

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 457
Committee Substitute Favorable 6/8/11

Short Title: Municipal Electric Utilities/Rate Hearings. (Public)

Sponsors:

Referred to:

March 24, 2011

A BILL TO BE ENTITLED

AN ACT PROVIDING THAT THE EASTERN JOINT MUNICIPAL POWER AGENCY SHALL HOLD A PUBLIC MEETING PRIOR TO CHANGING RATES AND THE MUNICIPAL ELECTRIC UTILITIES THAT ARE MEMBERS OF THE EASTERN POWER AGENCY SHALL HOLD A PUBLIC HEARING BEFORE CHANGING ELECTRIC RATES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 159B-17 reads as rewritten:

"§ 159B-17. Revenues.

(a) A municipality is hereby authorized to fix, charge and collect rents, rates, fees and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through the facilities of its electric system or its interest in any joint project. A municipality must hold a public hearing prior to taking action to change the rates, fees, or charges authorized under this section. The municipality must provide notice of the hearing to take action to change the rates, fees, or charges, to be published at least once a week for two successive weeks in a newspaper having general circulation in the municipality. The notice must clearly state the public hearing will be held for the purpose of taking action to change the rates, fees, or charges for power and energy and must clearly state the amount of the proposed change. At the hearing, any resident of the municipality may appear and be heard on the proposed change in the rates, fees, or charges. For so long as any bonds of a municipality are outstanding and unpaid, the rents, rates, fees and charges shall be so fixed as to provide revenues sufficient to pay all costs of and charges and expenses in connection with the proper operation and maintenance of its electric system, and its interest in any joint project, and all necessary repairs, replacements or renewals thereof, to pay when due the principal of, premium, if any, and interest on all bonds and other evidences of indebtedness payable from said revenues, to create and maintain reserves as may be required by any resolution or trust agreement authorizing and securing bonds, to pay when due the principal of, premium, if any, and interest on all general obligation bonds heretofore or hereafter issued to finance additions, improvements and betterments to its electric system, and to pay any and all amounts which the municipality may be obligated to pay from said revenues by law or contract.

(b) A joint agency is hereby authorized to fix, charge, and collect rents, rates, fees and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through the facilities of its projects or otherwise as authorized by this Chapter. A joint agency may take action only to change the rates, fees, or charges authorized in this section in a public meeting. The joint agency must provide notice of a meeting to take action to change the rates, fees, or charges to each of the municipalities that is a member of the joint agency prior to a change in the rates, fees, or charges for power and energy and other



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1 services authorized in this section. The joint agency must provide notices of the meeting to be
2 published at least once a week for two successive weeks in newspapers having general
3 circulation in each municipality that is a member of the joint agency. The notice must clearly
4 state the meeting will be held for the purpose of taking action to change the rates, fees, or
5 charges for power and energy and must clearly state the amount of the proposed change. For so
6 long as any bonds of a joint agency are outstanding and unpaid, the rents, rates, fees and
7 charges shall be so fixed as to provide revenues sufficient to pay all costs of and charges and
8 expenses in connection with the proper operation and maintenance of its projects, and all
9 necessary repairs, replacements or renewals thereof, to pay when due the principal of,
10 premium, if any, and interest on all bonds and other evidences of indebtedness payable from
11 said revenues, to create and maintain reserves as may be required by any resolution or trust
12 agreement authorizing and securing bonds, and to pay any and all amounts which the joint
13 agency may be obligated to pay from said revenues by law or contract.

14 (c) Any pledge of revenues, securities or other moneys made by a municipality, joint
15 agency or joint municipal assistance agency pursuant to this Chapter shall be valid and binding
16 from the date the pledge is made. The revenues, securities, and other moneys so pledged and
17 then held or thereafter received by the municipality, joint agency or joint municipal assistance
18 agency or any fiduciary shall immediately be subject to the lien of the pledge without any
19 physical delivery thereof or further act, and the lien of the pledge shall be valid and binding as
20 against all parties having claims of any kind in tort, contract, or otherwise against the
21 municipality, joint agency or joint municipal assistance agency without regard to whether such
22 parties have notice thereof. The resolution or trust agreement or any financing statement,
23 continuation statement or other instrument by which a pledge of revenues, securities or other
24 moneys is created need not be filed or recorded in any manner."

25 **SECTION 2.** This act becomes effective October 1, 2011, and applies to all rates,
26 fees, or charges for electric service provided by the North Carolina Eastern Municipal Power
27 Agency (NCEMPA) or a member city or town of the NCEMPA on or after that date.