

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE DRH80095-LM-45B (02/15)

Short Title: Municipal Electric Utilities/UC Oversight. (Public)

Sponsors: Representative Farmer-Butterfield.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT PROVIDING THAT MUNICIPAL ELECTRIC UTILITIES SHALL BE SUBJECT
3 TO OVERSIGHT BY THE UTILITIES COMMISSION AS TO RATES AND SERVICE
4 AND THAT THE UTILITIES COMMISSION PUBLIC STAFF SHALL SERVE AS AN
5 ADVOCATE FOR MUNICIPAL CUSTOMERS IN RATE AND SERVICE CASES.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 62-3(23)d. reads as rewritten:

8 "d. The term "public utility," except as otherwise expressly provided in
9 this Chapter, shall not include a municipality, except a municipality
10 shall be subject to Commission oversight as provided in G.S. 62-55,
11 an authority organized under the North Carolina Water and Sewer
12 Authorities Act, electric or telephone membership corporation; or
13 any person not otherwise a public utility who furnishes such service
14 or commodity only to himself, his employees or tenants when such
15 service or commodity is not resold to or used by others; provided,
16 however, that any person other than a nonprofit organization serving
17 only its members, who distributes or provides utility service to his
18 employees or tenants by individual meters or by other coin-operated
19 devices with a charge for metered or coin-operated utility service
20 shall be a public utility within the definition and meaning of this
21 Chapter with respect to the regulation of rates and provisions of
22 service rendered through such meter or coin-operated device
23 imposing such separate metered utility charge. If any person
24 conducting a public utility shall also conduct any enterprise not a
25 public utility, such enterprise is not subject to the provisions of this
26 Chapter. A water or sewer system owned by a homeowners'
27 association that provides water or sewer service only to members or
28 leaseholds of members is not subject to the provisions of this
29 Chapter."

30 **SECTION 2.** G.S. 62-15(d) is amended by adding a new subdivision to read as
31 follows:

32 "(d) It shall be the duty and responsibility of the public staff to:

33 ...



1 (13) Perform the duties described in subdivisions (1), (2), (3), (4), (6), and (7) of
2 this subsection in matters related to municipal electric utilities established
3 pursuant to G.S. 160A-311(1)."

4 **SECTION 3.** Article 3 of Chapter 62 of the General Statutes is amended by adding
5 a new subsection to read as follows:

6 **"§ 62-55. Oversight of municipal electric utilities; rates and service.**

7 The Commission shall have oversight of rates for electric service established by and service
8 furnished by a municipality, including a municipality that is a member of a joint municipal
9 power agency under Chapter 159B of the General Statutes, operating a municipal electric utility
10 pursuant to G.S. 160A-311(1). In determining whether the rates for electric service established
11 by the municipality are fair both to the municipality as operator of the electric utility and to the
12 consumer, the Commission shall consider the factors provided in G.S. 62-133 and G.S. 62-134.
13 If, after a hearing conducted pursuant to Article 4 of Chapter 62 of the General Statutes, the
14 Commission finds that the rates established are not just and reasonable, the Commission shall
15 enter an order fixing just and reasonable rates for the municipal electric utility. In determining
16 matters related to service furnished by the municipal electric utility, the Commission shall
17 consider the factors provided in G.S. 62-42. If, after a hearing conducted pursuant to Article 4
18 of Chapter 62 of the General Statutes, the Commission finds that the service furnished by the
19 municipal electric utility is inadequate, the Commission shall enter an order directing changes
20 or improvements in service as provided in G.S. 62-42."

21 **SECTION 4.** G.S. 160A-312 reads as rewritten:

22 **"§ 160A-312. Authority to operate public enterprises.**

23 ...

24 (d) Notwithstanding the provisions of this section, the North Carolina Utilities
25 Commission shall have oversight of the service furnished by a municipal electric utility as
26 provided in G.S. 62-55."

27 **SECTION 5.** G.S. 160A-314 reads as rewritten:

28 **"§ 160A-314. Authority to fix and enforce rates.**

29 (a) A-Except as provided in subsection (f) of this section, a city may establish and
30 revise from time to time schedules of rents, rates, fees, charges, and penalties for the use of or
31 the services furnished by any public enterprise. Schedules of rents, rates, fees, charges, and
32 penalties may vary according to classes of service, and different schedules may be adopted for
33 services provided outside the corporate limits of the city.

34 ...

35 (f) The North Carolina Utilities Commission shall have oversight of the rates
36 established by a city for a municipal electric utility as provided in G.S. 62-55."

37 **SECTION 6.** This act applies only to the cities and towns in eastern North Carolina
38 that comprise the North Carolina Eastern Municipal Power Agency (NCEMPA) on the date
39 this act becomes law.

40 **SECTION 7.** This act becomes effective October 1, 2011, and applies to all rates
41 for electric service established and all service provided by a NCEMPA member city or town on
42 or after that date.