~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

January 19, 2010

**S. 1022**

Introduced by Senators Hayes, Mulvaney and Peeler

L. Printed 1/19/10--H.

Read the first time January 19, 2010.

**THE YORK DELEGATION**

To whom was referred a Bill (S. 1022) to amend Act 959 of 1954, as amended, relating to the creation of the York County Natural Gas Authority, so as to allow it to connect to any source, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

DENNIS C. MOSS for Committee.

**A** **BILL**

TO AMEND ACT 959 OF 1954, AS AMENDED, RELATING TO THE CREATION OF THE YORK COUNTY NATURAL GAS AUTHORITY, SO AS TO ALLOW IT TO CONNECT TO ANY SOURCE OF NATURAL GAS AND TO INCREASE ITS POWERS TO ALLOW, AMONG OTHER THINGS, THE PURCHASE AND SALE OF THE TOWN OF BLACKSBURG’S NATURAL GAS SYSTEM.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. The General Assembly finds:

(A) The York County Natural Gas Authority (authority) was created pursuant to Act 959 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1954, as last amended by Act 20 of 1997.

(B) Before this time, the authority’s service area included all of York County and certain portions in northeast Cherokee County to the centerline of the Transcontinental Pipeline.

(C) The Town of Blacksburg operates a natural gas system but determined that it does not have sufficient resources to construct all of the transmission or distribution lines which are needed to serve the northeastern portion of Cherokee County.

(D) Given the small size of its system, increasing competition, and increasing costs, the Town of Blacksburg is not able to provide natural gas service to its citizens as economically as could the authority.

(E) The authority offered to purchase all of the Town of Blacksburg’s natural gas system, but before the sale, conveyance, or disposal of the property could occur, the qualified registered electors of the Town of Blacksburg were required to approve a sale, pursuant to Chapter 31, Title 5, Code of Laws of South Carolina, 1976, as amended.

(F) In compliance with statutory requirements, an election was held on November 4, 2008, where a majority of the voters authorized the Blacksburg Town Council to sell, convey, or otherwise dispose of all or part of the Town of Blacksburg’s natural gas system to the authority upon the terms and conditions as approved by town council.

(G) However, before this time the authority was not authorized to own or operate the Town of Blacksburg’s natural gas system.

(H) In order to augment and increase the authority’s function and powers so that the authority may better provide natural gas to its customers in York County and the northeastern portion of Cherokee County and after this time to include customers served by the Town of Blacksburg, the General Assembly has determined that the authority’s enabling legislation should be amended as provided for in Section 2 of this act.

SECTION 2. Sections 1 and 2 of Act 959 of 1954, as last amended by Act 193 of 1995, are further amended to read:

“Section 1. ~~There is created a body corporate and politic of perpetual succession to be known as the York County Natural Gas Authority (referred to in this act as the authority) subject to the provisions provided in Section 2 of this act. It is the function of the authority to purchase, lease, acquire, build, construct, maintain, and operate natural gas distribution systems within the service area defined in this act and such transmission lines as may be necessary to transport natural gas to the distribution systems from the transmission lines owned by South Carolina Pipeline Company or other sources from which natural gas may become available after the effective date of this act. The authority may furnish, transport, and distribute natural gas, liquefied natural gas (LNG), compressed natural gas (CNG), and propane service throughout the service area of the authority. The transmission lines, distribution systems, their component parts, all apparatus, equipment, and property incident to them or used or useful in the operation of them, and all additions, improvements, extensions, and enlargements to any of them, must be referred to collectively in this act as the system. This system will serve persons, firms, corporations, municipal corporations, and any subdivision or division of the State located in the service area as defined in Section 2 of this act, or in as many economically feasible areas as the authority determines. The authority has the further functions and duties prescribed by this act, and has all of the powers granted in this act.~~ There is created a body corporate and politic of perpetual succession to be known as the York County Natural Gas Authority (authority) subject to and in full accordance with the provisions of Act 959 of 1954, as amended. As used throughout this act, natural gas means and refers, collectively and separately, to the following: natural gas, liquefied natural gas; compressed natural gas; liquefied propane, and any other mixture of hydrocarbon gases. It is the function of the authority to furnish, transport, and distribute natural gas throughout the service area of the authority, as well as promote, advertise, sell, store, lease, maintain, service and finance any appliances, equipment, products, or other matters related to the sale or use of natural gas. To fulfill its functions, the authority may purchase, lease, acquire, build, construct, maintain, and operate natural gas distribution systems and transmission lines within the service area defined in this act. The authority may connect to any natural gas source, system, or pipeline it considers appropriate. The authority shall have all the powers provided for in Section 4 of Act 959 of 1954, as amended, or elsewhere provided to fulfill, further, or serve its functions. The transmission lines, distribution systems, their component parts, all apparatus, equipment, products, and property incident to them or used or useful in the operation of them, and all additions, improvements, extensions, and enlargements to any of them, are referred to collectively in this act as the system. The system serves persons, firms, corporations, municipal corporations, and any subdivision or division of the State located in the service area as defined in Section 2 of this act in as many economically feasible areas as the authority determines.

Section 2. (A) ~~The service area of the authority includes all of York County and each municipality within the county, all the Town of Smyrna to include that portion of the town which is within the boundaries of Cherokee County, and that portion of Cherokee County beginning at the intersection of the Broad River, the York County line, and the Cherokee County lines; extending in a northwesterly direction along the center line of the Broad River to the center of the Transcontinental Gas Pipeline Corporation’s right‑of‑way; thence in a northeasterly direction along the center line of the Transcontinental Gas Pipeline Corporation’s right‑of‑way to its intersection with the North Carolina state line; thence east along the common boundary of North Carolina and Cherokee County to the York County line. Those areas in Cherokee County, which may now or in the future be served by the Blacksburg municipal system, must be excluded from the authority’s distribution system, but may be served by its transmission system.~~ The service area of the authority includes all of York County, including each municipality within York County and that portion of Cherokee County and each municipality in it beginning at the intersection of the Broad River, the York County line, and the Cherokee County line; extending in a northwesterly direction along the center line of the Broad River to its intersection with the North Carolina state line; then east along the common boundary of North Carolina and Cherokee County to the York County line.

(B) ~~The Town of Blacksburg owns and operates a gas system which is capable of providing gas service to the portion of the service area of the authority in Cherokee County except for the portion located in the Town of Smyrna. The town is responsible for the distribution of gas to end users located in such service area and may supply this gas service either through its transmission lines and distribution lines or by connecting its distribution lines to the transmission lines of the authority upon the payment of a reasonable tap fee and a reasonable transportation charge to the authority for the use of its transmission lines.~~ The authority is authorized to purchase, own, or operate the natural gas system owned by the Town of Blacksburg either separately or as part of the authority’s system and the Blacksburg Town Council is authorized to sell, convey, or dispose of all or part of the Town of Blacksburg’s natural gas system to the authority. Upon completion of the purchase and sale, the authority is authorized to serve the present and potential customers of the Town of Blacksburg and to exercise all rights, powers, and benefits previously exercised by the Town of Blacksburg with respect to the provision of natural gas services, the authority’s system, or the Town of Blacksburg’s system.”

SECTION 3. This act is intended to and amends and replaces Sections 1 and 2 of Act 959 of 1954. Upon the effective date of this act, Sections 1 and 2 of Act 959 of 1954 shall provide in full as provided in SECTION 2 of this act, and, moreover, all other provisions in Act 959 of 1954, as previously amended (Sections 3 through 12 of Act 959 of 1954 were previously amended by Sections 3 through 12 of Section 2 in Act 193 of 1995), shall remain unaltered and unaffected by this act, except that to the extent of any conflict between this act and other provisions of Act 959 of 1954, as amended, the provisions of this act shall govern and control.

SECTION 4. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑