

R6-82 ESTABLISHMENT OF EXPANSION FUNDS

(a) Upon petition by an LDC, the Commission may, after a hearing, order the establishment of a special Natural Gas Expansion Fund (Fund) to be used by the petitioning LDC to construct facilities into unserved areas in that LDC's franchised territory that otherwise would be economically infeasible.

(b) Any petition for the establishment of a Fund shall include a showing that there are unserved areas in the LDC's franchised territory and that expansion of natural gas facilities to such areas is economically infeasible. In its petition for the establishment of a Fund, an LDC shall request the Commission to authorize appropriate funding and show the following:

- (1) If approval for the application of supplier refunds to the Fund is sought, the amount of the refunds the LDC has received or which it expects to receive and when it expects to receive them, to the extent then known or reasonably capable of estimation.
- (2) If an expansion surcharge is requested, the amount which the LDC estimates the requested surcharge will generate over periods of one year and three years.

(c) The Commission shall order the petitioning LDC to publish a notice of the petition and the request for funding in a form approved by the Commission. If an expansion surcharge or application of supplier refunds is requested, the Commission shall require the petitioning LDC to mail an approved notice to each of its customers.

(d) In determining the establishment of a fund and the sources and magnitude of the initial funding, the Commission will consider the LDC's showing that expanding to serve unserved areas is economically infeasible and such other factors as the Commission deems reasonable and consistent with the intent of G.S. 62-158 and G.S. 62-2(9). Before ordering the establishment of a fund, the Commission must find that it is in the public interest to do so. Upon the establishment of a fund, the Commission shall provide for appropriate notice of its decision.

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