

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1398

Page 1, line 23, remove "The commission, upon receipt of a resolution of a municipality's governing body"

Page 1, remove line 24

Page 2, replace lines 1 through 14 with "Upon receipt of a resolution from the governing body of a city not served on August 1, 2017, with natural gas distribution service from a public utility requesting an exemption, and stating its reasons for doing so, the commission shall grant the public utility an exemption from sections 49-02-03, 49-02-11, and 49-02-15, and chapters 49-03.1 and 49-04 if the public utility:

- a. Has a franchise to supply customers within the city and the area of the extraterritorial zoning jurisdiction of the city with natural gas distribution service;
- b. Consents to the exemption; and
- c. Serves no more than two thousand five hundred customers within the city and the area of the extraterritorial zoning jurisdiction of the city.
3. Upon approval of the exemption, the rates, contracts, or services rendered by the public utility within the exempted area are subject to regulation by the city.
4. Notwithstanding an exemption granted under this section, the public utility remains subject to any rules of the commission governing customer service disconnections, and resale of natural gas service furnished or causing the resale of natural gas service by any customer is prohibited.
5. If a city files with the commission a resolution of its governing body rescinding the request for exemption, if the public utility serves more than two thousand five hundred customers within the city and the area of the city's extraterritorial zoning jurisdiction, or if the public utility requests rescinding the exemption for good cause, the commission may rescind the exemption granted under this section. The commission may require a public utility providing nonexempt natural gas distribution service to provide any exempted natural gas distribution service as a separate business entity.
6. Equipment covered by this section must be installed and maintained in compliance with the instructions provided by the manufacturer of any previously-installed equipment to which it will be added. Appliances designed to use only a specific fuel may not be converted to use a different fuel if the manufacturer has prohibited the conversions."

Renumber accordingly