

## **BILL ANALYSIS**

Senate Research Center

S.B. 1913  
By: Fraser  
Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current statute requires an electric utility to obtain a certificate of convenience and necessity before the utility may directly or indirectly provide service to the public under a franchise or permit. To obtain or amend a certificate, an application must be submitted to the Public Utility Commission of Texas (PUC), which must approve or deny the application before the first anniversary of its filing.

This bill amends Sections 37.051(a), 37.053(a), and 37.055, relating to certificates of convenience and necessity, by changing the term for the entity seeking the certificate from an "electric utility" or "utility" to a "person." The bill also authorizes a certificate to be granted to a person for a facility used solely for the transmission of electricity, and amends Section 37.057 to authorize PUC to grant a certificate for a new transmission facility to any qualified applicant that meets the requirements. The bill also amends Section 37.151, relating to the transmission of service, to exempt those granted a certificate for a facility used solely for the transmission of electricity from stipulations in that section.

As proposed, S.B. 1913 amends current law relating to certificates of convenience and necessity.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 37.051(a), 37.053(a), 37.055, 37.057, and 37.151, Utilities Code, as follows:

Sec. 37.051. CERTIFICATE REQUIRED. (a) Prohibits a person, rather than an electric utility, from directly or indirectly providing service to the public under a franchise or permit unless the person, rather than utility, first obtains from the Public Utility Commission of Texas (PUC) a certificate that states that the public convenience and necessity requires or will require the installation, operation, or extension of the service.

(d) Authorizes a certificate to be granted to a person under this subsection for a facility used solely for the transmission of electricity.

Sec. 37.053. APPLICATION FOR CERTIFICATE. (a) Makes conforming changes.

Sec. 37.055. REQUEST FOR PRELIMINARY ORDER. (a)-(c) Makes conforming changes.

Sec. 37.057. DEADLINE FOR APPLICATION FOR NEW TRANSMISSION FACILITY. Authorizes PUC to grant a certificate for a new transmission facility to any qualified applicant that meets the requirements of this subchapter.

Sec. 37.151. PROVISION OF SERVICE. Requires a certificate holder, other than those granted a certificate pursuant to Section 37.051(d), except as provided by this section, Section 37.152 (Grounds for Reduction of Service), and Section 37.153 (Required

Refusal of Service), to serve every consumer in the utility's certified area and provide continuous and adequate service in that area.

SECTION 2. Effective date: upon passage or September 1, 2009.