SENATE BILL NO. 2540

AN ACT TO AMEND SECTION 77-3-21, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE PUBLIC SERVICE COMMISSION TO CANCEL THE CERTIFICATE OF A WATER UTILITY IF THE HOLDER OF THAT CERTIFICATE HAS NOT PROVIDED SERVICE OR SUBMITTED PLANS TO PROVIDE SERVICE WITHIN FIVE YEARS AFTER BEING GRANTED THE CERTIFICATE; TO PROVIDE FOR NOTICE AND HEARING BEFORE ANY CANCELLATION; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 77-3-21, Mississippi Code of 1972, is amended as follows:

77-3-21. (1) The commission may, after a hearing had upon due notice, make any findings as may be supported by proof as to whether any utility holding a certificate under this article is rendering reasonably adequate service in any area covered by that utility's certificate. If the commission finds that the utility is not rendering reasonably adequate service the commission may enter an order specifying in what particulars the utility has failed to render reasonably adequate service and order that the failure be corrected within a reasonable time, such time to be fixed in the order. If the utility so ordered to correct the failure fails to comply with the order of the commission and the commission finds that cancellation of its certificate would be in the best interest of the consuming public served by the holder of the certificate, the utility's certificate for the area affected may be revoked and cancelled by the commission.

Prior to any municipality exercising the power of eminent domain as provided in Section 77-3-17, the commission shall determine that the certificate of public convenience and necessity granted to the utility under Section 77-3-13 for the service area...
wherein the facilities are located, shall be cancelled as provided
in this section. Nothing in this paragraph shall be construed to
include service for water and sewage.

(2) The commission may, after due notice and hearing, make
any findings which are supported by proof as to whether any water
utility holding a certificate under this article is providing
service in the area covered by that utility's certificate within
five (5) years following issuance of the certificate. If the
commission finds that the utility is not rendering service in the
area or any portion of the area covered by the certificate within
five (5) years after issuance of the certificate, the commission
may enter an order specifying the particulars of the lack of
service and order that (a) the utility correct the lack of service
within a reasonable time to be fixed in the order; or (b) the
utility submit a plan, including a schedule for providing service,
to the public utilities staff for providing service to the
unserved portions of the certificated area. If the utility fails
to comply with that order of the commission and the commission
finds that cancellation of the certificate for the entire area or
any portion of that area would be in the best interest of the
public, the utility's certificate for the entire area or any
portion of that area may be revoked and cancelled by the
commission.

SECTION 2. This act shall take effect and be in force from
and after July 1, 2001.