

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL DRH10091-CCf-3

Short Title: Utilities Comm'n Tech. and Add'l Changes. (Public)

Sponsors: Representative Arp.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE TECHNICAL, CLARIFYING, CONFORMING, AND
3 ADMINISTRATIVE CHANGES TO THE LAWS RELATED TO PUBLIC UTILITIES
4 AND TO INCREASE THE NONUTILITY FILING FEE FOR A CERTIFICATE OF
5 PUBLIC CONVENIENCE AND NECESSITY.

6 The General Assembly of North Carolina enacts:

7
8 **TECHNICAL, CLARIFYING, CONFORMING, AND ADMINISTRATIVE CHANGES**
9 **TO THE LAWS RELATED TO PUBLIC UTILITIES**

10 **SECTION 1.** G.S. 20-398 reads as rewritten:

11 "**§ 20-398. Household goods carrier; marking or identification of vehicles.**

12 (a) No carrier shall operate or attempt to operate any motor vehicle upon a highway,
13 public street, or public vehicular area within the State in the transportation of household goods
14 for compensation unless the name or trade name and the North Carolina number assigned to the
15 carrier by the North Carolina Utilities Commission appear on each side of the vehicle in letters
16 and figures not less than three inches high. The North Carolina number assigned to the carrier
17 shall also be placed on the rear left upper quadrant of the vehicle in letters and figures not less
18 than three inches high. In case of a tractor-trailer unit, the side markings must be on the tractor
19 and the rear markings must be on the trailer. The markings required may be printed on the vehicle
20 or on durable placards securely fastened on the vehicle.

21 ...

22 (e) Notwithstanding the provisions of G.S. 20-383 to the contrary, any law enforcement
23 officer with territorial jurisdiction is authorized to enforce the provisions of this section.

24 **SECTION 2.** G.S. 62-3 reads as rewritten:

25 "**§ 62-3. Definitions.**

26 As used in this Chapter, unless the context otherwise requires, the term:

27 ...

28 (2) "Certificate" means a certificate of public convenience and necessity issued
29 by the Commission to a person or public utility or a certificate of authority
30 issued by the Commission to a bus company.

31 ...

32 (23) a. "Public utility" means a person, whether organized under the laws of
33 this State or under the laws of any other state or country, now or
34 hereafter owning or operating in this State equipment or facilities for:

35 ...



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2. Diverting, developing, pumping, impounding, distributing or furnishing water to or for the public for compensation, or operating a public sewerage system for compensation; provided, however, that the term "public utility" shall not include any person or company whose sole operation consists of selling water or sewer service to less than 15 residential customers, except that any person or company which constructs a water or sewer system in a subdivision with plans for 15 or more lots and which holds itself out by contracts or other means at the time of said construction to serve an area containing more than 15 residential building lots shall be a public utility at the time of such planning or holding out to serve such 15 or more building lots, without regard to the number of actual customers connected;
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c. The term "public utility" shall include all persons affiliated through stock ownership with a public utility doing business in this State as parent corporation or subsidiary corporation ~~as defined in G.S. 55-2~~ to such an extent that the Commission shall find that such affiliation has an effect on the rates or service of such public utility.
d. The term "public utility," except as otherwise expressly provided in this Chapter, shall not include the following:
1. ~~a municipality, A municipality, county, or a city, town, or village.~~
 2. ~~an authority organized under the North Carolina Water and Sewer Authorities Act, A special district, public authority, or unit of local government, as those terms are defined in G.S. 159-7(b) and that is subject to the provisions of Chapter 159, Subchapter III, Article 3 of the General Statutes.~~
 3. An electric or telephone membership corporation; corporation.
 4. ~~or any~~ Any person not otherwise a public utility who furnishes such service or commodity only to himself, his employees or tenants when such service or commodity is not resold to or used by others; provided, however, that any others.
- d1. Any person other than a nonprofit organization serving only its members, who distributes or provides utility service to his employees or tenants by individual meters or by other coin-operated devices with a charge for metered or coin-operated utility service shall be a public utility within the definition and meaning of this Chapter with respect to the regulation of rates and provisions of service rendered through such meter or coin-operated device imposing such separate metered utility charge.
- d2. If any person conducting a public utility shall also conduct any enterprise not a public utility, such enterprise is not subject to the provisions of this Chapter.
- d3. A water or sewer system owned by a homeowners' association that provides water or sewer service only to members or leaseholds of members is not subject to the provisions of this Chapter.
- ...
i. The term "public utility" shall not include the State, the Department of Information Technology, or the Microelectronics Center of North

1 Carolina in the provision or sharing of ~~switched~~—broadband
 2 telecommunications services with non-State entities or organizations
 3 of the kind or type set forth in ~~G.S. 143B-426.39~~G.S. 143B-1371.

4"

5 **SECTION 3.** G.S. 62-15 reads as rewritten:

6 **"§ 62-15. Office of executive director; public staff, structure and function.**

7 ...

8 (b) There is established in the Commission a public staff. The public staff shall consist
 9 of the executive director and such other professional, administrative, technical, and clerical
 10 personnel as may be necessary in order for the public staff to represent the using and consuming
 11 public, as hereinafter provided. All such personnel shall be ~~appointed, hired,~~ supervised, and
 12 directed by the executive ~~director.~~ director, as provided by law. The public staff shall not be
 13 subject to the supervision, direction, or control of the Commission, the chairman, or members of
 14 the Commission.

15 ...

16 (d) It shall be the duty and responsibility of the public staff to:

17 ...

18 (4) When deemed necessary by the executive director in the interest of the using
 19 and consuming public, petition the Commission to initiate proceedings to
 20 review, investigate, and take appropriate action with respect to the ~~rates~~ rates,
 21 operations, management, or service of public utilities;

22 ...

23 ~~(10) Investigate and make appropriate recommendations to the Commission with~~
 24 ~~respect to applications for certificates by radio common carriers, pursuant to~~
 25 ~~the provisions of Article 6A of this Chapter;~~

26 ...

27 (13) When deemed necessary by the executive director in the interest of the using
 28 and consuming public, appear before State and federal courts and agencies in
 29 matters affecting public utility service.

30"

31 **SECTION 4.** G.S. 62-20 reads as rewritten:

32 **"§ 62-20. Participation by Attorney General in Commission proceedings.**

33 The Attorney General may intervene, when he deems it to be advisable in the public interest,
 34 in proceedings before the Commission on behalf of the using and consuming public, including
 35 utility users generally and agencies of the State. The Attorney General may institute and originate
 36 proceedings before the Commission in the name of the State, its agencies or citizens, in matters
 37 within the jurisdiction of the Commission. The Attorney General may appear before such State
 38 and federal courts and agencies as he deems it advisable in matters affecting public utility
 39 services. In the performance of his responsibilities under this section, the Attorney General shall
 40 have the right to employ expert witnesses, and the compensation and expenses therefor shall be
 41 paid from the Contingency and Emergency Fund. ~~The~~ Upon request, the Commission shall
 42 furnish the Attorney General with copies of all applications, petitions, pleadings, order and
 43 decisions filed with or entered by the Commission. The Attorney General shall have access to all
 44 books, papers, studies, reports and other documents filed with the Commission."

45 **SECTION 5.** G.S. 62-34 reads as rewritten:

46 **"§ 62-34. To investigate companies under its control; visitation and inspection.**

47 ...

48 (c) The Public Staff shall have the right to examine confidential information as defined
 49 in G.S. 132-1.2 in exercising any power or performing any duty authorized by this Chapter. The
 50 Public Staff shall not disclose confidential information except as authorized by (i) the person or
 51 entity having the right to assert confidentiality, (ii) the Commission, or (iii) a court of competent

1 jurisdiction. Any information not designated in writing as confidential by the person or entity
2 disclosing it to the Public Staff is subject to disclosure. Any dispute about whether information
3 has been properly designated as confidential shall be determined by the Commission upon motion
4 and response of interested parties. Information shall be considered confidential only to the extent
5 provided by law."

6 **SECTION 6.** G.S. 62-39 reads as rewritten:

7 **"§ 62-39. To regulate crossings of telephone, telegraph, electric power lines and pipelines**
8 **and rights-of-way of railroads and other utilities by another utility.**

9 ...

10 (d) This section shall not be construed to limit the right of eminent domain conferred
11 upon public utilities and electric membership corporations by the laws of this State or to limit the
12 right and duty conferred by law with respect to crossing of railroads and ~~highways or railroads~~
13 ~~crossing railroads, highways,~~ but the duty imposed and the remedy given by this section shall be
14 in addition to other duties and remedies now prescribed by law. Any party shall have the right of
15 appeal from any final order or decision or determination of the Commission as provided by law
16 for appeals from orders or decisions or final determinations of the Commission."

17 **SECTION 7.** G.S. 62-49 reads as rewritten:

18 **"§ 62-49. Publication of utilities laws.**

19 The Commission is authorized and directed to secure publication of all North Carolina laws
20 affecting public utilities, together with the Commission rules and regulations, in an annotated
21 edition, and the Commission may adopt rules for distribution of said ~~publication, and shall~~
22 ~~publish biennial supplements to said utilities laws containing all amendments and additions~~
23 ~~thereto, publication~~ and may republish said laws at such times as may be reasonable and
24 necessary."

25 **SECTION 8.** G.S. 62-74 reads as rewritten:

26 **"§ 62-74. Complaints by public utilities.**

27 Any public utility shall have the right to ~~complain~~ file a complaint against any other public
28 utility or any person on any of the grounds upon which complaints are allowed to be filed by
29 other parties, and the same procedure shall be adopted and followed as in other cases, except that
30 the complaint and notice of hearing shall be served by the Commission upon such interested
31 persons as it may designate."

32 **SECTION 9.** G.S. 62-79 reads as rewritten:

33 **"§ 62-79. Final orders and decisions; findings; service; compliance.**

34 ...

35 (b) A copy of every final order or decision under the seal of the Commission shall be
36 ~~served by registered or certified mail in the manner prescribed by the Commission~~ upon the
37 person against whom it runs or his attorney and notice thereof shall be given to the other parties
38 to the proceeding or their attorney. Such order shall take effect and become operative when issued
39 unless otherwise designated therein and shall continue in force either for a period which may be
40 designated therein or until changed or revoked by the Commission. If an order cannot, in the
41 judgment of the Commission, be complied with within the time designated therein, the
42 Commission may grant and prescribe such additional time as in its judgment is reasonably
43 necessary to comply with the order, and may, on application and for good cause shown, extend
44 the time for compliance fixed in its order."

45 **SECTION 10.** G.S. 62-81 reads as rewritten:

46 **"§ 62-81. Special procedure in hearing and deciding rate cases.**

47 (a) All cases or proceedings, declared to be or properly classified as general rate cases
48 under G.S. 62-137, or any proceedings which will substantially affect any utility's overall level
49 of earnings or rate of return, shall be set for trial or hearing by the Commission, which trial or
50 hearing shall be set to commence within ~~six months~~ 180 days of the institution or filing thereof,
51 ~~and all such cases or proceedings shall be tried or heard and decided, with the issuance of a final~~

1 order, by the Commission within nine months of the institution or filing thereof. thereof. All such
2 cases or proceedings shall be tried or heard and decided in accordance with the rate-making
3 procedure set forth in G.S. 62-133 and such cases shall be given priority over all other cases or
4 proceedings pending before the Commission. In all such cases the Commission shall make a
5 transcript of the evidence and testimony presented and received by it and shall furnish a copy
6 thereof to any party so requesting by the third business day after the taking of such evidence and
7 testimony.

8 (b) Any public utility filing or applying for an increase in rates for electric, telephone,
9 natural gas or water gas, water, or sewer service shall notify its customers proposed to be affected
10 by such increase of such filing by regular mail or by newspaper publications, as directed by the
11 Commission, within 30 days of such filing, which notice shall state that the Commission shall
12 set and shall conduct a trial or hearing with respect to such filing or application within ~~six months~~
13 180 days of said filing date. All other public utilities shall give such notice in such manner as
14 shall be prescribed by the Commission.

15 (c) In cases or proceedings filed with and pending before the Commission, where either
16 (i) the total annual revenue requested, or (ii) where the total annual revenue increase requested,
17 is less than ~~three hundred thousand dollars (\$300,000) two million dollars (\$2,000,000),~~ even
18 though all or a substantial portion of the rate structure is being initially established or is under
19 review, the chairman of the Commission may refer the proceeding to a panel of three
20 commissioners or to a hearing commissioner or to a hearing examiner for hearing.

21 (d) In all proceedings for an increase in rates and all other proceedings declared to be
22 general rate cases under G.S. 62-137, the Commission shall conduct the hearing or portions of
23 the hearing within the area of the State served by the public utility whose rates are under
24 consideration, provided this subsection shall not apply to proceedings held pursuant to ~~G.S.~~
25 ~~62-134(e) and 62-133(f).~~ G.S. 62-133.2 and G.S. 62-133.4.

26 ~~(e) Notwithstanding the provisions of this section, application by any public utility for~~
27 ~~permission and authority to adjust its rates and charges based solely upon the cost of fuel used in~~
28 ~~the generation or production of electric power shall be determined in accordance with the~~
29 ~~provisions of G.S. 62-134(e).~~
30"

31 **SECTION 11.** G.S. 62-82 reads as rewritten:

32 **"§ 62-82. Special procedure on application for certificate for generating facility; appeal**
33 **from award order.**

34 (a) Notice of Application for Certificate for Generating Facility; Hearing; Briefs and Oral
35 Arguments. – Whenever there is filed with the Commission an application for a certificate of
36 public convenience and necessity for the construction of a facility for the generation of electricity
37 under G.S. 62-110.1, the Commission shall require the applicant to publish a notice thereof once
38 a week for four successive weeks in a newspaper of general circulation in the county where such
39 facility is proposed to be constructed and thereafter the Commission upon complaint shall, or
40 upon its own initiative may, upon reasonable notice, enter upon a hearing to determine whether
41 such certificate shall be awarded. Any such hearing must be commenced by the Commission not
42 later than three months after the filing of such application, and the procedure for rendering
43 decisions therein shall be given priority over all other cases on the Commission's calendar of
44 hearings and decisions, except rate proceedings referred to in G.S. 62-81. Such applications shall
45 be heard as provided in G.S. 62-60.1, and the Commission ~~shall~~ shall, upon request of the
46 applicant, furnish a transcript of evidence and testimony submitted by the end of the second
47 business day after the taking of each day of testimony. The Commission or panel shall require
48 that briefs and oral arguments in such cases be submitted within 30 days after the conclusion of
49 the hearing, and the Commission or panel shall render its decision in such cases within 60 days
50 after submission of such briefs and arguments. If the Commission or panel does not, upon its
51 own initiative, order a hearing and does not receive a complaint within 10 days after the last day

1 of publication of the notice, the Commission or panel shall enter an order awarding the certificate.
2 ~~Notwithstanding this section, applicants for a certificate for solar photovoltaic facilities of 10~~
3 ~~kilowatts or less are exempt from the requirement to publish public notice in newspapers.~~

4"

5 **SECTION 12.** G.S. 62-110.1 reads as rewritten:

6 "**§ 62-110.1. Certificate for construction of generating facility; analysis of long-range needs**
7 **for expansion of facilities; ongoing review of construction costs; inclusion of**
8 **approved construction costs in rates.**

9 ...

10 (c) The Commission shall develop, publicize, and keep current an analysis of the
11 long-range needs for expansion of facilities for the generation of electricity in North Carolina,
12 including its estimate of the probable future growth of the use of electricity, the probable needed
13 generating reserves, the extent, size, mix and general location of generating plants and
14 arrangements for pooling power to the extent not regulated by the Federal Energy Regulatory
15 Commission and other arrangements with other utilities and energy suppliers to achieve
16 maximum efficiencies for the benefit of the people of North Carolina, and shall consider such
17 analysis in acting upon any petition by any utility for construction. In developing such analysis,
18 the Commission ~~shall~~ shall, as it deems necessary, confer and consult with the public utilities in
19 North Carolina, the utilities commissions or comparable agencies of neighboring states, the
20 Federal Energy Regulatory Commission and other agencies having relevant information and may
21 participate as it deems useful in any joint boards investigating generating plant sites or the
22 probable need for future generating facilities. In addition to such reports as public utilities may
23 be required by statute or rule of the Commission to file with the Commission, any such utility in
24 North Carolina may submit to the Commission its proposals as to the future needs for electricity
25 to serve the people of the State or the area served by such utility, and insofar as practicable, each
26 such ~~utility~~ utility, the Public Staff, intervenors, and the Attorney General may attend or be
27 represented at any formal conference conducted by the Commission in developing a plan for the
28 future requirements of electricity for North Carolina or this region. In the course of making the
29 analysis and developing the plan, the Commission shall ~~conduct one or more public hearings.~~
30 conduct a public hearing on such plan in the year a biennial integrated resource plan is filed, and
31 may hold a public hearing on such plan in a year that an annual update of an integrated resource
32 plan is filed. Each year, the Commission shall submit to the Governor and to the appropriate
33 committees of the Joint Legislative Oversight Committee on Agriculture and Natural and
34 Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture,
35 Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations
36 Committee on Agriculture and Natural and Economic Resources a report of its analysis and plan,
37 the progress to date in carrying out such plan, and the program of the Commission for the ensuing
38 year in connection with such plan.

39"

40 **SECTION 13.** G.S. 62-111 reads as rewritten:

41 "**§ 62-111. Transfers of franchises; mergers, consolidations and combinations of public**
42 **utilities.**

43 ...

44 (d) No person shall obtain a franchise or certificate for the purpose of transferring the
45 same to another, and an offer of such transfer within one year after the same was obtained shall
46 be prima facie evidence that such franchise or certificate was obtained for the purpose of sale.

47"

48 **SECTION 14.** G.S. 62-130(c) is repealed.

49 **SECTION 15.** G.S. 62-133.4 reads as rewritten:

50 "**§ 62-133.4. Gas cost adjustment for natural gas local distribution companies.**

51 ...

(c) Each natural gas local distribution company shall submit to the Commission information and data for an historical 12-month test period concerning the utility's actual cost of gas, volumes of purchased gas, sales volumes, negotiated sales volumes, and transportation volumes. This information and data shall be filed on an annual basis in the form and detail and at the time required by the Commission. The Commission, upon notice and hearing, shall compare the utility's prudently incurred costs with costs recovered from all the utility's customers that it served during the test period. If those prudently incurred costs are greater or less than the recovered costs, the Commission shall, subject to G.S. 62-158, require the utility to refund any overrecovery by credit to bill or through a decrement in its rates and shall permit the utility to recover any deficiency through an increment in its rates. If the Commission finds the overrecovery or deficiency has been or is likely to be substantially reduced, negated, or reversed before or during the period in which it would be credited or recovered, the Commission, in its discretion, may order the utility to make an appropriate adjustment or no adjustment to its rates, consistent with the public interest.

...."

SECTION 16. G.S. 62-133.8(j) is repealed.

SECTION 17. G.S. 62-133.10 is repealed.

SECTION 18. G.S. 62-140 reads as rewritten:

"§ 62-140. Discrimination prohibited.

...

(c) No public utility shall offer or pay any compensation or consideration or furnish any equipment to secure the installation or adoption of the use of such utility service except upon filing of a schedule of such compensation or consideration or equipment to be furnished and approved thereof by the Commission, and offering such compensation, consideration or equipment to all persons within the same classification using or applying for such public utility service; provided, in considering the reasonableness of any such schedule filed by a public utility the Commission shall consider, among other things, evidence of consideration or compensation paid by any competitor, regulated or nonregulated, of the public utility to secure the installation or adoption of the use of such competitor's service. ~~Provided, further, that nothing herein shall prohibit a public utility from carrying out any contractual commitment in existence at the time of the enactment hereof, so long as such program does not extend beyond December 31, 1963.~~ For the purpose of this subsection, "public utility" shall include any electric membership corporation operating within this State, and the terms "utility service" and "public utility service" shall include the service rendered by any such electric membership corporation."

SECTION 19. G.S. 62-280.1 reads as rewritten:

"§ 62-280.1. False representation of household goods carrier certificate unlawful.

...

(b) Any person who violates subsection (a) of this section or who knowingly aids and abets another person in violating subsection (a) of this section shall be guilty of a Class 3 misdemeanor and punished only by a fine of not more than five hundred dollars (\$500.00) for the first offense and not more than two thousand dollars (\$2,000) for any subsequent offense.

...

(d) Notwithstanding the provisions of G.S. 20-383 to the contrary, any law enforcement officer with territorial jurisdiction is authorized to enforce the provisions of this section."

SECTION 20. Article 17 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"§ 62-352. Facilities for hearings outside the Commission's offices; security; costs of hearings.

The senior resident superior court judge shall provide suitable facilities for the conduct of hearings under this Chapter in the county or counties within the judge's district at the time the Commission schedules hearings therein. The senior resident superior court judge shall provide

1 or arrange for security at the Commission hearings upon the request of the chair. The Commission
2 shall promptly reimburse the court system or the local government, as the case may be, for the
3 actual costs of conducting the hearings, and the Commission may charge such costs to the
4 involved utility or utilities in cases involving class A or B utilities."

5 **SECTION 21.** G.S. 143-166.13 reads as rewritten:

6 **"§ 143-166.13. Persons entitled to benefits under Article.**

7 (a) The following persons who are subject to the Criminal Justice Training and Standards
8 Act are entitled to benefits under this Article:

9 ...

10 ~~(14) Utilities Commission Transportation Inspectors and Special Investigators;~~

11"

12 **SECTION 22.** G.S. 143B-963 reads as rewritten:

13 **"§ 143B-963. Criminal history record checks of applicants for and current holders of**
14 **certificate to transport household goods.**

15 (a) The Department of Public Safety may provide to the Utilities Commission from the
16 State and National Repositories of Criminal Histories the criminal history of any applicant for or
17 current holder of a certificate to transport household goods. Along with the request, the
18 Commission shall provide to the Department of Public Safety the fingerprints of the applicant or
19 current holder, a form signed by the applicant or current holder consenting to the criminal history
20 record check and use of fingerprints and other identifying information required by the State and
21 National Repositories of Criminal Histories, and any additional information required by the
22 Department of Public Safety. The applicant's or current holder's fingerprints shall be forwarded
23 to the State Bureau of Investigation for a search of the State's criminal history record file, and the
24 State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of
25 Investigation for a national criminal history record check. The Utilities Commission shall keep
26 all information obtained pursuant to this section confidential. The Department of Public Safety
27 may charge a fee to offset the cost incurred by it to conduct a criminal history record check under
28 this section. The fee shall not exceed the actual cost of locating, editing, researching, and
29 retrieving the information. The Department of Public Safety shall send a copy of the results of
30 the criminal history record checks directly to the Utilities Commission Chief Clerk.

31 (b) The Utilities Commission may provide the information obtained pursuant to
32 subsection (a) of this section to the Public Staff for use in proceedings before the Commission.
33 The Public Staff shall keep all information obtained pursuant to subsection (a) of this section
34 confidential."

35 **SECTION 23.** G.S. 156-91(b) is repealed.

36 **SECTION 24.** The Revisor of Statutes is authorized to substitute the term "Public
37 Staff" for the term "public staff" wherever the term appears in Chapter 62 of the General Statutes.

38 **SECTION 25.** The Revisor of Statutes is authorized to substitute the term
39 "ratemaking" for the terms "rate-making" or "rate making" wherever the term appears in Chapter
40 62 of the General Statutes.

41
42 **INCREASE THE NONUTILITY FILING FEE FOR A CERTIFICATE OF PUBLIC**
43 **CONVENIENCE AND NECESSITY**

44 **SECTION 26.(a)** G.S. 62-300 reads as rewritten:

45 **"§ 62-300. Particular fees and charges fixed; payment.**

46 (a) The Commission shall receive and collect the following fees and charges in
47 accordance with the classification of utilities as provided in rules and regulations of the
48 Commission, and no others:

49 ...

50 (5) With each application for a certificate of public convenience and necessity or
51 for any amendment thereto so as to extend or enlarge the scope of operations

1 thereunder, the fee shall be two hundred fifty dollars (\$250.00) for Class A
2 utilities, one hundred dollars (\$100.00) for Class B utilities, and twenty-five
3 dollars (\$25.00) for Class C and D utilities and ~~twenty-five dollars (\$25.00)~~
4 two hundred fifty dollars (\$250.00) for any other person seeking a certificate
5 of public convenience and necessity.

6"

7 **SECTION 26.(b)** This section becomes effective July 1, 2021.

8
9 **ALLOW THE USE OF MASTER METERS IN MULTIUNIT APARTMENT**
10 **BUILDINGS**

11 **SECTION 27.(a)** G.S. 42-42.1 reads as rewritten:

12 "**§ 42-42.1. Water, electricity, and natural gas conservation.**

13 (a) For the purpose of encouraging water, electricity, and natural gas conservation,
14 pursuant to a written rental agreement, a lessor may charge for the cost of providing water or
15 sewer service to lessees pursuant to G.S. 62-110(g), electric service pursuant to G.S. 62-110(h),
16 ~~or natural gas service pursuant to G.S. 62-110(i).~~ G.S. 62-110(i), or for electricity or natural gas
17 used by a central system pursuant to G.S. 62-110(j).

18 (b) The lessor may not disconnect or terminate the lessee's electric service, water or sewer
19 services, or natural gas ~~service~~ service, nor may the landlord terminate the lessee's receipt of the
20 benefits of the use of a central system, due to the lessee's nonpayment of the amount due for
21 electric service, water or sewer services, or natural gas service."

22 **SECTION 27.(b)** G.S. 62-110 is amended by adding a new subsection to read:

23 "(j) In addition to the authority to issue a certificate of public convenience and necessity
24 and establish rates otherwise granted in this Chapter, the Commission may, consistent with the
25 public interest, allow a lessor of a multiunit apartment building who has obtained the approval of
26 the Commission for the use of a master meter pursuant to G.S. 143-151.42 to charge each tenant
27 for the electricity or natural gas used by a central system based on each tenant's metered or
28 measured share of the electricity or natural gas used by the central system. In the case of
29 electricity used by a central system, the provisions of subdivisions (2) through (8) of subsection
30 (h) of this section shall apply. In the case of natural gas used by a central system, the provisions
31 of subdivisions (2) through (8) of subsection (i) of this section shall apply."

32 **SECTION 27.(c)** G.S. 143-151.42 reads as rewritten:

33 "**§ 143-151.42. Prohibition of master meters for electric and natural gas service.**

34 (a) From and after September 1, 1977, in order that each occupant of an apartment or
35 other individual dwelling unit may be responsible for his own conservation of electricity and gas,
36 it shall be unlawful for any new residential building, as hereinafter defined, to be served by a
37 master meter for electric service or natural gas service. Each individual dwelling unit shall have
38 individual electric service with a separate electric meter and, if it has natural gas, individual
39 natural gas service with a separate natural gas meter, which service and meters shall be in the
40 name of the tenant or other occupant of said apartment or other dwelling unit. No electric supplier
41 or natural gas supplier, whether regulated public utility or municipal corporation or electric
42 membership corporation supplying said utility service, shall connect any residential building for
43 electric service or natural gas service through a master meter, and said electric or natural gas
44 supplier shall serve each said apartment or dwelling unit by separate service and separate meter
45 and shall bill and charge each individual occupant of said separate apartment or dwelling unit for
46 said electric or natural gas service. A new residential building is hereby defined for the purposes
47 of this section as any building for which a building permit is issued on or after September 1,
48 1977, which includes two or more apartments or other family dwelling units. Provided, however,
49 that any owner or builder of a multi-unit residential building who desires to provide central heat
50 or air conditioning or central hot water from a central furnace, air conditioner or hot water heater
51 which incorporates solar assistance or other designs which accomplish greater energy

1 conservation than separate heat, hot water, or air conditioning for each dwelling unit, may apply
2 to the North Carolina Utilities Commission for approval of said central heat, air conditioning or
3 hot water system, which may include a central meter for electricity or gas used in said central
4 system, and the Utilities Commission shall promptly consider said application and approve it for
5 such central meters if energy is conserved by said design. This section shall apply to any dwelling
6 unit normally rented or leased for a minimum period of one month or longer, including
7 apartments, condominiums and townhouses, but shall not apply to hotels, motels, hotels or motels
8 that have been converted into condominiums, dormitories, rooming houses or nursing homes, or
9 homes for the ~~elderly-elderly~~, or to a multiunit residential building or building complex where
10 natural gas service is delivered to a master meter for use by the occupants of the units for use
11 only in cooking, ventless fireplaces, or other ancillary purposes.

12 (b) The provisions of this section requiring that service and meters for each individual
13 dwelling unit be in the name of the tenant or other occupant of the apartment or other dwelling
14 unit shall not apply in either of the following circumstances:

15 (1) The Utilities Commission has approved an application under
16 ~~G.S. 62-110(h)~~ subdivisions (h) through (j) of G.S. 62-110.

17 (2) The tenant and landlord have agreed in the lease that the cost of the electric
18 service or natural gas service or both shall be included in the rental payments
19 and the service shall be in the name of the landlord."

20 **SECTION 27.(d)** This section becomes effective October 1, 2021.

21
22 **EFFECTIVE DATE**

23 **SECTION 28.** Except as otherwise provided, this act is effective when it becomes
24 law.