

By: Representative Rushing

To: Public Utilities

HOUSE BILL NO. 594

1 AN ACT TO AMEND SECTION 77-3-1, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT MUNICIPAL OWNED PUBLIC UTILITIES SHALL NOT BE SUBJECT
3 TO THE JURISDICTION OF THE PUBLIC SERVICE COMMISSION IF SUCH RATE
4 INCREASE IS FOR CUSTOMERS WHO RESIDE MORE THAN ONE (1) MILE
5 OUTSIDE OF MUNICIPAL BOUNDARIES AND THE INCREASE IS WITHIN THE
6 COST OF LIVING ADJUSTMENT FROM THE PREVIOUS FISCAL YEAR; TO AMEND
7 SECTION 77-3-6, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE
8 PRECEDING SECTION; AND FOR RELATED PURPOSES.

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

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

12 77-3-1. (1) Except as otherwise provided in Section 77-3-6,
13 any public utility as defined in paragraph (d) of Section 77-3-3,
14 owned or operated by a municipality shall not be subject to the
15 provisions of this article, except as to extension of utilities
16 greater than one (1) mile outside corporate boundaries after March
17 29, 1956; provided, however, if such extension of utilities is
18 greater than one (1) mile and an increase in rates is proposed and
19 such rate increase is within the cost of living increase from the
20 previous fiscal year, then the increase shall not be subject to
21 the provisions of this article.



22 (2) The provisions of this chapter shall not apply to the
23 distribution of water by an eligible homeowners association only
24 to its residents, irrespective of the subdivision's location
25 inside of an area subject to a Certificate of Public Convenience
26 and Necessity held by an eligible municipality. Additionally, the
27 provisions of this chapter shall not apply to any entity supplying
28 water to an eligible homeowners association for purposes of
29 supplying water only to its residents. These provisions shall not
30 apply whether an eligible homeowners association elects to provide
31 water to its residents on a full-time basis or opts for an
32 emergency connection to a private water source for use only when
33 water from an eligible municipality is unavailable, unreliable or
34 unsafe.

35 **SECTION 2.** Section 77-3-6, Mississippi Code of 1972, is
36 amended as follows:

37 77-3-6. (1) Except as otherwise provided under Section
38 77-3-1 regarding rate increases for customers who reside more than
39 one (1) mile outside of municipal boundaries, any dispute between
40 a municipally owned or operated public utility and a customer of
41 such public utility with regard to billing and/or services in
42 excess of Two Thousand Five Hundred Dollars (\$2,500.00) shall be
43 subject to investigation, review and arbitration by the commission
44 upon petition filed therefor with the commission by such public
45 utility or customer. However, the commission shall not commence
46 any investigation or proceedings pursuant to such petition if at



47 the time of filing the petition suit has been filed in any court
48 of this state or of the United States with regard to the subject
49 matter of the dispute and in which such public utility and
50 customer are parties. Any such petition shall be immediately
51 dismissed if any such suit is filed after filing of the petition
52 with the commission.

53 (2) In any arbitration proceedings commenced under the
54 provisions of this section, the commission may, by order entered
55 on its minutes and delivery of a certified copy thereof to the
56 public utility, direct any municipally owned or operated public
57 utility to provide the commission with copies of all statements,
58 accounts and reports concerning operation of the public utility
59 which the utility is required to provide the governing authorities
60 of the municipality under Section 21-27-17. The commission is
61 further authorized to conduct and shall conduct investigation of
62 and informal hearings in the dispute and may negotiate with the
63 public utility and the customer for the resolution thereof. In
64 every arbitration proceeding under this section the commission
65 shall perform such duties as it deems reasonable and likely to
66 result in settlement of the dispute without commencement of
67 litigation between the public utility and the customer.

68 (3) Participation in any investigation, proceeding,
69 negotiation, or settlement under the provisions of this section
70 shall be voluntary by the public utility and the customer;
71 however, no suit may be commenced in any court of this state by



72 either the public utility or customer based upon the facts giving
73 rise to the dispute for a period of sixty (60) days after a
74 petition is filed with the commission under this section.

75 (4) The provisions prescribed herein for the Public Service
76 Commission to investigate, review and arbitrate disputes between a
77 municipally owned or operated public utility and a customer of
78 such public utility shall not extend to tort actions.

79 **SECTION 3.** This act shall take effect and be in force from
80 and after July 1, 2024.

