

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 12*

Short Title: Study Comm./Future of Electric Service.

(Public)

Sponsors: Representatives Dickson; Baker, Beall, Bonner, Creech, Davis, Dedmon, Eddins, Goodwin, Hill, H. Hunter, Hurley, Ives, McComas, Morris, Nye, Rayfield, Reynolds, Shubert, Smith, Starnes, Sutton, Tolson, Watson, Weatherly, G. Wilson, and Yongue.

Referred to: Commerce, if favorable, Rules, Calendar and Operations of the House.

February 3, 1997

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE STUDY COMMISSION ON THE FUTURE OF
ELECTRIC SERVICE IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. The Study Commission on the Future of Electric Service in North Carolina is created. The Commission shall consist of 20 voting members as follows:

- (1) Four members of the Senate to be appointed by the President Pro Tempore of the Senate;
- (2) Four members of the House of Representatives to be appointed by the Speaker of the House of Representatives;
- (3) The Chief Executive Officer of the North Carolina Electric Membership Corporation or the Chief Executive Officer's designee;
- (4) The Chief Executive Officer of ElectriCities of North Carolina or the Chief Executive Officer's designee;
- (5) The Chief Executive Officer of Duke Power Company or the Chief Executive Officer's designee;

- 1 (6) The Chief Executive Officer of North Carolina Power Company or the
2 Chief Executive Officer's designee;
- 3 (7) The Chief Executive Officer of Carolina Power and Light Company or
4 the Chief Executive Officer's designee;
- 5 (8) Two residential consumers of electricity to be appointed by the
6 Governor;
- 7 (9) Two commercial consumers of electricity, one to be appointed by the
8 President Pro Tempore of the Senate and one to be appointed by the
9 Speaker of the House of Representatives;
- 10 (10) Two industrial consumers of electricity, one to be appointed by the
11 Speaker of the House of Representatives and one to be appointed by the
12 President Pro Tempore of the Senate; and
- 13 (11) One member of the environmental community to be appointed by the
14 Governor.

15 The President Pro Tempore of the Senate and the Speaker of the House of
16 Representatives shall each designate a cochair from the General Assembly membership
17 serving on the Commission. The Commission shall meet upon the call of the cochairs. A
18 majority of the Commission shall constitute a quorum for the transaction of business.

19 Section 2. The Commission shall examine the cost, adequacy, availability, and
20 pricing of electric rates and service in North Carolina to determine whether legislation is
21 necessary to assure an adequate and reliable source of electricity and economical, fair,
22 and equitable rates for all consumers of electricity in North Carolina. The Commission
23 shall gather data and other information as may be necessary to accomplish the purposes
24 of the Commission, including testimony at public hearings, and shall work cooperatively
25 with other boards, commissions, and entities, taking advantage of their resources and
26 activities for the provision of useful information and insight. In the course of its study,
27 the Commission shall seek input and advice from the Attorney General, the North
28 Carolina Utilities Commission, and the Public Staff of the Utilities Commission. The
29 Commission shall also obtain guidance by reviewing electric utility restructuring
30 experiments conducted in other states.

31 In the course of its study and in making its recommendations, the Commission
32 shall fully address the following issues:

- 33 (1) Assurance of fairness and equity among all customer classes;
- 34 (2) Reliability of power supply;
- 35 (3) Fair treatment of competing power providers;
- 36 (4) Universal access to electric energy and assignment of responsibility to
37 provide it;
- 38 (5) Reciprocity between states;
- 39 (6) Stranded investment costs and benefits;
- 40 (7) Clarification of State and federal jurisdiction;
- 41 (8) Environmental impact of restructuring;
- 42 (9) Impact of competition on tax revenues;
- 43 (10) Alternative forms of regulation;

- 1 (11) Obligation to serve and the obligation to receive service;
2 (12) Ways to eliminate or equalize subsidies and tax preferences; and
3 (13) Other relevant and appropriate subjects.

4 Section 3. The Commission may contract for consultant services as provided
5 by G.S. 120-32.02. Upon approval of the Legislative Services Commission, the
6 Legislative Services Officer shall assign professional and clerical staff to assist in the
7 work of the Commission. Clerical staff shall be furnished to the Commission through the
8 offices of the House of Representatives and Senate Supervisors of Clerks. The
9 Commission may meet in the Legislative Building or the Legislative Office Building
10 upon the approval of the Legislative Services Commission. The Commission, while in
11 the discharge of official duties, may exercise all the powers provided under the provisions
12 of G.S. 120-19 through G.S. 120-19.4, including the power to request all officers, agents,
13 agencies, and departments of the State to provide any information, data, or documents
14 within their possession, ascertainable from their records, or otherwise available to them,
15 and the power to subpoena witnesses.

16 Members of the Commission shall receive per diem, subsistence, and travel
17 allowances as follows:

- 18 (1) Commission members who are members of the General Assembly at the
19 rate established in G.S. 120-3.1;
20 (2) Commission members who are officials or employees of the State or of
21 local government agencies at the rate established in G.S. 138-6; and
22 (3) All other Commission members at the rate established in G.S. 138-5.

23 Section 4. The Commission shall report the results of its study and its
24 recommendations to the 1999 General Assembly and may make an interim report to the
25 1998 Regular Session of the 1997 General Assembly. The Commission shall terminate
26 upon filing its final report.

27 Section 5. This act is effective when it becomes law.