

Senate Bill 422

By: Senators Dixon of the 45th, Gooch of the 51st, Summers of the 13th, Kirkpatrick of the 32nd, Esteves of the 6th and others

AS PASSED

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 46 of the Official Code of Georgia Annotated, relating to public utilities and
2 public transportation, so as to modify the percentage limitation as to the amount of the
3 investments an electric membership corporation may make and maintain in a gas affiliate;
4 to require an electric membership corporation to disclose certain transactions and other
5 information to its members within a certain time frame, if such electric membership
6 corporation exceeds a specific percentage amount of investments in a gas affiliate; to provide
7 for related matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Title 46 of the Official Code of Georgia Annotated, relating to public utilities and public
11 transportation, is amended by revising Code Section 46-4-164, relating to construction of
12 article, electric membership corporations and EMC gas affiliates, and liquefied petroleum
13 gas, as follows:

14 "46-4-164.

15 (a) Nothing in this article shall be deemed to apply or impose requirements not otherwise
16 existing on gas distribution companies owned by any county, municipality, other political

17 subdivision, or governmental authority of this state; nor are the provisions of this article
18 intended to increase or decrease the authority and jurisdiction of the commission with
19 respect to the distribution, sale, or transportation of gas by any county, municipality, other
20 political subdivision, or governmental authority of this state. Nothing in this article shall
21 be construed to limit or otherwise affect the existing powers of municipal corporations or
22 other political subdivisions of this state relating to the granting of franchises or the levying
23 or imposition of taxes, fees, or charges.

24 (b) Notwithstanding any provision of law to the contrary, including, without limitation,
25 Article 4 of Chapter 3 of this title, an electric membership corporation may make and
26 maintain investments in, lend funds to, and guarantee the debts and obligations of an EMC
27 gas affiliate in total not to exceed ~~15~~ 25 percent of such electric membership corporation's
28 net utility plant, excluding electric generation and transmission assets as defined by the
29 Federal Energy Regulatory Commission Uniform System of Accounts in effect at the time
30 of such investment, loan, or guarantee, provided that any such investments or loans shall
31 not reflect rates which are generally available through the use of any tax exempt financing
32 and may not be tied to any loans from or guaranteed by the federal or state government;
33 and an EMC gas affiliate of an electric membership corporation organized and operating
34 pursuant to Article 4 of Chapter 3 of this title may apply for and be granted a certificate of
35 authority to provide any service as authorized under this article. The creation,
36 capitalization, or provision of management for:

37 (1) An EMC gas affiliate engaged in activities subject to the provisions of this article and
38 the rules and regulations established by the commission; or

39 (2) Other persons providing customer services

40 shall be deemed to be among the purposes of an electric membership corporation as
41 specified in paragraphs (2) and (3) of Code Section 46-3-200. Nothing in this article shall
42 be deemed to increase or decrease the authority and jurisdiction of the commission with
43 respect to such electric membership corporation except as to gas activities undertaken by

44 the electric membership corporation or its EMC gas affiliate as authorized under this
45 chapter.

46 (c) Within six months following any transaction that causes an electric membership
47 corporation to have more than 15 percent of its net utility plant invested in, lent to, or
48 secured for the benefit of its EMC gas affiliate, excluding electric generation and
49 transmission assets as defined by the Federal Energy Regulatory Commission Uniform
50 System of Accounts, such electric membership corporation shall disclose to its members:

51 (1) A description of the assets or interests acquired in the transaction;

52 (2) The date of such transaction;

53 (3) A description of any assets pledged by the electric membership corporation to secure
54 a loan or other funding in connection with such transaction;

55 (4) The total amount of the electric membership corporation's assets, debts, and
56 obligations, and those of the EMC gas affiliate; and

57 (5) The total amount of the electric membership corporation's electric generation and
58 transmission assets as defined by the Federal Energy Regulatory Commission Uniform
59 System of Accounts.

60 ~~(c)~~(d) Nothing in this article shall be construed to allow or authorize an electing
61 distribution company, a certificated marketer, or a regulated provider of natural gas to
62 engage in the production, transportation, marketing, or distribution of liquefied petroleum
63 gas; provided, however, that nothing in this article shall be construed to prohibit an electing
64 distribution company from using liquefied petroleum gas to provide for system balancing
65 and peaking services for its distribution system."

66 **SECTION 2.**

67 All laws and parts of laws in conflict with this Act are repealed.