

CHAPTER 25 - HIRE NORTH CAROLINA, RESIDENT CONTRACTOR UTILIZATION

R25-1 PURPOSE; APPLICABILITY; DEFINITIONS.

(a) Purpose. - For the purpose of promoting economic development, creating jobs, and improving the communities served by the utilities, the Commission urges utilities to maximize, consistent with law, the use of resident contractors for utility projects undertaken in the State of North Carolina. This rule shall serve as a tool to encourage and measure utility utilization of North Carolina resident contractors, subcontractors, vendors and businesses, including women- and minority-owned businesses. This rule is created to foster utility engagement with potential North Carolina contractors, providing ways to inform North Carolina companies of business opportunities. However, this rule shall not be interpreted to supersede any state statute, and nothing in this rule shall be construed to prevent a utility from choosing the lowest or best bidder for any project, or interfere with the mandate to serve the ratepayers or adequately respond to emergencies or support outages.

(b) Applicability. - All contracts for construction, extension and/or repair of facilities or other utility projects located in North Carolina in excess of \$700,000.00 solicited by or on the behalf of any utility on or after July 1, 2020, shall be governed by this rule; provided, however, this rule shall not apply to planned or unplanned outage work, and nothing contained herein shall prohibit any utility from performing services covered by this rule with its own regularly-employed workforce.

(c) Definitions. - As used in this rule, the following definitions shall apply:

- (1) Nonresident contractor - A prime contractor or subcontractor, be they corporate, individual or partnership, domiciled or having its principal place of business in a location other than the State of North Carolina that wishes to enter into any agreement with the utility or prime contractor for any purpose covered by this rule.
- (2) Prime contractor - Any party or person (who is not an employee of the utility or its affiliated or associated companies) who directly enters into any agreement with a utility for the furnishing of services.
- (3) Resident contractor - A prime contractor or subcontractor, be they corporate, individual, or partnership, domiciled or having its principal place of business in the State of North Carolina that wishes to enter into any agreement with the utility or prime contractor for any purpose covered by this rule.
- (4) Subcontractor - Any party or person, who is not an employee of the prime contractor or the utility, who directly enters into any agreement with a prime contractor: (i) for the furnishing of services; or (ii) under which any portion of the prime contractor's obligation under any contracts with the utility is performed or undertaken.
- (5) Utility - The following public utilities providing electric and natural gas service in North Carolina: Duke Energy Carolinas, LLC; Duke Energy Progress, LLC; Dominion Energy North Carolina; Public Service Company of North Carolina, Inc.; and Piedmont Natural Gas Company, Inc.

(NCUC Docket No. M-100, Sub 154, 6/18/19.)