

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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**HOUSE BILL 455
PROPOSED COMMITTEE SUBSTITUTE H455-PCS10398-RI-10**

Short Title: Expedite Water/Wastewater Franchise Transfer. (Public)

Sponsors:

Referred to:

March 23, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO EXPEDITE TRANSFER OF WATER OR WASTEWATER PUBLIC UTILITIES.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.(a)** G.S. 62-111 is amended by adding a new subsection to read:

5 "(f) The following provisions apply to an application for the grant or transfer of a
6 certificate of public convenience and necessity for a water or wastewater system:

7 (1) Within 30 days of the filing of such application, the Commission shall (i)
8 determine whether or not the application is complete and notify the applicant
9 accordingly and (ii) if the Commission determines an application is
10 incomplete, specify all such deficiencies in the notice to the applicant. The
11 applicant may file an amended application or supplemental information to
12 cure the deficiencies identified by the Commission for the Commission's
13 review. If the Commission fails to issue a notice as to whether or not the
14 application is complete within the requisite 30-day period, the application
15 shall be deemed complete. Within 300 days of the filing of a completed
16 application, the Commission shall issue an order approving the application
17 upon finding that the proposed grant or transfer, including adoption of existing
18 or proposed rates for the transferring utility, is in the public interest, will not
19 adversely affect service to the public under any existing franchise, and the
20 person acquiring said franchise or certificate of public convenience and
21 necessity has the technical, managerial, and financial capabilities necessary to
22 provide public utility service to the public. The requirements of this
23 subdivision shall apply to any applications for grants or transfers of a water or
24 wastewater system sought as a result of a proposed sale of a privately owned
25 water or wastewater system to a public or private entity, except with respect
26 to those applications governed by subdivision (2) of this subsection.

27 (2) Within 30 days of the filing of such application, the Commission shall (i)
28 determine whether or not the application is complete and notify the applicant
29 accordingly and (ii) if the Commission determines an application is
30 incomplete, specify all such deficiencies in the notice to the applicant. The
31 applicant may file an amended application or supplemental information to
32 cure the deficiencies identified by the Commission for the Commission's
33 review. If the Commission fails to issue a notice as to whether or not the
34 application is complete within the requisite 30-day period, the application
35 shall be deemed complete. Within 210 days of the filing of a completed
36 application, the Commission shall issue an order approving the application



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1 upon finding that the proposed grant or transfer, including adoption of existing
2 or proposed rates for the transferring utility, is in the public interest, will not
3 adversely affect service to the public under any existing franchise, and the
4 person acquiring said franchise or certificate of public convenience and
5 necessity has the technical, managerial, and financial capabilities necessary to
6 provide public utility service to the public. The requirements of this
7 subdivision shall apply to any applications for grants or transfers of a water or
8 wastewater system sought as a result of a proposed sale of a privately owned
9 water or wastewater system to a public or private entity, where the water or
10 wastewater system has an unresolved notice of violation issued by the
11 Department of Environmental Quality within the 24-month period
12 immediately preceding the date of application.

13 (3) Prior to submittal of an application, and within 90 days of entering into an
14 offer to purchase agreement for a water or wastewater system, a proposed
15 purchaser shall have a pre-application conference with the Commission and
16 Public Staff to clarify application requirements, information on assets that
17 must be provided, and associated matters.

18 (4) An applicant for the grant or transfer of a certificate of public convenience
19 and necessity for a water or wastewater system may waive any deadline for
20 determination of an application's completeness, or issuance of an order
21 approving an application, set forth in subdivision (1) or (2) of this subsection."

22 **SECTION 1.(b)** The following provisions apply to applications for the grant or
23 transfer of a certificate of public convenience and necessity for a water or wastewater system
24 pending on the date this act becomes law:

25 (1) Notwithstanding the requirements of G.S. 62-111(f), as enacted by Section
26 1(a) of this act, the Commission shall:

27 a. Within 30 days of that date, determine whether the application is
28 complete and specify any deficiencies in a notice to the applicant. The
29 applicant may file an amended application or supplemental
30 information to cure any deficiencies identified by the Commission for
31 the Commission's review. If the Commission fails to issue a notice as
32 to whether or not the application is complete within the requisite
33 30-day period, the application shall be deemed complete.

34 b. Issue an order approving the application no later than 180 days after
35 the date this act becomes law, or the filing of a completed application,
36 whichever is later, if the Commission finds that the proposed grant or
37 transfer, including adoption of existing or proposed rates for the
38 transferring utility, is in the public interest, will not adversely affect
39 service to the public under any existing franchise, and the person
40 acquiring said franchise or certificate of public convenience and
41 necessity has the technical, managerial, and financial capabilities
42 necessary to provide public utility service to the public.

43 (2) An applicant for the grant or transfer of a certificate of public convenience
44 and necessity for a water or wastewater system may waive any deadline for
45 determination of an application's completeness, or issuance of an order
46 approving an application, set forth in subdivision (1) or (2) of this subsection.

47 (3) The requirements of this section shall only apply to grants or transfers sought
48 as a result of a proposed sale of a privately owned water or wastewater system
49 to a public or private entity.

1 **SECTION 2.** This act is effective when it becomes law. G.S. 62-111(f), as enacted
2 by Section 1(a) of this act, applies to applications for grant or transfer of certificates of public
3 convenience and necessity filed on or after that date.