

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1166

Short Title: Expand Utilities Comm. Auth.

(Public)

Sponsors: Representative G. Miller.

Referred to: Public Utilities.

April 19, 1993

A BILL TO BE ENTITLED

AN ACT TO EXPAND THE AUTHORITY OF THE UTILITIES COMMISSION
REGARDING REGULATION OF TELECOMMUNICATIONS SERVICES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 62-2 reads as rewritten:

"§ 62-2. Declaration of policy.

Upon investigation, it has been determined that the rates, services and operations of public utilities as defined herein, are affected with the public interest and that the availability of an adequate and reliable supply of electric power and natural gas to the people, economy and government of North Carolina is a matter of public policy. It is hereby declared to be the policy of the State of North Carolina:

- (1) To provide fair regulation of public utilities in the interest of the public;
- (2) To promote the inherent advantage of regulated public utilities;
- (3) To promote adequate, reliable and economical utility service to all of the citizens and residents of the State;
- (3a) To assure that resources necessary to meet future growth through the provision of adequate, reliable utility service include use of the entire spectrum of demand-side options, including but not limited to conservation, load management and efficiency programs, as additional sources of energy supply and/or energy demand reductions. To that end, to require energy planning and fixing of rates in a manner to result in the least cost mix of generation and demand-reduction measures which is achievable, including consideration of appropriate

- 1 rewards to utilities for efficiency and conservation which decrease
2 utility bills.
- 3 (4) To provide just and reasonable rates and charges for public utility
4 services without unjust discrimination, undue preferences or
5 advantages, or unfair or destructive competitive practices and
6 consistent with long-term management and conservation of energy
7 resources by avoiding wasteful, uneconomic and inefficient uses of
8 energy;
- 9 (4a) To assure that facilities necessary to meet future growth can be
10 financed by the utilities operating in this State on terms which are
11 reasonable and fair to both the customers and existing investors of
12 such utilities; and to that end to authorize fixing of rates in such a
13 manner as to result in lower costs of new facilities and lower rates over
14 the operating lives of such new facilities by making provisions in the
15 rate-making process for the investment of public utilities in plant under
16 construction;
- 17 (5) To encourage and promote harmony between public utilities, their
18 users and the environment;
- 19 (6) To foster the continued service of public utilities on a well-planned
20 and coordinated basis that is consistent with the level of energy needed
21 for the protection of public health and safety and for the promotion of
22 the general welfare as expressed in the State energy policy;
- 23 (7) To seek to adjust the rate of growth of regulated energy supply
24 facilities serving the State to the policy requirements of statewide
25 development; and
- 26 (8) To cooperate with other states and with the federal government in
27 promoting and coordinating interstate and intrastate public utility
28 service and reliability of public utility energy supply.
- 29 (9) To facilitate the construction of facilities in and the extension of
30 natural gas service to unserved areas in order to promote the public
31 welfare throughout the State and to that end to authorize the creation
32 of an expansion fund for each natural gas local distribution company to
33 be administered under the supervision of the North Carolina Utilities
34 Commission.

35 To these ends, therefore, authority shall be vested in the North Carolina Utilities
36 Commission to regulate public utilities generally, their rates, services and operations,
37 and their expansion in relation to long-term energy conservation and management
38 policies and statewide development requirements, and in the manner and in accordance
39 with the policies set forth in this Chapter. Nothing in this Chapter shall be construed to
40 imply any extension of Utilities Commission regulatory jurisdiction over any industry
41 or enterprise that is not subject to the regulatory jurisdiction of said Commission.

42 Because of technological changes in the equipment and facilities now available and
43 needed to provide telephone and telecommunications services, changes in regulatory
44 policies by the federal government, and changes resulting from the court-ordered

1 divestiture of the American Telephone and Telegraph Company, competitive offerings
2 of certain types of telephone and telecommunications services may be in the public
3 interest. Consequently, authority shall be vested in the North Carolina Utilities
4 Commission to allow competitive offerings of long distance services by public utilities
5 defined in G.S. 62-3(23)a.6. and certified in accordance with the provisions of G.S. 62-
6 110.

7 The policy and authority stated in this section shall be applicable to common carriers
8 of passengers by motor vehicle and their regulation by the North Carolina Utilities
9 Commission only to the extent that they are consistent with the provisions of the Bus
10 Regulatory Reform Act of 1985.

11 The North Carolina Utilities Commission may develop regulatory policies to govern
12 the provision of telecommunications services to the public which promote efficiency,
13 technological innovation, economic growth, make available all telecommunications
14 services to enhance education, and permit telecommunications utilities a reasonable
15 opportunity to compete in an emerging competitive environment, giving due regard to
16 consumers, stockholders, and maintenance of reasonably affordable local exchange
17 service and long distance service."

18 Sec. 2. This act is effective upon ratification.