

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 784

Short Title: Gas Franchise Review.

(Public)

Sponsors: Representatives Mavretic; and Bowman.

Referred to: Public Utilities.

April 7, 1993

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE UTILITIES COMMISSION TO STUDY THE ALLOCATION OF FRANCHISES FOR NATURAL GAS SERVICE IN NORTH CAROLINA AND DETERMINE WHETHER SUCH SERVICE COULD BE MORE EFFICIENTLY AND ECONOMICALLY RENDERED BY REDESIGNING THE FRANCHISE ALLOCATIONS.

Whereas, the Utilities Commission has allocated franchise territories for natural gas service to four local distribution companies; and

Whereas, the franchise territories of two of the local distribution companies are broken up so that one of them is in three discrete areas separated by parts of the franchise territory of the other, which is broken up into two discrete territories; and

Whereas, the configuration of the franchise territories for distribution of natural gas appears to be cumbersome and inefficient; and

Whereas, such cumbersome and inefficient provision of natural gas service may be resulting in higher administrative and service costs than is necessary; and

Whereas, such inefficient service may be resulting in the diversion of funds which might otherwise be used for expansion of natural gas service in North Carolina; and

Whereas, North Carolina is sorely lacking in natural gas service in many areas in the State; and

Whereas, the lack of natural gas service is contributing to a lack of economic development in North Carolina and a lack of general well-being for many of the citizens of North Carolina; and

1 Whereas, the North Carolina General Assembly has, since 1987, focused its
2 efforts on ways to expand the provision of natural gas service in North Carolina; Now,
3 therefore,

4 The General Assembly of North Carolina enacts:

5 Section 1. The North Carolina Utilities Commission is directed to study the
6 allocation of franchise territories for the provision of natural gas service in North
7 Carolina and determine whether or not a reconfiguration of franchise territories would
8 result in more efficient and economical service to the people of the State, and whether
9 savings could be realized which would result in the availability of additional funds for
10 expansion of natural gas service into areas which are presently unserved or underserved.

11 Sec. 2. If the study directed in Section 1 of this act results in a conclusion
12 that the provision of natural gas service in North Carolina could be more efficiently and
13 economically rendered under a different franchise configuration, the Utilities
14 Commission shall devise a plan for the reconfiguration of the franchise territories,
15 which plan shall take into account the need to compensate the local distribution
16 companies for any territory which is removed from their franchise, but would also take
17 into account the fact that losses of territory may be compensated by the acquisition of
18 other territory.

19 Sec. 3. The Utilities Commission shall report its findings under Section 1 of
20 this act, and its plan for the reconfiguration of natural gas franchises under Section 2 of
21 this act, if this is found to be advantageous as a result of its study, to the Joint
22 Legislative Utility Review Committee not later than July 1, 1995.

23 Sec. 4. This act is effective upon ratification.