

The Senate Committee on Regulated Industries and Utilities offered the following substitute to SB 256:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 4 of Title 46 of the Official Code of Georgia Annotated, relating to
2 distribution, storage, and sale of gas, so as to revise provisions concerning required
3 disclosures of electric membership corporations; to provide for related matters; to repeal
4 conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Chapter 4 of Title 46 of the Official Code of Georgia Annotated, relating to distribution,
8 storage, and the sale of gas, is amended by revising Code Section 46-4-164, relating to
9 construction of article, electric membership corporations and EMC gas affiliates, disclosure
10 requirements, and liquefied petroleum gas, as follows:

11 "46-4-164.

12 (a) Nothing in this article shall be deemed to apply or impose requirements not otherwise
13 existing on gas distribution companies owned by any county, municipality, other political
14 subdivision, or governmental authority of this state; nor are the provisions of this article
15 intended to increase or decrease the authority and jurisdiction of the commission with
16 respect to the distribution, sale, or transportation of gas by any county, municipality, other

17 political subdivision, or governmental authority of this state. Nothing in this article shall
18 be construed to limit or otherwise affect the existing powers of municipal corporations or
19 other political subdivisions of this state relating to the granting of franchises or the levying
20 or imposition of taxes, fees, or charges.

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

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

36 (2) Other persons providing customer services

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

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

- 48 (1) A description of the assets or interests acquired in the transaction;
49 (2) The date of such transaction;
50 (3) The identification ~~A description~~ of any assets pledged by the electric membership
51 corporation to secure a loan or other funding in connection with such transaction that
52 forms all or a portion of the assets pledged to secure such loan or other funding;
53 (4) The total amount of the electric membership corporation's assets, debts, and
54 obligations, and those of the EMC gas affiliate; ~~and~~
55 (5) The total amount of the electric membership corporation's electric generation and
56 transmission assets as defined by the Federal Energy Regulatory Commission Uniform
57 System of Accounts; and
58 (6) The percentage of the electric membership corporation's net utility plant used for the
59 purposes described in subsection (b) of this Code section.

60 (d) An electric membership corporation that has more than 15 percent net utility plant
61 invested in, lent to, or secured for the benefit of its EMC gas affiliate, excluding electric
62 generation and transmission assets as defined by the Federal Energy Regulatory
63 Commission Uniform System of Accounts, shall disclose to its members the annual cost
64 of gas in aggregate that it sells. Such disclosure shall be made on an annual basis.

65 (e) Nothing in this article shall be construed to allow or authorize an electing distribution
66 company, a certificated marketer, or a regulated provider of natural gas to engage in the
67 production, transportation, marketing, or distribution of liquefied petroleum gas; provided,
68 however, that nothing in this article shall be construed to prohibit an electing distribution

69 company from using liquefied petroleum gas to provide for system balancing and peaking
70 services for its distribution system."

71 **SECTION 2.**

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