

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 235
Committee Substitute Favorable 3/19/19
Committee Substitute #2 Favorable 5/29/19
PROPOSED SENATE COMMITTEE SUBSTITUTE H235-PCS40495-RIF-22

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 ...

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

34 ...



* H 2 3 5 - P C S 4 0 4 9 5 - R I F - 2 2 *

- 1 (23) a. "Public utility" means a person, whether organized under the laws of
 2 this State or under the laws of any other state or country, now or
 3 hereafter owning or operating in this State equipment or facilities for:
 4 ...
 5 2. Diverting, developing, pumping, impounding, distributing or
 6 furnishing water to or for the public for compensation, or
 7 operating a public sewerage system for compensation;
 8 provided, however, that the term "public utility" shall not
 9 include any person or company whose sole operation consists
 10 of selling water or sewer service to less than 15 residential
 11 customers, except that any person or company which
 12 constructs a water or sewer system in a subdivision with plans
 13 for 15 or more lots and which holds itself out by contracts or
 14 other means at the time of said construction to serve an area
 15 containing more than 15 residential building lots shall be a
 16 public utility at the time of such planning or holding out to
 17 serve such 15 or more building lots, without regard to the
 18 number of actual customers connected;
 19 ...
 20 c. The term "public utility" shall include all persons affiliated through
 21 stock ownership with a public utility doing business in this State as
 22 parent corporation or subsidiary corporation ~~as defined in G.S. 55-2~~ to
 23 such an extent that the Commission shall find that such affiliation has
 24 an effect on the rates or service of such public utility.
 25 d. The term "public utility," except as otherwise expressly provided in
 26 this Chapter, shall not include the following:
 27 1. ~~a municipality.~~ A municipality.
 28 2. ~~an~~ An authority organized under the North Carolina Water and
 29 Sewer Authorities ~~Act,~~ Act.
 30 3. An electric or telephone membership ~~corporation;~~ corporation.
 31 4. ~~or any~~ Any person not otherwise a public utility who furnishes
 32 such service or commodity only to himself, his employees or
 33 tenants when such service or commodity is not resold to or
 34 used by ~~others; provided, however, that any~~ others.
 35 d1. Any person other than a nonprofit organization serving only its
 36 members, who distributes or provides utility service to his employees
 37 or tenants by individual meters or by other coin-operated devices with
 38 a charge for metered or coin-operated utility service shall be a public
 39 utility within the definition and meaning of this Chapter with respect
 40 to the regulation of rates and provisions of service rendered through
 41 such meter or coin-operated device imposing such separate metered
 42 utility charge.
 43 d2. If any person conducting a public utility shall also conduct any
 44 enterprise not a public utility, such enterprise is not subject to the
 45 provisions of this Chapter.
 46 d3. A water or sewer system owned by a homeowners' association that
 47 provides water or sewer service only to members or leaseholds of
 48 members is not subject to the provisions of this Chapter.
 49 ...
 50 i. The term "public utility" shall not include the State, the Department of
 51 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 ...

16 (d) In all proceedings for an increase in rates and all other proceedings declared to be
17 general rate cases under G.S. 62-137, the Commission shall conduct the hearing or portions of
18 the hearing within the area of the State served by the public utility whose rates are under
19 consideration, provided this subsection shall not apply to proceedings held pursuant to ~~G.S.~~
20 ~~62-134(e) and 62-133(f).~~ G.S. 62-133.2 and G.S. 62-133.4.

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

25"

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

27 **"§ 62-110.1. Certificate for construction of generating facility; analysis of long-range needs**
28 **for expansion of facilities; ongoing review of construction costs; inclusion of**
29 **approved construction costs in rates.**

30 ...

31 (c) The Commission shall develop, publicize, and keep current an analysis of the
32 long-range needs for expansion of facilities for the generation of electricity in North Carolina,
33 including its estimate of the probable future growth of the use of electricity, the probable needed
34 generating reserves, the extent, size, mix and general location of generating plants and
35 arrangements for pooling power to the extent not regulated by the Federal Energy Regulatory
36 Commission and other arrangements with other utilities and energy suppliers to achieve
37 maximum efficiencies for the benefit of the people of North Carolina, and shall consider such
38 analysis in acting upon any petition by any utility for construction. In developing such analysis,
39 the Commission ~~shall~~ shall, as it deems necessary, confer and consult with the public utilities in
40 North Carolina, the utilities commissions or comparable agencies of neighboring states, the
41 Federal Energy Regulatory Commission and other agencies having relevant information and may
42 participate as it deems useful in any joint boards investigating generating plant sites or the
43 probable need for future generating facilities. In addition to such reports as public utilities may
44 be required by statute or rule of the Commission to file with the Commission, any such utility in
45 North Carolina may submit to the Commission its proposals as to the future needs for electricity
46 to serve the people of the State or the area served by such utility, and insofar as practicable, each
47 such ~~utility~~ utility, the Public Staff, intervenors, and the Attorney General may attend or be
48 represented at any formal conference conducted by the Commission in developing a plan for the
49 future requirements of electricity for North Carolina or this region. In the course of making the
50 analysis and developing the plan, the Commission shall ~~conduct one or more public hearings.~~
51 conduct a public hearing on such plan in the year a biennial integrated resource plan is filed, and

1 may hold a public hearing on such plan in a year that an annual update of an integrated resource
2 plan is filed. Each year, the Commission shall submit to the Governor and to the appropriate
3 committees of the Joint Legislative Oversight Committee on Agriculture and Natural and
4 Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture,
5 Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations
6 Committee on Agriculture and Natural and Economic Resources a report of its analysis and plan,
7 the progress to date in carrying out such plan, and the program of the Commission for the ensuing
8 year in connection with such plan.

9"

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

11 "**§ 62-111. Transfers of franchises; mergers, consolidations and combinations of public**
12 **utilities.**

13 ...

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

17"

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

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

20 "**§ 62-133.4. Gas cost adjustment for natural gas local distribution companies.**

21 ...

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

36"

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

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

39 "**§ 62-140. Discrimination prohibited.**

40 ...

41 (c) No public utility shall offer or pay any compensation or consideration or furnish any
42 equipment to secure the installation or adoption of the use of such utility service except upon
43 filing of a schedule of such compensation or consideration or equipment to be furnished and
44 approved thereof by the Commission, and offering such compensation, consideration or
45 equipment to all persons within the same classification using or applying for such public utility
46 service; provided, in considering the reasonableness of any such schedule filed by a public utility
47 the Commission shall consider, among other things, evidence of consideration or compensation
48 paid by any competitor, regulated or nonregulated, of the public utility to secure the installation
49 or adoption of the use of such competitor's service. ~~Provided, further, that nothing herein shall~~
50 ~~prohibit a public utility from carrying out any contractual commitment in existence at the time~~
51 ~~of the enactment hereof, so long as such program does not extend beyond December 31, 1963.~~

1 For the purpose of this subsection, "public utility" shall include any electric membership
2 corporation operating within this State, and the terms "utility service" and "public utility service"
3 shall include the service rendered by any such electric membership corporation."

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

5 **"§ 62-280.1. False representation of household goods carrier certificate unlawful.**

6 ...

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

11 ...

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

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

15 **"§ 143-166.13. Persons entitled to benefits under Article.**

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

18 ...

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

20 ~~...."~~

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

22 **"§ 143B-963. Criminal history record checks of applicants for and current holders of**
23 **certificate to transport household goods.**

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

40 (b) The Utilities Commission may provide the information obtained pursuant to
41 subsection (a) of this section to the Public Staff for use in proceedings before the Commission.
42 The Public Staff shall keep all information obtained pursuant to subsection (a) of this section
43 confidential."

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

45 **"§ 156-91. Manner of construction across railroad.**

46 ...

47 ~~(b) Utilities Commission to Settle.— If the superintendent of construction and the railroad~~
48 ~~company shall not be able to agree as to the exact time at which such work can be done, including~~
49 ~~the time of beginning and the time to be consumed in such work, either party may give written~~
50 ~~notice thereof to the chairman of the Utilities Commission of the State, and thereupon the Utilities~~
51 ~~Commission shall cause an investigation to be made, and, after hearing both parties, shall fix the~~

1 time of beginning such work and the time to be consumed in the work of construction, and the
 2 final determination of the Utilities Commission thereon shall be binding upon the superintendent
 3 of construction representing the district and the railroad company, and the work shall be done in
 4 such time as may be fixed by the Utilities Commission.

5"

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

8 **SECTION 22.** The Revisor of Statutes is authorized to substitute the term
 9 "ratemaking" for the terms "rate-making" or "rate making" wherever the term appears in Chapter
 10 62 of the General Statutes.

11
 12 **INCREASE THE NONUTILITY FILING FEE FOR A CERTIFICATE OF PUBLIC
 13 CONVENIENCE AND NECESSITY**

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

15 "**§ 62-300. Particular fees and charges fixed; payment.**

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

19 ...

20 (5) With each application for a certificate of public convenience and necessity or
 21 for any amendment thereto so as to extend or enlarge the scope of operations
 22 thereunder, the fee shall be two hundred fifty dollars (\$250.00) for Class A
 23 utilities, one hundred dollars (\$100.00) for Class B utilities, and twenty-five
 24 dollars (\$25.00) for Class C and D utilities and ~~twenty-five dollars (\$25.00)~~
 25 two hundred fifty dollars (\$250.00) for any other person seeking a certificate
 26 of public convenience and necessity.

27"

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

29
 30 **ALLOW THE USE OF MASTER METERS IN MULTI-UNIT APARTMENT
 31 BUILDINGS**

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

33 "**§ 42-42.1. Water, electricity, and natural gas conservation.**

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

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

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

44 "(j) In addition to the authority to issue a certificate of public convenience and necessity
 45 and establish rates otherwise granted in this Chapter, the Commission may, consistent with the
 46 public interest, allow a lessor of a multi-unit apartment building who has obtained the approval
 47 of the Commission for the use of a master meter pursuant to G.S. 143-151.42 to charge each
 48 tenant for the electricity or natural gas used by a central system based on each tenant's metered
 49 or measured share of the electricity or natural gas used by the central system. In the case of
 50 electricity used by a central system, the provisions of subdivisions (2) through (8) of subsection

1 (h) of this section shall apply. In the case of natural gas used by a central system, the provisions
2 of subdivisions (2) through (8) of subsection (i) of this section shall apply."

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

4 "**§ 143-151.42. Prohibition of master meters for electric and natural gas service.**

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

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

- 37 (1) The Utilities Commission has approved an application under
38 ~~G.S. 62-110(h)~~-subdivisions (h) through (j) of G.S. 62-110.
39 (2) The tenant and landlord have agreed in the lease that the cost of the electric
40 service or natural gas service or both shall be included in the rental payments
41 and the service shall be in the name of the landlord."

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

43
44 **AUTHORIZE STUDY OF UTILITIES COMMISSION AND PUBLIC STAFF**
45 **ADMINISTRATIVE FLEXIBILITY REGARDING JOB CLASSIFICATIONS AND**
46 **SALARIES**

47 **SECTION 25.** The Commission may use available funds to contract with a qualified
48 consultant to study the appropriate job classifications and salaries for employees of the
49 Commission and Public Staff, including an analysis of market rates for employees with utility
50 regulatory experience to determine whether current employees are classified and compensated
51 appropriately. The study shall be completed no later than February 1, 2020.

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

- 5 (1) Classify new positions or reclassify existing positions, including vacant
6 positions, within the classification system adopted by the State Human
7 Resources Commission or as otherwise provided by law.
- 8 (2) Determine the appropriate salary for employees, provided funding is available
9 and the salary remains within the minimum and maximum range of the salary
10 range associated with the position classification or as otherwise provided by
11 law.
- 12 (3) Make hiring decisions based on the flexibility to determine appropriate job
13 classifications and salaries.

14
15 **EFFECTIVE DATE**

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