

By: Senator(s) Blount

To: Energy

SENATE BILL NO. 2154

1 AN ACT TO AMEND SECTION 21-27-39, MISSISSIPPI CODE OF 1972,
 2 TO PROHIBIT CERTAIN MUNICIPALITIES FROM CHARGING GREATER RATES FOR
 3 WATER SUPPLIED TO CONSUMERS RESIDING OUTSIDE OF AND WITHIN ONE
 4 MILE OF THE CORPORATE LIMITS OF THE MUNICIPALITY THAN FOR WATER
 5 SUPPLIED TO CONSUMERS RESIDING WITHIN THE MUNICIPALITY; TO AMEND
 6 SECTION 77-3-1, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE
 7 PREVIOUS SECTION; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 21-27-39, Mississippi Code of 1972, is
 10 amended as follows:

11 21-27-39. All municipalities owning or operating any system
 12 or systems may supply consumers residing outside of and within
 13 five (5) miles of the corporate limits of the municipality. In
 14 any county traversed by two (2) or more natural gas transmission
 15 lines and having therein two (2) or more natural gas compressor
 16 stations engaged in rendering service in interstate commerce, and
 17 wherein a natural gas transmission line of a municipality can be
 18 laid wholly in alluvial soil, where it is necessary for any
 19 municipality having a population of less than one thousand
 20 (1,000), according to the federal census of 1950, to construct a



21 gas transmission line for a distance of more than five (5) miles
22 but not more than eleven (11) miles from its corporate limits to
23 the nearest point at which an adequate supply of natural gas can
24 be obtained, and where there are not less than two hundred (200)
25 prospective gas customers residing outside the corporate limits of
26 such municipality but along and within one-half (1/2) mile of the
27 gas transmission line so constructed by the municipality, then and
28 in that event, the municipality may supply natural gas to such
29 customers. Any municipality having its own natural gas
30 transmission system in any county bordering the State of Alabama,
31 in which U.S. Highway No. 78 and State Highway No. 25 intersect,
32 and in which there is a publicly supported junior college, may
33 extend its transmission lines and supply customers within the
34 county for a distance of fifteen (15) miles from the corporate
35 limits. Any municipality having a population of less than one
36 thousand (1,000) people, according to the federal census of 1960,
37 and being located in the county in which U.S. Highway 51 and U.S.
38 Highway 82 intersect, and in the county where the main line of
39 Illinois Central Railroad and Columbus and Greenville Railroad
40 intersect, may construct a gas transmission line and supply
41 customers within a four-county area for a distance of forty-five
42 (45) miles from the corporate limits of the municipality. Any
43 municipality having its own water distribution system, the
44 construction or expansion of which has been financed in whole or
45 in part by an agency of the United States government, and having a



46 population of less than five hundred (500) persons, and located in
47 a county in which Mississippi State Highways Number 12 and Number
48 429 intersect, may construct, expand and operate its water
49 distribution system within the county or adjoining counties for a
50 distance of fifteen (15) miles from the corporate limits. Any
51 municipality having its own water distribution system, the
52 construction or expansion of which has been financed in whole or
53 in part by an agency of the United States government, and having a
54 population of less than fifteen hundred (1500) persons, and
55 located in a county in which Highway 15 and Highway 32 intersect
56 and has a national forest, may construct, expand and operate its
57 water distribution system within the county or adjoining counties
58 for a distance of fifteen (15) miles from the corporate limits.

59 Any municipality having its own water distribution system and
60 located in a county having two (2) judicial districts, and in
61 which Mississippi Highways 17 and 35 intersect, may construct,
62 expand and operate its water distribution system within the county
63 or adjoining counties for a distance of fifteen (15) miles from
64 the corporate limits. Any municipality having its own water
65 distribution system, wherein U.S. Highway 51 and Mississippi
66 Highway 35 intersect, and located in a county in which U.S.
67 Highway 82 and Mississippi Highway 17 intersect, may construct,
68 expand and operate its water distribution system within the county
69 or adjoining counties for a distance of fifteen (15) miles from
70 the corporate limits. Whenever such service shall be furnished to



71 any consumer residing outside the corporate limits thereof, such
72 consumer may not be charged at a rate greater than twice the rate
73 charged for such services within the municipality.

74 Any municipality having its own water distribution system and
75 having a population of more than one hundred fifty thousand
76 (150,000), according to the 1990 federal decennial census, may
77 construct, expand and operate its water distribution system within
78 the county or adjoining counties for a distance of five (5) miles
79 from the corporate limits of the municipality, subject to the
80 provisions of Section 77-3-1 et seq. Whenever such service shall
81 be furnished to any consumer residing outside of and within one
82 (1) mile of the corporate limits of the municipality, such
83 consumer may not be charged at a rate greater than the rate
84 charged for such services within the municipality, unless the
85 municipal governing authority, by written report filed with the
86 Public Service Commission and the Public Utilities Staff, shows in
87 sufficient detail that a higher rate is just and reasonable and
88 necessary to defray additional costs of serving consumers residing
89 within such area outside of but within one (1) mile of the
90 municipal corporate limits. The Public Utilities Staff shall
91 review the report and conduct such evaluation and investigation as
92 it deems necessary and file a written recommendation for approval,
93 disapproval or revision of such rate with the commission within
94 forty-five (45) days of the filing date of the municipality's
95 report with the staff. The municipality shall cooperate fully



96 with the staff's evaluation and investigation, and failure to do
97 so may result in disapproval of the higher rate. The commission,
98 by order, shall make a final determination of the rate to be
99 charged after a public hearing thereon to be held within thirty
100 (30) days of the filing date of the staff's written
101 recommendation. However, in no event shall the rate exceed twice
102 the rate within the municipal corporate limits.

103 Any municipality located within a county bordering the
104 Mississippi River and in which Highways 49 and 61 intersect may
105 acquire, construct, expand and operate its railroad transportation
106 system for the transportation of passengers and freight for more
107 than five (5) miles outside its corporate limits and outside the
108 boundaries of the county in which it is located. Any municipality
109 having a population of more than forty-five thousand (45,000) but
110 less than forty-five thousand one hundred (45,100) according to
111 the 1970 federal decennial census, may expand its motor vehicle
112 transportation system for the transportation of passengers for
113 more than five (5) miles outside its corporate limits.

114 Any municipality having a population of less than five
115 hundred (500) according to the 1980 federal decennial census,
116 being located north of U.S. Highway 82 in a county in which is
117 located a United States Air Force base and a state-supported
118 institution of higher learning established primarily for women,
119 which criteria the Legislature finds to be conducive to the
120 expansion of natural gas service to support contiguous areas of



121 such Air Force base, may construct, own and/or operate a public
122 utility or natural gas system and supply customers within the
123 county for a distance of eleven (11) miles from the corporate
124 limits.

125 **SECTION 2.** Section 77-3-1, Mississippi Code of 1972, is
126 amended as follows:

127 77-3-1. Except as otherwise provided in Section 77-3-6 and
128 Section 21-27-39, any public utility as defined in paragraph (d)
129 of Section 77-3-3, owned or operated by a municipality shall not
130 be subject to the provisions of this article, except as to
131 extension of utilities greater than one (1) mile outside corporate
132 boundaries after March 29, 1956.

133 **SECTION 3.** This act shall take effect and be in force from
134 and after its passage.

