

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1997**

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SENATE BILL 38\*

Corrected Copy 2/4/97

Rules and Operations of the Senate Committee Substitute Adopted 2/12/97

House Committee Substitute Favorable 3/20/97

Short Title: Study Comm./Future of Electric Service.

(Public)

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Sponsors:

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Referred to:

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February 3, 1997

A BILL TO BE ENTITLED

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 24 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;

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

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

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

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

- 34 (1) Assurance of fairness and equity among all customer classes;
- 35 (2) Reliability of power supply;
- 36 (3) Fair treatment of competing power providers;
- 37 (4) Universal access to electric energy and assignment of responsibility to  
38 provide it;
- 39 (5) Reciprocity between states;
- 40 (6) Stranded investment costs and benefits;
- 41 (7) Clarification of State and federal jurisdiction;
- 42 (8) Environmental impact of restructuring;
- 43 (9) Impact of competition on tax revenues;

- 1 (10) Alternative forms of regulation;
- 2 (11) Obligation to serve and the obligation to receive service;
- 3 (12) Ways to eliminate or equalize subsidies and tax preferences;
- 4 (13) Customer choice of electric providers;
- 5 (14) Functional unbundling of electric power generation, transmission, and
- 6 distribution services;
- 7 (15) Impact of competition on service to low-income consumers;
- 8 (16) Impact of competition on renewable energy, conservation, and
- 9 efficiency programs;
- 10 (17) Impact of competition on the energy expenditures by State and local
- 11 government;
- 12 (18) Impact of competition on economic development;
- 13 (19) Impact of competition on municipal electric utilities and rural electric
- 14 cooperatives;
- 15 (20) Prevention of anticompetitive or discriminatory conduct or the unlawful
- 16 exercise of market power; and
- 17 (21) Other relevant and appropriate subjects.

18 Section 3. The Commission may contract for consultant services as provided  
19 by G.S. 120-32.02. Upon approval of the Legislative Services Commission, the  
20 Legislative Services Officer shall assign professional and clerical staff to assist in the  
21 work of the Commission. Clerical staff shall be furnished to the Commission through the  
22 offices of the House of Representatives and Senate Supervisors of Clerks. The  
23 Commission may meet in the Legislative Building or the Legislative Office Building  
24 upon the approval of the Legislative Services Commission. The Commission, while in  
25 the discharge of official duties, may exercise all the powers provided under the provisions  
26 of G.S. 120-19 through G.S. 120-19.4, including the power to request all officers, agents,  
27 agencies, and departments of the State to provide any information, data, or documents  
28 within their possession, ascertainable from their records, or otherwise available to them,  
29 and the power to subpoena witnesses.

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

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

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

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