

R12-15 BILL INSERTS FOR ELECTRIC AND NATURAL GAS UTILITIES

(a) Each electric and natural gas utility shall maintain records and accountings adequate to identify all costs and expenses reasonably allocable to the preparation, printing and distribution (including any incremental mailing, handling, and distribution costs) of each bill insert other than bill inserts constituting one or more of the classes of advertising described in Rule R12-12(d). Such records and accountings, together with copies of the bill insert to which they relate, shall be retained by the public utility for a period of at least three years from the date on which the bill insert was last disseminated by the public utility and shall be subject to inspection by members of the Commission, the Commission Staff, and the Public Staff.

(b) In ascertaining reasonable operating expenses pursuant to G.S. 62-133, no electric or natural gas utility shall be permitted to recover from its ratepayers any direct expenditure made by such utility which is specifically identifiable with the preparation, printing, and distribution of bill inserts containing political or promotional advertising as defined in Rule R12-12 or other nonutility advertising. Nor shall any of the incremental or additional mailing, handling, and distribution costs incurred in conjunction with the preparation, printing, and distribution of political, promotional, or nonutility bill inserts be charged to the ratepayers of the public utility distributing such bill inserts. Such direct and incremental costs are not properly includable as a just and reasonable operating expense of an electric or natural gas utility and shall be assigned to a nonoperating (or nonutility) expense account or accounts when incurred.

(c) Nothing in this rule shall preclude the Commission from examining and determining, on a case-by-case basis, the extent to which any portion of the joint mailing, handling, and distribution costs incurred by an electric or natural gas utility in conjunction with the preparation, printing, and distribution of political, promotional, or nonutility bill inserts should be excluded as an operating expense of the utility disseminating such bill inserts. Nor shall the Commission be precluded from determining, on a case-by-case basis, the extent to which any portion of the costs incurred in conjunction with the preparation, printing, and distribution of bill inserts of a type other than that which may be defined as political, promotional, or nonutility in nature may have exceeded a reasonable level or amount for rate-making purposes.

(d) Bill inserts containing either political or promotional advertisements as defined by Rule R12-12 or other nonutility advertisements shall be accompanied by the following statement or a statement substantially to the following effect:

THIS MESSAGE IS NOT PAID FOR BY THE CUSTOMERS OF (the electric or natural gas utility distributing the bill insert).

This statement shall be so located and of such size so as to be readily visible to those individuals who may be exposed to the bill insert.

(NCUC Docket No. M-100, Sub 80, 10/14/80; 10/31/80.)