

ADOPTED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 385

AMENDMENT NO. A2
(to be filled in by
Principal Clerk)

H385-ARIf-94 [v.1]

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Amends Title [NO]
Third Edition

Date _____, 2024

Senator P. Newton

1 moves to amend the bill on page 16, lines 39 through 40,
2 by inserting between those lines:

3
4 **"PART XVIII. RURAL ELECTRIFICATION AUTHORITY/FEE UPDATE**

5
6 **SECTION 18.1.(a)** G.S. 117-3 reads as rewritten:

7 **"§ 117-3. Authority not granted power to fix rates or order line extensions; right of**
8 **suggestion and petition.**

9 ~~The Except as provided in G.S. 117-3.1(b), the Authority~~ itself shall not be a rate-making
10 body, and shall have no power to fix the rates or service charges, or to order the extension of
11 lines by the power companies. ~~The Except as provided in G.S. 117-3.1(b), the~~ function of making
12 rates and service charges and orders for the extension of lines shall remain in the Utilities
13 Commission of North Carolina, and the Authority shall only have the right of suggestion and
14 petition to the Utilities Commission of its opinion as to the proper rates and service charges and
15 line extensions, and no rate recommended or suggested by the Authority shall be effective until
16 approved by the Utilities Commission: Provided, that if the Utilities Commission of North
17 Carolina does not have the right under the existing law to fix service charges in addition to the
18 rates prescribed for electrical energy, and the power to order line extensions, such power and
19 authority is hereby granted the Utilities Commission of North Carolina to fix and promulgate
20 service charges in addition to rates in any community which avails itself of this Article, and form
21 a corporation authorized hereunder to be known as electric membership corporation, and to order
22 line extensions when it shall determine that the same is proper and feasible."

23 **SECTION 18.1.(b)** G.S. 117-3.1 reads as rewritten:

24 **"§ 117-3.1. Regulatory fee.**

25 ...

26 (b) Rate. – For each fiscal year, year in which the General Assembly does not establish a
27 rate, the regulatory fee shall be the greater of the following:

- 28 (1) ~~The rate established by the General Assembly for that year for each electric~~
29 ~~membership corporation's North Carolina meter connected for service and~~
30 ~~each telephone membership corporation's North Carolina access line~~
31 ~~connected for service for each quarter of the year.~~



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(2) ~~Four cents (4¢) rate proposed by the Authority in accordance with this subsection, which shall not be more than six cents (6¢) for each electric membership corporation's North Carolina meter connected for service and for each telephone membership corporation's North Carolina access line connected for service for each quarter of the year.~~

When the Authority prepares its budget request for the upcoming fiscal year, the Authority shall propose a rate for the regulatory fee. For fiscal years beginning in an odd-numbered year, that proposed rate shall be included in the budget message the Governor submits to the General Assembly pursuant to G.S. 143C-3-5. For fiscal years beginning in an even-numbered year, that proposed rate shall be included in a special budget message the Governor shall submit to the General Assembly. ~~If the General Assembly decides to set the regulatory fee at a rate higher than the rate in subdivision (2) of this subsection, it shall set the regulatory fee by law.~~

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

....".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

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