

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

ENGROSSED

House Bill 2742

By Delegates Riley, Linville, D. Cannon, and Eldridge

[Introduced February 21, 2025; Referred to the
Committee on Energy and Public Works]

1 A BILL to amend and reenact §24-2-11 of the Code of West Virginia, 1931, as amended, relating to
2 creating limited waiver from certificate of public convenience and necessity requirement for
3 certain water or sewer services projects.

Be it enacted by the Legislature of West Virginia:

ARTICLE 2. POWERS AND DUTIES OF PUBLIC SERVICE COMMISSION.

§24-2-11. Requirements for certificate of public convenience and necessity.

1 (a) A public utility, person, or corporation other than a political subdivision of the state
2 providing water or sewer services and having at least 4,500 customers and annual gross
3 combined revenues of \$3 million or more may not begin the construction of any plant, equipment,
4 property, or facility for furnishing to the public any of the services enumerated in §24-2-1 of this
5 code, nor apply for, nor obtain any franchise, license, or permit from any municipality or other
6 governmental agency, except ordinary extensions of existing systems in the usual course of
7 business, unless and until it shall obtain from the Public Service Commission a certificate of public
8 convenience and necessity authorizing the construction franchise, license, or permit: *Provided,*
9 That the requirement to obtain a certificate of public convenience and necessity shall be waived for
10 projects that have been reviewed and determined to be technically feasible and approved by the
11 Infrastructure and Jobs Development Council.

12 ~~(1) Are funded, in whole or in part, by American Rescue Plan Act of 2021 (ARPA) or~~
13 ~~Coronavirus State Fiscal Recovery Fund (SFR) moneys and have been reviewed and determined~~
14 ~~to be technically feasible and approved by the Infrastructure and Jobs Development Council; or~~

15 ~~(2) Are funded, in whole or in part, by ARPA or SFR moneys through Economic~~
16 ~~Enhancement Grant funding and have been reviewed and determined to be technically feasible by~~
17 ~~the Infrastructure and Jobs Development Council and approved by the Water Development~~
18 ~~Authority: *Provided,* That this waiver shall expire on April 30, 2025~~

19 (b) Upon the filing of any application for the certificate, and after hearing, the commission
20 may, in its discretion, issue or refuse to issue, or issue in part and refuse in part, the certificate of

21 convenience and necessity: *Provided*, That the commission, after it gives proper notice and if no
22 substantial protest is received within 30 days after the notice is given, may waive formal hearing on
23 the application. Notice shall be given by publication which shall state that a formal hearing may be
24 waived in the absence of substantial protest, made within 30 days, to the application. The notice
25 shall be published as a Class I legal advertisement in compliance with §59-3-1 *et seq.* of this code.
26 The publication area shall be the proposed area of operation.

27 (c) Any public utility, person, or corporation subject to the provisions of this section other
28 than a political subdivision of the state providing water and/or sewer services having at least 4,500
29 customers and combined annual gross revenue of \$3 million dollars or more shall give the
30 commission at least 30 days' notice of the filing of any application for a certificate of public
31 convenience and necessity under this section: *Provided*, That the commission may modify or
32 waive the 30-day notice requirement and shall waive the 30-day notice requirement for projects
33 approved by the Infrastructure and Jobs Development Council.

34 (d) The commission shall render its final decision on any application filed under the
35 provisions of this section or §24-2-11a of this code within 270 days of the filing of the application
36 and within 90 days after final submission of any such application for decision following a hearing:
37 *Provided*, That if the application is for authority to construct a water and sewer project and the
38 projected total cost is less than \$10 million, the commission shall render its final decision within
39 225 days of the filing of the application.

40 (e) The commission shall render its final decision on any application filed under the
41 provisions of this section that has received the approval of the Infrastructure and Jobs
42 Development Council pursuant to §31-15A-1 *et seq.* of this code within 180 days after filing of the
43 application: *Provided*, That if a substantial protest is received within 30 days after the notice is
44 provided pursuant to subsection (b) of this section, the commission shall render its final decision
45 within 270 days or 225 days of the filing of the application, whichever is applicable as determined
46 in subsection (d) of this section.

(f) If the projected total cost of a project which is the subject of an application filed pursuant to this section or §24-2-11a of this code is greater than \$50 million, the commission shall render its final decision on any such application filed under the provisions of this section or §24-2-11a of this code within 400 days of the filing of the application and within 90 days after final submission of any such application for decision after a hearing.

(g) If a decision is not rendered within the time frames established in this section, the commission shall issue a certificate of convenience and necessity as applied for in the application.

(h) The commission shall prescribe rules it considers proper for the enforcement of the provisions of this section; and, in establishing that public convenience and necessity do exist, the burden of proof shall be upon the applicant.

(i) Pursuant to the requirements of this section, the commission may issue a certificate of public convenience and necessity to any intrastate pipeline, interstate pipeline, or local distribution company for the transportation in intrastate commerce of natural gas used by any person for one or more uses, as defined by rule, by the commission in the case of:

(1) Natural gas sold by a producer, pipeline, or other seller to the person; or

(2) Natural gas produced by the person.

(j) A public utility, including a public service district, which has received a certificate of public convenience and necessity after July 8, 2005, from the commission and has been approved by the Infrastructure and Jobs Development Council is not required to, and cannot be compelled to, reopen the proceeding if the cost of the project changes but the change does not affect the rates established for the project.

(k) Any public utility, person, or corporation proposing any electric power project that requires a certificate under this section is not required to obtain the certificate before applying for or obtaining any franchise, license, or permit from any municipality or other governmental agency.

(l) Water or sewer utilities that are political subdivisions of the state and having at least 4,500 customers and combined gross revenues of \$3 million dollars or more desiring to pursue

construction projects that are not in the ordinary course of business shall provide adequate prior public notice of the contemplated construction and proposed changes to rates, fees, and charges, if any, as a result of the construction to both current customers and those persons who will be affected by the proposed construction as follows:

(1) Adequate prior public notice of the contemplated construction by causing a notice of intent to pursue a project that is not in the ordinary course of business to be specified on the monthly billing statement of the customers of the utility for the month immediately preceding the month in which an ordinance or resolution approving the proposed construction and proposed changes to rates, fees, and charges, if any, is to be before the governing body for the public hearing on the ordinance or resolution approving the proposed construction and proposed changes to rates, fees, and charges, if any.

(2) Adequate prior public notice of the contemplated construction by causing to be published as a Class I legal advertisement of the proposed public hearing on the ordinance or resolution approving the proposed construction and proposed changes to rates, fees, and charges, if any, in compliance with §59-3-1 *et seq.* of this code. The publication area for publication shall be all territory served by the political subdivision. If the political subdivision provides service in more than one county, publication shall be made in a newspaper of general circulation in each county that the political subdivision provides service.

(3) The public notice of the proposed construction shall state the scope of the proposed construction; a summary of the current rates, fees, and charges, and proposed changes to said rates, fees, and charges, if any; the date, time, and place of the public hearing on the ordinance or resolution approving the proposed construction and proposed changes to rates, fees, and charges, if any; and the place or places within the political subdivision where the ordinance or resolution approving the proposed construction and proposed changes to rates, fees, and charges, if any, may be inspected by the public. A reasonable number of copies of the ordinance or resolution shall be kept at the place or places and be made available for public inspection. The

notice shall also advise that interested parties may appear at the public hearing before the political subdivision and be heard with respect to the proposed construction and the proposed rates, fees, and charges, if any.

(4) The ordinance or resolution on the proposed construction and the proposed rates, fees, and charges shall be read at two meetings of the governing body with at least two weeks intervening between each meeting. The public hearing may be conducted prior to, or at, the meeting of the governing body at which the ordinance or resolution approving the proposed construction is considered on second reading.

(5) Enactment or adoption of the ordinance or resolution approving the proposed construction and the proposed rates, fees, and charges shall follow an affirmative vote of the governing body and the approved rates shall go into effect no sooner than 45 days following the action of the governing body. If the political subdivision proposes rates that will go into effect prior to the completion of construction of the proposed project, the 45-day waiting period may be waived by public vote of the governing body only if the political subdivision finds and declares the political subdivision to be in financial distress such that the 45-day waiting period would be detrimental to the ability of the political subdivision to deliver continued and compliant public services: *Provided*, That, if the political subdivision is a public service district, in no event may the rate become effective prior to the date that the county commission has entered an order approving or modifying the action of the public service district board.

(6) Rates, fees, and charges approved by an affirmative vote of the public service district board shall be forwarded in writing to the county commission with the authority to appoint the members of the public service board of the public service district. The county commission shall, within 45 days of receipt of the proposed rates, fees, and charges, take action to approve, modify, or reject the proposed rates, fees, and charges, in its sole discretion. If, after 45 days, the county commission has not taken final action to approve, modify, or reject the proposed rates, fees, and charges, the proposed rates, fees, and charges, as presented to the county commission, shall be

effective with no further action by the board or county commission. In any event this 45-day period may be extended by official action of both the board proposing the rates, fees, and charges and the appointing county commission.

(7) The county commission shall provide notice to the public by a Class I legal advertisement of the proposed action, in compliance with §59-3-1 *et seq.* of this code, of the meeting where it shall consider the proposed increases in rates, fees, and charges no later than one week prior to the meeting date.

(8) A public service district, or a customer aggrieved by the changed rates or charges who presents to the circuit court a petition signed by 25 percent of the customers served by the public service district when dissatisfied by the approval, modification, or rejection by the county commission of the proposed rates, fees, and charges under the provisions of this subsection may file a complaint regarding the rates, fees, and charges resulting from the action of, or failure to act by, the county commission in the circuit court of the county in which the county commission sits: *Provided*, That any complaint or petition filed hereunder shall be filed within 30 days of the county commission's final action approving, modifying, or rejecting the rates, fees, and charges, or the expiration of the 45-day period from the receipt by the county commission, in writing, of the rates, fees, and charges approved by resolution of the board, without final action by the county commission to approve, modify, or reject the rates, fees, and charges, and the circuit court shall resolve said complaint: *Provided, however*, That the rates, fees, and charges so fixed by the county commission, or those adopted by the district upon which the county commission failed to act, shall remain in full force and effect until set aside, altered, or amended by the circuit court in an order to be followed in the future.