

provide substantial economic development opportunities to that region and would increase the speed at which gas services will become available to areas in that region which have no such services at present; and

Whereas, a second such pipeline also would make available reliable natural gas service to industries that are located or may locate within the southeastern region of the State; and

Whereas, the introduction of competition between the operators of two interstate pipelines serving North Carolina would result in lower costs to industrial consumers and reduce the risk of service interruptions, and accordingly would be desirable for industry and commerce throughout the whole of North Carolina; and

Whereas, before a second pipeline providing interstate transportation services for deliveries of natural gas into North Carolina can be built, it will be necessary to obtain certain approvals from the Federal Energy Regulatory Commission; and

Whereas, in order for such approvals to be obtained, it will be necessary to demonstrate sufficient commitments for natural gas service to justify an extension of an existing pipeline that presently terminates in Aiken, South Carolina, across the state of South Carolina, through the Counties of Robeson, Columbus, and Brunswick, North Carolina, to end at a point in the County of New Hanover, North Carolina; and

Whereas, the potential customers presently located along the proposed route of this extended interstate pipeline cannot commit to purchase a sufficient quantity of gas to presently justify the extension of the pipeline into North Carolina; and

Whereas, there would be sufficient demand to justify the extension of the pipeline into North Carolina if gas-fired facilities for the generation of electricity, thermal energy, or both, using in the aggregate not less than 100 million cubic feet of natural gas per day were located in one or more of the Counties of Robeson, Columbus, Brunswick, and New Hanover, and if such generation facilities committed to purchase gas transportation services from the extended pipeline; and

Whereas, the timely siting and establishment of such generation facilities and associated facilities for the transmission and delivery of the electric or thermal output of such facilities, or both, would be delayed or prevented if ownership or operation of such facilities, or the sales of the power or thermal output thereof, or both, would cause the owners, lessees, or operators of such facilities to be determined to be a "public utility" within the meaning of Chapter 62 of the General Statutes, or require certification or approval by the North Carolina Utilities Commission; and

Whereas, the proposed extension of the pipeline for natural gas along the proposed route would provide substantial economic benefits throughout southeastern North Carolina by facilitating the attraction of new industry and the expansion of the facilities of existing industries, fostering new employment, and increasing tax bases in that region and revenue taxes for the State as a whole; and

Whereas, the extension of the pipeline along the proposed route at this time could facilitate further extensions of the pipeline in the future into other counties in eastern North Carolina as the need and demand for such services in those areas justifies those extensions; Now, therefore,

1 The General Assembly of North Carolina enacts:

1 Section 1. G.S. 62-3(23) is amended by adding a new sub-subdivision to read:

2 "i. The term 'public utility' shall not include any person or persons
3 owning, leasing, or operating equipment or facilities for
4 producing, generating, transmitting, delivering, or furnishing
5 electric power, thermal energy, or both, for compensation within
6 the Counties of Robeson, Columbus, Brunswick, and New
7 Hanover, nor the making of sales of the electric or thermal output
8 thereof, or both, so long as (i) such generation is fired by natural
9 gas as its primary fuel; (ii) the person or persons owning, leasing,
10 or operating that equipment or facilities provide commitment
11 documents which are filed for the purpose of obtaining necessary
12 approvals from the Federal Energy Regulatory Commission for
13 the extension of an interstate natural gas transportation pipeline
14 through the Counties of Robeson, Columbus, and Brunswick to
15 the County of New Hanover; and (iii) the natural gas which fires
16 that generation is directly or indirectly delivered to those
17 facilities through that pipeline."

18 Sec. 2. G.S. 62-101(c) reads as rewritten:

19 "(c) A certificate is not required for construction of the following lines:

- 20 (1) A line designed to carry less than 161 kilovolts;
- 21 (2) The replacement or expansion of an existing line with a similar line in
22 substantially the same location, or the rebuilding, upgrading, modifying,
23 modernizing, or reconstructing of an existing line for the purpose of
24 increasing capacity or widening an existing right-of-way;
- 25 (3) A transmission line over which the Federal Energy Regulatory
26 Commission has licensing jurisdiction, if the Commission determines
27 that agency has conducted a proceeding substantially equivalent to the
28 proceeding required by this Article;
- 29 (4) Any transmission line for which, before March 6, 1989, a public utility
30 or other person has surveyed a proposed route and, based on that route,
31 has acquired rights-of-way for it by voluntary conveyances or has filed
32 condemnation proceedings for acquiring those rights-of-way which,
33 together, involve twenty-five percent (25%) or more of the total length
34 of the proposed route;
- 35 (5) An electric membership corporation owned transmission line for which
36 the construction or upgrading has had a proceeding conducted which the
37 Commission determines is substantially equivalent to the proceeding
38 required by this Article;
- 39 (6) Any line owned by a municipality to be constructed wholly within the
40 corporate limits of that ~~municipality~~ municipality;
- 41 (7) Any line owned by a person or persons exempt from public utility status
42 under G.S. 62-3(23)i."

43 Sec. 3. G.S. 62-110.1(g) reads as rewritten:

1 "(g) The certification requirements of this section shall not apply to persons who
2 construct an electric generating facility primarily for that person's own use and not for the
3 primary purpose of producing electricity, heat, or steam for sale to or for the public for
4 ~~compensation; compensation, or to persons exempt from public utility status under G.S.~~
5 62-3(23)i.; provided, however, that such persons shall, nevertheless, be required to report
6 to the Utilities Commission the proposed construction of such a facility before beginning
7 construction thereof."

8 Sec. 4. This act is effective upon ratification.