

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 235
Committee Substitute Favorable 3/19/19
PROPOSED COMMITTEE SUBSTITUTE H235-PCS10654-SVf-19

Short Title: Utilities Comm'n Tech. and Add'l Changes.-AB

(Public)

Sponsors:

Referred to:

March 4, 2019

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; TO
4 INCREASE THE NONUTILITY FILING FEE FOR A CERTIFICATE OF PUBLIC
5 CONVENIENCE AND NECESSITY; TO ALLOW THE USE OF MASTER METERS IN
6 MULTI-UNIT APARTMENT BUILDINGS; AND TO AUTHORIZE A STUDY OF
7 GRANTING THE UTILITIES COMMISSION AND PUBLIC STAFF ADMINISTRATIVE
8 FLEXIBILITY REGARDING JOB CLASSIFICATIONS AND SALARIES.

9 The General Assembly of North Carolina enacts:

10
11 **TECHNICAL, CLARIFYING, CONFORMING, AND ADMINISTRATIVE CHANGES**
12 **TO THE LAWS RELATED TO PUBLIC UTILITIES**

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

14 "§ 20-398. Household goods carrier; marking or identification of vehicles.

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

24 ...

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

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

28 "§ 62-3. Definitions.

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

- 30 (1) "Broadband service" means any service that consists of or includes a
31 high-speed access capability to transmit at a rate of not less than ~~200 kilobits~~
32 ~~per second in either the upstream or downstream direction~~ the current
33 threshold for broadband service established by the Federal Communications
34 Commission and either (i) is used to provide access to the Internet, or (ii)
35 provides computer processing, information storage, information content, or



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1 protocol conversion, including any service applications or information service
 2 provided over such high-speed access service. "Broadband service" does not
 3 include intrastate service that was tarified by the Commission and in effect as
 4 of the effective date of this subdivision.

5 ...
 6 (2) "Certificate" means a certificate of public convenience and necessity issued
 7 by the Commission to a person or public utility or a certificate of authority
 8 issued by the Commission to a bus company.

9 ...
 10 (23) a. "Public utility" means a person, whether organized under the laws of
 11 this State or under the laws of any other state or country, now or
 12 hereafter owning or operating in this State equipment or facilities for:

- 13 ...
 14 2. Diverting, developing, pumping, impounding, distributing or
 15 furnishing water to or for the public for compensation, or
 16 operating a public sewerage system for compensation;
 17 provided, however, that the term "public utility" shall not
 18 include any person or company whose sole operation consists
 19 of selling water or sewer service to less than 15 residential
 20 customers, except that any person or company which
 21 constructs a water or sewer system in a subdivision with plans
 22 for 15 or more lots and which holds itself out by contracts or
 23 other means at the time of said construction to serve an area
 24 containing more than 15 residential building lots shall be a
 25 public utility at the time of such planning or holding out to
 26 serve such 15 or more building lots, without regard to the
 27 number of actual customers connected;

28 ...
 29 c. The term "public utility" shall include all persons affiliated through
 30 stock ownership with a public utility doing business in this State as
 31 parent corporation or subsidiary corporation ~~as defined in G.S. 55-2~~ to
 32 such an extent that the Commission shall find that such affiliation has
 33 an effect on the rates or service of such public utility.

34 d. The term "public utility," except as otherwise expressly provided in
 35 this Chapter, shall not include the following:

- 36 1. a municipality, A municipality.
 37 2. an An authority organized under the North Carolina Water and
 38 Sewer Authorities Act, Act.
 39 3. An electric or telephone membership corporation; corporation.
 40 4. or any Any person not otherwise a public utility who furnishes
 41 such service or commodity only to himself, his employees or
 42 tenants when such service or commodity is not resold to or
 43 used by others; provided, however, that any others.

44 d1. Any person other than a nonprofit organization serving only its
 45 members, who distributes or provides utility service to his employees
 46 or tenants by individual meters or by other coin-operated devices with
 47 a charge for metered or coin-operated utility service shall be a public
 48 utility within the definition and meaning of this Chapter with respect
 49 to the regulation of rates and provisions of service rendered through
 50 such meter or coin-operated device imposing such separate metered
 51 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 Carolina in the provision or sharing of ~~switched~~ broadband telecommunications services with non-State entities or organizations of the kind or type set forth in ~~G.S. 143B-426.39~~ G.S. 143B-1371.

...."

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

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

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

...
 (d) It shall be the duty and responsibility of the public staff to:
 ...
 (4) When deemed necessary by the executive director in the interest of the using and consuming public, petition the Commission to initiate proceedings to review, investigate, and take appropriate action with respect to the ~~rates~~ rates, operations, management, or service of public utilities;

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

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

...."

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

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

The Attorney General may intervene, when he deems it to be advisable in the public interest, in proceedings before the Commission on behalf of the using and consuming public, including utility users generally and agencies of the State. The Attorney General may institute and originate proceedings before the Commission in the name of the State, its agencies or citizens, in matters within the jurisdiction of the Commission. The Attorney General may appear before such State and federal courts and agencies as he deems it advisable in matters affecting public utility services. In the performance of his responsibilities under this section, the Attorney General shall have the right to employ expert witnesses, and the compensation and expenses therefor shall be paid from the Contingency and Emergency Fund. ~~The~~ Upon request, the Commission shall furnish the Attorney General with copies of all applications, petitions, pleadings, order and

1 decisions filed with or entered by the Commission. The Attorney General shall have access to all
2 books, papers, studies, reports and other documents filed with the Commission."

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

4 **"§ 62-34. To investigate companies under its control; visitation and inspection.**

5 ...

6 (c) The Public Staff shall have the right to examine confidential information as defined
7 in G.S. 132-1.2 in exercising any power or performing any duty authorized by this Chapter. The
8 Public Staff shall not disclose confidential information except as authorized by (i) the person or
9 entity having the right to assert confidentiality, (ii) the Commission, or (iii) a court of competent
10 jurisdiction. Any information not designated in writing as confidential by the person or entity
11 disclosing it to the Public Staff is subject to disclosure. Any dispute about whether information
12 has been properly designated as confidential shall be determined by the Commission upon motion
13 and response of interested parties. Information shall be considered confidential only to the extent
14 provided by law."

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

16 **"§ 62-39. To regulate crossings of telephone, telegraph, electric power lines and pipelines**
17 **and rights-of-way of railroads and other utilities by another utility.**

18 ...

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

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

27 **"§ 62-49. Publication of utilities laws.**

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

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

35 **"§ 62-74. Complaints by public utilities.**

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

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

42 **"§ 62-79. Final orders and decisions; findings; service; compliance.**

43 ...

44 (b) A copy of every final order or decision under the seal of the Commission shall be
45 ~~served by registered or certified mail in the manner prescribed by the Commission~~ upon the
46 person against whom it runs or his attorney and notice thereof shall be given to the other parties
47 to the proceeding or their attorney. Such order shall take effect and become operative when issued
48 unless otherwise designated therein and shall continue in force either for a period which may be
49 designated therein or until changed or revoked by the Commission. If an order cannot, in the
50 judgment of the Commission, be complied with within the time designated therein, the
51 Commission may grant and prescribe such additional time as in its judgment is reasonably

1 necessary to comply with the order, and may, on application and for good cause shown, extend
2 the time for compliance fixed in its order."

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

4 **"§ 62-81. Special procedure in hearing and deciding rate cases.**

5 (a) All cases or proceedings, declared to be or properly classified as general rate cases
6 under G.S. 62-137, or any proceedings which will substantially affect any utility's overall level
7 of earnings or rate of return, shall be set for trial or hearing by the Commission, which trial or
8 hearing shall be set to commence within ~~six months~~ 180 days of the institution or filing thereof,
9 ~~and all such cases or proceedings shall be tried or heard and decided, with the issuance of a final~~
10 ~~order, by the Commission within nine months of the institution or filing thereof. thereof.~~ All such
11 cases or proceedings shall be tried or heard and decided in accordance with the rate-making
12 procedure set forth in G.S. 62-133 and such cases shall be given priority over all other cases or
13 proceedings pending before the Commission. In all such cases the Commission shall make a
14 transcript of the evidence and testimony presented and received by it and shall furnish a copy
15 thereof to any party so requesting by the third business day after the taking of such evidence and
16 testimony.

17 (b) Any public utility filing or applying for an increase in rates for electric, telephone,
18 natural ~~gas or water~~ gas, water, or sewer service shall notify its customers proposed to be affected
19 by such increase of such filing by regular mail or by newspaper publications, as directed by the
20 Commission, within 30 days of such filing, which notice shall state that the Commission shall
21 set and shall conduct a trial or hearing with respect to such filing or application within ~~six months~~
22 180 days of said filing date. All other public utilities shall give such notice in such manner as
23 shall be prescribed by the Commission.

24 ...

25 (d) In all proceedings for an increase in rates and all other proceedings declared to be
26 general rate cases under G.S. 62-137, the Commission shall conduct the hearing or portions of
27 the hearing within the area of the State served by the public utility whose rates are under
28 consideration, provided this subsection shall not apply to proceedings held pursuant to ~~G.S.~~
29 ~~62-134(e) and 62-133(f).~~ G.S. 62-133.2 and G.S. 62-133.4.

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

34"

35 **SECTION 11.** G.S. 62-110.1 reads as rewritten:

36 **"§ 62-110.1. Certificate for construction of generating facility; analysis of long-range needs**
37 **for expansion of facilities; ongoing review of construction costs; inclusion of**
38 **approved construction costs in rates.**

39 ...

40 (c) The Commission shall develop, publicize, and keep current an analysis of the
41 long-range needs for expansion of facilities for the generation of electricity in North Carolina,
42 including its estimate of the probable future growth of the use of electricity, the probable needed
43 generating reserves, the extent, size, mix and general location of generating plants and
44 arrangements for pooling power to the extent not regulated by the Federal Energy Regulatory
45 Commission and other arrangements with other utilities and energy suppliers to achieve
46 maximum efficiencies for the benefit of the people of North Carolina, and shall consider such
47 analysis in acting upon any petition by any utility for construction. In developing such analysis,
48 the Commission ~~shall~~ shall, ~~as it deems necessary,~~ confer and consult with the public utilities in
49 North Carolina, the utilities commissions or comparable agencies of neighboring states, the
50 Federal Energy Regulatory Commission and other agencies having relevant information and may
51 participate as it deems useful in any joint boards investigating generating plant sites or the

1 probable need for future generating facilities. In addition to such reports as public utilities may
2 be required by statute or rule of the Commission to file with the Commission, any such utility in
3 North Carolina may submit to the Commission its proposals as to the future needs for electricity
4 to serve the people of the State or the area served by such utility, and insofar as practicable, each
5 such ~~utility~~-utility, the Public Staff, intervenors, and the Attorney General may attend or be
6 represented at any formal conference conducted by the Commission in developing a plan for the
7 future requirements of electricity for North Carolina or this region. In the course of making the
8 analysis and developing the plan, the Commission shall ~~conduct one or more public hearings.~~
9 conduct a public hearing on such plan in the year a biennial integrated resource plan is filed, and
10 may hold a public hearing on such plan in a year that an annual update of an integrated resource
11 plan is filed. Each year, the Commission shall submit to the Governor and to the appropriate
12 committees of the Joint Legislative Oversight Committee on Agriculture and Natural and
13 Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture,
14 Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations
15 Committee on Agriculture and Natural and Economic Resources a report of its analysis and plan,
16 the progress to date in carrying out such plan, and the program of the Commission for the ensuing
17 year in connection with such plan.

18"

19 **SECTION 12.** G.S. 62-111 reads as rewritten:

20 "**§ 62-111. Transfers of franchises; mergers, consolidations and combinations of public**
21 **utilities.**

22 ...

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

26"

27 **SECTION 13.** G.S. 62-130(c) is repealed.

28 **SECTION 14.** G.S. 62-133.4 reads as rewritten:

29 "**§ 62-133.4. Gas cost adjustment for natural gas local distribution companies.**

30 ...

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

45"

46 **SECTION 15.** G.S. 62-133.10 is repealed.

47 **SECTION 16.** G.S. 62-140 reads as rewritten:

48 "**§ 62-140. Discrimination prohibited.**

49 ...

50 (c) No public utility shall offer or pay any compensation or consideration or furnish any
51 equipment to secure the installation or adoption of the use of such utility service except upon

1 filing of a schedule of such compensation or consideration or equipment to be furnished and
2 approved thereof by the Commission, and offering such compensation, consideration or
3 equipment to all persons within the same classification using or applying for such public utility
4 service; provided, in considering the reasonableness of any such schedule filed by a public utility
5 the Commission shall consider, among other things, evidence of consideration or compensation
6 paid by any competitor, regulated or nonregulated, of the public utility to secure the installation
7 or adoption of the use of such competitor's service. ~~Provided, further, that nothing herein shall~~
8 ~~prohibit a public utility from carrying out any contractual commitment in existence at the time~~
9 ~~of the enactment hereof, so long as such program does not extend beyond December 31, 1963.~~
10 For the purpose of this subsection, "public utility" shall include any electric membership
11 corporation operating within this State, and the terms "utility service" and "public utility service"
12 shall include the service rendered by any such electric membership corporation."

13 **SECTION 17.** G.S. 62-280.1 reads as rewritten:

14 **"§ 62-280.1. False representation of household goods carrier certificate unlawful.**

15 ...

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

20 ...

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

23 **SECTION 18.** G.S. 143-166.13 reads as rewritten:

24 **"§ 143-166.13. Persons entitled to benefits under Article.**

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

27 ...

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

29"

30 **SECTION 19.** G.S. 143B-963 reads as rewritten:

31 **"§ 143B-963. Criminal history record checks of applicants for and current holders of**
32 **certificate to transport household goods.**

33 (a) The Department of Public Safety may provide to the Utilities Commission from the
34 State and National Repositories of Criminal Histories the criminal history of any applicant for or
35 current holder of a certificate to transport household goods. Along with the request, the
36 Commission shall provide to the Department of Public Safety the fingerprints of the applicant or
37 current holder, a form signed by the applicant or current holder consenting to the criminal history
38 record check and use of fingerprints and other identifying information required by the State and
39 National Repositories of Criminal Histories, and any additional information required by the
40 Department of Public Safety. The applicant's or current holder's fingerprints shall be forwarded
41 to the State Bureau of Investigation for a search of the State's criminal history record file, and the
42 State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of
43 Investigation for a national criminal history record check. The Utilities Commission shall keep
44 all information obtained pursuant to this section confidential. The Department of Public Safety
45 may charge a fee to offset the cost incurred by it to conduct a criminal history record check under
46 this section. The fee shall not exceed the actual cost of locating, editing, researching, and
47 retrieving the information. The Department of Public Safety shall send a copy of the results of
48 the criminal history record checks directly to the Utilities Commission Chief Clerk.

49 (b) The Utilities Commission may provide the information obtained pursuant to
50 subsection (a) of this section to the Public Staff for use in proceedings before the Commission.

1 The Public Staff shall keep all information obtained pursuant to subsection (a) of this section
2 confidential."

3 **SECTION 20.** G.S. 156-91 reads as rewritten:

4 **"§ 156-91. Manner of construction across railroad.**

5 ...

6 (b) ~~Utilities Commission to Settle.— If the superintendent of construction and the railroad~~
7 ~~company shall not be able to agree as to the exact time at which such work can be done, including~~
8 ~~the time of beginning and the time to be consumed in such work, either party may give written~~
9 ~~notice thereof to the chairman of the Utilities Commission of the State, and thereupon the Utilities~~
10 ~~Commission shall cause an investigation to be made, and, after hearing both parties, shall fix the~~
11 ~~time of beginning such work and the time to be consumed in the work of construction, and the~~
12 ~~final determination of the Utilities Commission thereon shall be binding upon the superintendent~~
13 ~~of construction representing the district and the railroad company, and the work shall be done in~~
14 ~~such time as may be fixed by the Utilities Commission.~~

15"

16 **SECTION 21.** The Revisor of Statutes is authorized to substitute the term "Public
17 Staff" for the term "public staff" wherever the term appears in Chapter 62 of the General Statutes.

18 **SECTION 22.** The Revisor of Statutes is authorized to substitute the term
19 "ratemaking" for the terms "rate-making" or "rate making" wherever the term appears in Chapter
20 62 of the General Statutes.

21 **INCREASE THE NONUTILITY FILING FEE FOR A CERTIFICATE OF PUBLIC** 22 **CONVENIENCE AND NECESSITY**

23 **SECTION 23.(a)** G.S. 62-300 reads as rewritten:

24 **"§ 62-300. Particular fees and charges fixed; payment.**

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

28 ...

29
30 (5) With each application for a certificate of public convenience and necessity or
31 for any amendment thereto so as to extend or enlarge the scope of operations
32 thereunder, the fee shall be two hundred fifty dollars (\$250.00) for Class A
33 utilities, one hundred dollars (\$100.00) for Class B utilities, and twenty-five
34 dollars (\$25.00) for Class C and D utilities and ~~twenty-five dollars (\$25.00)~~
35 two hundred fifty dollars (\$250.00) for any other person seeking a certificate
36 of public convenience and necessity.

37"

38 **SECTION 23.(b)** This section becomes effective July 1, 2019.

39 **ALLOW THE USE OF MASTER METERS IN MULTI-UNIT APARTMENT** 40 **BUILDINGS**

41 **SECTION 24.(a)** G.S. 42-42.1 reads as rewritten:

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

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

48 (b) The lessor may not disconnect or terminate the lessee's electric service, water or sewer
49 services, or natural gas ~~service~~ service, nor may the landlord terminate the lessee's receipt of the
50

1 benefits of the use of a central system, due to the lessee's nonpayment of the amount due for
2 electric service, water or sewer services, or natural gas service."

3 **SECTION 24.(b)** G.S. 62-110 is amended by adding a new subsection to read:

4 "(j) In addition to the authority to issue a certificate of public convenience and necessity
5 and establish rates otherwise granted in this Chapter, the Commission may, consistent with the
6 public interest, allow a lessor of a multi-unit apartment building who has obtained the approval
7 of the Commission for the use of a master meter pursuant to G.S. 143-151.42 to charge each
8 tenant for the electricity or natural gas used by a central system based on each tenant's metered
9 or measured share of the electricity or natural gas used by the central system. In the case of
10 electricity used by a central system, the provisions of subdivisions (2) through (8) of subsection
11 (h) of this section shall apply. In the case of natural gas used by a central system, the provisions
12 of subdivisions (2) through (8) of subsection (i) of this section shall apply."

13 **SECTION 24.(c)** G.S. 143-151.42 reads as rewritten:

14 **"§ 143-151.42. Prohibition of master meters for electric and natural gas service.**

15 (a) From and after September 1, 1977, in order that each occupant of an apartment or
16 other individual dwelling unit may be responsible for his own conservation of electricity and gas,
17 it shall be unlawful for any new residential building, as hereinafter defined, to be served by a
18 master meter for electric service or natural gas service. Each individual dwelling unit shall have
19 individual electric service with a separate electric meter and, if it has natural gas, individual
20 natural gas service with a separate natural gas meter, which service and meters shall be in the
21 name of the tenant or other occupant of said apartment or other dwelling unit. No electric supplier
22 or natural gas supplier, whether regulated public utility or municipal corporation or electric
23 membership corporation supplying said utility service, shall connect any residential building for
24 electric service or natural gas service through a master meter, and said electric or natural gas
25 supplier shall serve each said apartment or dwelling unit by separate service and separate meter
26 and shall bill and charge each individual occupant of said separate apartment or dwelling unit for
27 said electric or natural gas service. A new residential building is hereby defined for the purposes
28 of this section as any building for which a building permit is issued on or after September 1,
29 1977, which includes two or more apartments or other family dwelling units. Provided, however,
30 that any owner or builder of a multi-unit residential building who desires to provide central heat
31 or air conditioning or central hot water from a central furnace, air conditioner or hot water heater
32 which incorporates solar assistance or other designs which accomplish greater energy
33 conservation than separate heat, hot water, or air conditioning for each dwelling unit, may apply
34 to the North Carolina Utilities Commission for approval of said central heat, air conditioning or
35 hot water system, which may include a central meter for electricity or gas used in said central
36 system, and the Utilities Commission shall promptly consider said application and approve it for
37 such central meters if energy is conserved by said design. This section shall apply to any dwelling
38 unit normally rented or leased for a minimum period of one month or longer, including
39 apartments, condominiums and townhouses, but shall not apply to hotels, motels, hotels or motels
40 that have been converted into condominiums, dormitories, rooming houses or nursing homes, or
41 homes for the ~~elderly-elderly~~, or to a multi-unit residential building or building complex where
42 natural gas service is delivered to a master meter for use by the occupants of the units for use
43 only in cooking, ventless fireplaces, or other ancillary purposes.

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

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

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

1 **SECTION 24.(d)** This section becomes effective October 1, 2019.

2
3 **AUTHORIZE STUDY OF UTILITIES COMMISSION AND PUBLIC STAFF**
4 **ADMINISTRATIVE FLEXIBILITY REGARDING JOB CLASSIFICATIONS AND**
5 **SALARIES**

6 **SECTION 25.** The Commission may use available funds to contract with a qualified
7 consultant to study the appropriate job classifications and salaries for employees of the
8 Commission and Public Staff, including an analysis of market rates for employees with utility
9 regulatory experience to determine whether current employees are classified and compensated
10 appropriately. The study shall be completed no later than October 1, 2019.

11 By March 1, 2020, the Commission and Public Staff shall report to the Joint
12 Legislative Commission on Energy Policy and the Fiscal Research Division on the results of the
13 study and may make legislative recommendations with respect to whether the Commission and
14 Public Staff should be granted administrative flexibility to do any of the following:

- 15 (1) Classify new positions or reclassify existing positions, including vacant
16 positions, within the classification system adopted by the State Human
17 Resources Commission or as otherwise provided by law.
- 18 (2) Determine the appropriate salary for employees, provided funding is available
19 and the salary remains within the minimum and maximum range of the salary
20 range associated with the position classification or as otherwise provided by
21 law.
- 22 (3) Make hiring decisions based on the flexibility to determine appropriate job
23 classifications and salaries.

24
25 **EFFECTIVE DATE**

26 **SECTION 26.** Except as otherwise provided, this act is effective when it becomes
27 law.