

AN ACT

relating to certificates of public convenience and necessity issued to certain retail public utilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

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

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

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

(c) The utility commission by order shall grant single certification to the municipality. The utility commission shall also ~~[determine whether single certification as requested by the municipality would result in property of a retail public utility being rendered useless or valueless to the retail public utility, and shall]~~ determine in its order the monetary amount that is

adequate and just to compensate the retail public utility for any of  
the retail public utility's [such] property the utility commission  
determines is being rendered useless or valueless by the single  
certification. If the municipality in its application has  
requested the transfer of specified property of the retail public  
utility to the municipality or to a franchised utility, the utility  
commission shall also determine in its order the adequate and just  
compensation to be paid for such property pursuant to the  
provisions of this section, including an award for damages to  
property remaining in the ownership of the retail public utility  
after single certification. The order of the utility commission  
shall not be effective to transfer property. A transfer of property  
may ~~[only]~~ be obtained under this section only by a court judgment  
rendered under ~~[pursuant to]~~ Subsection (d) or (e). The grant of  
single certification by the utility commission takes ~~[shall go~~  
~~into]~~ effect on the date the municipality or franchised utility, as  
the case may be, pays adequate and just compensation pursuant to  
court order, or pays an amount into the registry of the court or to  
the retail public utility under Subsection (f). If the court  
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.

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

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

H.B. No. 2442

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2442 was passed by the House on May 2, 2023, by the following vote: Yeas 133, Nays 11, 3 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2442 was passed by the Senate on May 23, 2023, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor