

### **R6-83 STRUCTURE AND ADMINISTRATION OF EXPANSION FUNDS**

(a) Upon the establishment of a fund for a petitioning LDC, a special fund in an interest-bearing account shall be created in the office of the State Treasurer to be funded as provided in G.S. 62-158. Any interest or other income derived from the fund shall be credited to the Fund.

(b) After public notice and hearing as provided in Rule R6-82, the Commission may, for an LDC for which a Fund is being or has been established,

- (1) order that refunds from the LDC's suppliers of natural gas and transportation services be placed in the Fund;
- (2) approve an expansion surcharge in accordance with G.S. 62-158(b) to be charged, by separate line item on bills, to all customers purchasing natural gas or transportation service throughout that LDC's franchised territory for service rendered after approval, such surcharge to remain in effect until further order of the Commission, and order the LDC to deposit proceeds collected from such surcharge in the Fund; or
- (3) approve other sources of funding proposed by the LDC in its petition.

(c) Monies received from approved sources of funding shall be remitted to the Commission, as follows:

- (1) Refunds ordered to be placed in the LDC's Fund shall be remitted plus interest to the Commission within ten (10) days of the Commission's order or upon receipt of such refunds.
- (2) Expansion surcharges billed shall be recorded on the books of the LDC in a separate accounts-payable account by customer class prior to their transfer to the Commission. The balance in this account shall be remitted to the Commission by the 20th day of the month following the month in which the surcharges are billed. If surcharges billed are uncollected, such uncollected amount shall be treated as natural gas bad debt losses for ratemaking purposes. To the extent the LDC negotiates a price lower than the tariff rate, any discount will be applied first to the expansion fund surcharge. The amount of the surcharge forfeited due to negotiations shall not be recoverable from the LDC nor shall it be considered a "negotiated loss" for the purpose of the LDC's deferred account.
- (3) Other sources of funding shall be remitted as ordered by the Commission when such sources are approved and when the funds become available to the LDC.

(d) The refunds ordered to be placed in an LDC's Fund, surcharges collected by each LDC pursuant to G.S. 62-158, and any other approved funding shall be deposited in the fund established for that LDC.

(e) The LDC may, at any time, based upon changes in circumstances, request changes in the nature or magnitude of the funding previously approved. If the Commission finds that the request involves a material change in funding, the Commission shall provide for appropriate notice and shall afford an opportunity for review and comment by interested parties. The Commission shall set the request for hearing if it deems it appropriate.

(f) Upon petition for the dissolution of a Fund, the Commission shall consider the status of service in the affected LDC's territory, the feasibility of further expansion and other relevant factors consistent with the intent of G.S. 62-158 and G.S. 62-2(9). Upon dissolution, the affected LDC shall file a final accounting for the Fund. Any monies remaining in the Fund at the time of dissolution shall be refunded to the rate classes that contributed them pursuant to Commission order.

(NCUC Docket No. G-100, Sub 57, 4/9/92.)