

March 17, 1999

H 476. EMC SUBSIDIARIES. CONCERNING THE GRANT OF POWERS TO ELECTRIC MEMBERSHIP CORPORATIONS REGARDING SUBSIDIARY ORGANIZATIONS. Amends GS 117-18 to add to the list of specified powers of electric membership corporations the power to form, operate, and own (any interest up to full interest) business entities engaged in any lawful activities, whether or not those activities are among the authorized corporate purposes of electric membership corporations, so long as the business entities (1) are not financed with loans from the Rural Utilities Services of the US Dep't of Agriculture (unless such loans are specifically authorized by federal law), and (2) are subject to all taxes, specifically including federal and state income taxes, levied against such business entities.

Intro. by Tolson.

Ref. to Public Utilities

GS 117

April 26, 1999

H 476. EMC SUBSIDIARIES. Intro. 3/17/99. House committee substitute makes the following changes to 1st edition. Rewrites bill's new GS 117-18(14) so it now authorizes electric membership corporations to form, organize, acquire, hold, dispose of, and operate any interest (up to and including full controlling interest) in separate business entities that provide energy services and products, telecommunications services and products, water, and wastewater collection and treatment, so long as those other business entities (i) are not financed with loans or grants from the US Dep't of Agriculture (this limitation does not apply for water or wastewater collection and treatment projects) and (ii) are subject to all taxes, specifically including federal and state income taxes, levied against business entities of the same structure and engaged in the same activities, (iii) do not use any personnel, equipment, or property of the electric membership corporation, (iv) are organized and operated pursuant to GS Ch. 55 or 57C, and (v) do not encumber or expose to liability more than 15% of the assets of the electric membership corporation. Provides that electric membership corporations may not form or organize a business entity to engage in distribution, storage, or sale of oil (specifically including liquefied petroleum gases), but may acquire, hold, dispose of, and operate any interest in an existing business entity already engaged in those activities.

May 26, 1999

H 476. EMC SUBSIDIARIES. Intro. 03/17/99. Senate committee substitute makes the following changes to 2nd edition. Recodifies provision permitting subsidiary business activities as new GS 117.18.1. Permits subsidiary of electric membership corporation (EMC) to use personnel, services, equipment, or tangible and intangible property of EMC if subsidiary compensates the EMC the greater of a competitive price or the EMC's fully distributed costs in providing the personnel, services, or property. Authorizes the NC Utilities Commission, upon complaint, to adjust charges to comply with the reimbursement provision, and to order an EMC that does not comply with the Commission's directive to divest its interest in the subsidiary. Subsidiary may not receive from EMC any investment, loan, guarantee, or pledge of assets in an amount that exceeds 10% (was, 15%) of the assets of the EMC. No director of an EMC or director's spouse may be employed or have a financial interest in any subsidiary of an EMC. Adds to GS 62-302 a provision imposing an annual regulatory fee, in an amount set by the General Assembly, to be paid by the NC Electric Membership Corporation to the NC Utilities Comm'n to defray costs of regulating EMCs.

June 2, 1999

H 476. EMC SUBSIDIARIES. Intro. 3/17/99. Senate amendment makes the following changes to 3rd edition. Directs each North Carolina electrical membership corporation to report minority representation on its board and in its workforce to the NC Ass'n of Electrical Cooperatives. Requires Ass'n to make an interim report to the Joint Legislative Comm'n on Governmental Operations on minority representation on the boards and work forces of electrical membership corporations two years after this act becomes law, and make a final report four years after the act becomes law.

