

Allocations from the Contingency & Emergency Account

Report to the Joint Legislative Commission
On Governmental Operations

Office of State Budget and Management

April 15-16, 2008

Reporting Allocations from the Contingency & Emergency Account

1) Legal Services for State of North Carolina v. Tennessee Valley Authority ---- \$779,494.99

As provided under G.S. 147-17 and on the advice of the Department of Justice, the firms of the Ayres Group and the Resolution Law Group, P.C., two firms with specialized expertise, have been engaged to assist the Attorney General's Office.

The Attorney General's Office has concluded that pollution released into the air by power plants controlled by the Tennessee Valley Authority (TVA) is causing significant negative impacts on air quality in North Carolina. Litigation against TVA is necessary to force a reduction of these emissions and protect the citizens of this State from the effects of this pollution. Because of the specialized nature of air quality litigation, TVA's resources, and the likelihood that multiple out-of-state lawsuits will be required, the Attorney General's Office has concluded that it is impracticable for their office to effectively represent the State in this litigation without the assistance of private legal counsel.

This request for \$779,494.99 is to pay for legal services provided as follows.

Ayres Law Group (9/1/07 through 11/30/07)	\$ 19,609.85
Resolution Law Group, P.C. (7/1/07 through 10/31/07)	759,885.14
Total Current Invoices:	<u>\$779,494.99</u>

The Council of State has previously approved allotments totaling \$728,889.22 for legal fees pertaining to this case. This request was approved by the Council of State at their meeting of March 4, 2008.

2) Superior Court Award- Award of Compensation to Claimant Pursuant to the case of Ashley Stephenson, et al., v. Gary Bartlett, et al. No. 04-CVS-60 - \$29,464.65

A request for payment from the Contingency and Emergency Fund was received from the N. C. Department of Justice for costs awarded to plaintiffs by order file stamped November 19, 2004, and signed by the Honorable Robert H. Hobgood, Superior Court Judge Presiding, in connection with the case of Ashley Stephenson, et al., v. Gary Bartlett, et al. The source of funds is determined by G.S. § 143C-4-4; approval of the Council of State is not required. The request was processed by OSBM on March 5, 2008