET	2022	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Class I GENERAL		3,014	4,250	7,828										15,092
Class II BULK 40		1,928	2,467	3,380										7,765
Class III BULK 80		150	159	172										481
Class IV NO FRILLS		474	476	676										1,626
Class V CONTRACTOR		2,412	2,663	3,419										8,494
Class VI EMPLOYEE		7,718	8,285	10,180										26,163
Class VII CHILDREN		176	391	943										1,510
Class VII CHILDREN NO COST		41	65	187										273
Class VIII ANNUAL PASS		138	171	191										500
Class X ONE-WAY TICKET		131	145	175										451
TOTAL (w/o Class X ONE-WAY)		16,051	18,897	26,958	0	0	0	0	0	0	0	0	0	61,904
TOTAL (w/Class X ONE-WAY)		16,182	19,042	27,131	0	0	0	0	0	0	0	0	0	62,355
Class IXa OVERSIZED BAGGAGE		45	122	217										384
Class IXb EXCESS BAGGAGE		0	0	0	0	0	0	0	0	0	0	0	0	0
TICKETED TRAM RIDERS <sup>1</sup>		1,701	2,635	5,031										9,367
INVOICED TRAM RIDERS		0	0	0	0	0	0	0	0	0	0	0	0	0
INVOICED INTERCO SHUTTLE BUS RIDERS		0	0	0										0
INVOICED NON-INTERCO SHUTTLE BUS RIDERS		0	0	0										0
														Average
FERRY DEPARTURES ON-TIME		88%	86%	85%										86%
NUMBER DAYS WITH A LATE DEPARTURE		17	20	25										21

Notes:  
<sup>1</sup> Riders whose ticket includes tram

May 18 2022 OFFICIAL COPY



STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. A-41, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

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

DIRECT TESTIMONY OF  
SHIRLEY MAYFIELD

EXHIBIT C

September 8, 2022

**Departmental Allocations of common expenses**

Telephone	
Cable	
Utilities Water & Sewer	
Utilities Electric	
Trash & Garbage	
Supplies General	
Supplies Fuel	
R&M Buildings	
R&M Carts & Vehicles	
R&M Machinery & Equipment	
R&M Landscaping and Grounds	
R&M Docks & Piers	
Copying, Printing & Forms	
Pest Control	
Rental Equipment	
Taxes, Licenses, & Permits	
Security	
Property Tax	
Insurance	
Sales Tax	
Depreciation	
(Gain) or Loss Cap Asset	
VC Facilities Maintenance	
VC Housekeeping	
VC Monthly Parking ( for security guard)	



STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. A-41, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

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

DIRECT TESTIMONY OF  
SHIRLEY MAYFIELD

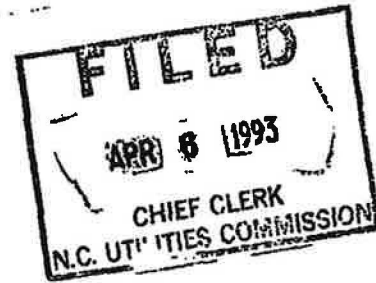
EXHIBIT D

September 8, 2022





April 2, 1993



Ms. Barbara A. Sharpe, Director  
Transportation Division  
North Carolina Utilities Commission  
P. O. Box 29510  
Raleigh, NC 27626

Re: Bald Head Island Ferry Service

A-41

Dear Ms. Sharpe:

Receipt is acknowledged of your letter of February 24, 1993 concerning operation of the Bald Head Island ferry service. Enclosed please find the completed application forms and supporting exhibits as well as check in the amount of \$25.00 representing the filing fee. We apologize for the delay in our response, however, our financial statements have just been completed.

Bald Head Island is a barrier island with no regular means of access to the mainland for residents, guests and employees except for our ferry service which has been in operation for several years. Cessation of the service pending the application process would create a great hardship on hundreds of people who depend on the ferry. We would therefore request temporary authority to continue regular service pending issuance of certificate of authority.

Your advice would be appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Sandra L. Darby".

Sandra L. Darby  
Vice President Administration  
Legal Counsel

SLD/ec  
Enclosures

Sharpe

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR PASSENGER OPERATIONS

**FILED**  
 APR 10 1993  
 Docket No. A-41  
 Filing Fee 25.00  
 CHIEF CLERK  
 UTILITIES COMMISSION

TO THE NORTH CAROLINA UTILITIES COMMISSION, RALEIGH, NORTH CAROLINA

BALD HEAD ISLAND TRANSPORTATION, INC.

Individual, corporate or trade name

P. O. Box 3069      Bald Head Island    NC    28461      (919)457-5000  
 Address                      City                      State                      Zip                      Telephone

hereby makes application under the provisions of the Public Utilities Act for a Certificate to transport passengers, as a common carrier: ( ) over fixed routes ( ) in charter operations. (x) ferry

1. That the applicant will be the sole owner and in control of the transportation business herein proposed; that said applicant is: ( ) an individual; ( ) a partnership; (x) a corporation incorporated under the laws of NC; that the names and addresses of the partners; if a partnership, or of the principal managing officers, if a corporation, are as follows:

<u>Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
M. Kent Mitchell, Pres.	P. O. Box 3069	Bald Head Island	NC	28461
Mark D. Mitchell, VP	"	"	"	"
Charles C. Byers, VP	"	"	"	"
David A. Busfield, Sec/Treas	"	"	"	"

2. That the applicant has a copy of the Public Utilities Act and is familiar with the meaning of terms as defined in Section 62-3; with the procedure and proof required for a Certificate as set out in Section 62-262.1; with the provisions with respect to dual operations as set out in Section 62-264; with the insurance requirements as set out in Section 62-268; with the requirements with respect to rates and charges and the filing of tariffs as set out in Section 62-138; and with the requirements with respect to making and filing partnership agreements as set out in Section 62-115.

3. That the applicant now holds Certificate No. none issued by the Interstate Commerce Commission; Certificate No. none issued by the North Carolina Utilities Commission; Certificates or Franchises issued by the following North Carolina cities or towns: none (if you do not hold such authority write "none" in blanks)

4. That in support of this application there is attached hereto and made a part hereof Exhibits A, B, C, and D.

Submitted this    day of April, 1993.

Sandra L. Dady  
 Attorney for Applicant  
 P. O. Box 3069  
 Bald Head Island, NC 28461  
 Address

BALD HEAD ISLAND TRANSPORTATION, INC.  
 Name of Applicant  
 By Mark D. Mitchell  
 president

Application of Bald Head Island Transportation, Inc.

VERIFICATION

STATE OF North Carolina

COUNTY OF Brunswick

The ~~above stated~~ M. Kent Mitchell, President of Bald Head Island Transportation, Inc. personally appeared before me this day and, being first duly sworn, says that the facts stated in the foregoing application and all exhibits, documents, and statements thereto attached are true as he verily believes.

WITNESS my hand and notarial seal, this 5<sup>th</sup> day of April, 1993

Elizabeth J. Centrell  
 Notary Public

My Commission expires 12-11-96

**EXHIBIT A** The applicant proposes to operate regular schedules over the following fixed routes:

(Illustration: From Raleigh over U.S. Highway 70 to Smithfield; thence over U.S. Highway 391 to Benson and return over the same route.)

1. From Indigo Plantation, Southport, North Carolina, north along the Intracoastal Waterway, thence eastward on the Cape Fear River to Bald Head Island, North Carolina, and return
2. From 704 E. Moore Street, Southport, NC, eastward on the Cape Fear River to Bald Head Island, NC, and return (see attached)

**EXHIBIT B** The applicant proposes to engage in charter operations within the following area:

The Atlantic Ocean, The Cape Fear River, The Intracoastal Waterway, all within 3.5 miles, more or less, of Bald Head Island, North Carolina (except for route #4 as described in Exhibit A above)

**EXHIBIT C** Two (2) official highway maps showing the fixed route operations, if applicable. The applicant's proposed routes are clearly traced on said maps in red (pencil or ink).

Attached

**EXHIBIT D** Applicant's assets and liabilities are as follows: As of December 31, 1992:

<u>ASSETS</u>		<u>LIABILITIES</u>	
Real Estate	\$ <u>-0-</u>	Liens on Real Estate	\$ <u>-0-</u>
Rolling Equipment	<u>773,208</u>	Liens on Equipment	<u>835,710</u>
Cash on Hand	<u>800</u>	Judgments	<u>-0-</u>
Cash in Bank	<u>14,713</u>	Other Liabilities	<u>53,612</u>
Other Assets	<u>197,773</u>	Advances from Parent Co.	<u>1,297,321</u>
Total	<u>\$1,486,494</u>	Total	<u>\$ 2,186,643</u>

EXHIBIT A (cont'd.)

3. From Landing located off E. Moore Street, northeast of the Town of Southport, south along the Cape Fear River, thence eastward on the Cape Fear River to Bald Head Island, North Carolina.
4. Nonregular route for "sunset cruises" which may be offered between April and October, approximately 90 minutes in duration, possibly twice weekly, aboard vessel licensed for transport on the Cape Fear River, Atlantic Intracoastal Waterway and Atlantic Ocean not more than 20 miles from a harbor of safe refuge between Cape Hatteras, NC and Little River, SC.

