

Amend HB 2655 by amending SECTION 2 to read as follows:

SECTION 2. Section 13.2451, Water Code, is amended to read as follows:

Sec. 13.2451. EXTENSION BEYOND EXTRATERRITORIAL JURISDICTION. (a) Subject to the provisions of Section 13.245, [~~(a) Except as provided by Subsection (b), if]~~ if a municipality extends its extraterritorial jurisdiction to include an area certificated to a retail public utility, the retail public utility may continue and extend service in its area of public convenience and necessity under the rights granted by its certificate and this chapter.

(b) A retail public utility or a municipality that seeks to extend a certificate of public convenience and necessity beyond the retail public utility's corporate boundaries, if applicable, or beyond a municipality's extraterritorial jurisdiction must ensure that the area for which a certificate of public convenience and necessity is sought complies with the requirements of Water Code §13.241. [~~(b) The commission may not extend a municipality's certificate of public convenience and necessity beyond its extraterritorial jurisdiction without the written consent of the landowner who owns the property in which the certificate is to be extended. The portion of any certificate of public convenience and necessity that extends beyond the extraterritorial jurisdiction of the municipality without the consent of the landowner is void.]~~

(c) If service to an area outside a municipality's extraterritorial jurisdiction is not provided within five years from the date of obtaining a certificate of public convenience and necessity for that area, then after notice to the municipality and a hearing, the Commission may decertify the portion outside of a municipality's extraterritorial jurisdiction for which the municipality is not providing service. This subsection (c) is not applicable to a certificate of public convenience and necessity service area transferred to a municipality and approved by the Commission for which public funds were expended.

The change is sought to ensure that retail public utilities and municipalities seeking certificates of public convenience and necessity prove that the entire service territories comply with Water Code §13.241. The change will prevent CCN "land grabs" from

municipalities.