

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 908*
Committee Substitute Favorable 5/9/91

Short Title: Rural Elec. Auth. Fee.

(Public)

Sponsors:

Referred to:

April 18, 1991

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH REGULATORY FEES FOR ELECTRIC MEMBERSHIP
CORPORATIONS AND TELEPHONE MEMBERSHIP CORPORATIONS TO
DEFRAY THE COST TO THE NORTH CAROLINA RURAL
ELECTRIFICATION AUTHORITY OF REGULATING MEMBERSHIP
CORPORATIONS IN THE INTEREST OF THE PUBLIC.

The General Assembly of North Carolina enacts:

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

§ 117-3.1. Regulatory fee.

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

(b) Rate.

1. For the 1991-92 fiscal year, the regulatory fee shall be five cents (5¢) for each electric membership corporation's North Carolina meter

1 connected for service for that quarter and five cents (5¢) for each
2 telephone membership corporation's North Carolina access line
3 connected for service for that quarter.

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

9 When the Authority prepares its budget request for the upcoming
10 fiscal year, the Authority shall propose a rate for the regulatory fee.
11 For fiscal years beginning in an odd-numbered year, that proposed rate
12 shall be included in the budget message the Governor submits to the
13 General Assembly pursuant to G.S. 143-11. For fiscal years beginning
14 in an even-numbered year, that proposed rate shall be included in a
15 special budget message the Governor shall submit to the General
16 Assembly. The General Assembly shall set the regulatory fee by law.

17 The regulatory fee may not exceed the amount necessary to
18 generate funds sufficient to defray the estimated cost of the operations
19 of the Authority for the upcoming fiscal year, including a reasonable
20 margin for a reserve fund. The amount of the reserve may not exceed
21 the estimated cost of operating the Authority for the upcoming fiscal
22 year. In calculating the amount of the reserve, the General Assembly
23 shall consider all relevant factors that may affect the cost of operating
24 the Authority or a possible unanticipated increase or decrease in North
25 Carolina electric meters and North Carolina telephone access lines.

26 (c) When Due. The regulatory fee imposed under this section is due and payable
27 to the Authority on or before the 15th day of the second month following the end of
28 each quarter. Every electric and telephone membership corporation subject to the
29 regulatory fee shall, on or before the date the fee is due for each quarter, prepare and
30 render a report on a form prescribed by the Authority. The report shall state the electric
31 or telephone membership corporation's total North Carolina electric meters or North
32 Carolina telephone access lines connected for service for the preceding quarter and shall
33 be accompanied by any supporting documentation that the Authority may by rule
34 require.

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

42 The NCREA Fund shall be subject to the provisions of the Executive Budget Act
43 except that no unexpended surplus of the NCREA Fund shall revert to the General
44 Fund. All funds credited to the NCREA Fund shall be used only to pay the expenses of

1 the Authority in regulating electric and telephone membership corporations in the
2 interest of the public as provided by this Chapter."

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

5 Sec. 3. This act becomes effective July 1, 1991, and shall apply to electric
6 and telephone membership corporation North Carolina meters and access lines
7 connected for service on or after that date.