

Article 6.

The Utility Franchise.

§ 62-110. Certificate of convenience and necessity.

(a) Except as provided for bus companies in Article 12 of this Chapter, no public utility shall hereafter begin the construction or operation of any public utility plant or system or acquire ownership or control thereof, either directly or indirectly, without first obtaining from the Commission a certificate that public convenience and necessity requires, or will require, such construction, acquisition, or operation: Provided, that this section shall not apply to construction into territory contiguous to that already occupied and not receiving similar service from another public utility, nor to construction in the ordinary conduct of business.

(b) The Commission shall be authorized to issue a certificate to any person applying to the Commission to offer long distance services as a public utility as defined in G.S. 62-3(23)a.6., provided that such person is found to be fit, capable, and financially able to render such service, and that such additional service is required to serve the public interest effectively and adequately; provided further, that in such cases the Commission shall consider the impact on the local exchange customers and only permit such additional service if the Commission finds that it will not jeopardize reasonably affordable local exchange service.

Notwithstanding any other provision of law, the terms, conditions, rates, and interconnections for long distance services offered on a competitive basis shall be regulated by the Commission in accordance with the public interest. In promulgating rules necessary to implement this provision, the Commission shall consider whether uniform or nonuniform application of such rules is consistent with the public interest. Provided further that the Commission shall consider whether the charges for the provision of interconnections should be uniform.

For purposes of this section, long distance services shall include the transmission of messages or other communications between two or more central offices wherein such central offices are not connected on July 1, 1983, by any extended area service, local measured service, or other local calling arrangement.

(c) The Commission shall be authorized, consistent with the public interest, to adopt procedures for the issuance of a special certificate to any person for the limited purpose of offering telephone service to the public by means of coin, coinless, or key-operated pay telephone instruments. This service may be in addition to or in competition with public telephone services offered by the certificated telephone company in the service area. The access line from the pay instrument to the network may be obtained from the local exchange telephone company in the service area where the pay instrument is located, from any certificated competitive local provider, or any other provider authorized by the Commission. The Commission shall promulgate rules to implement the service authorized by this section, recognizing the competitive nature of the offerings and, notwithstanding any other provision of law, the Commission shall determine the extent to which such services shall be regulated and to the extent necessary to protect the public interest regulate the terms, conditions, and rates for such service and the terms and conditions for interconnection to the local exchange network.

(d) The Commission shall be authorized, consistent with the public interest and notwithstanding any other provision of law, to adopt procedures for the purpose of allowing shared use and/or resale of any telephone service provided to persons who occupy the same contiguous premises (as such term shall be defined by the Commission); provided, however, that there shall be no "networking" of any services authorized under this subsection whereby two or more premises where such services are provided are connected, and provided further that any certificated local provider or any other provider authorized by the Commission may provide access lines or trunks connecting such authorized service to the telephone network, and that the local service rates permitted or approved by the Commission for local exchange lines or trunks

being shared or resold shall be on a measured usage basis where facilities are available or on a message rate basis otherwise. Provided however, the Commission may permit or approve flat rates, measured rates, message rates, or some combination of those rates for shared or resold services whenever the service is offered to patrons of hotels or motels, occupants of timeshare or condominium complexes serving primarily transient occupants, to patrons of hospitals, nursing homes, rest homes, or licensed retirement centers, or to members of clubs or students living in quarters furnished by educational institutions, or to persons temporarily subleasing residential premises. The Commission shall issue rules to implement the service authorized by this subsection, considering the competitive nature of the offerings and, notwithstanding any other provision of law, the Commission shall determine the extent to which such services shall be regulated and, to the extent necessary to protect the public interest, regulate the terms, conditions, and rates charged for such services and the terms and conditions for interconnection to the local exchange network. The Commission shall require any person offering telephone service under this subsection by means of a Private Branch Exchange ("PBX") or key system to secure adequate local exchange trunks from any certificated local provider or any other provider authorized by the Commission so as to assure a quality of service equal to the quality of service generally found acceptable by the Commission. Unless otherwise ordered by the Commission for good cause shown by the company, the right and obligation of the certificated local provider or any other provider authorized by the Commission to provide local service directly to any person located within its certificated service area shall continue to apply to premises where shared or resold telephone service is available, provided however, the Commission shall be authorized to establish the terms and conditions under which such services should be provided.

(e) Notwithstanding subsection (d) of this section, the Commission may authorize any telephone services provided to a nonprofit college or university, and its affiliated medical centers, which is qualified under Sections 501 and 170 of the United States Internal Revenue Code of 1986 or which is a State-owned institution, to be shared or resold by that institution on both contiguous campus premises owned or leased by the institution and noncontiguous premises owned or leased exclusively by the institution, provided these services are offered to students or guests housed in quarters furnished by the institution, patrons of hospitals or medical centers of the institution, or persons or businesses providing educational, research, professional, consulting, food, or other support services directly to or for the institution, its students, or guests. The services of a certificated local provider or any other provider authorized by the Commission, when provided to said colleges, universities, and affiliated medical centers shall be rated in the same way as those provided for shared service offered to patrons of hospitals, nursing homes, rest homes, licensed retirement centers, members of clubs or students living in quarters furnished by educational institutions as provided for in subsection (d) of this section. The institutions regulated pursuant to this subsection shall not be prohibited from electing optional services from the certificated local provider or any other provider authorized by the Commission which include measured or message rate services. There shall be no "networking" of any services authorized under this subsection whereby two or more different institutions where such services are provided are interconnected. Any certificated local provider or any other provider authorized by the Commission may provide access lines or trunks connecting such authorized services to the telephone network. The Commission shall require such institutions to secure adequate local exchange trunks from the certificated local provider or any other provider authorized by the Commission to assure a quality of service equal to the quality of service generally found acceptable by the Commission. Unless otherwise ordered by the Commission for good cause shown by the certificated local provider or any other provider authorized by the Commission, the right and obligation of that provider to provide local service directly to any person located within its certificated service area shall continue to apply to premises where shared or resold telephone service is available under this subsection, provided however, the Commission shall be authorized

to establish the terms and conditions under which such service should be provided. The Commission shall issue rules to implement the services authorized by this subsection.

(f) Reserved.

(f1) Except as provided in subsection (f2) of this section, the Commission is authorized, following notice and an opportunity for interested parties to be heard, to issue a certificate to any person applying to provide local exchange or exchange access services as a public utility as defined in G.S. 62-3(23)a.6., without regard to whether local telephone service is already being provided in the territory for which the certificate is sought, provided that the person seeking to provide the service makes a satisfactory showing to the Commission that (i) the person is fit, capable, and financially able to render such service; (ii) the service to be provided will reasonably meet the service standards that the Commission may adopt; (iii) the provision of the service will not adversely impact the availability of reasonably affordable local exchange service; (iv) the person, to the extent it may be required to do so by the Commission, will participate in the support of universally available telephone service at affordable rates; and (v) the provision of the service does not otherwise adversely impact the public interest. In its application for certification, the person seeking to provide the service shall set forth with particularity the proposed geographic territory to be served and the types of local exchange and exchange access services to be provided. Except as provided in G.S. 62-133.5(f), any person receiving a certificate under this section shall, until otherwise determined by the Commission, file and maintain with the Commission a complete list of the local exchange and exchange access services to be provided and the prices charged for those services, and shall be subject to such reporting requirements as the Commission may require.

Any certificate issued by the Commission pursuant to this subsection shall not permit the provision of local exchange or exchange access service until July 1, 1996, unless the Commission shall have approved a price regulation plan pursuant to G.S. 62-133.5(a) for a local exchange company with an effective date prior to July 1, 1996. In the event a price regulation plan becomes effective prior to July 1, 1996, the Commission is authorized to permit the provision of local exchange or exchange access service by a competing local provider in the franchised area of such local exchange company.

The Commission is authorized to adopt rules it finds necessary (i) to provide for the reasonable interconnection of facilities between all providers of telecommunications services; (ii) to determine when necessary the rates for such interconnection; (iii) to provide for the reasonable unbundling of essential facilities where technically and economically feasible; (iv) to provide for the transfer of telephone numbers between providers in a manner that is technically and economically reasonable; (v) to provide for the continued development and encouragement of universally available telephone service at reasonably affordable rates; and (vi) to carry out the provisions of this subsection in a manner consistent with the public interest, which will include a consideration of whether and to what extent resale should be permitted. In adopting rules to establish an appropriate definition of universal service, the Commission shall consider evolving trends in telecommunications services and the need for consumers to have access to high-speed communications networks, the Internet, and other services to the extent that those services provide social benefits to the public at a reasonable cost.

Local exchange companies and competing local providers shall negotiate the rates for local interconnection. In the event that the parties are unable to agree within 90 days of a bona fide request for interconnection on appropriate rates for interconnection, either party may petition the Commission for determination of the appropriate rates for interconnection. The Commission shall determine the appropriate rates for interconnection within 180 days from the filing of the petition.

Except as provided in subsections (f4) and (f5) of this section, each local exchange company shall be the universal service provider (carrier of last resort) in the area in which it is certificated

to operate on July 1, 1995. Each local exchange company or telecommunications service provider with carrier of last resort responsibility may satisfy its carrier of last resort obligation by using any available technology. In continuing this State's commitment to universal service, the Commission shall, by December 31, 1996, adopt interim rules that designate the person that should be the universal service provider and to determine whether universal service should be funded through interconnection rates or through some other funding mechanism. At a time determined by the Commission to be in the public interest, the Commission shall conduct an investigation for the purpose of adopting final rules concerning the provision of universal services, and whether universal service should be funded through interconnection rates or through some other funding mechanism, and, consistent with the provisions of subsections (f4) and (f5) of this section, the person that should be the universal service provider. A local exchange company that has elected to be subject to alternative regulation under G.S. 62-133.5(m) does not have any carrier of last resort obligations.

The Commission shall make the determination required pursuant to this subsection in a manner that furthers this State's policy favoring universally available telephone service at reasonable rates.

(f2) The provisions of subsection (f1) of this section shall not be applicable to franchised areas within the State that are being served by local exchange companies with 200,000 access lines or less located within the State, and it is further provided that such local exchange company providing service to 200,000 access lines or less shall not be subject to the regulatory reform procedures outlined under the terms of G.S. 62-133.5(a) or permitted to compete in territory outside of its franchised area for local exchange and exchange access services until such time as the franchised area is opened to competing local providers as provided for in this subsection. Upon the filing of an application by a local exchange company with 200,000 access lines or less for regulation under the provisions of G.S. 62-133.5(a), the Commission shall apply the provisions of that section to such local exchange company, but only upon the condition that the provisions of subsection (f1) of this section are to be applicable to the franchised area and local exchange and exchange access services offered by such a local exchange company.

(f3) The provisions of subsection (f1) of this section shall not be applicable to areas served by telephone membership corporations formed and existing under Article 4 of Chapter 117 of the General Statutes and exempt from regulation as public utilities, pursuant to G.S. 62-3(23)d. and G.S. 117-35. To the extent a telephone membership corporation has carrier of last resort obligations, it may fulfill those obligations using any available technology.

(f4) When any telecommunications service provider: (i) enters into an agreement to provide local exchange service for a subdivision or other area where access to right-of-way for the provision of local exchange service by other telecommunications service providers has not been granted coincident with any other grant of access by the property owner; or (ii) enters into an agreement after July 1, 2008, to provide communications service that otherwise precludes the local exchange company from providing communications service for the subdivision or other area, the local exchange company is not obligated to provide basic local exchange telephone service or any other communications service to customers in the subdivision or other area. In each of the foregoing instances, the telecommunications service provider shall be the provider in the subdivision or other area under the terms of the agreement and applicable law. The local exchange company for the franchise area or territory in which the subdivision or other area is located shall be relieved of any universal service provider obligation for that subdivision or other area. In that case, the local exchange company and all other telecommunications service providers shall retain the option, but not the obligation, to serve customers in the subdivision or other area. The local exchange company shall provide written notification to the appropriate State agency that the local exchange company is no longer the universal service provider for the subdivision or other area. The appropriate State agency shall retain the right to redesignate a local

exchange company or telecommunications service provider as the universal service provider in accordance with the provisions of subsection (f5) of this section. Any person that enters into an agreement with a telecommunications service provider to provide local exchange service for a subdivision or other area as described in this subsection shall notify a purchaser of real property within the subdivision or other area of the agreement.

For any circumstance not described in this subsection, a local exchange company may be granted a waiver of its carrier of last resort obligation in a subdivision or other area by the appropriate State agency based upon a showing by the local exchange company of all of the following:

- (1) Providing service in the subdivision or area would be inequitable or unduly burdensome.
- (2) One or more alternative providers of local exchange service exist.
- (3) Granting the waiver is in the public interest.

(f5) If the appropriate State agency finds, upon hearing, that the telecommunications service provider serving the subdivision or other area pursuant to subsection (f4) of this section, or its successor in interest, is no longer willing or no longer able to provide adequate services to the subdivision or other area, the appropriate State agency may redesignate the local exchange company for the franchise area or territory in which the subdivision or other area is located, or another telecommunications service provider, to be the universal service provider for the subdivision or other area. If the redesignated local exchange company is subject to price regulation or other alternative regulation under G.S. 62-133.5, it may treat the costs incurred in extending its facilities into the subdivision or other area as exogenous to that form of regulation and may, subject to providing written notice to the Commission, adjust its rates to recover these costs on an equitable basis from its customers whose rates are subject to regulation under G.S. 62-133.5. Any such action shall be subject to review by the Commission in a complaint proceeding initiated by any interested party pursuant to G.S. 62-73. If the redesignated local exchange company is not subject to price regulation or other alternative regulation under G.S. 62-133.5, it may recover the costs incurred in extending its facilities into the subdivision or other area in the form of a surcharge, subject to Commission approval, spread equitably among all of its customers in a proceeding under G.S. 62-136(a), without having to file a general rate case proceeding. During the period that a telecommunications service provider is serving as a universal service provider and prior to the redesignation of a local exchange company as the universal service provider as provided for herein, for the purposes of the appropriate State agency's periodic certification to the Federal Communications Commission in matters regarding eligible telecommunications carrier status, a local company's status shall not be deemed to affect its eligibility to be an eligible telecommunications carrier, and the appropriate State agency shall so certify.

(f6) For purposes of subsections (f4) and (f5) of this section, the following definitions are applicable:

- (1) "Appropriate State agency" means the Commission for purposes of any subdivision or other area within the franchise area of a local exchange company, and the Rural Electrification Authority for the purposes of any subdivision or other area within the franchise area or territory of a telephone membership corporation.
 - (1a) "Communications service" means either voice, video, or data service through any technology.
- (2) "Local exchange company" means a local exchange company subject to price regulation, or other alternative regulation or rate base regulation by the Commission or a telephone membership corporation organized under G.S. 117-30.

- (3) "Telecommunications service provider" means a competing local provider, or any other person providing local exchange service by means of voice-over-Internet protocol, wireless, power line, satellite, or other nontraditional means, whether or not regulated by the Commission, but the term shall not include local exchange companies or telephone membership corporations.

(g) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, for the purpose of encouraging water conservation, the Commission may, consistent with the public interest, adopt procedures that allow a lessor to charge for the costs of providing water or sewer service to persons who occupy the leased premises. The following provisions shall apply:

- (1) All charges for water or sewer service shall be based on the user's metered consumption of water, which shall be determined by metered measurement of all water consumed. The rate charged by the lessor shall not exceed the unit consumption rate charged by the supplier of the service.
- (1a) If the leased premises are contiguous dwelling units built prior to 1989, and the lessor determines that the measurement of the lessee's total water usage is impractical or not economical, the lessor may allocate the cost for water and sewer service to the lessee using equipment that measures the lessee's hot water usage. In that case, each lessee shall be billed a percentage of the lessor's water and sewer costs for water usage in the dwelling units based upon the hot water used in the lessee's dwelling unit. The percentage of total water usage allocated for each dwelling unit shall be equal to that dwelling unit's individually submetered hot water usage divided by all submetered hot water usage in all dwelling units. The following conditions apply to billing for water and sewer service under this subdivision:
- a. A lessor shall not utilize a ratio utility billing system or other allocation billing system that does not rely on individually submetered hot water usage to determine the allocation of water and sewer costs.
 - b. The lessor shall not include in a lessee's bill the cost of water and sewer service used in common areas or water loss due to leaks in the lessor's water mains. A lessor shall not bill or attempt to collect for excess water usage resulting from a plumbing malfunction or other condition that is not known to the lessee or that has been reported to the lessor.
 - c. All equipment used to measure water usage shall comply with guidelines promulgated by the American Water Works Association.
 - d. The lessor shall maintain records for a minimum of 12 months that demonstrate how each lessee's allocated costs were calculated for water and sewer service. Upon advanced written notice to the lessor, a lessee may inspect the records during reasonable business hours.
 - e. Bills for water and sewer service sent by the lessor to the lessee shall contain all the following information:
 1. The amount of water and sewer services allocated to the lessee during the billing period.
 2. The method used to determine the amount of water and sewer services allocated to the lessee.
 3. Beginning and ending dates for the billing period.
 4. The past-due date, which shall not be less than 25 days after the bill is mailed.

5. A local or toll-free telephone number and address that the lessee can use to obtain more information about the bill.
- (1b) Notwithstanding the provisions of subdivisions (1) and (1a) of this subsection, if the Commission approves a flat rate to be charged by a water or sewer utility for the provision of water or sewer services to contiguous dwelling units, the lessor may pass through and charge the tenants of the contiguous dwelling units the same flat rate for water or sewer services, rather than a rate based on metered consumption, and an administrative fee as authorized in subdivision (2) of this subsection. Bills for water and sewer service sent by the lessor to the lessee shall contain all the information required by sub-sub-subdivisions e.2. through e.5. of subdivision (1a) of this subsection.
 - (2) The lessor may charge a reasonable administrative fee for providing water or sewer service not to exceed the maximum administrative fee authorized by the Commission.
 - (3) The Commission shall adopt rules to implement this subsection.
 - (4) The Commission shall develop an application that lessors must submit for authority to charge for water or sewer service. The form shall include all of the following:
 - a. A description of the applicant and the property to be served.
 - b. A description of the proposed billing method and billing statements.
 - c. The schedule of rates charged to the applicant by the supplier.
 - d. The schedule of rates the applicant proposes to charge the applicant's customers.
 - e. The administrative fee proposed to be charged by the applicant.
 - f. The name of and contact information for the applicant and its agents.
 - g. The name of and contact information for the supplying water or sewer system.
 - h. Any additional information that the Commission may require.
 - (4a) The Commission shall develop an application that lessors must submit for authority to charge for water or sewer service at single-family dwellings that allows the applicant to serve multiple dwellings in the State, subject to an approval by the Commission. The form shall include all of the following:
 - a. A description of the applicant and a listing of the address of all the properties to be served. An updated listing of addresses served by the applicant shall be provided to the Commission annually.
 - b. A description of the proposed billing method and billing statements.
 - c. The administrative fee proposed to be charged by the applicant.
 - d. The name and contact information for the applicant and its agents.
 - e. Any additional information the Commission may require.
 - (5) The Commission shall approve or disapprove an application within 30 days of the filing of a completed application with the Commission. If the Commission has not issued an order disapproving a completed application within 30 days, the application shall be deemed approved.
 - (6) A provider of water or sewer service under this subsection may increase the rate for service so long as the rate does not exceed the unit consumption rate charged by the supplier of the service. A provider of water or sewer service under this subsection may change the administrative fee so long as the administrative fee does not exceed the maximum administrative fee authorized by the Commission. In order to change the rate or administrative fee, the provider shall file a notice of revised schedule of rates and fees with

the Commission. The Commission may prescribe the form by which the provider files a notice of a revised schedule of rates and fees under this subsection. The form shall include all of the following:

- a. The current schedule of the unit consumption rates charged by the provider.
 - b. The schedule of rates charged by the supplier to the provider that the provider proposes to pass through to the provider's customers.
 - c. The schedule of the unit consumption rates proposed to be charged by the provider.
 - d. The current administrative fee charged by the provider, if applicable.
 - e. The administrative fee proposed to be charged by the provider.
- (7) A notification of revised schedule of rates and fees shall be presumed valid and shall be allowed to become effective upon 14 days notice to the Commission, unless otherwise suspended or disapproved by order issued within 14 days after filing.
- (8) Notwithstanding any other provision of this Chapter, the Commission shall determine the extent to which the services shall be regulated and, to the extent necessary to protect the public interest, regulate the terms, conditions, and rates that may be charged for the services. Nothing in this subsection shall be construed to alter the rights, obligations, or remedies of persons providing water or sewer services and their customers under any other provision of law.
- (9) A provider of water or sewer service under this subsection shall not be required to file annual reports pursuant to G.S. 62-36 or to furnish a bond pursuant to G.S. 62-110.3.

(h) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, the Commission may, consistent with the public interest, adopt procedures that allow a lessor of a single-family dwelling, residential building, or multiunit apartment complex that has individually metered units for electric service in the lessor's name to charge for the actual costs of providing electric service to each lessee. The following provisions shall apply to the charges authorized under this subsection:

- (1) The lessor shall equally divide the actual amount of the individual electric service bill for a unit among all the lessees in the unit and shall send one bill to each lessee. The amount charged shall be prorated when a lessee has not leased the unit for the same number of days as the other lessees in the unit during the billing period. Each bill may include an administrative fee up to the amount of the then-current administrative fee authorized by the Commission in Rule 18-6 for water service and, when applicable, a late fee in an amount determined by the Commission. The lessor shall not charge the cost of electricity from any other unit or common area in a lessee's bill. The lessor may, at the lessor's option, pay any portion of any bill sent to a lessee.
- (2) A lessor who charges for electric service under this subsection is solely responsible for the prompt payment of all bills rendered by the electric utility providing service to the leased premises and is the customer of the electric utility subject to all rules, regulations, tariffs, riders, and service regulations associated with the provision of electric service to retail customers of the utility.
- (3) The lessor shall maintain records for a minimum of 36 months that demonstrate how each lessee's allocated costs were calculated for electric service. A lessee may inspect these records, including the actual per unit

- public utility billings, during reasonable business hours and may obtain copies of the records for a reasonable copying fee.
- (4) Bills for electric service sent by the lessor to the lessee shall contain all of the following information:
- a. When the lessor of a residential building or multiunit apartment complex has a separate lease for each bedroom in the unit, the bill charged by the electric supplier for the unit as a whole and the amount of charges allocated to the lessee during the billing period.
 - b. The name of the electric power supplier providing electric service to the leased premises.
 - c. Beginning and ending dates for the usage period and, if provided by the electric supplier, the date the meter was read for that usage period.
 - d. The past-due date, which shall not be less than 25 days after the bill is mailed to the lessee.
 - e. A local or toll-free telephone number and address of the lessor that the lessee can use to obtain more information about the bill.
 - f. The amount of any administrative fee and late fee approved by the Commission and included in the bill.
 - g. A statement of the lessee's right to address questions about the bill to the lessor and the lessee's right to file a complaint with, or otherwise seek recourse from, the Commission if the lessee cannot resolve an electric service billing dispute with the lessor.
- (5) The Commission shall develop an application that lessors must submit for Commission approval to charge for electric service as provided in this section. The form shall include all of the following:
- a. A description of the lessor and the property to be served.
 - b. A description of the proposed billing method and billing statements.
 - c. The administrative fee and late payment fee, if any, proposed to be charged by the lessor.
 - d. The name of and contact information for the lessor and the lessor's agents.
 - e. The name of and contact information for the supplier of electric service to the lessor's rental property.
 - f. A copy of the lease forms used by the lessor for lessees who are billed for electric service pursuant to this subsection.
 - g. Any additional information that the Commission may require.
- (6) The Commission shall approve or disapprove an application within 60 days of the filing of a completed application with the Commission. If the Commission has not issued an order disapproving a completed application within 60 days, the application shall be deemed approved.
- (7) A lessor who charges for electric service under this subsection shall not be required to file annual reports pursuant to G.S. 62-36.
- (7a) An applicant may submit for authority to charge for electric service for more than one property in a single application. Information relating to all properties covered by the application need only be provided once in the application.
- (8) The Commission shall adopt rules to implement the provisions of this subsection.

(i) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, the Commission may, consistent with the public interest, adopt procedures that allow a lessor of single-family dwelling, a residential
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building, or multiunit apartment complex that has individually metered units for natural gas service in the lessor's name to charge for the actual costs of providing natural gas service to each lessee. The following provisions shall apply to the charges authorized under this subsection:

- (1) The lessor shall equally divide the actual amount of the individual natural gas service bill for a unit among all the lessees in the unit and shall send one bill to each lessee. The amount charged shall be prorated when a lessee has not leased the unit for the same number of days as the other lessees in the unit during the billing period. Each bill may include an administrative fee up to the amount of the then-current administrative fee authorized by the Commission in Rule 18-6 for water service and, when applicable, a late fee in an amount determined by the Commission. The lessor shall not charge the cost of natural gas service from any other unit or common area in a lessee's bill. The lessor may, at the lessor's option, pay any portion of any bill sent to a lessee.
- (2) A lessor who charges for natural gas service under this subsection is solely responsible for the prompt payment of all bills rendered by the natural gas utility providing service to the leased premises and is the customer of the natural gas utility subject to all rules, regulations, tariffs, riders, and service regulations associated with the provision of natural gas service to retail customers of the utility.
- (3) The lessor shall maintain records for a minimum of 36 months that demonstrate how each lessee's allocated costs were calculated for natural gas service. A lessee may inspect these records, including the actual per unit public utility billings, during reasonable business hours and may obtain copies of the records for a reasonable copying fee.
- (4) Bills for natural gas service sent by the lessor to the lessee shall contain all of the following information:
 - a. When the lessor of a residential building or multiunit apartment complex has a separate lease for each bedroom in the unit, the bill charged by the natural gas supplier for the unit as a whole and the amount of charges allocated to the lessee during the billing period.
 - b. The name of the natural gas supplier providing natural gas service to the leased premises.
 - c. Beginning and ending dates for the usage period and, if provided by the natural gas supplier, the date the meter was read for that usage period.
 - d. The past-due date, which shall not be less than 25 days after the bill is mailed to the lessee.
 - e. A local or toll-free telephone number and address that the lessee can use to obtain more information about the bill.
 - f. The amount of any administrative fee and late fee approved by the Commission and included in the bill.
 - g. A statement of the lessee's right to address questions about the bill to the lessor and the lessee's right to file a complaint with, or otherwise seek recourse from, the Commission if the lessee cannot resolve a natural gas service billing dispute with the lessor.
- (5) The Commission shall develop an application that lessors must submit for Commission approval to charge for natural gas service as provided in this section. The form shall include all of the following:
 - a. A description of the lessor and the property to be served.
 - b. A description of the proposed billing method and billing statements.

- c. The administrative fee and late payment fee, if any, proposed to be charged by the lessor.
 - d. The name of and contact information for the lessor and the lessor's agents.
 - e. The name of and contact information for the supplier of natural gas service to the lessor's rental property.
 - f. A copy of the lease forms used by the lessor for lessees who are billed for natural gas service pursuant to this subsection.
 - g. Any additional information that the Commission may require.
- (6) The Commission shall approve or disapprove an application within 60 days of the filing of a completed application with the Commission. If the Commission has not issued an order disapproving a completed application within 60 days, the application shall be deemed approved.
- (7) A lessor who charges for natural gas service under this subsection shall not be required to file annual reports pursuant to G.S. 62-36.
- (7a) An applicant may submit for authority to charge for natural gas service for more than one property in a single application. Information relating to all properties covered by the application need only be provided once in the application.
- (8) The Commission shall adopt rules to implement the provisions of this subsection. (1931, c. 455; 1933, c. 134, s. 8; 1941, c. 97; 1963, c. 1165, s. 1; 1983 (Reg. Sess., 1984), c. 1043, s. 2; 1985, c. 676, s. 9; c. 680; 1987, c. 445, s. 1; 1989, c. 451, ss. 1, 2; 1995, c. 27, s. 4; 1995 (Reg. Sess., 1996), c. 753, s. 1; 1997-207, s. 1; 1998-180, ss. 1, 2; 1998-212, s. 15.8B; 1999-112, s. 1; 2001-252, s. 1; 2001-502, s. 1; 2002-14, s. 1; 2003-99, s. 1; 2003-173, s. 1; 2004-143, s. 7; 2005-385, ss. 1, 2; 2009-202, s. 1; 2009-279, s. 1; 2011-52, s. 1; 2011-252, s. 4; 2017-10, s. 2.2(b); 2017-172, s. 2; 2019-56, s. 1.)