SENATE BILL NO. 2957

AN ACT TO AMEND SECTION 77-3-11, MISSISSIPPI CODE OF 1972, TO REQUIRE THE PUBLIC SERVICE COMMISSION TO PERFORM ECONOMIC VIABILITY DETERMINATIONS ON WATER AND SEWER UTILITIES BEFORE ISSUING A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO ASSURE AN ADEQUATE RATE SYSTEM; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 77-3-11, Mississippi Code of 1972, is amended as follows:

77-3-11. (1) No person shall construct, acquire, extend or operate equipment for manufacture, mixing, generating, transmitting or distributing natural or manufactured gas, or mixed gas, or water, for any intrastate sale to or for the public for compensation, or for the operation of a public utility operating a business and equipment or facilities as contemplated by subparagraph (iii) of paragraph (d) of Section 77-3-3, without first having obtained from the commission a certificate that the present or future public convenience and necessity require or will require the operation of such equipment or facility.

(2) No person shall construct, acquire, extend or operate equipment for manufacture, generating, transmitting or distributing electricity for any intrastate or interstate sale to or for the public for compensation without first having obtained from the commission a certificate that the present and future public convenience and necessity require or will require the operation of such equipment or facility. Provided, however, nothing herein contained shall be construed to require a joint municipal electric power agency organized in accordance with the provisions of Section 77-5-201 et seq., Mississippi Code of 1972,
to obtain any permit, license, certificate or approval from the
Mississippi Public Service Commission.

(3) No person shall construct, acquire, extend or operate
equipment or facilities for collecting, transmitting, treating or
disposing of sewage, or otherwise operating an intrastate sewage
disposal service, to or for the public for compensation, without
first having obtained from the commission a certificate that the
present or future public convenience and necessity require or will
require the operation of such equipment or facilities.

(4) However, nothing herein shall be construed to require
any certificate of convenience and necessity from the commission
for the production and gathering of natural gas, the sale of
natural gas in or within the vicinity of the field where produced,
the distribution or sale of liquefied petroleum gas, the sale of
natural gas to the ultimate consumer for use as a motor vehicle
fuel, or for the facilities and equipment utilized in any such
operations.

(5) Upon complaints filed by not less than ten percent (10%)
of the total subscribers or three thousand five hundred (3,500)
subscribers of a public utility, whichever is less, then the
commission shall hold a hearing on the adequacy of service as
contemplated in Section 77-3-21.

(6) With regard to utilities described in Section
77-3-3(d)(iv), the commission shall perform economic viability
determinations before issuing a certificate of public convenience
and necessity to assure that the user charge (the formula used to
determine the rates customer pay) is adequate to repay debt,
operate and maintain the system, and able to provide for emergency
repairs.

SECTION 2. This act shall take effect and be in force from
and after July 1, 2002.