

The Senate Committee on Regulated Industries and Utilities offered the following substitute to SB 422:

A BILL TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 46 of the Official Code of Georgia Annotated, relating to public utilities and public transportation, is amended by adding a new Code section to read as follows:

"46-3-402.

(a) An electric membership corporation shall timely disclose to its members the direct acquisition of all or part of another entity via purchasing an ownership interest in such entity or an indirect acquisition through the purchasing of its assets. Timely disclosure shall mean within six months of the acquisition. Such disclosure shall include, at a minimum:

17 (1) A description of the asset or interest acquired;

18 (2) The date of acquisition;

19 (3) The consideration given for such acquisition;

20 (4) The identification of any assets pledged by the electric membership corporation to
21 secure a loan or other funding that forms all or a portion of the consideration pledged to
22 secure such loan or other funding;

23 (5) The total amount of the electric membership corporation's assets, debts, and
24 obligations and those of its gas subsidiaries;

25 (6) The total amount of the electric membership corporation's electric generation and
26 transmission assets as defined by the Federal Energy Regulatory Commission Uniform
27 System of Accounts; and

28 (7) The percentage of the electric membership corporation's net utility plant used for the
29 purposes described in subsection (b) of Code Section 46-4-164.

30 (b) An electric membership corporation shall disclose to it members the annual cost of gas
31 in aggregate that it sells. Such disclosure shall be made on an annual basis."

32 **SECTION 2.**

33 Said title is further amended by amended by revising subsection (b) of Code Section
34 46-4-164, relating to construction of article, electric membership corporations and EMC gas
35 affiliates, and liquefied petroleum gas, as follows:

36 "(b) Notwithstanding any provision of law to the contrary, including, without limitation,
37 Article 4 of Chapter 3 of this title, an electric membership corporation may make and
38 maintain investments in, lend funds to, and guarantee the debts and obligations of an EMC
39 gas affiliate in total not to exceed ~~15~~ 25 percent of such electric membership corporation's
40 net utility plant, excluding electric generation and transmission assets as defined by the
41 Federal Energy Regulatory Commission Uniform System of Accounts in effect at the time
42 of such investment, loan, or guarantee, provided that any such investments or loans shall

not reflect rates which are generally available through the use of any tax exempt financing and may not be tied to any loans from or guaranteed by the federal or state government; and an EMC gas affiliate of an electric membership corporation organized and operating pursuant to Article 4 of Chapter 3 of this title may apply for and be granted a certificate of authority to provide any service as authorized under this article. The creation, capitalization, or provision of management for:

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

(2) Other persons providing customer services

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

SECTION 3.

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