

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 908*

Short Title: Rural Elec. Auth. Fee.

(Public)

Sponsors: Representatives Ethridge, H. Hunter; and Warner.

Referred to: Public Utilities.

April 18, 1991

A BILL TO BE ENTITLED

1 AN ACT TO ESTABLISH REGULATORY FEES FOR ELECTRIC MEMBERSHIP
2 CORPORATIONS AND TELEPHONE MEMBERSHIP CORPORATIONS TO
3 DEFRAID THE COST TO THE NORTH CAROLINA RURAL
4 ELECTRIFICATION AUTHORITY OF REGULATING MEMBERSHIP
5 CORPORATIONS IN THE INTEREST OF THE PUBLIC.

6 The General Assembly of North Carolina enacts:

7 Section 1. Article 1 of Chapter 117 of the General Statutes is amended by
8 adding a new section to read:

9 **"§ 117-3.1. Regulatory fee.**

10 (a) Fee Imposed. It is the public policy of the State of North Carolina to provide
11 fair regulation of electric and telephone membership corporations in the interest of the
12 public. The cost of regulating electric and telephone membership corporations is a
13 burden incident to the privilege of operating as an electric or telephone membership
14 corporation. Therefore, for the purpose of defraying the cost of regulating electric and
15 telephone membership corporations, every electric and telephone membership
16 corporation subject to the jurisdiction of the Authority shall pay an annual regulatory
17 fee, in addition to all other fees and taxes, as provided in this section. The fees collected
18 shall be used only to pay the expenses of the Authority in regulating electric and
19 telephone membership corporations in the interest of the public.

20 (b) Rate.

21 (1) For the 1991-92 fiscal year, the regulatory fee shall be twenty cents
22 (20¢) for each electric membership corporation's North Carolina meter
23 connected for service for each year, and twenty cents (20¢) for each
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1 telephone membership corporation's North Carolina access line
2 connected for service for each year.

3 (2) For fiscal years beginning on or after July 1, 1992, the regulatory fee
4 shall be that established by the General Assembly for each electric
5 membership corporation's North Carolina meter connected for service
6 and each telephone membership corporation's North Carolina access
7 line connected for service for each year.

8 When the Authority prepares its budget request for the upcoming
9 fiscal year, the Authority shall propose a regulatory fee. For fiscal
10 years beginning in an odd-numbered year, that proposed rate shall be
11 included in the budget message the Governor shall submit to the
12 General Assembly. The General Assembly shall set the regulatory fee
13 by law. The regulatory fee may not exceed the amount necessary to
14 generate funds sufficient to defray the estimated cost of the operations
15 of the Authority for the upcoming fiscal year, including a reasonable
16 margin for a reserve fund. The amount of the reserve may not exceed
17 the estimated cost of operating the Authority for the upcoming fiscal
18 year. In calculating the amount of the reserve, the General Assembly
19 shall consider all relevant factors that may affect the cost of operating
20 the Authority or a possible unanticipated increase or decrease in North
21 Carolina electric meters and North Carolina telephone access lines.

22 (c) When Due. The regulatory fee imposed under this section is due and payable
23 to the Authority on or before the fifteenth day of the second month following the
24 effective date of this act. Every electric and telephone membership corporation subject
25 to the regulatory fee shall, on or before the date the fee is due for each year, prepare and
26 render a report on a form prescribed by the Authority. The report shall state the electric
27 or telephone membership corporation's total North Carolina electric meters or North
28 Carolina telephone access lines for the preceding year and shall be accompanied by any
29 supporting documentation that the Authority may by rule require. Receipts shall be
30 reported on an accrual basis.

31 (d) Use of Proceeds. A special fund in the office of the State Treasurer, the
32 North Carolina Rural Electrification Authority Fund, is created. The fees collected
33 pursuant to this section and all other funds received by the Authority shall be deposited
34 in the NCREA Fund. The Fund shall be placed in an interest-bearing account and any
35 interest or other income derived from the Fund shall be credited to the Fund. Moneys in
36 the Fund shall only be spent pursuant to the appropriation by the General Assembly.

37 The Authority Fund shall be subject to the provisions of the Executive Budget Act
38 except that no unexpended surplus of the Fund shall revert to the General Fund. All
39 funds credited to the Authority Fund shall be used only to pay the expenses of the
40 Authority in regulating electric and telephone membership corporations in the interest
41 of the public as provided by this Chapter."

42 Sec. 2. Nothing herein contained shall be construed to obligate the General
43 Assembly to appropriate funds to implement the provisions of this act.

1 Sec. 3. This act becomes effective July 1, 1991, and applies to electric and
2 telephone membership corporations' North Carolina meters and access lines connected
3 on or after that date.