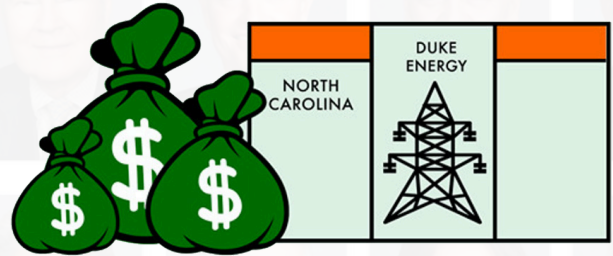


# MONOPOLY MONEY: PART 2

How Campaign Donations  
Influenced the Senate Vote  
on Duke Energy's Rate Bill



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for the Energy Justice NC Coalition | July 14, 2019

## BACKGROUND

In April, the *Energy Justice for North Carolina* coalition published a report detailing Duke Energy's campaign contributions to all members of the state Senate and House of Representatives in calendar year 2018. That report was intended to shine a light on the influence of those donations over legislator support for Senate Bill 559 (S-559), the "Storm Securitization and Alternative Rates" bill. The bill was largely written by Duke Energy, was introduced without any public input, and has been strongly opposed by every interest group other than Duke itself.

While the first part of the bill relating to storm securitization received some opposition, the second part, which gives Duke the opportunity to apply for multi-year rate plans and sets in place a return-on-equity band, has been the primary target of opposition. This is because the provision, even after some amendments have been approved, would boost Duke's profits, allow for multi-year rate increases with less accountability and oversight, and provide Duke with their preferred mechanisms for funding more than \$23 billion in coal ash costs and what the utility is calling their "grid improvement plan."

The two key findings of the prior report were that:

1. More than 80 percent of Duke's 2018 campaign donations went to the party currently holding a strong majority in both the House of Representatives and the Senate – Republicans – with the average donation to Republican candidates being 3.5 times greater than the average donation to Democrats
2. Nearly half of all campaign contributions from Duke Energy in 2018 were donated to only eleven Senators and House Representatives, each of which either represent top Republican leadership, serve as Chair or Vice/Co-Chair one of the committees Duke's bill has or will have to pass through, and/or is listed as a sponsor or co-sponsor of Duke's bill

This follow-up analysis goes deeper in the investigation into the electric monopoly's political influence in North Carolina by examining a full ten years of campaign contributions from Duke Energy's Political Action Committee (PAC) and the utility's top executives. We conduct the analysis within the context of how state Senators voted on S-559 to show more clearly how Duke's campaign donations during the 2018 election cycle and over time were rewarded by a vote of support when the Senate voted on the bill in early May.

While the bill is currently stalled in the House, a follow-up analysis will be conducted should the House end up voting on the bill. Regardless of that outcome, the evidence clearly shows that Duke's monopoly money has a strong, negative, and undue influence over public policy and continues to supersede the will and interests of North Carolina's families and businesses.

## KEY FINDINGS

1. The 27 Senators who voted YES on S-559 received nearly \$200,000 from Duke Energy's PAC and top executives during the 2017-2018 election cycle, for an average contribution of \$7,347<sup>1</sup> per yes vote and representing 93 percent of all campaign contributions the utility provided to Senate candidates during the cycle. By comparison, those who voted NO received a total of only \$15,600, for an average of \$743 per Senator. In other words, those voting yes received ten times more from Duke than those voting no.
2. Senators voting yes received \$568,150 in total campaign contributions from Duke over the last ten years, while the 21 Senators voting no have received one-tenth of that, or \$57,550.
3. Over the past five election cycles, Duke's average contribution to currently sitting Senators voting YES on S-559 increased by 36 percent, from \$5,631 in 2009-10 to \$7,638<sup>2</sup> in 2017-18.
4. More than three-quarters of Duke's campaign donations to Senate candidates, both in 2017-18 and over the last five election cycles, have gone to those holding key leadership positions<sup>3</sup>, which represent only 20 percent of all Senators.
5. During the 2017-18 cycle, Senate leaders received an average of \$16,660 in donations from Duke, while all other Senators received an average of only \$1,266.

### Senators voting for/against S-559

Voted for S-559?	10-year total	10-year avg.	2017-18 total	2017-18 avg.
Yes	\$568,150	\$21,043	\$199,100	\$7,374
No	\$57,550	\$2,740	\$15,600	\$743
Total	\$625,700	\$13,004	\$214,700	\$4,414
Percent Yes	91%		93%	

Source: Bob Hall (contractor), from NC Board of Elections, Campaign Document Search by Entity.

### Senate leadership/non-leadership

Senate Leadership	10-year total	10-year avg.	2017-18 total	2017-18 avg.
Key leadership	\$475,250	\$47,525	\$166,600	\$16,660
Not key leadership	\$150,450	\$3,959	\$48,100	\$1,266
Percent leadership	76%		78%	

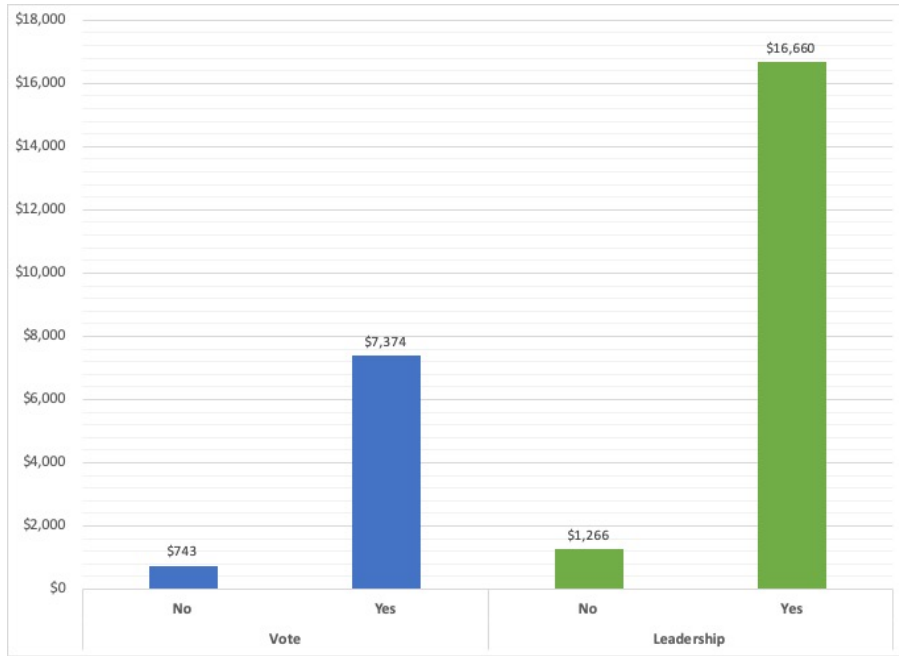
Source: Bob Hall (contractor), from NC Board of Elections, Campaign Document Search by Entity.

<sup>1</sup> This value is calculated as an average donation to all 27 Senators voting Yes on S-559.

<sup>2</sup> This value is calculated using the same numerator as in the value referenced in the above footnote, but represents the average donation to the 26 (rather than 27) Senators who were actually campaigning during the 2017-18 election cycle. It does not include Senator Perry in the calculation because he replaced Senator Pate in January 2019, after the election.

<sup>3</sup> Key leadership positions are defined as top Senate leadership as well as the chairs and co-chairs of the three Senate committees S-559 had to pass through before being voted on by the full Senate. Those included the Finance Committee, the Agriculture/Environment/Natural Resources Committee, and the Rules and Operations of the Senate Committee.

**Average contribution to Senators voting Yes/No on S-559 and to Senate leaders/non-leaders during 2017-18 election cycle**



**10-year trend in contributions to Senators voting Yes on S-559**



## DUKE ENERGY'S TOTAL CAMPAIGN CONTRIBUTIONS TO ALL SITTING SENATORS IN THE LAST FIVE ELECTION CYCLES, AND HOW SENATORS VOTED ON S-559

First Name	Last Name	Party	District	2017-18	10-year	S-559 vote
John M.	Alexander	Republican	S018	\$0	\$0	N/A
W. Ted	Alexander	Republican	S044	\$0	\$0	Y
Deanna	Ballard	Republican	S045	\$500	\$500	Y
Philip Edward	Berger	Republican	S030	\$81,000	\$198,650	Y
Dan	Bishop	Republican	S039	\$4,500	\$11,000	Y
Daniel T.	Blue	Democrat	S014	\$10,900	\$46,600	Y
Danny Earl	Britt	Republican	S013	\$4,000	\$4,000	Y
Harry	Brown	Republican	S006	\$10,400	\$49,350	Y
James	Burgin	Republican	S012	\$0	\$0	Y
Jay J.	Chaudhuri	Democrat	S015	\$0	\$0	N
Robert B.	Clark	Democrat	S021	\$4,000	\$8,550	Y
Warren	Daniel	Republican	S046	\$5,000	\$21,500	Y
Don	Davis	Democrat	S005	\$2,000	\$5,000	N
James W.	Davis	Republican	S050	\$2,000	\$9,300	Y
Kirk	deViere	Democrat	S019	\$0	\$0	N
Chuck	Edwards	Republican	S048	\$3,000	\$3,000	Y
Milton F.	Fitch	Democrat	S004	\$0	\$0	Y
Carl	Ford	Republican	S033	\$0	\$3,000	Y
Valerie P.	Foushee	Democrat	S023	\$1,000	\$4,500	N
Johnny	Gallimore	Republican	S029	\$0	\$0	N
Michael	Garrett	Democrat	S027	\$0	\$0	N
Rick	Gunn	Republican	S024	\$9,700	\$30,050	Y
Kathy	Harrington	Republican	S043	\$1,500	\$17,250	Y
Ralph	Hise	Republican	S047	\$6,000	\$20,500	Y
Rick	Horner	Republican	S011	\$1,000	\$1,000	N
Brent	Jackson	Republican	S010	\$7,000	\$33,600	Y
Jeff	Jackson	Democrat	S037	\$600	\$1,050	N
Todd	Johnson	Republican	S035	\$0	\$0	Y
Joyce	Krawiec	Republican	S031	\$2,000	\$4,500	Y
Paul A.	Lowe	Democrat	S032	\$2,000	\$4,000	Y
Natasha R.	Marcus	Democrat	S041	\$0	\$0	N
Tom	McInnis	Republican	S025	\$4,000	\$7,500	Y
Floyd B.	McKissick	Democrat	S020	\$6,000	\$24,500	N/A
Mujtaba	Mohammed	Democrat	S038	\$0	\$0	N
Paul R.	Newton	Republican	S036	\$27,200	\$51,800	Y
George W.	Nickel	Democrat	S016	\$0	\$0	N
James	Perry	Republican	S007	\$0	\$0	Y
Harper	Peterson	Democrat	S009	\$0	\$0	N
William P.	Rabon	Republican	S008	\$10,400	\$33,250	Y
Gladys	Robinson	Democrat	S028	\$1,000	\$3,000	N
Norman	Sanderson	Republican	S002	\$1,000	\$3,500	N
Victoria B.	Sawyer	Republican	S034	\$0	\$0	N
Sam	Searcy	Democrat	S017	\$0	\$0	Y
Erica D.	Smith	Democrat	S003	\$3,000	\$3,250	N
Bob	Steinburg	Republican	S001	\$0	\$1,250	N
Jerry W.	Tillman	Republican	S026	\$6,000	\$31,300	N
Terry	Van Duyn	Democrat	S049	\$0	\$2,000	N
Joyce	Waddell	Democrat	S040	\$0	\$1,500	N
Andy	Wells	Republican	S042	\$4,000	\$10,250	Y
J. Michael	Woodard	Democrat	S022	\$0	\$200	N

Source: Bob Hall (contractor), from NC Board of Elections, Campaign Document Search by Entity.