

1-1 By: Lucio III (Senate Sponsor - Zaffirini) H.B. No. 837
1-2 (In the Senate - Received from the House April 19, 2021;
1-3 May 3, 2021, read first time and referred to Committee on Water,
1-4 Agriculture & Rural Affairs; May 13, 2021, reported favorably by
1-5 the following vote: Yeas 8, Nays 0; May 13, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10			X	
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the procedure for amending or revoking certificates of
1-20 public convenience and necessity issued to certain retail public
1-21 utilities.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 13.254(a-3), Water Code, is amended to
1-24 read as follows:

1-25 (a-3) Within 60 calendar days from the date the utility
1-26 commission determines the petition filed pursuant to Subsection
1-27 (a-1) to be administratively complete, the utility commission shall
1-28 grant the petition unless the utility commission makes an express
1-29 finding that the petitioner failed to satisfy the elements required
1-30 in Subsection (a-1) and supports its finding with separate findings
1-31 and conclusions for each element based solely on the information
1-32 provided by the petitioner and the certificate holder. The utility
1-33 commission may grant or deny a petition subject to terms and
1-34 conditions specifically related to the service request of the
1-35 petitioner and all relevant information submitted by the petitioner
1-36 and the certificate holder. In addition, the utility commission may
1-37 require an award of compensation as otherwise provided by this
1-38 section. If the utility commission requires an award of
1-39 compensation, the utility commission shall require the petitioner
1-40 to submit a report to the utility commission verifying for the
1-41 purposes of Subsection (d) that the compensation has been paid to
1-42 the decertified retail public utility.

1-43 SECTION 2. Section 13.2541(f), Water Code, is amended to
1-44 read as follows:

1-45 (f) The utility commission may require an award of
1-46 compensation by the petitioner to the certificate holder in the
1-47 manner provided by this section. If the utility commission requires
1-48 an award of compensation, the utility commission shall require the
1-49 petitioner to submit a report to the utility commission verifying
1-50 for the purposes of Subsection (j) that the compensation has been
1-51 paid to the certificate holder.

1-52 SECTION 3. Section 13.255, Water Code, is amended by
1-53 amending Subsection (c) and adding Subsections (c-1) and (c-2) to
1-54 read as follows:

1-55 (c) The utility commission shall grant single certification
1-56 to the municipality. The utility commission shall also determine
1-57 whether single certification as requested by the municipality would
1-58 result in property of a retail public utility being rendered
1-59 useless or valueless to the retail public utility, and shall
1-60 determine in its order the monetary amount that is adequate and just
1-61 to compensate the retail public utility for such property. If the

2-1 municipality in its application has requested the transfer of
2-2 specified property of the retail public utility to the municipality
2-3 or to a franchised utility, the utility commission shall also
2-4 determine in its order the adequate and just compensation to be paid
2-5 for such property pursuant to the provisions of this section,
2-6 including an award for damages to property remaining in the
2-7 ownership of the retail public utility after single certification.
2-8 The order of the utility commission shall not be effective to
2-9 transfer property. A transfer of property may only be obtained
2-10 under this section by a court judgment rendered pursuant to
2-11 Subsection (d) or (e). The grant of single certification by the
2-12 utility commission shall go into effect on the date the
2-13 municipality or franchised utility, as the case may be, pays
2-14 adequate and just compensation pursuant to court order, or pays an
2-15 amount into the registry of the court or to the retail public
2-16 utility under Subsection (f). If the court judgment provides that
2-17 the retail public utility is not entitled to any compensation, the
2-18 grant of single certification shall go into effect when the court
2-19 judgment becomes final.

2-20 (c-1) The utility commission by rule shall require the
2-21 municipality or franchised utility to submit a report to the
2-22 utility commission verifying that the municipality or franchised
2-23 utility has paid all required adequate and just compensation to the
2-24 retail public utility as provided by Subsection (c).

2-25 (c-2) The municipality or franchised utility must provide
2-26 to each customer of the retail public utility being acquired an
2-27 individual written notice within 60 days after the effective date
2-28 for the transfer specified in the court judgment. The notice must
2-29 clearly advise the customer of the identity of the new service
2-30 provider, the reason for the transfer, the rates to be charged by
2-31 the new service provider, and the effective date of those rates.

2-32 SECTION 4. This Act takes effect September 1, 2021.

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