

AMENDMENT NO. _____

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Date _____
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Comm. Amdt. _____

Signature of Sponsor

AMEND Senate Bill No. 106*

House Bill No. 201

by deleting the amendatory language of the original Section 8 in its entirety and by substituting instead the following:

(b) The powers of such corporations shall be exercised for the primary purpose of acquiring natural gas, or natural gas substitutes, for the benefit of the municipally-owned gas distribution systems and gas consumers within the state of Tennessee, or acquiring electrical power for the benefit of the municipally-owned electrical power distribution systems and electricity consumers within the state of Tennessee, or both, and all sales or other dispositions of gas or other mineral products acquired by such a corporation shall be made to such gas distribution system of its associated municipality, and all sales or other dispositions of electrical power acquired by such a corporation shall be made to such electrical power distribution system of its associated municipality, but, at the discretion of the corporation, may also be made to other gas or electric distribution systems, whether privately or publicly owned, within or outside of the state of Tennessee or to such other purchasers within or outside the state of Tennessee, upon such prices, terms and conditions, as it shall deem to be in the best interest of the corporation.

AND FURTHER AMEND by adding the following new subdivision at the end of the amendatory language in the original Section 18:

(4) An energy acquisition corporation incorporated and operating under the provisions of subdivision (2) of this section may be joined by any one (1) or more municipalities, Tennessee utility districts, and Tennessee gas authorities, each of which

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shall be deemed to be an “associated municipality” for purposes of this chapter, and all provisions of this chapter shall, as nearly as may be practicable, be made applicable to such corporation and each such associated municipality, subject to the requirements of Sections 7-39-312(2) and 7-39-312(3) and subject to the following:

(i) each municipality, utility district, and gas authority seeking to become an “associated municipality” of such corporation must make application in writing to the board of directors of such corporation to become an “associated municipality”, following approval of such application by the governing body of each such municipality or the board of directors of each such utility district or gas authority, as the case may be; and

(ii) the board of directors of such corporation must approve the application of such municipality, utility district, or gas authority to become an “associated municipality” of such corporation.

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