

GENERAL ASSEMBLY OF NORTH CAROLINA
1997 SESSION

S.L. 1997-40
SENATE BILL 38

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 23 voting members as follows:

- (1) Six members of the Senate to be appointed by the President Pro Tempore of the Senate;
- (2) Six 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;
- (6) The Chief Executive Officer of Carolina Power and Light Company or the Chief Executive Officer's designee;
- (7) Two residential consumers of electricity, one to be appointed by the President Pro Tempore of the Senate and one to be appointed by the Speaker of the House of Representatives;
- (8) One commercial consumer of electricity to be appointed by the President Pro Tempore of the Senate;
- (9) Two industrial consumers of electricity, one to be appointed by the Speaker of the House of Representatives and one to be appointed by the President Pro Tempore of the Senate;
- (10) One member of the environmental community to be appointed by the Governor; and
- (11) One person representing a nationwide electric power marketer to be appointed by the Speaker of the House of Representatives.

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

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

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

- (1) Assurance of fairness and equity among all customer classes;
- (2) Reliability of power supply;
- (3) Fair treatment of competing power providers;
- (4) Universal access to electric energy and assignment of responsibility to provide it;
- (5) Reciprocity between states;
- (6) Stranded investment costs and benefits;
- (7) Clarification of State and federal jurisdiction;
- (8) Environmental impact of restructuring;
- (9) Impact of competition on tax revenues;
- (10) Alternative forms of regulation;
- (11) Obligation to serve and the obligation to receive service;
- (12) Ways to eliminate or equalize subsidies and tax preferences;
- (13) Customer choice of electric providers;
- (14) Functional unbundling of electric power generation, transmission, and distribution services;
- (15) Impact of competition on service to low-income consumers;
- (16) Impact of competition on renewable energy, conservation, and efficiency programs;
- (17) Impact of competition on the energy expenditures by State and local government;
- (18) Impact of competition on economic development;
- (19) Impact of competition on municipal electric utilities and rural electric cooperatives;
- (20) Prevention of anticompetitive or discriminatory conduct or the unlawful exercise of market power; and
- (21) Other relevant and appropriate subjects.

Section 3. The Commission may contract for consultant services as provided by G.S. 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional and clerical staff to assist in the

work of the Commission. Clerical staff shall be furnished to the Commission through the offices of the House of Representatives and Senate Supervisors of Clerks. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission. The Commission, while in the discharge of official duties, may exercise all the powers provided under the provisions of G.S. 120-19 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them, and the power to subpoena witnesses.

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

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

Section 4. The Commission shall make a report to the 1998 Regular Session of the 1997 General Assembly, which may contain recommendations, and shall report the results of its study and its recommendations to the 1999 General Assembly. The Commission shall terminate upon filing its final report.

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

In the General Assembly read three times and ratified this the 22nd day of April, 1997.

s/ Dennis A. Wicker
President of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 2:55 p.m. this 30th day of April, 1997