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H.B. No. 2876

A BILL TO BE ENTITLED

1 AN ACT

2 relating to certificates of public convenience and necessity for
3 water service and sewer service.

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

5 SECTION 1. Section 13.002, Water Code, is amended by
6 amending Subdivision (1) and adding Subdivision (10-a) to read as
7 follows:

8 (1) "Affected person" means any landowner within an
9 area for which a certificate of public convenience and necessity is
10 filed, any retail public utility affected by any action of the
11 regulatory authority, any person or corporation whose utility
12 service or rates are affected by any proceeding before the
13 regulatory authority, or any person or corporation that is a
14 competitor of a retail public utility with respect to any service
15 performed by the retail public utility or that desires to enter into
16 competition.

17 (10-a) "Landowner," "owner of a tract of land," and
18 "owners of each tract of land" include multiple owners of a single
19 deeded tract of land.

20 SECTION 2. Section 13.241(a), Water Code, is amended to
21 read as follows:

22 (a) In determining whether to grant or amend a certificate
23 of public convenience and necessity, the commission shall ensure
24 that the applicant possesses the financial, managerial, and

1 technical capability to provide continuous and adequate service.

2 SECTION 3. Section 13.242, Water Code, is amended by adding
3 Subsection (d) to read as follows:

4 (d) A supplier of wholesale water or sewer service may not
5 require a purchaser to obtain a certificate of public convenience
6 and necessity if the purchaser is not otherwise required by this
7 chapter to obtain the certificate.

8 SECTION 4. Section 13.244, Water Code, is amended to read as
9 follows:

10 Sec. 13.244. APPLICATION; MAPS AND OTHER INFORMATION;
11 EVIDENCE AND CONSENT. (a) To obtain a certificate of public
12 convenience and necessity or an amendment to a certificate, a [A]
13 public utility or water supply or sewer service corporation shall
14 submit to the commission an application for [~~to obtain~~] a
15 certificate [~~of public convenience and necessity~~] or for an
16 amendment as provided by this section [~~of a certificate~~].

17 (b) Each [~~On request by the commission, each~~] public utility
18 and water supply or sewer service corporation shall file with the
19 commission a map or maps showing all its facilities and
20 illustrating separately facilities for production, transmission,
21 and distribution of its services, and each certificated retail
22 public utility shall file with the commission a map or maps showing
23 any facilities, customers, or area currently being served outside
24 its certificated areas.

25 (c) Each applicant for a certificate or for an amendment
26 shall file with the commission evidence required by the commission
27 to show that the applicant has received the required consent,

1 franchise, or permit of the proper municipality or other public
2 authority.

3 (d) An application for a certificate of public convenience
4 and necessity or for an amendment to a certificate must contain:

5 (1) a description of the proposed service area by:

6 (A) a metes and bounds survey certified by a
7 licensed state land surveyor or a registered professional land
8 surveyor;

9 (B) the Texas State Plane Coordinate System;

10 (C) verifiable landmarks, including a road,
11 creek, or railroad line; or

12 (D) if a recorded plat of the area exists, lot and
13 block number;

14 (2) a description of any requests for service in the
15 proposed service area;

16 (3) a capital improvements plan, including a budget
17 and estimated timeline for construction of all facilities necessary
18 to provide full service to the entire proposed service area;

19 (4) a description of the sources of funding for all
20 facilities;

21 (5) to the extent known, a description of current and
22 projected land uses, including densities;

23 (6) a current financial statement of the applicant;

24 (7) according to the tax roll of the central appraisal
25 district for each county in which the proposed service area is
26 located, a list of the owners of each tract of land that is:

27 (A) at least 50 acres; and

1 (B) wholly or partially located within the
2 proposed service area; and

3 (8) any other item required by the commission.

4 SECTION 5. Subchapter G, Chapter 13, Water Code, is amended
5 by adding Sections 13.245 and 13.2451 to read as follows:

6 Sec. 13.245. MUNICIPAL BOUNDARIES OR EXTRATERRITORIAL
7 JURISDICTION OF CERTAIN MUNICIPALITIES. (a) This section applies
8 only to a municipality with a population of 500,000 or more.

9 (b) Except as provided by Subsection (c), the commission may
10 not grant to a retail public utility a certificate of public
11 convenience and necessity for a service area within the boundaries
12 or extraterritorial jurisdiction of a municipality without the
13 consent of the municipality. The municipality may not unreasonably
14 withhold the consent. As a condition of the consent, a municipality
15 may require that all water and sewer facilities be designed and
16 constructed in accordance with the municipality's standards for
17 facilities.

18 (c) If a municipality has not consented under Subsection (b)
19 before the 180th day after the date the municipality receives the
20 retail public utility's application, the commission shall grant the
21 certificate of public convenience and necessity without the consent
22 of the municipality if the commission finds that the municipality:

23 (1) does not have the ability to provide service; or

24 (2) has failed to make a good faith effort to provide
25 service on reasonable terms and conditions.

26 (d) A commitment described by Subsection (c)(2) must
27 provide that the construction of service facilities will begin

1 within one year and will be substantially completed within two
2 years after the date the retail public utility's application was
3 filed with the municipality.

4 (e) If the commission makes a decision under Subsection (d)
5 regarding the grant of a certificate of public convenience and
6 necessity without the consent of the municipality, the municipality
7 or the retail public utility may appeal the decision to the
8 appropriate state district court. The court shall hear the petition
9 within 120 days after the date the petition is filed. On final
10 disposition, the court may award reasonable fees to the prevailing
11 party.

12 Sec. 13.2451. EXTENSION BEYOND EXTRATERRITORIAL
13 JURISDICTION. (a) Except as provided by Subsection (b), if a
14 municipality extends its extraterritorial jurisdiction to include
15 an area certificated to a retail public utility, the retail public
16 utility may continue and extend service in its area of public
17 convenience and necessity under the rights granted by its
18 certificate and this chapter.

19 (b) The commission may not extend a municipality's
20 certificate of public convenience and necessity beyond its
21 extraterritorial jurisdiction without the written consent of the
22 landowner who owns the property in which the certificate is to be
23 extended. The portion of any certificate of public convenience and
24 necessity that extends beyond the extraterritorial jurisdiction of
25 the municipality without the consent of the landowner is void.

26 SECTION 6. Section 13.246, Water Code, is amended by
27 amending Subsections (a), (b), (c), and (d) and adding Subsections

1 (a-1), (h), and (i) to read as follows:

2 (a) If an application for a certificate of
3 public convenience and necessity or for an amendment to a
4 certificate is filed, the commission shall cause notice of the
5 application to be given to affected parties and, if requested,
6 shall fix a time and place for a hearing and give notice of the
7 hearing. Any person affected by the application may intervene at
8 the hearing.

9 (a-1) Except as otherwise provided by this subsection, in
10 addition to the notice required by Subsection (a), the commission
11 shall require notice to be mailed to each owner of a tract of land
12 that is at least 50 acres and is wholly or partially included in the
13 area proposed to be certified. Notice required under this
14 subsection must be mailed by first class mail to the owner of the
15 tract according to the most current tax appraisal rolls of the
16 applicable central appraisal district at the time the commission
17 received the application for the certificate or amendment. Good
18 faith efforts to comply with the requirements of this subsection
19 shall be considered adequate notice to landowners. Notice under
20 this subsection is not required for a matter filed with the
21 commission under:

22 (1) Section 13.248 or 13.255; or

23 (2) Chapter 65.

24 (b) The commission may grant applications and issue
25 certificates and amendments to certificates only if the commission
26 finds that a certificate or amendment is necessary for the service,
27 accommodation, convenience, or safety of the public. The

1 commission may issue a certificate or amendment as requested, or
2 refuse to issue it, or issue it for the construction of only a
3 portion of the contemplated system or facility or extension, or for
4 the partial exercise only of the right or privilege and may impose
5 special conditions necessary to ensure that continuous and adequate
6 service is provided.

7 (c) Certificates of public convenience and necessity and
8 amendments to certificates shall be granted on a nondiscriminatory
9 basis after consideration by the commission of:

10 (1) the adequacy of service currently provided to the
11 requested area;

12 (2) [~~7~~] the need for additional service in the
13 requested area, including whether any landowners, prospective
14 landowners, tenants, or residents have requested service;

15 (3) [~~7~~] the effect of the granting of a certificate
16 or of an amendment on the recipient of the certificate or amendment,
17 on the landowners in the area, and on any retail public utility of
18 the same kind already serving the proximate area;

19 (4) [~~7~~] the ability of the applicant to provide
20 adequate service, including meeting the standards of the
21 commission, taking into consideration the current and projected
22 density and land use of the area;

23 (5) the feasibility of obtaining service from an
24 adjacent retail public utility;

25 (6) the financial ability of the applicant to pay for
26 the facilities necessary to provide continuous and adequate service
27 and [~~7~~] the financial stability of the applicant, including, if

1 applicable, the adequacy of the applicant's debt-equity ratio;

2 (7) [7] environmental integrity;

3 (8) [~~7~~ and] the probable improvement of service or
4 lowering of cost to consumers in that area resulting from the
5 granting of the certificate or amendment; and

6 (9) the effect on the land to be included in the
7 certificated area.

8 (d) The commission may require an applicant for a
9 certificate or for an amendment [utility] to provide a bond or other
10 financial assurance in a form and amount specified by the
11 commission to ensure that continuous and adequate utility service
12 is provided.

13 (h) Except as provided by Subsection (i), a landowner who
14 owns a tract of land that is at least 25 acres and that is wholly or
15 partially located within the proposed service area may elect to
16 exclude some or all of the landowner's property from the proposed
17 service area by providing written notice to the commission before
18 the 30th day after the date the landowner receives notice of a new
19 application for a certificate of public convenience and necessity
20 or for an amendment to an existing certificate of public
21 convenience and necessity. The landowner's election is effective
22 without a further hearing or other process by the commission. If a
23 landowner makes an election under this subsection, the application
24 shall be modified so that the electing landowner's property is not
25 included in the proposed service area.

26 (i) A landowner is not entitled to make an election under
27 Subsection (h) but is entitled to contest the inclusion of the

1 landowner's property in the proposed service area at a hearing held
2 by the commission regarding the application if the proposed service
3 area is located within the boundaries or extraterritorial
4 jurisdiction of a municipality with a population of more than
5 500,000 and the municipality or a utility owned by the municipality
6 is the applicant.

7 SECTION 7. The heading to Section 13.247, Water Code, is
8 amended to read as follows:

9 Sec. 13.247. AREA [~~INCLUDED~~] WITHIN MUNICIPALITY [~~CITY,~~
10 ~~TOWN, OR VILLAGE~~].

11 SECTION 8. Section 13.247, Water Code, is amended by
12 amending Subsections (a) and (c) and adding Subsection (d) to read
13 as follows:

14 (a) If an area [~~has been or~~] is [~~included~~] within the
15 boundaries of a municipality [~~city as the result of annexation,~~
16 ~~incorporation, or otherwise~~], all retail public utilities
17 certified or entitled to certification under this chapter to
18 provide service or operate facilities in that area [~~before the~~
19 ~~inclusion~~] may continue and extend service in its area of public
20 convenience and necessity within the [~~annexed or incorporated~~] area
21 pursuant to the rights granted by its certificate and this chapter,
22 unless the municipality exercises its power of eminent domain to
23 acquire the property of the retail public utility under Subsection
24 (d). Except as provided by Section 13.255 [~~of this code~~], a
25 municipally owned or operated utility may not provide retail water
26 and sewer utility service within the area certificated to another
27 retail public utility without first having obtained from the

1 commission a certificate of public convenience and necessity that
2 includes the areas to be served.

3 (c) This section may not be construed as limiting the power
4 of municipalities [~~cities~~] to incorporate or extend their
5 boundaries by annexation, or as prohibiting any municipality [~~city~~]
6 from levying taxes and other special charges for the use of the
7 streets as are authorized by Section 182.025, Tax Code.

8 (d) In addition to any other rights provided by law, a
9 municipality with a population of more than 500,000 may exercise
10 the power of eminent domain in the manner provided by Chapter 21,
11 Property Code, to acquire a substandard water or sewer system if all
12 the facilities of the system are located entirely within the
13 municipality's boundaries. The municipality shall pay just and
14 adequate compensation for the property. In this subsection,
15 "substandard water or sewer system" means a system that is not in
16 compliance with the municipality's standards for water and
17 wastewater service.

18 SECTION 9. Section 13.254, Water Code, is amended by
19 amending Subsections (a), (e), and (g) and adding Subsections (a-1)
20 through (a-4) and (g-1) to read as follows:

21 (a) The commission at any time after notice and hearing may,
22 on its own motion or on receipt of a petition described by
23 Subsections (a-1), revoke or amend any certificate of public
24 convenience and necessity with the written consent of the
25 certificate holder or if it finds that:

26 (1) the certificate holder has never provided, is no
27 longer providing, is incapable of providing, or has failed to

1 provide continuous and adequate service in the area, or part of the
2 area, covered by the certificate;

3 (2) in an affected county as defined in Section
4 16.341, the cost of providing service by the certificate holder is
5 so prohibitively expensive as to constitute denial of service,
6 provided that, for commercial developments or for residential
7 developments started after September 1, 1997, in an affected county
8 as defined in Section 16.341, the fact that the cost of obtaining
9 service from the currently certificated retail public utility makes
10 the development economically unfeasible does not render such cost
11 prohibitively expensive in the absence of other relevant factors;

12 (3) the certificate holder has agreed in writing to
13 allow another retail public utility to provide service within its
14 service area, except for an interim period, without amending its
15 certificate; or

16 (4) the certificate holder has failed to file a cease
17 and desist action pursuant to Section 13.252 within 180 days of the
18 date that it became aware that another retail public utility was
19 providing service within its service area, unless the certificate
20 holder demonstrates good cause for its failure to file such action
21 within the 180 days.

22 (a-1) As an alternative to decertification under Subsection
23 (a), the owner of a tract of land that is at least 100 acres and that
24 is not in a platted subdivision actually receiving water or sewer
25 service may petition the commission under this subsection for
26 expedited release of the area from a certificate of public
27 convenience and necessity so that the area may receive service from

1 another retail public utility. The petitioner shall deliver, via
2 certified mail, a copy of the petition to the certificate holder,
3 who may submit information to the commission to controvert
4 information submitted by the petitioner. The petitioner must
5 demonstrate that:

6 (1) a written request for service, other than a
7 request for standard residential or commercial service, has been
8 submitted to the certificate holder, identifying:

9 (A) the area for which service is sought;

10 (B) the timeframe within which service is needed
11 for current and projected service demands in the area;

12 (C) the level and manner of service needed for
13 current and projected service demands in the area; and

14 (D) any additional information requested by the
15 certificate holder that is reasonably related to determination of
16 the capacity or cost for providing the service;

17 (2) the certificate holder has been allowed at least
18 90 calendar days to review and respond to the written request and
19 the information it contains;

20 (3) the certificate holder:

21 (A) has refused to provide the service;

22 (B) is not capable of providing the service on a
23 continuous and adequate basis within the timeframe, at the level,
24 or in the manner reasonably needed or requested by current and
25 projected service demands in the area; or

26 (C) conditions the provision of service on the
27 payment of costs not properly allocable directly to the

1 petitioner's service request, as determined by the commission; and

2 (4) the alternate retail public utility from which the
3 petitioner will be requesting service is capable of providing
4 continuous and adequate service within the timeframe, at the level,
5 and in the manner reasonably needed or requested by current and
6 projected service demands in the area.

7 (a-2) A landowner is not entitled to make the election
8 described in Subsection (a-1) but is entitled to contest the
9 involuntary certification of its property in a hearing held by the
10 commission if the landowner's property is located:

11 (1) within the boundaries of any municipality or the
12 extraterritorial jurisdiction of a municipality with a population
13 of more than 500,000 and the municipality or retail public utility
14 owned by the municipality is the holder of the certificate; or

15 (2) in a platted subdivision actually receiving water
16 or sewer service.

17 (a-3) Within 90 calendar days from the date the commission
18 determines the petition filed pursuant to Subsection (a-1) to be
19 administratively complete, the commission shall grant the petition
20 unless the commission makes an express finding that the petitioner
21 failed to satisfy the elements required in Subsection (a-1) and
22 supports its finding with separate findings and conclusions for
23 each element based solely on the information provided by the
24 petitioner and the certificate holder. The commission may grant or
25 deny a petition subject to terms and conditions specifically
26 related to the service request of the petitioner and all relevant
27 information submitted by the petitioner and the certificate holder.

1 In addition, the commission may require an award of compensation as
2 otherwise provided by this section.

3 (a-4) Chapter 2001, Government Code, does not apply to any
4 petition filed under Subsection (a-1). The decision of the
5 commission on the petition is final after any reconsideration
6 authorized by the commission's rules.

7 (e) The determination of the monetary amount of
8 compensation, if any, shall be determined at the time another
9 retail public utility seeks to provide service in the previously
10 decertified area and before service is actually provided. The
11 commission shall ensure that the monetary amount of compensation is
12 determined not later than the 90th calendar day after the date on
13 which a retail public utility notifies the commission of its intent
14 to provide service to the decertified area.

15 (g) For the purpose of implementing this section, the value
16 of real property owned and utilized by the retail public utility for
17 its facilities shall be determined according to the standards set
18 forth in Chapter 21, Property Code, governing actions in eminent
19 domain and the value of personal property shall be determined
20 according to the factors in this subsection. The factors ensuring
21 that the compensation to a retail public utility [~~for the taking,~~
22 ~~damaging, or loss of personal property, including the retail public~~
23 ~~utility's business,~~] is just and adequate shall at a minimum
24 include: the impact on the existing indebtedness of the retail
25 public utility and its ability to repay that debt; the value of the
26 service facilities of the retail public utility located within the
27 area in question; the amount of any expenditures for planning,

1 design, or construction of service facilities that are allocable to
2 service to the area in question; the amount of the retail public
3 utility's contractual obligations allocable to the area in
4 question; any demonstrated impairment of service or increase of
5 cost to consumers of the retail public utility remaining after the
6 decertification; the impact on future revenues lost from existing
7 customers [~~and expenses of the retail public utility~~]; necessary
8 and reasonable legal expenses and professional fees; factors
9 relevant to maintaining the current financial integrity of the
10 retail public utility; and other relevant factors. The commission
11 shall adopt rules governing the evaluation of these factors.

12 (g-1) If the retail public utilities cannot agree on an
13 independent appraiser within 10 calendar days after the date on
14 which the retail public utility notifies the commission of its
15 intent to provide service to the decertified area, each retail
16 public utility shall engage its own appraiser at its own expense,
17 and each appraisal shall be submitted to the commission within 60
18 calendar days. After receiving the appraisals, the commission
19 shall appoint a third appraiser who shall make a determination of
20 the compensation within 30 days. The determination may not be less
21 than the lower appraisal or more than the higher appraisal. Each
22 retail public utility shall pay half the cost of the third
23 appraisal.

24 SECTION 10. Section 13.255, Water Code, is amended by
25 amending Subsection (g) and by adding Subsection (g-1) to read as
26 follows:

27 (g) For the purpose of implementing this section, the value

1 of real property owned and utilized by the retail public utility for
2 its facilities shall be determined according to the standards set
3 forth in Chapter 21, Property Code, governing actions in eminent
4 domain; the value of personal property shall be determined
5 according to the factors in this subsection. The factors ensuring
6 that the compensation to a retail public utility [~~for the taking,~~
7 ~~damaging, and/or loss of personal property, including the retail~~
8 ~~public utility's business,~~] is just and adequate, shall, at a
9 minimum, include: impact on the existing indebtedness of the
10 retail public utility and its ability to repay that debt, the value
11 of the service facilities of the retail public utility located
12 within the area in question, the amount of any expenditures for
13 planning, design, or construction of service facilities outside the
14 incorporated or annexed area that are allocable to service to the
15 area in question, the amount of the retail public utility's
16 contractual obligations allocable to the area in question, any
17 demonstrated impairment of service or increase of cost to consumers
18 of the retail public utility remaining after the single
19 certification, the impact on future revenues lost from existing
20 customers [~~and expenses of the retail public utility~~], necessary
21 and reasonable legal expenses and professional fees, factors
22 relevant to maintaining the current financial integrity of the
23 retail public utility, and other relevant factors.

24 (g-1) The commission shall adopt rules governing the
25 evaluation of the factors to be considered in determining the
26 monetary compensation under Subsection (g). The commission by rule
27 shall adopt procedures to ensure that the total compensation to be

1 paid to a retail public utility under Subsection (g) is determined
2 not later than the 90th calendar day after the date on which the
3 commission determines that the municipality's application is
4 administratively complete.

5 SECTION 11. Subchapter G, Chapter 13, Water Code, is
6 amended by adding Section 13.2551 to read as follows:

7 Sec. 13.2551. COMPLETION OF DECERTIFICATION. (a) As a
8 condition to revocation or single certification under Section
9 13.254 or 13.255, and on request by an affected retail public
10 utility, the commission may order:

11 (1) the retail public utility seeking to provide
12 service to a decertified area to serve the entire service area of
13 the retail public utility that is being partially decertified; and

14 (2) the transfer of the entire certificate of public
15 convenience and necessity of a partially decertified retail public
16 utility to the retail public utility seeking to provide service to
17 the decertified area.

18 (b) The commission shall order service to the entire area
19 under Subsection (a) if the commission finds that the decertified
20 retail public utility will be unable to provide continuous and
21 adequate service at an affordable cost to the remaining customers.

22 (c) The commission shall require the retail public utility
23 seeking to provide service to the decertified area to provide
24 continuous and adequate service to the remaining customers at a
25 cost comparable to the cost of that service to its other customers
26 and shall establish the terms under which the service must be
27 provided. The terms may include:

- 1 (1) transferring debt and other contract obligations;
- 2 (2) transferring real and personal property;
- 3 (3) limiting costs to affected customers for transfer
4 of service;
- 5 (4) establishing rates for affected customers during
6 specified times; and
- 7 (5) other provisions necessary for the just and
8 reasonable allocation of assets and liabilities.

9 SECTION 12. Section 13.257, Water Code, is amended by
10 amending Subsections (a), (b), and (d) and adding Subsections (r)
11 and (s) to read as follows:

12 (a) In this section, "utility service provider" means a
13 retail public utility~~[, a water supply or sewer service~~
14 ~~corporation, or a special utility district organized and operating~~
15 ~~under Chapter 65]~~.

16 (b) If a person proposes to sell or convey ~~[unimproved]~~ real
17 property located in a certificated service area of a utility
18 service provider, the person must give to the purchaser written
19 notice as prescribed by this section. An executory contract for the
20 purchase and sale of real property that has a performance period of
21 more than six months is considered a sale of real property under
22 this section.

23 (d) The notice must be executed by the seller and read as
24 follows: "The real property, described below, that you are about to
25 purchase may be ~~[is]~~ located in a certificated ~~[the]~~ water or sewer
26 service area ~~[of _____]~~ , which is ~~[the utility~~
27 ~~service provider]~~ authorized by law to provide water or sewer

1 service to the properties in the certificated area. If your
 2 property is located in a certificated area there [~~. No other retail~~
 3 ~~public utility is authorized to provide water or sewer service to~~
 4 ~~your property. There~~] may be special costs or charges that you will
 5 be required to pay before you can receive water or sewer service.
 6 There may be a period required to construct lines or other
 7 facilities necessary to provide water or sewer service to your
 8 property. You are advised to determine if the property is in a
 9 certificated area and contact the utility service provider to
 10 determine the cost that you will be required to pay and the period,
 11 if any, that is required to provide water or sewer service to your
 12 property.

13 "The undersigned purchaser hereby acknowledges receipt of
 14 the foregoing notice at or before the execution of a binding
 15 contract for the purchase of the real property described in the
 16 notice or at closing of purchase of the real property.

17 _____
 18 Date

19 _____
 20 Signature of Purchaser

21 "~~[(Note: Correct name of utility service provider is to be~~
 22 ~~placed in the appropriate space.)]~~ Except for notices included as
 23 an addendum to or paragraph of a purchase contract, the notice must
 24 be executed by the seller and purchaser, as indicated."

- 25 (r) A utility service provider shall:
 26 (1) record in the real property records of each county
 27 in which the service area or a portion of the service area is

1 located a certified copy of the map of the certificate of public
2 convenience and necessity and of any amendment to the certificate
3 as contained in the commission's records, and a boundary
4 description of the service area by:

5 (A) a metes and bounds survey certified by a
6 licensed state land surveyor or a registered professional land
7 surveyor;

8 (B) the Texas State Plane Coordinate System;

9 (C) verifiable landmarks, including a road,
10 creek, or railroad line; or

11 (D) if a recorded plat of the area exists, lot and
12 block number; and

13 (2) submit to the executive director evidence of the
14 recording.

15 (s) Each county shall accept and file in its real property
16 records a utility service provider's map presented to the county
17 clerk under this section if the map meets filing requirements, does
18 not exceed 11 inches by 17 inches in size, and is accompanied by the
19 appropriate fee. The recording required by this section must be
20 completed not later than the 31st day after the date a utility
21 service provider receives a final order from the commission
22 granting an application for a new certificate or for an amendment to
23 a certificate that results in a change in the utility service
24 provider's service area.

25 SECTION 13. The following provisions of the Water Code are
26 repealed:

27 (1) Section 13.254(h); and

1 (2) Section 13.2541.

2 SECTION 14. A holder of a certificate of public convenience
3 and necessity on the effective date of this Act must comply with
4 Section 13.257, Water Code, as amended by this Act, not later than
5 January 1, 2007.

6 SECTION 15. The changes in law made by this Act apply only
7 to:

8 (1) an application for a certificate of public
9 convenience and necessity or for an amendment to a certificate of
10 public convenience and necessity submitted to the Texas Commission
11 on Environmental Quality on or after January 1, 2006; and

12 (2) a proceeding to amend or revoke a certificate of
13 public convenience and necessity initiated on or after January 1,
14 2006.

15 SECTION 16. This Act takes effect September 1, 2005.