

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE DRH30088-LM-19 (02/02)

Short Title: Electric Cities/Uses of Rate Revenue.

(Public)

Sponsors: Representatives Daughtry and Wainwright (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT PROVIDING THAT A MUNICIPALITY OWNING OR OPERATING A MUNICIPAL ELECTRIC SYSTEM SHALL USE REVENUE DERIVED FROM RATES FOR ELECTRIC SERVICE FOR PAYING THE COSTS OF OPERATING THE ELECTRIC SYSTEM AND MAKING DEBT SERVICE PAYMENTS AND SHALL USE EXCESS REVENUE FOR LOWERING RATES, MAKING ADDITIONAL DEBT SERVICE PAYMENTS, AND REDUCING THE MUNICIPALITY'S COMMITMENT UNDER CONTRACTUAL OBLIGATIONS TO A JOINT MUNICIPAL POWER AGENCY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 16 of Chapter 160A of the General Statutes is amended by adding a new section to read as follows:

"§ 160A-323.1. Permitted uses of revenue from electric power rates.

Any municipality owning or operating a municipal electric system as authorized in G.S. 160A-311(a), including a municipality that is a member of a joint municipal power agency as defined in G.S. 159-41, shall use revenue derived from rates for electric service for the purpose of paying the costs of operating the electric system and making debt service payments. Any revenue remaining shall be used to lower rates on electric service within the area served by the municipal electric system, to make additional debt service payments, or to reduce the municipality's commitment under contractual obligations to a joint municipal power agency. A municipality shall not transfer revenue from an electricity utility fund to any other fund of the municipality for any purpose unless explicitly authorized by law."

SECTION 2. This act becomes effective July 1, 2011.



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