

April 5, 2006

TO THE MISSISSIPPI HOUSE OF REPRESENTATIVES

GOVERNOR'S VETO MESSAGE FOR HOUSE BILL 1687

I am returning House Bill Number 1687: "AN ACT TO AUTHORIZE THE BOARD OF DIRECTORS OF THE CHICKASAWHAY NATURAL GAS DISTRICT TO EXPAND ITS SERVICES AND TRANSMISSION LINES BEYOND ITS SERVICE AREA FOR THE PURPOSE OF SELLING, SUPPLYING AND PROVIDING NATURAL GAS TO BUSINESSES AND INDUSTRIES LOCATED IN A CERTAIN INDUSTRIAL COMPLEX; AND FOR RELATED PURPOSES" without my approval, and assign the following reasons for my veto.

After full consideration, I am vetoing House Bill 1687 which would authorize the Board of Directors of the Chickasawhay Natural Gas District to expand its services and transmission lines for the purpose of selling, supplying and providing natural gas without the approval of the Public Service Commission. This legislation would violate the laws regulating public utilities in Mississippi and the rights of the public utility which already serves the area referenced in the legislation.

House Bill 1687 would allow the Chickasawhay Natural Gas District to provide service "to any business or industry located in an industrial area known as the Old Burlington Cotton Mill Complex within Stonewall, Mississippi." This industrial area is located within the service area of Centerpoint Energy which holds a certificate of public convenience and necessity issued by the Public Service Commission. The Mississippi Supreme Court has held that such a certificate grants the holder the exclusive right to serve customers within the certificated area and is a valuable property right entitled to protection. These protections exist to prevent unnecessary duplication of services and infrastructure and establish the certainty necessary for stable customer rates.

There is an existing mechanism under the rules of the Public Service Commission for a certificate holder to transfer the right to serve a particular area to another entity. It is my understanding this is a regular and customary process. If the Chickasawhay Natural Gas District wishes to serve an area within the Centerpoint service area, the Board of Directors of the Chickasawhay Natural Gas District should seek the approval of the Public Service Commission.

I urge the members to sustain the veto and reject House Bill 1687.

Respectfully Submitted,

Haley Barbour
Governor