

By: Representative Malone

To: Public Utilities

## HOUSE BILL NO. 438

1 AN ACT TO AMEND SECTION 77-3-35, MISSISSIPPI CODE OF 1972, TO  
2 PROVIDE THAT PUBLIC UTILITIES THAT ARE SUBJECT TO THE JURISDICTION  
3 OF THE MISSISSIPPI PUBLIC SERVICE COMMISSION AND PROVIDE  
4 ELECTRICITY SHALL NOT ASSESS RECONNECTION FEES OR CHARGES DUE TO  
5 NONPAYMENT OF ELECTRIC SERVICES THAT EXCEED ONE PERCENT OF THE  
6 DELINQUENT AMOUNT; TO AMEND SECTION 77-5-33, MISSISSIPPI CODE OF  
7 1972, TO PROVIDE THAT THE MISSISSIPPI RURAL ELECTRIFICATION  
8 AUTHORITY SHALL NOT ASSESS RECONNECTION FEES OR CHARGES DUE TO  
9 NONPAYMENT OF ELECTRIC SERVICES THAT EXCEED ONE PERCENT OF THE  
10 DELINQUENT AMOUNT; TO AMEND SECTION 77-5-155, MISSISSIPPI CODE OF  
11 1972, TO PROVIDE THAT POWER DISTRICTS SHALL NOT ASSESS  
12 RECONNECTION FEES OR CHARGES DUE TO NONPAYMENT OF SERVICES THAT  
13 EXCEED ONE PERCENT OF THE DELINQUENT AMOUNT; TO AMEND SECTION  
14 77-5-235, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT CORPORATIONS  
15 OF THE ELECTRIC POWER ASSOCIATION SHALL NOT ASSESS RECONNECTION  
16 FEES OR CHARGES DUE TO NONPAYMENT OF ELECTRIC SERVICES THAT EXCEED  
17 ONE PERCENT OF THE DELINQUENT AMOUNT; TO AMEND SECTION 77-5-743,  
18 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT MUNICIPALITIES SHALL NOT  
19 ASSESS RECONNECTION FEES OR CHARGES DUE TO NONPAYMENT OF ELECTRIC  
20 SERVICES THAT EXCEED ONE PERCENT OF THE DELINQUENT AMOUNT; TO  
21 AMEND SECTION 77-5-745, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
22 JOINT AGENCIES SHALL NOT ASSESS RECONNECTION FEES OR CHARGES DUE  
23 TO NONPAYMENT OF ELECTRIC SERVICES THAT EXCEED ONE PERCENT OF THE  
24 DELINQUENT AMOUNT; TO AMEND SECTION 21-27-29, MISSISSIPPI CODE OF  
25 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

27 **SECTION 1.** Section 77-3-35, Mississippi Code of 1972, is  
28 amended as follows:

29 77-3-35. (1) Subject to the provisions of subsections (2)  
30 and (4) of this section, under such reasonable rules and  
31 regulations as the commission may prescribe, every public utility,  
32 as to the rates which are subject to regulation under the  
33 provisions of this article, shall file with the commission, within  
34 such time and in such form as the commission may designate,  
35 schedules showing such rates and charges established by it and  
36 collected and enforced, or to be collected or enforced within the  
37 jurisdiction of the commission. The utility shall keep copies of

38 such schedules open to public inspection under such reasonable  
39 rules and regulations as the commission may prescribe.

40 No such public utility shall directly or indirectly, by any  
41 device whatsoever, or in anywise, charge, demand, collect or  
42 receive from any person or corporation for any service rendered or  
43 to be rendered by such public utility a greater or less  
44 compensation than that prescribed in the schedules of such public  
45 utility applicable thereto then filed in the manner provided in  
46 this section, and no person or corporation shall receive or accept  
47 any service from any such public utility for a compensation  
48 greater or less than prescribed in such schedules.

49 Utilities selling commodities or rendering any service to  
50 cooperatives, municipalities or other nonprofit organizations,  
51 shall, at the order of the commission, file schedules of such  
52 rates and charges for information purposes only.

53 The commission may provide, by rules and regulations to be  
54 adopted by it, the following:

55 (a) That utilities may contract with a manufacturer  
56 that is not a utility for furnishing the services or commodities  
57 described in Section 77-3-3(d)(i), (ii) and (iii) for use in  
58 manufacturing;

59 (b) That utilities described in Section 77-3-3(d)(i)  
60 also may contract with a customer that has a minimum yearly  
61 electric consumption of two thousand five hundred (2,500) megawatt  
62 hours per year or greater for furnishing the services or  
63 commodities described in Section 77-3-3(d)(i); and

64 (c) That utilities described in Section 77-3-3(d)(ii)  
65 also may contract with a customer that has a minimum yearly  
66 consumption of eight million five hundred thousand (8,500,000)  
67 cubic feet of gas per year or greater for furnishing the services  
68 or commodities described in Section 77-3-3(d)(ii).

69 These contracts may be entered into without reference to the  
70 rates or other conditions which may be established or fixed

71 pursuant to other provisions of this article. Such regulations  
72 shall provide that before becoming effective any such contract  
73 shall be approved by the commission.

74 (2) (a) The Legislature recognizes that the maintenance of  
75 universal telephone service in Mississippi is a continuing goal of  
76 the commission and that the public interest requires that the  
77 commission be authorized and encouraged to formulate and adopt  
78 rules and policies that will permit the commission, in the  
79 exercise of its expertise, to regulate and control the provision  
80 of telecommunications services to the public in a changing  
81 environment where competition and innovation are becoming more  
82 commonplace, giving due regard to the interests of consumers, the  
83 public, the providers of telecommunications services and the  
84 continued availability of good telecommunications service. The  
85 commission is authorized to issue more than one (1) competing  
86 certificate of public convenience and necessity to provide local  
87 exchange telephone service in the same geographical area;  
88 provided, that the issuing of any such additional certificates  
89 shall not otherwise affect any certificate of public convenience  
90 and necessity heretofore issued to any provider of such services.

91 The commission shall adopt all rules and regulations  
92 necessary for implementing this subsection (2)(a).

93 The commission retains the authority to issue orders to  
94 implement its rules, regulations and the provisions of this  
95 chapter, including the authority to grant and modify, impose  
96 conditions upon, or revoke a certificate.

97 (b) The commission may, on its own motion or at the  
98 request of any interested party, enter an order, after notice and  
99 opportunity for hearing, determining and directing that, in the  
100 provision of a service or facility by a utility of the type  
101 defined in Section 77-3-3(d)(iii), competition or other market  
102 forces adequately protect the public interest, or that a service  
103 or facility offered by the utility is discretionary, and that the

104 public interest requires that the utility's rates and charges for  
105 such service or facility shall not thereafter be subject to  
106 regulation by the commission.

107 (c) In making its determination whether the rates and  
108 charges for a service or facility shall not be subject to  
109 regulation by the commission, the commission may consider  
110 individually or collectively:

111 (i) Whether the exercise of commission  
112 jurisdiction produces tangible benefits to the utility's customers  
113 that exceed those available by reliance on market forces or other  
114 factors;

115 (ii) Whether technological changes, competitive  
116 forces, discretionary nature of the service or facility, or  
117 regulation by other state and federal regulatory bodies render the  
118 exercise of jurisdiction by the Mississippi commission unnecessary  
119 or wasteful;

120 (iii) Whether the exercise of commission  
121 jurisdiction inhibits a regulated utility from competing with  
122 unregulated providers of functionally similar telecommunications  
123 services or equipment;

124 (iv) Whether the existence of competition tends to  
125 prevent abuses, unjust discrimination and extortion in the charges  
126 of telecommunications utilities for the service or facility in  
127 question;

128 (v) The availability of the service or facility  
129 from other persons and corporations; or

130 (vi) Any other factors that the commission  
131 considers relevant to the public interest.

132 In making the determination as above set forth, the  
133 commission may specify the period of time during which the  
134 utility's rates and charges for the service or facility shall not  
135 thereafter be subject to regulation. Likewise, after notice and  
136 opportunity for hearing, the commission may revoke a determination

137 and direction made under this section, when the commission finds  
138 that commission regulation of the utility's rates and charges for  
139 the service or facility in question is necessary to protect the  
140 public interest.

141 (3) (a) The commission is authorized to consider and adopt  
142 alternative methods of regulation proposed by a utility of the  
143 type defined in Section 77-3-3(d)(i), (ii) or (iii) to establish  
144 rates for the services furnished by such utility that are fair,  
145 just and reasonable to the public and that provide fair, just and  
146 reasonable compensation to the utility for such services. No  
147 public utility that provides electricity, as described in Section  
148 77-3-3(d)(i), shall assess to any customer reconnection fees or  
149 charges in excess of one percent (1%) of the delinquent amount due  
150 to the nonpayment of electric service.

151 (b) For purposes of this subsection, the phrase  
152 "alternative methods of regulation" means the regulation of  
153 utility rates and charges by methods other than the rate base or  
154 rate of return method of regulation set forth in other provisions  
155 of this article.

156 (4) (a) Notwithstanding any other provisions of this  
157 article or any other statute to the contrary, and consistent with  
158 the provisions herein, for those public utilities of the type  
159 defined in Section 77-3-3(d)(iii) that are subject to the  
160 competitive requirements set forth in 47 USCS Section 251 or those  
161 public utilities that have waived a suspension granted by the  
162 commission of the requirements of 47 USCS Section 251(b) and (c)  
163 as authorized by 47 USCS Section 251(f)(2), the Legislature has  
164 determined that, in the provision of all services other than  
165 switched access service and single-line flat rate voice  
166 communication service, competition or other market forces  
167 adequately protect the public interest. Therefore, the commission  
168 is only authorized to regulate the rates, terms and conditions of  
169 switched access service and single-line flat rate voice

170 communication service within a traditional local calling area,  
171 with access to 911, with touch tone dialing and with access to  
172 long distance, so long as such single-line flat rate service is  
173 not combined with any other service, feature or product. The  
174 retail rates for such single-line flat rate voice communication  
175 service beginning January 1, 2007, and every succeeding January 1  
176 may only be increased during the calendar year by an amount that  
177 does not exceed the rates for such service on January 1 of the  
178 previous year, plus the increase in the Consumer Price Index for  
179 all Urban Consumers as reported by the United States Department of  
180 Labor, Bureau of Labor Statistics.

181 (b) For those public utilities of the type defined in  
182 Section 77-3-3(d)(iii) that have been granted a suspension by the  
183 commission of the requirements of 47 USCS Section 251(b) and (c)  
184 as authorized by 47 USCS Section 251(f)(2), the commission, at the  
185 request of such public utility, shall enter an order, after notice  
186 and opportunity for hearing, determining that such public  
187 utility's provision of service will be subject to the same level  
188 of regulation as provided in paragraph (a) of this subsection, but  
189 only after the commission determines that such public utility has  
190 satisfied one (1) of the following conditions:

191 (i) Has executed interconnection agreements which  
192 have been approved by the commission to the extent required under  
193 law with two (2) or more local exchange carriers unaffiliated with  
194 such public utility;

195 (ii) Offers for resale at wholesale rates,  
196 pursuant to 47 USCS Section 251(c)(4)(A) and (B), such public  
197 utility's retail telecommunications services provided to  
198 subscribers who are not telecommunications carriers;

199 (iii) At least two (2) competitive  
200 telecommunications providers unaffiliated with such requesting  
201 public utility are offering service to such public utility's  
202 subscribers; or

203 (iv) Has experienced a material reduction in  
204 access lines or minutes of use in two (2) consecutive years.

205 A waiver of suspension under paragraph (a) of this subsection  
206 shall be effective upon written notification to the commission.  
207 The initial rate utilized by such public utility shall be the rate  
208 for such service in effect at the time of such waiver under this  
209 section. The commission, upon request of the public utility, may  
210 return such public utility \* \* \* to a form of regulation permitted  
211 under Section 77-3-35.

212 (c) (i) An incumbent local exchange carrier shall  
213 provide, upon reasonable request, primary single-line flat rate  
214 voice communication service to the premises of a permanent  
215 residence or business within its franchised service territory, if  
216 the costs, including, but not limited to, the costs of facilities,  
217 rights-of-way and equipment, of providing such service to the  
218 requesting party do not exceed Five Thousand Dollars (\$5,000.00).  
219 This requirement shall not apply where there is an alternative  
220 provider of service to the premises of the residence or business  
221 customer, or where the incumbent local exchange carrier has been  
222 prohibited from providing service to the premises.

223 (ii) If the costs exceeds Five Thousand Dollars  
224 (\$5,000.00), as provided in and subject to subparagraph (i) of  
225 this paragraph (c), an incumbent local exchange carrier may not  
226 deny service on the basis of costs so long as sufficient funds to  
227 provide that services are available from contributions to aid in  
228 construction or the Mississippi portion of the applicable federal  
229 universal service fund program as administered by the commission.

230 (d) Nothing in this chapter shall be construed to  
231 affect the duties of an incumbent local exchange carrier to  
232 provide unbundled access to network elements to the extent  
233 required under 47 USCS Sections 251 and 252 and the Federal  
234 Communications Commission's regulations implementing these  
235 sections, or the commission's authority to arbitrate and enforce

236 interconnection agreements pursuant to 47 USCS Sections 251 and  
237 252 and the Federal Communications Commission's regulations  
238 implementing these sections.

239 (e) The commission shall retain exclusive original  
240 jurisdiction over customer complaints for those services that  
241 continue to be regulated. For services no longer regulated, the  
242 commission shall have exclusive original jurisdiction to interpret  
243 and enforce the terms and conditions of customer service  
244 agreements for telecommunications services, but it shall not  
245 alter, set aside or refuse to enforce the rates, terms and  
246 conditions thereof, either directly or indirectly. No other party  
247 shall be allowed to participate in any such complaint proceeding,  
248 except for the customer, legal counsel or other representative of  
249 the customer, or the public utility involved.

250 (f) A public utility of the type defined in Section  
251 77-3-3(d)(iii) which is regulated under the provisions of  
252 paragraph (a) of this subsection shall only be required to file  
253 financial or service quality information that such public  
254 utilities are required to file with the Federal Communications  
255 Commission so long as such financial information includes data  
256 specific to Mississippi. As to all other data and information,  
257 the requirements of Section 77-3-79 continue to apply. If any  
258 such public utility is not required to file such financial  
259 information with the Federal Communications Commission, the  
260 requirements of Section 77-3-79 continue to apply. The public  
261 utility regulatory tax established in Section 77-3-87 shall be  
262 based on the financial information contained in such federal  
263 financial reports filed by such public utilities. The calculation  
264 of such tax for such public utilities shall continue to be based  
265 upon the gross revenues from the intrastate operations of such  
266 public utility in the same manner as such tax was calculated  
267 before July 1, 2006. Nothing herein shall change the obligation  
268 of such public utilities described in Section 77-3-3(d)(iii) to



269 pay the public utilities regulatory tax established in Section  
270 77-3-87. In addition, such public utility shall only be required  
271 to adhere to billing for retail telecommunications services in  
272 compliance with the federal truth in billing regulations  
273 prescribed by the Federal Communications Commission.

274 (g) (i) In order to transition to the changes  
275 effectuated by paragraph (a) of this subsection, the rates, terms  
276 and conditions for products and services no longer subject to  
277 regulation by the commission which were in effect with a specific  
278 term immediately prior to the effective date of this section shall  
279 remain in effect for the duration of the specific term as to  
280 customers who subscribed to such products or services prior to the  
281 effective date of this section. If no term applied to such  
282 products or services at the time such customer subscribed to such  
283 products or services, then the rates, terms and conditions  
284 governing such products or services shall remain in effect until a  
285 written customer service agreement becomes effective as described  
286 in subparagraph (ii) of this paragraph (g).

287 (ii) Except as provided in subparagraph (i) of  
288 this paragraph (g), the service provider shall offer existing and  
289 new customers a written customer service agreement, which in the  
290 case of new customers shall be delivered no later than thirty (30)  
291 days after the initiation of service. The customer service  
292 agreement shall include a provision advising the customer that he  
293 has thirty (30) days from receipt in which to elect:

294 1. To terminate service with the service  
295 provider by contacting such service provider within the thirty-day  
296 time period, in which case the customer shall have the right to  
297 pay off the account in the same manner and under the same rates,  
298 terms and conditions as set forth in the written customer service  
299 agreement provided to the customer, which written customer service  
300 agreement shall relate back in its entirety to the date of a new  
301 customer's request for service or the date the agreement was sent

302 to an existing customer, as applicable, and shall be in effect  
303 until termination through pay off; or

304                   2. To use the services of the service  
305 provider or to otherwise continue the account with the service  
306 provider after the thirty-day time period has elapsed, either of  
307 which shall constitute the customer's assent to all the rates,  
308 terms and conditions of the written customer service agreement.  
309 The customer service agreement shall be deemed received three (3)  
310 business days after deposit in the United States mail, first-class  
311 delivery.

312                   (iii) If any service provider desires to modify in  
313 any respect any rates, terms or conditions of a customer service  
314 agreement, it shall provide at least thirty (30) days' prior  
315 written notice of the modification and the proposed effective date  
316 to the customer. The customer service agreement shall include a  
317 provision advising the customer that he has the option:

318                   1. To terminate service with the service  
319 provider by contacting such service provider prior to the  
320 effective date, in which case the customer shall have the right to  
321 pay off the account in the same manner and under the same rates,  
322 terms and conditions as then in effect; or

323                   2. To use the services of the service  
324 provider or to otherwise continue the account with the service  
325 provider on or after the effective date, either of which shall  
326 constitute the customer's assent to the modified written customer  
327 service agreement. The customer service agreement shall be deemed  
328 received three (3) business days after deposit in the United  
329 States mail, first-class delivery.

330                   (h) Nothing herein shall change the obligation of those  
331 public utilities described in Section 77-3-3(d)(iii) to obtain a  
332 certificate of public convenience and necessity pursuant to this  
333 chapter.

334           **SECTION 2.** Section 77-5-155, Mississippi Code of 1972, is  
335 amended as follows:

336           77-5-155. Any district created pursuant to this article  
337 shall have the power:

338           (a) To sue and be sued.

339           (b) To have a seal.

340           (c) To acquire by purchase, gift, devise, lease or  
341 exercise of the power of eminent domain or other mode of  
342 acquisition and to hold and dispose of real and personal property  
343 of every kind within or without the district, subject to mortgages  
344 or any other liens.

345           (d) To make and enter into contracts, conveyances,  
346 mortgages, deeds of trust, bonds or leases.

347           (e) To incur debts, to borrow money, to issue  
348 negotiable bonds and other evidences of indebtedness and to  
349 provide for the rights of holders thereof.

350           (f) To fix, maintain and collect rates and charges for  
351 any service; however, if a customer is disconnected from electric  
352 service due to nonpayment for such service, no reconnection fees  
353 or charges shall be assessed to a customer in excess of one  
354 percent (1%) of the delinquent amount.

355           (g) To pledge all or any part of its revenues.

356           (h) To make such covenants in connection with the  
357 issuance of bonds, or to secure the payment of bonds, that a  
358 private business corporation can make under the general laws of  
359 the state, notwithstanding that such covenants may operate as  
360 limitations on the exercise of any power granted by this article.

361           (i) To use any right-of-way, easement or other similar  
362 property right necessary or convenient in connection with the  
363 acquisition, improvement, operation or maintenance of a utility,  
364 held by the state or any political subdivision thereof, provided  
365 that the governing body of such political subdivision shall  
366 consent to such use.

367           **SECTION 3.** Section 77-5-33, Mississippi Code of 1972, is  
368 amended as follows:

369           77-5-33. The authority shall not be operated for gain or  
370 profit or primarily as a source of revenue to the state. The  
371 authority shall, however, prescribe and collect reasonable rates,  
372 fees or charges for the services, facilities and commodities made  
373 available by it, and shall revise such rates, fees or charges from  
374 time to time whenever necessary so that the authority shall be and  
375 always remain self-supporting, and shall not require  
376 appropriations by the state to enable it to carry out its purpose.  
377 However, the authority shall not assess reconnection fees or  
378 charges in excess of one percent (1%) of the delinquent amount for  
379 any customer who is disconnected from electric service due to the  
380 nonpayment of such service that is provided by the authority. The  
381 rates, fees, or charges prescribed shall be such as will produce  
382 revenue at least sufficient (a) to pay when due all bonds and  
383 interest thereon, for the payment of which such revenue is or  
384 shall have been pledged, charged or otherwise incumbered,  
385 including reserves therefor, and (b) to provide for all expenses  
386 of operation, maintenance or improvement of the system or systems  
387 acquired by the authority, including reserves therefor. Any  
388 surplus thereafter remaining shall be devoted solely to the  
389 reduction of rates.

390           **SECTION 4.** Section 77-5-235, Mississippi Code of 1972, is  
391 amended as follows:

392           77-5-235. A corporation formed under the provisions of this  
393 article shall have power to charge reasonable fees, rents, tolls,  
394 prices and other charges for service rendered which shall be  
395 sufficient at all times to pay all operating and maintenance  
396 expenses necessary or desirable for the prudent conduct and  
397 operation of its business and to pay the principal of and interest  
398 on such obligations as the corporation may have issued and/or  
399 assumed in the performance of the purpose for which it was formed.

400 However, a corporation shall not assess reconnection fees or  
401 charges in excess of one percent (1%) of the delinquent amount to  
402 any customer who is disconnected from electric service due to the  
403 nonpayment of service that is provided by the corporation. The  
404 revenues and receipts of a corporation shall first be devoted to  
405 such operating and maintenance expenses and to the payment of such  
406 principal and interest and thereafter to such reserves for  
407 improvement, new construction, depreciation and contingencies as  
408 the board may from time to time prescribe. Revenues and receipts  
409 not needed for these purposes shall be returned to the members, by  
410 the reimbursement of membership fees, or by way of general rate  
411 reductions, as the board may decide.

412       **SECTION 5.** Section 77-5-743, Mississippi Code of 1972, is  
413 amended as follows:

414       77-5-743. A municipality is hereby authorized to fix, charge  
415 and collect rents, rates, fees and charges for electric power and  
416 energy and other services, facilities and commodities sold,  
417 furnished or supplied through the facilities of its electric  
418 system or its interest in any joint project. However, a  
419 municipality shall not assess reconnection fees or charges to any  
420 customer in excess of one percent (1%) of the delinquent amount to  
421 any customer who is disconnected from electric service due to the  
422 nonpayment of such service that is provided by the municipality.  
423 For so long as any bonds of a municipality are outstanding and  
424 unpaid, the rents, fees and charges shall be so fixed as to  
425 provide revenues sufficient to pay all costs of and charges and  
426 expenses in connection with the proper operation and maintenance  
427 of its electric system, and its interest in any joint project, and  
428 all necessary repairs, replacements or renewals thereof, to pay  
429 when due the principal of, premium, if any, and interest on all  
430 bonds and other evidences of indebtedness payable from said  
431 revenues, to create and maintain reserves as may be required by  
432 any resolution authorizing and securing bonds, to pay when due the

433 principal of, premium, if any, and interest on all bonds  
434 heretofore or hereafter issued to finance additions, improvements  
435 and betterments to its electric system, and to pay any and all  
436 amounts which the municipality may be obligated to pay from said  
437 revenues by law or contract. Nothing herein contained shall be  
438 construed to prohibit any municipality from expending any revenues  
439 in excess of that required herein in any manner otherwise  
440 permitted by law.

441       **SECTION 6.** Section 77-5-745, Mississippi Code of 1972, is  
442 amended as follows:

443       77-5-745. A joint agency is hereby authorized to fix, charge  
444 and collect rents, rates, fees and charges for electric power and  
445 energy and other services, facilities and commodities sold,  
446 furnished or supplied through the facilities of its projects.  
447 However, a joint agency shall not assess reconnection fees or  
448 charges to any customer in excess of one percent (1%) of the  
449 delinquent amount to any customer who is disconnected from  
450 electric service due to the nonpayment of such service that is  
451 provided by the joint agency. For so long as any bonds of a joint  
452 agency are outstanding and unpaid, the rents, rates, fees and  
453 charges shall be so fixed as to provide revenues sufficient to pay  
454 all costs of and charges and expenses in connection with the  
455 proper operation and maintenance of its projects, and all  
456 necessary repairs, replacements or renewals thereof, to pay when  
457 due the principal of, premium, if any, and interest on all bonds  
458 and other evidences of indebtedness payable from said revenues, to  
459 create and maintain reserves as may be required by any resolution  
460 authorizing and securing bonds, and to pay any and all amounts  
461 which the joint agency may be obligated to pay from said revenues  
462 by law or contract.

463       **SECTION 7.** Section 21-27-29, Mississippi Code of 1972, is  
464 amended as follows:

465           21-27-29. Except for reconnection fees or charges for  
466 electric service as provided in Sections 77-5-743 and 77-5-745,  
467 rates charged for services furnished by any system or combined  
468 system purchased, constructed, improved, enlarged, extended or  
469 repaired under the provisions of Sections 21-27-11 to 21-27-69  
470 shall not be subject to supervision or regulation by any state  
471 bureau, board, commission, or other like instrumentality or agency  
472 thereof. It shall not be necessary for any municipality operating  
473 under the provisions of said sections to obtain any franchise or  
474 other permit from any state bureau, board, commission or other  
475 instrumentality thereof, in order to construct, improve, enlarge,  
476 extend or repair any system or combined system. However, billing  
477 and service disputes between the system and its customers shall be  
478 subject to review and arbitration by the Public Service Commission  
479 as provided under Section 77-3-6.

480           **SECTION 8.** This act shall take effect and be in force from  
481 and after July 1, 2007.