

1-1 By: Guillen (Senate Sponsor - Flores) H.B. No. 2442
1-2 (In the Senate - Received from the House May 3, 2023;
1-3 May 5, 2023, read first time and referred to Committee on Water,
1-4 Agriculture & Rural Affairs; May 19, 2023, reported favorably by
1-5 the following vote: Yeas 9, Nays 0; May 19, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Perry	X		
1-9	Hancock	X		
1-10	Blanco	X		
1-11	Flores	X		
1-12	Gutierrez	X		
1-13	Johnson	X		
1-14	Kolkhorst	X		
1-15	Sparks	X		
1-16	Springer	X		

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

1-19 relating to certificates of public convenience and necessity issued
1-20 to certain retail public utilities.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 13.2541, Water Code, is amended by
1-23 adding Subsection (b-1) to read as follows:

1-24 (b-1) On the day a petitioner submits a petition to the
1-25 utility commission under this section, the petitioner shall send,
1-26 via certified mail, a copy of the petition to the certificate
1-27 holder, who may submit information to the utility commission to
1-28 controvert information submitted by the petitioner.

1-29 SECTION 2. Section 13.255, Water Code, is amended by adding
1-30 Subsections (b-1) and (c-3) and amending Subsection (c) to read as
1-31 follows:

1-32 (b-1) On the day a municipality submits an application for
1-33 single certification to the utility commission under this section,
1-34 the municipality shall send, via certified mail or hand delivery, a
1-35 copy of the application to the retail public utility.

1-36 (c) The utility commission by order shall grant single
1-37 certification to the municipality. The utility commission shall
1-38 also ~~determine whether single certification as requested by the~~
1-39 ~~municipality would result in property of a retail public utility~~
1-40 ~~being rendered useless or valueless to the retail public utility,~~
1-41 ~~and shall~~ determine in its order the monetary amount that is
1-42 adequate and just to compensate the retail public utility for any of
1-43 the retail public utility's ~~[such]~~ property the utility commission
1-44 determines is being rendered useless or valueless by the single
1-45 certification. If the municipality in its application has
1-46 requested the transfer of specified property of the retail public
1-47 utility to the municipality or to a franchised utility, the utility
1-48 commission shall also determine in its order the adequate and just
1-49 compensation to be paid for such property pursuant to the
1-50 provisions of this section, including an award for damages to
1-51 property remaining in the ownership of the retail public utility
1-52 after single certification. The order of the utility commission
1-53 shall not be effective to transfer property. A transfer of property
1-54 may ~~[only]~~ be obtained under this section only by a court judgment
1-55 rendered under ~~[pursuant to]~~ Subsection (d) or (e). The grant of
1-56 single certification by the utility commission takes ~~[shall go~~
1-57 ~~into]~~ effect on the date the municipality or franchised utility, as
1-58 the case may be, pays adequate and just compensation pursuant to
1-59 court order, or pays an amount into the registry of the court or to
1-60 the retail public utility under Subsection (f). If the court
1-61 judgment provides that the retail public utility is not entitled to

any compensation, the grant of single certification takes ~~[shall go~~
~~into]~~ effect when the court judgment becomes final.

(c-3) Before filing an appeal under Subsection (e) and not
later than the seventh day after the date the utility commission
issues a final order under Subsection (c), the retail public
utility may appeal the final order to the utility commission in a
separate hearing before the utility commission.

SECTION 3. The changes in law made by this Act apply only to
a proceeding affecting a certificate of public convenience and
necessity that commences on or after the effective date of this Act.
A proceeding affecting a certificate of public convenience and
necessity that commenced before the effective date of this Act is
governed by the law in effect on the date the proceeding is
commenced, and that law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2023.

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