

BILL ANALYSIS

H.B. 971
By: King, Phil
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, a transmission and distribution company applying to the Public Utility Commission of Texas (PUC) for a certificate of convenience and necessity to build a new transmission line must designate a preferred route from among all of the proposed routes shown in the application. The preferred route designation is based on several criteria used by the PUC to determine the best possible route. The criteria include cost, distance along existing right-of-way, and distance to habitable structures, among others.

When a landowner whose property lies along any of the proposed routes receives notice of the application, the landowner will note whether the property lies on the preferred route. The landowner is given a certain amount of time to file as an intervenor in the case. As an intervenor, the landowner has the opportunity to submit written testimony and testify before an administrative law judge and the PUC in opposition to the transmission line. If the landowner does not file as an intervenor, the landowner essentially forfeits the opportunity to be heard during the proceedings regarding the proposal. Often, when a landowner receives the notice and sees that the landowner's property does not lie on the preferred route, the landowner assumes that the property will not be affected for that reason and consequently does not file as an intervenor. If the landowner later finds out that the preferred route was not the route that the PUC chose for the transmission line and instead chose the route crossing the landowner's property, the landowner has no recourse and must accept the fact that a new transmission line built will be built on the property, having had no say in the matter.

H.B. 971 addresses the confusion that sometimes occur when a landowner receives notice of an application for a certificate of convenience and necessity to build a transmission line by eliminating the requirement that a transmission and distribution company applying for the certificate designate a preferred route in the application.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 2 of this bill.

ANALYSIS

H.B. 971 amends the Utilities Code to prohibit the Public Utility Commission of Texas (PUC) from requiring an electric utility or other person to designate a preferred route for a proposed transmission line facility when applying for an original or amended certificate of convenience and necessity as a prerequisite for providing electric utility service to the public under a franchise or permit.

H.B. 971 requires the PUC to adopt or revise rules relating to the amended provision before June 1, 2012.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.