By: Larson

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#### A BILL TO BE ENTITLED 1 AN ACT 2 relating to the establishment of the Texas Energy and Communications Commission to consolidate the functions of the 3 Public Utility Commission of Texas and the Railroad Commission of 4 5 Texas. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 6 ARTICLE 1. RAILROAD COMMISSION OF TEXAS REESTABLISHED AS TEXAS 7 ENERGY AND COMMUNICATIONS COMMISSION 8 SECTION 1.01. The heading to Chapter 81, Natural Resources 9 Code, is amended to read as follows: 10 CHAPTER 81. TEXAS ENERGY AND COMMUNICATIONS [RAILROAD] COMMISSION 11 12 [<del>OF TEXAS</del>] 13 SECTION 1.02. Section 81.001, Natural Resources Code, is 14 amended to read as follows: Sec. 81.001. DEFINITIONS. In this chapter: 15 (1) "Commission" means 16 the Texas Energy and Communications [Railroad] Commission [of Texas]. 17 18 (2) "Commissioner" means any member of the <u>Texas</u> Energy and Communications [Railroad] Commission [of Texas]. 19 SECTION 1.03. Subchapter A, Chapter 81, Natural Resources 20 21 Code, is amended by adding Section 81.003 to read as follows: 22 Sec. 81.003. TEXAS ENERGY AND COMMUNICATIONS COMMISSION. 23 (a) The Railroad Commission of Texas is reestablished as the Texas Energy and Communications Commission. 24

# 1(b) A reference in law to the Railroad Commission of Texas2means the Texas Energy and Communications Commission.

SECTION 1.04. (a) On January 1, 2012:

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4 (1) the name of the Railroad Commission of Texas is 5 changed to the Texas Energy and Communications Commission, and all 6 powers, duties, rights, and obligations of the Railroad Commission 7 of Texas are the powers, duties, rights, and obligations of the 8 Texas Energy and Communications Commission;

9 (2) a member of the Railroad Commission of Texas is a 10 member of the Texas Energy and Communications Commission; and

(3) any appropriation to the Railroad Commission of Texas is an appropriation to the Texas Energy and Communications Commission.

14 (b) On or after January 1, 2012, a reference in law to the 15 Railroad Commission of Texas means the Texas Energy and 16 Communications Commission.

(c) The Texas Energy and Communications Commission is the successor to the Railroad Commission of Texas in all respects. All personnel, equipment, data, documents, facilities, contracts, items, other property, rules, decisions, and proceedings of or involving the Railroad Commission of Texas are unaffected by the change in the name of the agency.

SECTION 1.05. This article takes effect January 1, 2012.
 ARTICLE 2. PUBLIC UTILITY COMMISSION OF TEXAS ABOLISHED; POWERS AND
 DUTIES TRANSFERRED TO TEXAS ENERGY AND COMMUNICATIONS COMMISSION
 SECTION 2.01. (a) The powers, duties, obligations, rights,

27 contracts, records, employees, property, funds, and appropriations

of the Public Utility Commission of Texas are transferred to the
 Texas Energy and Communications Commission on September 1, 2012, as
 provided by this section.

4 (b) The Railroad Commission of Texas and the Texas Energy
5 and Communications Commission shall administer the transfer
6 described by Subsection (a) of this section. The Public Utility
7 Commission of Texas shall cooperate with and assist in the transfer
8 planning and administration.

9 (c) The Railroad Commission of Texas and the Texas Energy 10 and Communications Commission shall ensure that the transfer 11 described by Subsection (a) of this section does not adversely 12 affect a proceeding pending before the Public Utility Commission of 13 Texas or the rights of the parties to the proceeding.

(d) After the transfer has been completed, the Texas Energy and Communications Commission shall prepare a written report detailing the specifics of the transfer described by Subsection (a) of this section and shall submit the report to the governor and the legislature.

19 SECTION 2.02. On September 1, 2012:

(1) all powers, duties, functions, programs, and
 activities of the Public Utility Commission of Texas are
 transferred to the Texas Energy and Communications Commission;

(2) all obligations, rights, contracts, records, and
property in the custody of the Public Utility Commission of Texas
and all funds appropriated by the legislature to the Public Utility
Commission of Texas are transferred to the Texas Energy and
Communications Commission;

(3) all employees of the Public Utility Commission of
 Texas become employees of the Texas Energy and Communications
 Commission, to be assigned duties by the Texas Energy and
 Communications Commission;

5 (4) the Public Utility Commission of Texas is 6 abolished; and

7 (5) a reference in law to the Public Utility
8 Commission of Texas means the Texas Energy and Communications
9 Commission.

On September 1, 2012, a rule, policy, 10 SECTION 2.03. (a) procedure, decision, or form adopted by the Public Utility 11 Commission of Texas that relates to the regulation of the electric 12 or telecommunications industries is a rule, policy, procedure, 13 14 decision, or form of the Texas Energy and Communications Commission 15 and remains in effect until altered by the Texas Energy and 16 Communications Commission. The secretary of state may adopt rules 17 as necessary to expedite the implementation of this subsection.

(b) On September 1, 2012, a rule, policy, procedure, decision, or form of the Public Utility Commission of Texas that relates to the management and daily operation of the Public Utility Commission of Texas, to the extent of any conflict, is superseded by the rules, policies, procedures, decisions, and forms of the Texas Energy and Communications Commission relating to the management and daily operation of the Texas Energy and Communications Commission.

25 SECTION 2.04. (a) The abolition of the Public Utility 26 Commission of Texas and the transfer of its powers, duties, 27 functions, programs, activities, obligations, rights, contracts,

1 records, property, funds, and employees to the Texas Energy and 2 Communications Commission does not affect or impair an act done, 3 any obligation, right, order, permit, certificate, rule, 4 criterion, standard, or requirement existing, any investigation 5 begun, or any penalty accrued under former law, and that law remains 6 in effect for any action concerning those matters.

7 (b) An action brought or proceeding commenced before the 8 effective date of a transfer prescribed by this Act, including a 9 contested case or a remand of an action or proceeding by a reviewing 10 court, is governed by the laws and rules applicable to the action or 11 proceeding before the transfer.

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#### ARTICLE 3. CONFORMING AMENDMENTS

13 SECTION 3.01. Section 11.002(c), Utilities Code, is amended 14 to read as follows:

15 (c) Significant changes have occurred in the telecommunications and electric power industries since the Public 16 17 Utility Regulatory Act was originally adopted. Changes in technology and market structure have increased the need for minimum 18 19 standards of service quality, customer service, and fair business practices to ensure high-quality service to customers and a healthy 20 marketplace where competition is permitted by law. 21 It is the purpose of this title to grant the Texas Energy and Communications 22 [Public Utility] Commission [of Texas] authority to make and 23 24 enforce rules necessary to protect customers of telecommunications and electric services consistent with the public interest. 25

26 SECTION 3.02. Sections 11.003(4) and (5), Utilities Code, 27 are amended to read as follows:

(4) "Commission" means the <u>Texas Energy and</u>
 <u>Communications</u> [Public Utility] Commission [of Texas].

3 (5) "Commissioner" means a member of the <u>Texas Energy</u>
4 <u>and Communications</u> [Public Utility] Commission [of Texas].

5 SECTION 3.03. Section 12.001, Utilities Code, is amended to 6 read as follows:

Sec. 12.001. <u>TEXAS ENERGY AND COMMUNICATIONS</u> [PUBLIC
UTILITY] COMMISSION [OF TEXAS]. The <u>Texas Energy and</u>
<u>Communications</u> [Public Utility] Commission [of Texas] exercises
the jurisdiction and powers conferred by this title.

11 SECTION 3.04. Section 12.201, Utilities Code, is amended to 12 read as follows:

Sec. 12.201. PUBLIC INTEREST INFORMATION. 13 (a) The 14 commission shall prepare information of public interest describing 15 the functions of the commission under this title and the commission's procedures by which a complaint concerning a matter 16 17 subject to this title is filed with and resolved by the commission. The commission shall make the information available to the public 18 19 and appropriate state agencies.

(b) The commission by rule shall establish methods by which consumers and service recipients are notified of the name, mailing address, and telephone number of the commission for the purpose of directing [complaints] to the commission <u>complaints concerning a</u> matter subject to this title.

25 SECTION 3.05. Sections 12.202(a) and (c), Utilities Code, 26 are amended to read as follows:

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(a) The commission shall develop and implement policies

1 that provide the public with a reasonable opportunity to appear 2 before the commission and to speak on any issue under the 3 jurisdiction of the commission <u>under this title</u>.

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4 (c) The commission shall prepare and maintain a written plan 5 that describes how a person who does not speak English may be 6 provided reasonable access to the commission's programs and 7 services under this title.

8 SECTION 3.06. Section 12.203(a), Utilities Code, is amended 9 to read as follows:

10 (a) The commission shall prepare annually a complete and 11 detailed written report accounting for all funds received and 12 disbursed by the commission <u>under this title</u> during the preceding 13 fiscal year. The annual report must meet the reporting 14 requirements applicable to financial reporting in the General 15 Appropriations Act.

SECTION 3.07. Section 12.204, Utilities Code, is amended to read as follows:

Sec. 12.204. INTERNET FOR HEARINGS AND MEETINGS. 18 The 19 commission shall make publicly accessible without charge live Internet video of all public hearings and meetings the commission 20 holds under this title for viewing from the Internet website found 21 at http://www.puc.state.tx.us. The commission may recover the 22 23 costs of administering this section by imposing an assessment 24 against a:

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(1) public utility;

26 (2) corporation described by Section 32.053;

27 (3) retail electric provider that serves more than

1 250,000 customers; or

2 (4) power generation company that owns more than 5,0003 megawatts of installed capacity in this state.

4 SECTION 3.08. Section 14.002, Utilities Code, is amended to 5 read as follows:

6 Sec. 14.002. RULES. The commission shall adopt and enforce 7 rules reasonably required in the exercise of its powers and 8 jurisdiction <u>under this title</u>.

9 SECTION 3.09. Sections 14.0025(a) and (b), Utilities Code, 10 are amended to read as follows:

11 (a) The commission shall develop and implement a policy to 12 encourage the use of:

13 (1) negotiated rulemaking procedures under Chapter
14 2008, Government Code, for the adoption of commission rules <u>under</u>
15 <u>this title</u>; and

16 (2) appropriate alternative dispute resolution 17 procedures under Chapter 2009, Government Code, to assist in the 18 resolution of internal and external disputes under the commission's 19 jurisdiction <u>under this title</u>.

(b) The commission's procedures relating to alternative dispute resolution <u>under this title</u> must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

25 SECTION 3.10. Section 14.006, Utilities Code, is amended to 26 read as follows:

27 Sec. 14.006. INTERFERENCE WITH TERMS OR CONDITIONS OF

PRESUMPTION OF REASONABLENESS. 1 EMPLOYMENT; In exercising its jurisdiction under this title, the [The] commission may not 2 3 interfere with employee wages and benefits, working conditions, or other terms or conditions of employment that are the product of a 4 5 collective bargaining agreement recognized under federal law. An employee wage rate or benefit that is the product of the collective 6 bargaining is presumed to be reasonable. 7

8 SECTION 3.11. Section 14.007, Utilities Code, is amended to 9 read as follows:

Sec. 14.007. ASSISTANCE TO MUNICIPALITY. On request by the governing body of a municipality, the commission may provide commission employees as necessary to advise and consult with the municipality on a [pending] matter pending under this title.

SECTION 3.12. Section 14.051, Utilities Code, is amended to read as follows:

Sec. 14.051. PROCEDURAL POWERS. <u>In exercising its</u>
jurisdiction under this title, the [The] commission may:

call and hold a hearing;

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(2) administer an oath;

(1)

20 (3) receive evidence at a hearing;

(4) issue a subpoena to compel the attendance of a
witness or the production of a document; and

(5) make findings of fact and decisions to administerthis title or a rule, order, or other action of the commission.

25 SECTION 3.13. Sections 14.052(a) and (b), Utilities Code, 26 are amended to read as follows:

27 (a) The commission shall adopt and enforce rules governing

H.B. No. 1302 1 practice and procedure before the commission under this title and, as applicable, practice and procedure before the utility division 2 3 of the State Office of Administrative Hearings under this title. The commission shall adopt rules that authorize an 4 (b) 5 administrative law judge acting under this title to: 6 (1)limit the amount of time that a party may have to 7 present its case; 8 (2) limit the number of requests for information that a party may make in a contested case; 9 10 (3) require a party to a contested case to identify 11 contested issues and facts before the hearing begins; 12 (4) limit cross-examination to only those issues and facts identified before the hearing and to any new issues that may 13 14 arise as a result of the discovery process; and 15 (5) group parties, other than the office, that have the same position on an issue to facilitate cross-examination on 16 17 that issue. SECTION 3.14. Sections 14.053(a) and (b), Utilities Code, 18 are amended to read as follows: 19 State Office 20 (a) The utility division of the of Administrative Hearings shall conduct each hearing in a contested 21 case under this title that is not conducted by one or more 22 commissioners. 23 24 The commission may delegate to the utility division of (b)

25 the State Office of Administrative Hearings the authority to make a 26 final decision and to issue findings of fact, conclusions of law, 27 and other necessary orders in a proceeding <u>under this title</u> in which

1 there is not a contested issue of fact or law.

2 SECTION 3.15. Section 14.054(a), Utilities Code, is amended 3 to read as follows:

4 (a) The commission by rule shall adopt procedures governing
5 the use of settlements to resolve contested cases <u>under this title</u>.

6 SECTION 3.16. Sections 14.057(a) and (b), Utilities Code, 7 are amended to read as follows:

8 (a) A commission order <u>under this title</u> must be in writing 9 and contain detailed findings of the facts on which it is passed.

10 (b) The commission shall retain a copy of the transcript and 11 the exhibits in any matter in which the commission issues an order 12 under this title.

13 SECTION 3.17. Section 15.001, Utilities Code, is amended to 14 read as follows:

15 Sec. 15.001. RIGHT TO JUDICIAL REVIEW. Any party to a 16 proceeding before the commission <u>under this title</u> is entitled to 17 judicial review under the substantial evidence rule.

SECTION 3.18. Section 15.002, Utilities Code, is amended to read as follows:

20 Sec. 15.002. COMMISSION AS DEFENDANT. The commission must 21 be a defendant in a proceeding for judicial review <u>under this title</u>.

22 SECTION 3.19. Section 15.003(a), Utilities Code, is amended 23 to read as follows:

(a) A party represented by counsel who alleges that existing
rates are excessive or that rates prescribed by the commission are
excessive and who prevails in a proceeding for review of a
commission order or decision <u>under this title</u> is entitled in the

same action to recover against the regulation fund reasonable fees
 for attorneys and expert witnesses and other costs for the party's
 efforts before the commission and the court.

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4 SECTION 3.20. Section 15.004, Utilities Code, is amended to 5 read as follows:

6 Sec. 15.004. JUDICIAL STAY OR SUSPENSION. While an appeal 7 of an order, ruling, or decision of a regulatory authority <u>under</u> 8 <u>this title</u> is pending, the district court, court of appeals, or 9 supreme court, as appropriate, may stay or suspend all or part of 10 the operation of the order, ruling, or decision. In granting or 11 refusing a stay or suspension, the court shall act in accordance 12 with the practice of a court exercising equity jurisdiction.

13 SECTION 3.21. Section 15.022, Utilities Code, is amended to 14 read as follows:

Sec. 15.022. CONTEMPT. The commission may file a court action for contempt against a person who:

17 (1) fails to comply with a lawful order of the 18 commission under this title;

19 (2) fails to comply with a subpoena or subpoena duces
20 tecum <u>issued under this title</u>; or

(3) refuses to testify about a matter <u>that is subject</u> to the commission's jurisdiction under this title and on which the person may be lawfully interrogated.

24 SECTION 3.22. Sections 15.024(a), (b), (d), (e), and (f), 25 Utilities Code, are amended to read as follows:

(a) If the <u>commission</u> [<del>executive director</del>] determines that
 a violation <u>of this title or a rule or order adopted under this</u>

1 title has occurred, the commission [executive director] may issue
2 [to the commission] a report that states:

3 (1) the facts on which the determination is based;
4 (2) whether [and] the commission proposes to impose
5 [executive director's recommendation on the imposition of] an
6 administrative penalty; and

7 (3) if a penalty is proposed, [including a
8 recommendation on] the amount of the proposed penalty.

9 (b) Not later than the 14th day after the date the report is 10 issued, the <u>commission</u> [executive director] shall give written 11 notice of the report to the person against whom the penalty may be 12 <u>imposed</u> [assessed]. The notice may be given by certified mail. The 13 notice must:

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(1) include a brief summary of the alleged violation;

15 (2) state the amount of the <u>proposed</u> [<del>recommended</del>]
16 penalty; and

17 (3) inform the person that the person has a right to a 18 hearing on the occurrence of the violation, the amount of the 19 penalty, or both the occurrence of the violation and the amount of 20 the penalty.

(d) Not later than the 20th day after the date the person receives the notice, the person may accept the determination and <u>proposed</u> [recommended] penalty of the <u>commission</u> [executive director] in writing or may make a written request for a hearing on the occurrence of the violation, the amount of the penalty, or both the occurrence of the violation and the amount of the penalty.

27 (e) If the person accepts the <u>commission's</u> [<del>executive</del>

1 director's] determination and proposed [recommended] penalty, the 2 commission by order shall approve the determination and impose the 3 proposed [recommended] penalty.

4 (f) If the person requests a hearing or fails to timely 5 respond to the notice, the commission [executive director] shall set a hearing and give notice of the hearing to the person. 6 The hearing shall be held by an administrative law judge of the State 7 8 Office of Administrative Hearings. The administrative law judge shall make findings of fact and conclusions of law and promptly 9 10 issue to the commission a proposal for a decision about the occurrence of the violation and the amount of a proposed penalty. 11 Based on the findings of fact, conclusions of law, and proposal for 12 a decision, the commission by order may find that a violation has 13 14 occurred and impose a penalty or may find that no violation 15 occurred.

SECTION 3.23. Section 15.025, Utilities Code, is amended to read as follows:

Sec. 15.025. PAYMENT OF ADMINISTRATIVE PENALTY. (a) Not later than the 30th day after the date the commission's order imposing an administrative penalty <u>under this subchapter</u> is final as provided by Section 2001.144, Government Code, the person shall:

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(1) pay the amount of the penalty;

(2) pay the amount of the penalty and file a petitionfor judicial review contesting:

| 25 | (A) | the occurrence of the violation;             |
|----|-----|--|
| 26 | (B) | the amount of the penalty; or                |
| 27 | (C) | both the occurrence of the violation and the |

1 amount of the penalty; or 2 (3) without paying the amount of the penalty, file a 3 petition for judicial review contesting: 4 (A) the occurrence of the violation; 5 (B) the amount of the penalty; or 6 (C) both the occurrence of the violation and the 7 amount of the penalty. 8 (b) Not later than the 30th day after the date the commission's order is final as provided by Section 2001.144, 9 10 Government Code, a person who acts under Subsection (a)(3) may: stay enforcement of the penalty by: 11 (1) paying the amount of the penalty to the court 12 (A) for placement in an escrow account; or 13 14 (B) giving to the court a supersedeas bond that 15 is approved by the court for the amount of the penalty and that is effective until all judicial review of the commission's order is 16 17 final; or (2) request the court to stay enforcement of 18 the 19 penalty by: 20 filing with the court a sworn affidavit of (A) 21 the person stating that the person is financially unable to pay the amount of the penalty and is financially unable to give the 22 23 supersedeas bond; and 24 (B) giving a copy of the affidavit to the 25 commission [executive director] by certified mail. 26 (c) The commission [executive director], on receipt of a copy of an affidavit under Subsection (b)(2), may file with the 27

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1 court, not later than the fifth day after the date the copy is 2 received, a contest to the affidavit. The court shall hold a 3 hearing on the facts alleged in the affidavit as soon as practicable 4 and shall stay the enforcement of the penalty on finding that the 5 alleged facts are true. The person who files an affidavit has the 6 burden of proving that the person is financially unable to pay the 7 amount of the penalty and to give a supersedeas bond.

8 (d) If the person does not pay the amount of the penalty and 9 the enforcement of the penalty is not stayed, the <u>commission</u> 10 [executive director] may refer the matter to the attorney general 11 for collection of the amount of the penalty.

SECTION 3.24. Section 15.026(a), Utilities Code, is amended to read as follows:

14 (a) Judicial review of a commission order imposing an
15 administrative penalty <u>under this subchapter</u> is:

16 (1) instituted by filing a petition as provided by17 Subchapter G, Chapter 2001, Government Code; and

18 (2) under the substantial evidence rule.

SECTION 3.25. Section 15.027(c), Utilities Code, is amended to read as follows:

(c) The <u>commission</u> [executive director] may delegate any power or duty relating to an administrative penalty given the <u>commission</u> [executive director] by this subchapter to a person designated by the <u>commission</u> [executive director].

25 SECTION 3.26. Sections 15.051(b) and (c), Utilities Code, 26 are amended to read as follows:

27 (b) The commission shall keep for a reasonable period

1 information about each complaint filed with the commission that the 2 commission has authority to resolve <u>under this title</u>. The 3 information shall include:

the date the complaint is received;

4 5

(2) the name of the complainant;

(1)

6 (3) the subject matter of the complaint;

7 (4) a record of each person contacted in relation to8 the complaint;

9 (5) a summary of the results of the review or 10 investigation of the complaint; and

11 (6) if the commission took no action on the complaint, 12 an explanation of the reason the complaint was closed without 13 action.

The commission shall keep a file about each written 14 (c) 15 complaint filed with the commission that the commission has authority to resolve <u>under this title</u>. The commission shall 16 17 provide to the person filing the complaint and to each person or entity complained about information concerning the commission's 18 policies and procedures on complaint investigation and resolution. 19 The commission, at least quarterly and until final disposition of 20 the complaint, shall notify the person filing the complaint and 21 each person or entity complained about of the status of the 22 23 complaint unless the notice would jeopardize an undercover 24 investigation.

25 SECTION 3.27. Section 39.157(d), Utilities Code, is amended 26 to read as follows:

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(d) Not later than January 10, 2000, the commission shall

1 adopt rules and enforcement procedures to govern transactions or activities between a transmission and distribution utility and its 2 competitive affiliates to avoid potential market power abuses and 3 cross-subsidizations between regulated and competitive activities 4 5 both during the transition to and after the introduction of competition. Nothing in this subsection is intended to affect or 6 modify the obligations or duties relating to any rules or standards 7 8 of conduct that may apply to a utility or the utility's affiliates under orders or regulations of the Federal Energy Regulatory 9 Commission or the Securities and Exchange Commission. A utility 10 that is subject to statutes or regulations in other states that 11 12 conflict with a provision of this section may petition the commission for a waiver of the conflicting provision on a showing of 13 14 good cause. The rules adopted under this section shall ensure that:

(1) a utility makes any products and services, other than corporate support services, that it provides to a competitive affiliate available, contemporaneously and in the same manner, to the competitive affiliate's competitors and applies its tariffs, prices, terms, conditions, and discounts for those products and services in the same manner to all similarly situated entities;

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(2) a utility does not:

(A) give a competitive affiliate or a competitive
 affiliate's customers any preferential advantage, access, or
 treatment regarding services other than corporate support
 services; or

(B) act in a manner that is discriminatory oranticompetitive with respect to a nonaffiliated competitor of a

1 competitive affiliate;

2 (3) a utility providing electric transmission or3 distribution services:

4 (A) provides those services on nondiscriminatory5 terms and conditions;

6 (B) does not establish as a condition for the 7 provision of those services the purchase of other goods or services 8 from the utility or the competitive affiliate; and

9 (C) does not provide competitive affiliates 10 preferential access to the utility's transmission and distribution 11 systems or to information about those systems;

(4) a utility does not release any proprietary customer information to a competitive affiliate or any other entity, other than an independent organization as defined by Section 39.151 or a provider of corporate support services for the purposes of providing the services, without obtaining prior verifiable authorization, as determined from the commission, from the customer;

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(5) a utility does not:

(A) communicate with a current or potential
customer about products or services offered by a competitive
affiliate in a manner that favors a competitive affiliate; or

(B) allow a competitive affiliate, before
September 1, 2005, to use the utility's corporate name, trademark,
brand, or logo unless the competitive affiliate includes on
employee business cards and in its advertisements of specific
services to existing or potential residential or small commercial

1 customers <u>located</u> [locating] within the utility's certificated 2 service area a disclaimer that states, "(Name of competitive 3 affiliate) is not the same company as (name of utility) and is not 4 regulated by the <u>Texas Energy and Communications</u> [Public Utility] 5 Commission [of Texas], and you do not have to buy (name of 6 competitive affiliate)'s products to continue to receive quality 7 regulated services from (name of utility).";

8 (6) a utility does not conduct joint advertising or 9 promotional activities with a competitive affiliate in a manner 10 that favors the competitive affiliate;

(7) a utility is a separate, independent entity from any competitive affiliates and, except as provided by Subdivisions (8) and (9), does not share employees, facilities, information, or other resources, other than permissible corporate support services, with those competitive affiliates unless the utility can prove to the commission that the sharing will not compromise the public interest;

(8) a utility's office space is physically separated from the office space of the utility's competitive affiliates by being located in separate buildings or, if within the same building, by a method such as having the offices on separate floors or with separate access, unless otherwise approved by the commission;

(9) a utility and a competitive affiliate:
(A) may, to the extent the utility implements
adequate safeguards precluding employees of a competitive
affiliate from gaining access to information in a manner

inconsistent with Subsection (g) or (i), share common officers and 1 directors, property, equipment, offices to the extent consistent 2 3 with Subdivision (8), credit, investment, or financing arrangements to the extent consistent with Subdivision (17), 4 5 computer systems, information systems, and corporate support services; and 6

7 (B) are not required to enter into prior written 8 contracts or competitive solicitations for non-tariffed transactions between the utility and the competitive affiliate, 9 10 except that the commission by rule may require the utility and the competitive affiliate to enter into prior written contracts or 11 competitive solicitations for certain classes of transactions, 12 other than corporate support services, that have a per unit value of 13 14 more than \$75,000 or that total more than \$1 million;

(10) a utility does not temporarily assign, for less than one year, employees engaged in transmission or distribution system operations to a competitive affiliate unless the employee does not have knowledge of information that is intended to be protected under this section;

(11) a utility does not subsidize the business
activities of an affiliate with revenues from a regulated service;

(12) a utility and its affiliates fully allocate costs for any shared services, corporate support services, and other items described by Subdivisions (8) and (9);

(13) a utility and its affiliates keep separate books
of accounts and records and the commission may review records
relating to a transaction between a utility and an affiliate;

1 (14) assets transferred or services provided between a 2 utility and an affiliate, other than transfers that facilitate 3 unbundling under Section 39.051 or asset valuation under Section 4 39.262, are priced at a level that is fair and reasonable to the 5 customers of the utility and reflects the market value of the assets 6 or services or the utility's fully allocated cost to provide those 7 assets or services;

8 (15) regulated services that a utility provides on a 9 routine or recurring basis are included in a tariff that is subject 10 to commission approval;

11 (16) each transaction between a utility and a 12 competitive affiliate is conducted at arm's length; and

(17) a utility does not allow an affiliate to obtain credit under an arrangement that would include a specific pledge of assets in the rate base of the utility or a pledge of cash reasonably necessary for utility operations.

SECTION 3.28. Section 163.123, Utilities Code, is amended to read as follows:

Sec. 163.123. AUTHORITY OF <u>TEXAS ENERGY AND COMMUNICATIONS</u>
[PUBLIC UTILITY] COMMISSION. A joint powers agency created under
this subchapter is:

(1) subject to all applicable provisions of Title 2;and

(2) under the jurisdiction of the <u>Texas Energy and</u>
 <u>Communications</u> [Public Utility] Commission [of Texas] as provided
 by Title 2.

27 SECTION 3.29. Section 183.001(1), Utilities Code, is

1 amended to read as follows:

2 (1) "Commission" means the <u>Texas Energy and</u>
3 <u>Communications</u> [Public Utility] Commission [of Texas].

4 SECTION 3.30. Section 184.001, Utilities Code, is amended 5 to read as follows:

6 Sec. 184.001. DEFINITION. In this chapter, "commission" 7 means the <u>Texas Energy and Communications</u> [<del>Public Utility</del>] 8 Commission [<del>of Texas</del>].

9 SECTION 3.31. Section 185.001(1), Utilities Code, is 10 amended to read as follows:

(1) "Commission" means the <u>Texas Energy and</u>
 Communications [Public Utility] Commission [of Texas].

13 SECTION 3.32. Section 22.003(d), Agriculture Code, is 14 amended to read as follows:

15 (d) The <u>Texas Energy and Communications</u> [Public Utility] 16 Commission [of Texas] and the Texas Commission on Environmental 17 Quality shall assist the department as necessary to enable the 18 department to determine whether a facility meets the requirements 19 of Subsection (b) for purposes of the eligibility of farmers, 20 loggers, diverters, and renewable biomass aggregators and bio-coal 21 fuel producers for grants under this chapter.

22 SECTION 3.33. Section 22.007, Agriculture Code, is amended 23 to read as follows:

Sec. 22.007. RULES. The commissioner, in consultation with the <u>Texas Energy and Communications</u> [<del>Public Utility</del>] Commission [<del>of Texas</del>] and the Texas Commission on Environmental Quality, shall adopt rules to implement this chapter.

H.B. No. 1302 SECTION 3.34. Section 50D.011(a), Agriculture Code, is 1 amended to read as follows: 2 3 (a) The policy council is composed of the following 17 [18] members: 4 5 (1)the commissioner, who serves as chair of the policy council; 6 7 representative of the Texas Energy and (2) one 8 Communications [Railroad] Commission [of Texas] designated by the commission; 9 one representative of the Texas Commission on 10 (3) Environmental Quality designated by the commission; 11 [one representative of the Public Utility 12 (4)Commission of Texas designated by the commission; 13 14 [<del>(5)</del>] one representative of the Texas Water 15 Development Board designated by the board; 16 (5) [(6)] the chancellor of The Texas A&M University 17 System, or the person designated by the chancellor; (6) [<del>(7)</del>] the chancellor of the Texas Tech University 18 System, or the person designated by the chancellor; 19 (7) [<del>(8)</del>] the chancellor of The University of Texas 20 System, or the person designated by the chancellor; 21 (8) [(9)] one member of the senate appointed by the 22 23 lieutenant governor; 24 (9) [(10)] one member of the house of representatives 25 appointed by the speaker of the house of representatives; and 26 (10) [(11)] eight members appointed by the governor, with each of the following industries or groups represented by one 27

H.B. No. 1302 1 member: (A) research and development of feedstock and 2 3 feedstock production; 4 (B) retail distribution of energy; 5 (C) transportation of biomass feedstock; 6 (D) agricultural production for bioenergy 7 production or agricultural waste used for production of bioenergy; 8 (E) production of biodiesel from nonfood 9 feedstocks; 10 (F) production of ethanol from nonfood 11 feedstocks; 12 (G) bio-based electricity generation; and 13 (H) chemical manufacturing. 14 SECTION 3.35. Section 50D.021(a), Agriculture Code, is 15 amended to read as follows: (a) The research committee is composed of the following 15 16 17 [<del>16</del>] members: (1)the commissioner or the person designated by the 18 commissioner, who serves as the chair of the research committee; 19 20 (2) one representative of the Texas Energy and Communications [Railroad] Commission [of Texas] designated by the 21 commission; 22 23 (3) one representative of the Texas Commission on 24 Environmental Quality designated by the commission; 25 [one representative of the Public (4) 26 Commission of Texas designated by the commission; 27 [<del>(5)</del>] one representative of the Texas Water

1 Development Board designated by the board;

2 <u>(5)</u> [<del>(6)</del>] one researcher or specialist in the 3 bioenergy field from each of the following university systems, 4 appointed by the chancellor of the system:

(A) The Texas A&M University System;
(B) the Texas Tech University System; and
(C) The University of Texas System; and
(C) The University of Texas System; and
(C) [(7)] eight members, with a member appointed by
each policy council member appointed by the governor under Section

10 <u>50D.011(a)(10)</u> [<del>50D.011(a)(11)</del>].

SECTION 3.36. Section 302.053, Business & Commerce Code, is amended to read as follows:

13 Sec. 302.053. EXEMPTION: PERSONS REGULATED BY OTHER14 LAW. This chapter does not apply to:

(1) a person offering or selling a security that has been qualified for sale under Section 7, The Securities Act (Article 581-7, Vernon's Texas Civil Statutes), or that is subject to an exemption under Section 5 or 6 of that Act;

(2) a publicly traded corporation registered with the
Securities and Exchange Commission or the State Securities Board,
or a subsidiary or agent of the corporation;

(3) a person who holds a license issued under the
Insurance Code if the solicited transaction is governed by that
code;

(4) a supervised financial institution or a parent, a
subsidiary, or an affiliate of a supervised financial institution;
(5) a person whose business is regulated by the <u>Texas</u>

H.B. No. 1302 Energy and Communications [Public Utility] Commission under Title 2 1 or 4, Utilities Code, [of Texas] or an affiliate of that person, 2 3 except that this chapter applies to such a person or affiliate only with respect to one or more automated dial announcing devices; 4 5 (6) a person subject to the control or licensing regulations of the Federal Communications Commission; 6 7 a person selling a contractual plan regulated by (7) 8 the Federal Trade Commission trade regulation on use of negative option plans by sellers in commerce under 16 C.F.R. Part 425; 9 10 (8) a person subject to filing requirements under Chapter 1803, Occupations Code; or 11 12 (9) a person who: is soliciting a transaction regulated by the 13 (A) 14 Commodity Futures Trading Commission; and 15 (B) is registered or holds a temporary license for the activity described by Paragraph (A) with the Commodity 16 17 Futures Trading Commission under the Commodity Exchange Act (7 U.S.C. Section 1 et seq.), if the registration or license has not 18 expired or been suspended or revoked. 19 SECTION 3.37. Section 304.002(2), Business & Commerce Code, 20 21 is amended to read as follows: (2) "Commission" 22 means the Texas Energy and Communications [Public Utility] Commission [of Texas]. 23 24 SECTION 3.38. Section 1(10), Article 18.21, Code of Criminal Procedure, is amended to read as follows: 25 26 (10) "Trap and trace device" means a device or process 27 that records an incoming electronic or other impulse that

1 identifies the originating number or other dialing, routing, 2 addressing, or signaling information reasonably likely to identify 3 the source of a wire or electronic communication, if the 4 information does not include the contents of the communication. The 5 term does not include a device or telecommunications network used 6 in providing:

7 (A) a caller identification service authorized
8 by the <u>Texas Energy and Communications</u> [Public Utility] Commission
9 [of Texas] under Subchapter E, Chapter 55, Utilities Code;

10 (B) the services referenced in Section 11 55.102(b), Utilities Code; or

12 (C) a caller identification service provided by a 13 commercial mobile radio service provider licensed by the Federal 14 Communications Commission.

15 SECTION 3.39. Section 88.215(b), Education Code, is amended 16 to read as follows:

17 (b) The advisory committee consists of 11 members appointed18 as follows:

19 (1) one representative of Texas A & M University
20 appointed by the director of [the] Texas <u>AgriLife Research</u>
21 [Agricultural Experiment Station];

(2) one representative of Texas Tech University
appointed by the dean of the College of <u>Agricultural Sciences and</u>
<u>Natural Resources</u> [Agriculture] of Texas Tech University;

(3) one representative of The University of Texas
appointed by the vice president for research of The University of
Texas System;

H.B. No. 1302 1 (4) one representative of the Department of Agriculture appointed by the commissioner of agriculture; 2 (5) one representative of the Parks and Wildlife 3 Department appointed by the director of the department; 4 5 (6) one representative of the Texas Energy and 6 Communications [Public Utility] Commission [of Texas] appointed by the [executive director of the] commission; 7 8 (7) one representative of municipal governments 9 appointed by the governor; one representative of the general public appointed 10 (8) by the governor; 11 one representative of the agribusiness industry 12 (9) appointed by the governor; 13 (10) one representative of the chemical industry 14 15 appointed by the Texas Chemical Council; and 16 (11) one representative of the oil and gas industry appointed by the Texas [Mid-Continent] Oil and Gas Association. 17 SECTION 3.40. Section 418.051(c), Government Code, 18 is amended to read as follows: 19 20 (c) The communications coordination group consists of members selected by the division, including representatives of: 21 22 (1) the Texas military forces; the Department of Public Safety of the State of 23 (2) 24 Texas; 25 (3) the Federal Emergency Management Agency; federal agencies that comprise Emergency Support 26 (4) 27 Function No. 2;

H.B. No. 1302 (5) the telecommunications industry, including cable 1 2 service providers, as defined by Section 66.002, Utilities Code; electric utilities, as defined by Section 31.002, 3 (6) 4 Utilities Code; 5 (7) gas utilities, as defined by Sections 101.003 and 121.001, Utilities Code; 6 7 the National Guard's Joint Continental United (8) 8 States Communications Support Environment; 9 (9) the National Guard Bureau; amateur radio operator groups; 10 (10)(11) the Texas Forest Service; 11 the Texas Department of Transportation; 12 (12) the General Land Office; 13 (13) 14 (14)the Texas Engineering Extension Service of The 15 Texas A&M University System; (15) [the Public Utility Commission of Texas; 16 17 [(16)] the Texas Energy and Communications [Railroad] Commission [of Texas]; 18 (16) [(17)] the Department of State Health Services; 19 20 (17) [(18)] the judicial branch of state government; 21 (18) [(19)] the Texas Association Regional of 22 Councils; the United States Air Force Auxiliary 23 (19) [<del>(20)</del>] 24 Civil Air Patrol, Texas Wing; 25 (20) [<del>(21)</del>] each trauma service area regional advisory council; 26 agencies, counties, (21) [<del>(22)</del>] state 27 and

1 municipalities affected by the emergency, including 9-1-1
2 agencies; and

3 <u>(22)</u> [<del>(23)</del>] other agencies as determined by the 4 division.

5 SECTION 3.41. Section 421.021(a), Government Code, is 6 amended to read as follows:

The Homeland Security Council is composed of 7 (a) the 8 governor or the governor's designee, the speaker of the house of representatives or the speaker's designee, the lieutenant governor 9 or the lieutenant governor's designee, and one representative of 10 each of the following entities, appointed by the single statewide 11 elected or appointed governing officer, administrative head, or 12 chair, as appropriate, of the entity: 13

14

16

Department of Agriculture;

15 (2) office of the attorney general;

(3) General Land Office;

17 (4) <u>Texas Energy and Communications</u> [<del>Public Utility</del>] 18 Commission [<del>of Texas</del>];

Department of State Health Services; 19 (5) (6) Department of Information Resources; 20 21 Department of Public Safety of the State of Texas; (7) Texas Division of Emergency Management; 2.2 (8) 23 (9) adjutant general's department; 24 (10)Texas Commission on Environmental Quality; 25 [Railroad Commission of Texas; (11)26 [(12)] Texas Strategic Military Planning Commission; 27 (12) [(13)] Texas Department of Transportation;

1  $(13) \left[\frac{(14)}{(14)}\right]$  Commission State Emergency on 2 Communications; 3 (14) [(15)] Office of State-Federal Relations; 4 (15) [(16)] secretary of state; 5 (16) [(17)] Senate Committee on Transportation and Homeland Security; 6 (17) [(18)] House Committee on Defense and Veterans' 7 8 Affairs; (18) [<del>(19)</del>] Texas Animal Health Commission; 9 10 (19) [(20)] Texas Association of Regional Councils; (20) [<del>(21)</del>] Texas Commission on Law 11 Enforcement Officer Standards and Education; 12 (21) [(22)] state fire marshal's office; 13 14 (22) [<del>(23)</del>] Texas Education Agency; 15 (23) [(24)] Texas Commission on Fire Protection; (24) [<del>(25)</del>] Parks and Wildlife Department; 16 17 (25) [(26)] Texas Forest Service; and (26) [<del>(27)</del>] Texas Water Development Board. 18 19 SECTION 3.42. Section 447.006(g), Government Code, is amended to read as follows: 20 21 (g) The state energy conservation office may analyze the rates for electricity charged to and the amount of electricity used 22 23 by state agencies and institutions of higher education to determine 24 ways the state could obtain lower rates and use less electricity. Each state agency, including the Texas Energy and Communications 25 [Public Utility] Commission [of Texas], and institution of higher 26 27 education shall assist the office in obtaining the information the

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1 office needs to perform its analysis.

2 SECTION 3.43. Section 487.054(a), Government Code, is 3 amended to read as follows:

4 (a) At least once each year, the following agency heads or
5 their designees shall meet in Austin to discuss rural issues and to
6 provide information showing the impact each agency has on rural
7 communities for use in developing rural policy and compiling the
8 annual report under Section 487.051(a)(5):

9

(1) the commissioner of agriculture;

10 (2) <u>a member</u> [the executive director] of the <u>Texas</u>
11 <u>Energy and Communications</u> [Public Utility] Commission [of Texas];

12 (3) the director of the Texas <u>AgriLife</u> [Agricultural]
13 Extension Service;

14 (4) the executive director of the Texas Department of15 Housing and Community Affairs;

16 (5) the commissioner of the Department of State Health 17 Services;

18 (6) the executive administrator of the Texas Water19 Development Board;

20 (7) the executive director of the Parks and Wildlife21 Department;

(8) the commissioner of higher education;
(9) the comptroller;

24 (10) the executive director of the Texas Department of 25 Transportation;

(11) the executive director of the Texas Commission on27 Environmental Quality;

H.B. No. 1302 1 (12)[the executive director of the Texas Economic Development and Tourism Office; 2 3 [(13)] the commissioner of insurance; 4 (13) [(14)] the commissioner of the Department of 5 Aging and Disability Services; (14) [<del>(15)</del>] the commissioner of education; 6 7 (15) [<del>(16)</del>] the executive commissioner of the Health 8 and Human Services Commission; 9 (16) [<del>(17)</del>] the executive director of the Texas Workforce Commission; 10 (17) [<del>(18)</del>] the executive director of the 11 Texas Historical Commission; 12 13 (18) [(19) a member of the Railroad Commission 14 Texas; the executive director of the State Soil and 15 [<del>(20)</del>] Water Conservation Board; 16 17 (19) [(21)] the executive director of the department; and 18 19 (20) [(22)] the head of any other agency interested in rural issues. 20 SECTION 3.44. Section 551.086(b)(3), Government Code, is 21 amended to read as follows: 2.2 (3) "Competitive matter" means a utility-related 23 24 matter that the public power utility governing body in good faith determines by a vote under this section is related to the public 25 26 power utility's competitive activity, including commercial information, and would, if disclosed, give advantage to competitors 27

1 or prospective competitors but may not be deemed to include the 2 following categories of information:

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3 (A) information relating to the provision of 4 distribution access service, including the terms and conditions of 5 the service and the rates charged for the service but not including 6 information concerning utility-related services or products that 7 are competitive;

8 (B) information relating to the provision of 9 transmission service that is required to be filed with the <u>Texas</u> 10 <u>Energy and Communications</u> [<del>Public Utility</del>] Commission [<del>of Texas</del>], 11 subject to any confidentiality provided for under the rules of the 12 commission;

(C) information for the distribution system pertaining to reliability and continuity of service, to the extent not security-sensitive, that relates to emergency management, identification of critical loads such as hospitals and police, records of interruption, and distribution feeder standards;

18 (D) any substantive rule of general 19 applicability regarding service offerings, service regulation, 20 customer protections, or customer service adopted by the public 21 power utility as authorized by law;

(E) aggregate information reflecting receipts or
expenditures of funds of the public power utility, of the type that
would be included in audited financial statements;

(F) information relating to equal employment
 opportunities for minority groups, as filed with local, state, or
 federal agencies;

1 (G) information relating to the public power 2 utility's performance in contracting with minority business 3 entities;

4 (H) information relating to nuclear 5 decommissioning trust agreements, of the type required to be 6 included in audited financial statements;

7 (I) information relating to the amount and timing8 of any transfer to an owning city's general fund;

9 (J) information relating to environmental 10 compliance as required to be filed with any local, state, or 11 national environmental authority, subject to any confidentiality 12 provided under the rules of those authorities;

13 (K) names of public officers of the public power 14 utility and the voting records of those officers for all matters 15 other than those within the scope of a competitive resolution 16 provided for by this section;

17 (L) a description of the public power utility's 18 central and field organization, including the established places at 19 which the public may obtain information, submit information and 20 requests, or obtain decisions and the identification of employees 21 from whom the public may obtain information, submit information or 22 requests, or obtain decisions; or

(M) information identifying the general course and method by which the public power utility's functions are channeled and determined, including the nature and requirements of all formal and informal policies and procedures.

27 SECTION 3.45. Section 552.133(a)(3), Government Code, is

1 amended to read as follows:

(3) "Competitive matter" means a utility-related 2 3 matter that the public power utility governing body in good faith determines by a vote under this section is related to the public 4 power utility's competitive activity, including 5 commercial information, and would, if disclosed, give advantage to competitors 6 or prospective competitors but may not be deemed to include the 7 8 following categories of information:

9 (A) information relating to the provision of 10 distribution access service, including the terms and conditions of 11 the service and the rates charged for the service but not including 12 information concerning utility-related services or products that 13 are competitive;

(B) information relating to the provision of transmission service that is required to be filed with the <u>Texas</u> <u>Energy and Communications</u> [Public Utility] Commission [of Texas], subject to any confidentiality provided for under the rules of the commission;

(C) information for the distribution system pertaining to reliability and continuity of service, to the extent not security-sensitive, that relates to emergency management, identification of critical loads such as hospitals and police, records of interruption, and distribution feeder standards;

(D) any substantive rule of general
applicability regarding service offerings, service regulation,
customer protections, or customer service adopted by the public
power utility as authorized by law;

H.B. No. 1302 1 (E) aggregate information reflecting receipts or expenditures of funds of the public power utility, of the type that 2 3 would be included in audited financial statements; (F) information relating to equal employment 4 5 opportunities for minority groups, as filed with local, state, or federal agencies; 6 7 (G) information relating to the public power 8 utility's performance in contracting with minority business entities; 9 10 (H) information relating to nuclear decommissioning trust agreements, of the type required to be 11 included in audited financial statements; 12 information relating to the amount and timing 13 (I) 14 of any transfer to an owning city's general fund; 15 (J) information relating to environmental compliance as required to be filed with any local, state, or 16 17 national environmental authority, subject to any confidentiality provided under the rules of those authorities; 18 names of public officers of the public power 19 (K) utility and the voting records of those officers for all matters 20 other than those within the scope of a competitive resolution 21 provided for by this section; 22 23 a description of the public power utility's (L) 24 central and field organization, including the established places at which the public may obtain information, submit information and 25 26 requests, or obtain decisions and the identification of employees from whom the public may obtain information, submit information or 27

1 requests, or obtain decisions; or

2 (M) information identifying the general course 3 and method by which the public power utility's functions are 4 channeled and determined, including the nature and requirements of 5 all formal and informal policies and procedures.

6 SECTION 3.46. Section 555.051(a), Government Code, is 7 amended to read as follows:

8 (a) This section applies only to information held by or for the office of the attorney general, the Texas Department of 9 10 Insurance, the Texas State Board of Public Accountancy, the Texas Energy and Communications [Public Utility] Commission [of Texas], 11 12 the State Securities Board, the Department of Savings and Mortgage Lending, the Texas Real Estate Commission, the Texas Appraiser 13 14 Licensing and Certification Board, the Texas Department of Banking, 15 the credit union department, the Office of Consumer Credit Commissioner, or the Texas Department of Housing and Community 16 17 Affairs that relates to the possible commission of corporate fraud or mortgage fraud by a person who is licensed or otherwise regulated 18 19 by any of those state agencies. In this subsection, "corporate fraud" means a violation of state or federal law or rules relating 20 to fraud committed by a corporation, limited liability company, or 21 registered limited liability partnership or an officer, director, 22 23 or partner of those entities while acting in a representative 24 capacity.

25 SECTION 3.47. Section 572.003(c), Government Code, is 26 amended to read as follows:

27

(c) The term means a member of:

| <ul> <li>9 Retirement System of Texas;</li> <li>(7) [49)] the Texas Transportation Commission;</li> <li>(8) [40) the Texas Workers' Compensation Commission;</li> <li>[411] the Texas Department of Insurance;</li> <li>(9) [412] the Parks and Wildlife Commission;</li> <li>(10) [413] the Public Safety Commission;</li> <li>(11) [414] the Texas Ethics Commission;</li> <li>(12) [413] the Public Safety Commission;</li> <li>(11) [414] the Texas Ethics Commission;</li> <li>(12) [415] the State Securities Board;</li> <li>(13) [416] the Texas Water Development Board;</li> <li>(14) [417] the governing board of a public senior</li> <li>college or university as defined by Section 61.003, Education Code,</li> <li>or of The University of Texas Medical Branch at Galveston, The</li> <li>University of Texas Health Science Center at Houston, The</li> <li>University of Texas System M. D. Anderson Cancer Center, The</li> <li>University of Texas Health Science Center at Tyler, University of</li> <li>North Texas Health Science Center at Fort Worth, Texas Tech</li> </ul>  |    |  |
|--|----|--|
| 3       [43+]       the Texas Commission on Environmental Quality;         4       (2)       [44+]       the Texas Alcoholic Beverage Commission;         5       (3)       [45+]       The Finance Commission of Texas;         6       (4)       [46+]       the Texas Facilities Commission;         7       (5)       [47+]       the Texas Board of Criminal Justice;         8       (6)       [48+]       the board of trustees of the Employees         9       Retirement System of Texas;       (10)       (10)       the Texas Transportation Commission;         10       (7)       [49+]       the Texas Workers' Compensation Commission;         11       (8)       [410)       the Texas Department of Insurance;         13       (9)       [412+]       the Parks and Wildlife Commission;         14       (10)       [413+]       the Texas Ethics Commission;         15       (11)       [414+]       the Texas Water Development Board;         17       (13)       [416+]       the Texas Southwestern Medical Center at         19       college or university as defined by Section 61.003, Education Code,       or of The University of Texas Medical Branch at Galveston, The         20       or of The University of Texas Medical Branch at Galveston, The       Dallas, The Uni   | 1  | (1) [the Public Utility Commission of Texas;                         |
| 4       (2) [44)] the Texas Alcoholic Beverage Commission;         5       (3) [45)] The Finance Commission of Texas;         6       (4) [46)] the Texas Facilities Commission;         7       (5) [47)] the Texas Board of Criminal Justice;         8       (6) [48)] the board of trustees of the Employees         9       Retirement System of Texas;         10       (7) [49)] the Texas Transportation Commission;         11       (8) [410) the Texas Workers' Compensation Commission;         12       [411)] the Texas Department of Insurance;         13       (9) [412)] the Parks and Wildlife Commission;         14       (10) [413+] the Public Safety Commission;         15       (11) [414+] the Texas Ethics Commission;         16       (12) [415+] the State Securities Board;         17       (13) [416+] the Texas Water Development Board;         18       (14) [41+]         (14) [41+]       the governing board of a public senior         19       college or university of Texas Southwestern Medical Center at         20       or of The University of Texas Medical Branch at Galveston, The         21       Dallas, The University of Texas Medical Branch at Galveston, The         22       University of Texas Health Science Center at Houston, The         23       University of Texas Health Science Ce   | 2  | [(2) the Texas Department of Economic Development;                   |
| 5       (3) [(+5)]       The Finance Commission of Texas;         6       (4) [(+6)]       the Texas Facilities Commission;         7       (5) [(+7)]       the Texas Board of Criminal Justice;         8       (6) [(+2)]       the board of trustees of the Employees         9       Retirement System of Texas;         10       (7) [(+9)]       the Texas Transportation Commission;         11       (8) [(10)       the Texas Workers' Compensation Commission;         12       [(+1+)]       the Texas Department of Insurance;         13       (9) [(+12)]       the Parks and Wildlife Commission;         14       (10) [(+13)]       the Public Safety Commission;         15       (11) [(+14)]       the Texas Ethics Commission;         16       (12) [(+15)]       the State Securities Board;         17       (13) [(+16)]       the Texas Water Development Board;         18       (14) [(+17+)]       the governing board of a public senior         19       college or university as defined by Section 61.003, Education Code,         20       or of The University of Texas Medical Branch at Galveston, The         21       Dallas, The University of Texas Medical Branch at Galveston, The         22       University of Texas Health Science Center at San Antonio, The <t< td=""><td>3</td><td>[<del>(3)</del>] the Texas Commission on Environmental Quality;</td></t<>            | 3  | [ <del>(3)</del> ] the Texas Commission on Environmental Quality;    |
| 6       (4) [46] the Texas Facilities Commission;         7       (5) [47] the Texas Board of Criminal Justice;         8       (6) [48] the board of trustees of the Employees         9 Retirement System of Texas;         10       (7) [49] the Texas Transportation Commission;         11       (8) [40) the Texas Workers' Compensation Commission;         12       [414]] the Texas Department of Insurance;         13       (9) [4124] the Parks and Wildlife Commission;         14       (10) [4134] the Public Safety Commission;         15       (11) [4144] the Texas Ethics Commission;         16       (12) [4154] the State Securities Board;         17       (13) [4164] the Texas Water Development Board;         18       (14) [4174] the governing board of a public senior         19 college or university as defined by Section 61.003, Education Code,         20 or of The University of Texas Medical Branch at Galveston, The         21 Dallas, The University of Texas Medical Branch at Galveston, The         22 University of Texas Health Science Center at Houston, The         23 University of Texas Health Science Center at San Antonio, The         24 University of Texas Health Science Center at Tyler, University of         25 University of Texas Health Science Center at Tyler, University of         26 North Texas Health Science Center at Fort Worth, Texas Tech | 4  | (2) [ <del>(4)</del> ] the Texas Alcoholic Beverage Commission;      |
| 7       (5) [47)] the Texas Board of Criminal Justice;         8       (6) [48)] the board of trustees of the Employees         9 Retirement System of Texas;         10       (7) [49)] the Texas Transportation Commission;         11       (8) [40) the Texas Workers' Compensation Commission;         12       [414)] the Texas Department of Insurance;         13       (9) [412)] the Parks and Wildlife Commission;         14       (10) [413)] the Public Safety Commission;         15       (11) [414)] the Texas Ethics Commission;         16       (12) [415)] the State Securities Board;         17       (13) [416)] the Texas Water Development Board;         18       (14) [417)] the governing board of a public senior         19 college or university as defined by Section 61.003, Education Code,         20 or of The University of Texas Southwestern Medical Center at         21 Dallas, The University of Texas Medical Branch at Galveston, The         22 University of Texas Health Science Center at San Antonio, The         23 University of Texas System M. D. Anderson Cancer Center, The         24 University of Texas Health Science Center at Tyler, University of         25 University of Texas Health Science Center at Fort Worth, Texas Tech  | 5  | (3) [ <del>(5)</del> ] The Finance Commission of Texas;              |
| 8       (6) [48] the board of trustees of the Employees         9       Retirement System of Texas;         10       (7) [49] the Texas Transportation Commission;         11       (8) [40) the Texas Workers' Compensation Commission;         12       [411]         13       (9) [412] the Texas Department of Insurance;         13       (9) [412] the Parks and Wildlife Commission;         14       (10) [413] the Public Safety Commission;         15       (11) [414] the Texas Ethics Commission;         16       (12) [415] the State Securities Board;         17       (13) [416] the Texas Water Development Board;         18       (14) [417] the governing board of a public senior         19       college or university as defined by Section 61.003, Education Code,         20       or of The University of Texas Medical Branch at Galveston, The         21       Dallas, The University of Texas Medical Branch at Galveston, The         23       University of Texas Health Science Center at San Antonio, The         24       University of Texas System M. D. Anderson Cancer Center, The         25       University of Texas Health Science Center at Tyler, University of         26       North Texas Health Science Center at Fort Worth, Texas Tech   | 6  | (4) [ <del>(6)</del> ] the Texas Facilities Commission;              |
| <ul> <li>9 Retirement System of Texas;</li> <li>(7) [49)] the Texas Transportation Commission;</li> <li>(8) [40) the Texas Workers' Compensation Commission;</li> <li>[411] the Texas Department of Insurance;</li> <li>(9) [412] the Parks and Wildlife Commission;</li> <li>(10) [413] the Public Safety Commission;</li> <li>(11) [414] the Texas Ethics Commission;</li> <li>(12) [413] the Public Safety Commission;</li> <li>(11) [414] the Texas Ethics Commission;</li> <li>(12) [415] the State Securities Board;</li> <li>(13) [416] the Texas Water Development Board;</li> <li>(14) [417] the governing board of a public senior</li> <li>college or university as defined by Section 61.003, Education Code,</li> <li>or of The University of Texas Medical Branch at Galveston, The</li> <li>University of Texas Health Science Center at Houston, The</li> <li>University of Texas System M. D. Anderson Cancer Center, The</li> <li>University of Texas Health Science Center at Tyler, University of</li> <li>North Texas Health Science Center at Fort Worth, Texas Tech</li> </ul>  | 7  | (5) [ <del>(7)</del> ] the Texas Board of Criminal Justice;          |
| 10       (7) [(9)] the Texas Transportation Commission;         11       (8) [(10) the Texas Workers' Compensation Commission;         12       [(11)] the Texas Department of Insurance;         13       (9) [(12)] the Parks and Wildlife Commission;         14       (10) [(13)] the Public Safety Commission;         15       (11) [(14)] the Texas Ethics Commission;         16       (12) [(15)] the State Securities Board;         17       (13) [(16)] the Texas Water Development Board;         18       (14) [(17)] the governing board of a public senior         19       college or university as defined by Section 61.003, Education Code,         20       or of The University of Texas Medical Branch at Galveston, The         21       Dallas, The University of Texas Health Science Center at Houston, The         23       University of Texas Health Science Center at San Antonio, The         24       University of Texas Health Science Center at Tyler, University of         25       University of Texas Health Science Center at Tyler, University of         26       North Texas Health Science Center at Fort Worth, Texas Tech   | 8  | <u>(6)</u> [ <del>(8)</del> ] the board of trustees of the Employees |
| 11       (B) [+10) the Texas Workers' Compensation Commission;         12       [+11+] the Texas Department of Insurance;         13       (9) [+12+] the Parks and Wildlife Commission;         14       (10) [+13+] the Public Safety Commission;         15       (11) [+14+] the Texas Ethics Commission;         16       (12) [+15+] the State Securities Board;         17       (13) [+16+] the Texas Water Development Board;         18       (14) [+17+] the governing board of a public senior         19       college or university as defined by Section 61.003, Education Code,         20       or of The University of Texas Southwestern Medical Center at         21       Dallas, The University of Texas Medical Branch at Galveston, The         22       University of Texas Health Science Center at Houston, The         23       University of Texas System M. D. Anderson Cancer Center, The         24       University of Texas Health Science Center at Tyler, University of         25       North Texas Health Science Center at Fort Worth, Texas Tech   | 9  | Retirement System of Texas;  |
| 12       [(11)] the Texas Department of Insurance;         13       (9) [(12)] the Parks and Wildlife Commission;         14       (10) [(13)] the Public Safety Commission;         15       (11) [(14)] the Texas Ethics Commission;         16       (12) [(15)] the State Securities Board;         17       (13) [(16)] the Texas Water Development Board;         18       (14) [(17)] the governing board of a public senior         19       college or university as defined by Section 61.003, Education Code,         20       or of The University of Texas Southwestern Medical Center at         21       Dallas, The University of Texas Medical Branch at Galveston, The         22       University of Texas Health Science Center at Houston, The         23       University of Texas Health Science Center at San Antonio, The         24       University of Texas Health Science Center at San Antonio, The         25       University of Texas Health Science Center at Tyler, University of         26       North Texas Health Science Center at Fort Worth, Texas Tech  | 10 | (7) [ <del>(9)</del> ] the Texas Transportation Commission;          |
| 13       (9) [(12)] the Parks and Wildlife Commission;         14       (10) [(13)] the Public Safety Commission;         15       (11) [(14)] the Texas Ethics Commission;         16       (12) [(15)] the State Securities Board;         17       (13) [(16)] the Texas Water Development Board;         18       (14) [(17)] the governing board of a public senior         19       college or university as defined by Section 61.003, Education Code,         20       or of The University of Texas Southwestern Medical Center at         21       Dallas, The University of Texas Medical Branch at Galveston, The         22       University of Texas Health Science Center at Houston, The         23       University of Texas System M. D. Anderson Cancer Center, The         24       University of Texas Health Science Center at Tyler, University of         25       North Texas Health Science Center at Fort Worth, Texas Tech   | 11 | (8) [ <del>(10) the Texas Workers' Compensation Commission;</del>    |
| 14(10) [(13)]the Public Safety Commission;15(11) [(14)]the Texas Ethics Commission;16(12) [(15)]the State Securities Board;17(13) [(16)]the Texas Water Development Board;18(14) [(17)]the governing board of a public senior19college or university as defined by Section 61.003, Education Code,20or of The University of Texas Southwestern Medical Center at21Dallas, The University of Texas Medical Branch at Galveston, The22University of Texas Health Science Center at Houston, The23University of Texas Health Science Center at San Antonio, The24University of Texas Health Science Center at Tyler, University of25University of Texas Health Science Center at Tyler, University of26North Texas Health Science Center at Fort Worth, Texas Tech  | 12 | [ <del>(11)</del> ] the Texas Department of Insurance;               |
| 15(11) [(14)]the Texas Ethics Commission;16(12) [(15)]the State Securities Board;17(13) [(16)]the Texas Water Development Board;18(14) [(17)]the governing board of a public senior19college or university as defined by Section 61.003, Education Code,20or of The University of Texas Southwestern Medical Center at21Dallas, The University of Texas Medical Branch at Galveston, The22University of Texas Health Science Center at Houston, The23University of Texas System M. D. Anderson Cancer Center, The24University of Texas Health Science Center at Tyler, University of25University of Texas Health Science Center at Tyler, University of26North Texas Health Science Center at Fort Worth, Texas Tech   | 13 | (9) [ <del>(12)</del> ] the Parks and Wildlife Commission;           |
| 16(12) [(15)]the State Securities Board;17(13) [(16)]the Texas Water Development Board;18(14) [(17)]the governing board of a public senior19college or university as defined by Section 61.003, Education Code,20or of The University of Texas Southwestern Medical Center at21Dallas, The University of Texas Medical Branch at Galveston, The22University of Texas Health Science Center at Houston, The23University of Texas System M. D. Anderson Cancer Center, The24University of Texas Health Science Center at Tyler, University of25University of Texas Health Science Center at Fort Worth, Texas Tech   | 14 | (10) [ <del>(13)</del> ] the Public Safety Commission;               |
| 17(13) [(16)]the Texas Water Development Board;18(14) [(17)]the governing board of a public senior19college or university as defined by Section 61.003, Education Code,20or of The University of Texas Southwestern Medical Center at21Dallas, The University of Texas Medical Branch at Galveston, The22University of Texas Health Science Center at Houston, The23University of Texas Health Science Center at San Antonio, The24University of Texas System M. D. Anderson Cancer Center, The25University of Texas Health Science Center at Tyler, University of26North Texas Health Science Center at Fort Worth, Texas Tech  | 15 | (11) [ <del>(14)</del> ] the Texas Ethics Commission;                |
| 18 (14) [(17)] the governing board of a public senior<br>19 college or university as defined by Section 61.003, Education Code,<br>20 or of The University of Texas Southwestern Medical Center at<br>21 Dallas, The University of Texas Medical Branch at Galveston, The<br>22 University of Texas Health Science Center at Houston, The<br>23 University of Texas Health Science Center at San Antonio, The<br>24 University of Texas System <u>M. D. Anderson</u> Cancer Center, The<br>25 University of Texas Health Science Center at Tyler, University of<br>26 North Texas Health Science Center at Fort Worth, Texas Tech  | 16 | (12) [ <del>(15)</del> ] the State Securities Board;                 |
| 19 college or university as defined by Section 61.003, Education Code,<br>20 or of The University of Texas Southwestern Medical Center at<br>21 Dallas, The University of Texas Medical Branch at Galveston, The<br>22 University of Texas Health Science Center at Houston, The<br>23 University of Texas Health Science Center at San Antonio, The<br>24 University of Texas System <u>M. D. Anderson</u> Cancer Center, The<br>25 University of Texas Health Science Center at Tyler, University of<br>26 North Texas Health Science Center at Fort Worth, Texas Tech   | 17 | (13) [ <del>(16)</del> ] the Texas Water Development Board;          |
| 20 or of The University of Texas Southwestern Medical Center at<br>21 Dallas, The University of Texas Medical Branch at Galveston, The<br>22 University of Texas Health Science Center at Houston, The<br>23 University of Texas Health Science Center at San Antonio, The<br>24 University of Texas System <u>M. D. Anderson</u> Cancer Center, The<br>25 University of Texas Health Science Center at Tyler, University of<br>26 North Texas Health Science Center at Fort Worth, Texas Tech   | 18 | (14) [ <del>(17)</del> ] the governing board of a public senior      |
| 21 Dallas, The University of Texas Medical Branch at Galveston, The<br>22 University of Texas Health Science Center at Houston, The<br>23 University of Texas Health Science Center at San Antonio, The<br>24 University of Texas System <u>M. D. Anderson</u> Cancer Center, The<br>25 University of Texas Health Science Center at Tyler, University of<br>26 North Texas Health Science Center at Fort Worth, Texas Tech  | 19 | college or university as defined by Section 61.003, Education Code,  |
| 22 University of Texas Health Science Center at Houston, The<br>23 University of Texas Health Science Center at San Antonio, The<br>24 University of Texas System <u>M. D. Anderson</u> Cancer Center, The<br>25 University of Texas Health Science Center at Tyler, University of<br>26 North Texas Health Science Center at Fort Worth, Texas Tech   | 20 | or of The University of Texas Southwestern Medical Center at         |
| 23 University of Texas Health Science Center at San Antonio, The<br>24 University of Texas System <u>M. D. Anderson</u> Cancer Center, The<br>25 University of Texas Health Science Center at Tyler, University of<br>26 North Texas Health Science Center at Fort Worth, Texas Tech   | 21 | Dallas, The University of Texas Medical Branch at Galveston, The     |
| 24 University of Texas System <u>M. D. Anderson</u> Cancer Center, The<br>25 University of Texas Health Science Center at Tyler, University of<br>26 North Texas Health Science Center at Fort Worth, Texas Tech   | 22 | University of Texas Health Science Center at Houston, The            |
| 25 University of Texas Health Science Center at Tyler, University of<br>26 North Texas Health Science Center at Fort Worth, Texas Tech   | 23 | University of Texas Health Science Center at San Antonio, The        |
| 26 North Texas Health Science Center at Fort Worth, Texas Tech   | 24 | University of Texas System M. D. Anderson Cancer Center, The         |
|  | 25 | University of Texas Health Science Center at Tyler, University of    |
| 27 University Health Sciences Center, Texas State Technical  | 26 | North Texas Health Science Center at Fort Worth, Texas Tech          |
|  | 27 | University Health Sciences Center, Texas State Technical             |

1 College--Harlingen, Texas State Technical College--Marshall, Texas State Technical College--Sweetwater, or Texas State Technical 2 3 College--Waco; 4 (15) [(18)] the Texas Higher Education Coordinating 5 Board; 6 (16) [<del>(19)</del>] the Texas Workforce Commission; 7 (17) [(21)] the board of trustees of the Teacher 8 Retirement System of Texas; 9 (18) [<del>(22)</del>] the Credit Union Commission; (19) [(23)] the School Land Board; 10 (20) [(24)] the board of the Texas Department of 11 Housing and Community Affairs; 12 (21) [<del>(25)</del>] the Texas Racing Commission; 13 (22) [<del>(26)</del>] the State Board of Dental Examiners; 14 15 <u>(23)</u> [<del>(27)</del>] the Texas Medical [<del>State</del>] Board [<del>of</del> Medical Examiners]; 16 17 (24) [(28)] the Board of Pardons and Paroles; (25) [(29)] the Texas State Board of Pharmacy; 18 (26) [(30)] the Department of Information Resources 19 governing board; 20 21 (27) [(31)] the Motor Vehicle Board; (28) [(32)] the Texas Real Estate Commission; 2.2 (29) [<del>(33)</del>] the board of directors of the State Bar of 23 24 Texas; 25 (30) [(34)] the bond review board; 26 (31) [<del>(35)</del>] the [<del>Texas Board of</del>] Health and Human 27 Services Commission;

H.B. No. 1302

H.B. No. 1302 1 (32) [(36) the Texas Board of Mental Health and Mental Retardation; 2 3 [(37)]the Texas Board on Aging; [(38) the Texas Board of Human Services; 4 5 [(39)] the Texas Funeral Service Commission; 6 (33) [(40)] the board of directors of a river 7 authority created under the Texas Constitution or a statute of this 8 state; or 9 (34) [(41)] the Texas Lottery Commission. 10 SECTION 3.48. Section 660.203(a), Government Code, is amended to read as follows: 11 An individual is entitled to reimbursement for the 12 (a) actual expense of meals and lodging incurred while performing the 13 14 duties of the individual's office or employment if the individual 15 is: 16 (1) a judicial officer; 17 (2) a chief administrative officer of a state agency, subject to Subsection (c); 18 (3) the executive director of the Texas Legislative 19 Council; 20 21 (4) the secretary of the senate; member of 2.2 (5) а the Texas [Natural Resource Conservation] Commission on Environmental Quality, the Texas 23 24 Workforce Commission, the Texas Energy and Communications [Public Utility] Commission [of Texas], the Board of Pardons and Paroles, 25 26 or the Sabine River Compact Administration; or 27 (6) a full-time member of a board and receives a salary

1 from the state for service on that board.

2 SECTION 3.49. Sections 1232.1071(d) and (e), Government
3 Code, are amended to read as follows:

4 (d) The <u>Texas Energy and Communications</u> [Public Utility] 5 Commission [of Texas] shall provide necessary assistance to the 6 authority to ensure the collection and enforcement of the 7 nonbypassable charges, whether directly or by using the assistance 8 and powers of the requesting member city.

The authority and the Texas Energy and Communications 9 (e) 10 [Public Utility] Commission [of Texas] have all powers necessary to perform the duties and responsibilities described by this section. 11 12 This section shall be interpreted broadly in a manner consistent with the most cost-effective financing of stranded costs. To the 13 14 extent possible, obligations or evidences of indebtedness issued by 15 the authority under this section must be structured so that any interest on the obligations or evidences of indebtedness is 16 17 excluded from gross income for federal income tax purposes. Any interest on the obligations or evidences of indebtedness is not 18 19 subject to taxation by and may not be included as part of the measurement of a tax by this state or a political subdivision of 20 21 this state.

22 SECTION 3.50. Section 2003.0421(c), Government Code, is 23 amended to read as follows:

(c) This section applies to any contested case hearing
 conducted by the office, except hearings conducted on behalf of the
 Texas [Natural Resource Conservation] Commission on Environmental
 Quality or the Texas Energy and Communications [Public Utility]

Commission [of Texas] which are governed by Sections 2003.047 and
 2003.049.

3 SECTION 3.51. Section 2003.049(a), Government Code, is 4 amended to read as follows:

(a) The office shall establish a utility division to perform
the contested case hearings for the <u>Texas Energy and Communications</u>
[Public Utility] Commission [of Texas] as prescribed by <u>Title 2,</u>
<u>Utilities Code, and Section 102.006, Utilities Code,</u> [the Public
<u>Utility Regulatory Act of 1995</u>] and other applicable law.

10 SECTION 3.52. Section 2007.003(b), Government Code, is 11 amended to read as follows:

12 (b) This chapter does not apply to the following 13 governmental actions:

14 (1) an action by a municipality except as provided by15 Subsection (a)(3);

16 (2) a lawful forfeiture or seizure of contraband as
17 defined by Article 59.01, Code of Criminal Procedure;

18 (3) a lawful seizure of property as evidence of a crime19 or violation of law;

(4) an action, including an action of a political
subdivision, that is reasonably taken to fulfill an obligation
mandated by federal law or an action of a political subdivision that
is reasonably taken to fulfill an obligation mandated by state law;

(5) the discontinuance or modification of a program or
regulation that provides a unilateral expectation that does not
rise to the level of a recognized interest in private real property;
(6) an action taken to prohibit or restrict a

1 condition or use of private real property if the governmental 2 entity proves that the condition or use constitutes a public or 3 private nuisance as defined by background principles of nuisance 4 and property law of this state;

5 (7) an action taken out of a reasonable good faith 6 belief that the action is necessary to prevent a grave and immediate 7 threat to life or property;

8

(8) a formal exercise of the power of eminent domain;

9 (9) an action taken under a state mandate to prevent 10 waste of oil and gas, protect correlative rights of owners of 11 interests in oil or gas, or prevent pollution related to oil and gas 12 activities;

(10) a rule or proclamation adopted for the purpose of regulating water safety, hunting, fishing, or control of nonindigenous or exotic aquatic resources;

16 (11) an action taken by a political subdivision:
17 (A) to regulate construction in an area

18 designated under law as a floodplain;

(D)

(A)

is

19 (B) to regulate on-site sewage facilities; 20 (C) under the political subdivisions's statutory 21 authority to prevent waste or protect rights of owners of interest 22 in groundwater; or

24 (12) the appraisal of property for purposes of ad 25 valorem taxation;

taken in

to prevent subsidence;

26 (13) an action that:

27

23

45

response

to

а

real

and

1 substantial threat to public health and safety;

2 (B) is designed to significantly advance the3 health and safety purpose; and

4 (C) does not impose a greater burden than is5 necessary to achieve the health and safety purpose; or

6 (14) an action or rulemaking undertaken by the <u>Texas</u> 7 <u>Energy and Communications</u> [<del>Public Utility</del>] Commission [<del>of Texas</del>] to 8 order or require the location or placement of telecommunications 9 equipment owned by another party on the premises of a certificated 10 local exchange company.

11 SECTION 3.53. Section 2302.001(2), Government Code, is 12 amended to read as follows:

13 (2) "Commission" means the <u>Texas Energy and</u>
 14 <u>Communications</u> [<del>Public Utility</del>] Commission [<del>of Texas</del>].

SECTION 3.54. Section 382.501(a), Health and Safety Code, as added by Chapter 1125 (H.B. 1796), Acts of the 81st Legislature, Regular Session, 2009, is amended to read as follows:

The commission, 18 (a) [<del>and</del>] the Texas Energy and 19 Communications [<del>Railroad</del>] Commission [<del>of Texas</del>], and the Department of Agriculture[, and the Public Utility Commission of 20 Texas] shall jointly participate in the federal government process 21 for developing federal greenhouse gas reporting requirements and 22 23 the federal greenhouse gas registry requirements.

24 SECTION 3.55. Section 386.001(11), Health and Safety Code, 25 is amended to read as follows:

(11) "Utility commission" means the <u>Texas Energy and</u>
 <u>Communications</u> [<del>Public Utility</del>] Commission [<del>of Texas</del>].

H.B. No. 1302 SECTION 3.56. Section 391.102(f), Health and Safety Code, 1 is amended to read as follows: 2 3 (f) In coordinating interagency application review procedures, the commission shall: 4 5 (1)solicit review and comments from: 6 (A) the comptroller to assess: 7 (i) the financial stability of the 8 applicant; 9 (ii) the economic benefits and job creation potential associated with the project; and 10 (iii) any other information related to the 11 duties of that office; and 12 (B) the <u>Texas Energy and Communications</u> [Public 13 14 Utility] Commission [of Texas] to assess: 15 (i) the reliability of the proposed 16 technology; 17 (ii) the feasibility and cost-effectiveness of electric transmission associated with the 18 19 project; [and] 20 (iii) [any other information related to the 21 duties of that agency; and 22 [(C) the Railroad Commission of Texas to assess: [(i)] the availability and cost of the fuel 23 24 involved with the project; and 25 (iv) [(ii)] any other information related 26 to the duties of that agency; (2) consider the comments received under Subdivision 27

1 (1) in the commission's grant award decision process; and

2 (3) as part of the report required by Section 391.104,
3 justify awards made to projects that have been negatively reviewed
4 by agencies under Subdivision (1).

5 SECTION 3.57. Section 401.246(b), Health and Safety Code, 6 is amended to read as follows:

7 (b) To the extent practicable, the commission shall use the 8 methods used by the <u>Texas Energy and Communications</u> [<del>Public</del> 9 <u>Utility</u>] Commission [<del>of Texas</del>] under Sections 36.051, 36.052, and 10 36.053, Utilities Code, when establishing overall revenues, 11 reasonable return, and invested capital for the purpose of setting 12 fees under Subsection (a).

SECTION 3.58. Sections 771.001(5) and (11), Health and Safety Code, are amended to read as follows:

(5) "Local exchange service provider" means a
telecommunications carrier providing telecommunications service in
a local exchange service area under a certificate of public
convenience and necessity issued by the <u>Texas Energy and</u>
<u>Communications</u> [Public Utility] Commission [of Texas].

20 (11) "Business service" means a telecommunications 21 service classified as a business service under rules adopted by the 22 <u>Texas Energy and Communications</u> [Public Utility] Commission [of 23 <u>Texas</u>] or under the applicable tariffs of the principal service 24 supplier.

25 SECTION 3.59. Section 771.031(b), Health and Safety Code, 26 is amended to read as follows:

27

(b) The following individuals serve as nonvoting ex officio

1 members:

2 (1) the executive director of the <u>Texas Energy and</u>
3 <u>Communications</u> [<del>Public Utility</del>] Commission [<del>of Texas</del>], or an
4 individual designated by the executive director;

5 (2) the executive director of the Department of 6 Information Resources, or an individual designated by the executive 7 director; and

8 (3) the executive commissioner of the Health and Human 9 Services Commission, or an individual designated by the executive 10 commissioner.

SECTION 3.60. Section 771.0725, Health and Safety Code, is amended to read as follows:

13 Sec. 771.0725. ESTABLISHMENT OF RATES FOR FEES. (a) 14 Subject to the applicable limitations prescribed by Sections 15 771.071(b) and 771.072(b), (d), and (e), the <u>Texas Energy and</u> 16 <u>Communications</u> [Public Utility] Commission [of Texas] shall 17 monitor the establishment of:

18 (1) emergency service fees imposed under Section19 771.071; and

(2) the equalization surcharge imposed under Section
 771.072, including the allocation of revenue under Sections
 771.072(d) and (e).

(b) Each year the commission shall provide documentation to the <u>Texas Energy and Communications</u> [Public Utility] Commission [of <u>Texas</u>] regarding the rate at which each fee should be imposed and the allocation of revenue under Sections 771.072(d) and (e). The commission may provide such documentation more often under this

1 subsection if the commission determines that action is necessary. The Texas Energy and Communications [Public Utility] 2 (c) Commission [of Texas] shall review the documentation provided by 3 the commission as well as allocations derived therefrom and also 4 If the <u>Texas Energy</u> and 5 identified by the commission. Communications [Public Utility] Commission [of Texas] determines 6 7 that a recommended rate or allocation is not appropriate, the Texas 8 Energy and Communications [Public Utility] Commission [of Texas] shall provide comments to the commission, the governor, and the 9 10 Legislative Budget Board regarding appropriate rates and the basis for that determination. 11

12 (d) The Texas Energy and Communications [Public Utility] Commission [of Texas] may review and make comments regarding a rate 13 14 or allocation under this section in an informal proceeding. А 15 proceeding in which a rate or allocation is reviewed is not a contested case for purposes of Chapter 2001, Government Code. 16 Α 17 review of a rate or allocation is not a rate change for purposes of Chapter 36 or 53, Utilities Code. 18

SECTION 3.61. Section 771.076(c), Health and Safety Code, amended to read as follows:

(c) At the request of the <u>Texas Energy and Communications</u> [Public Utility] Commission [of Texas], the state auditor may audit a regional planning commission or other public agency designated by the regional planning commission that receives money under this subchapter.

26 SECTION 3.62. Section 772.001(21), Health and Safety Code, 27 is amended to read as follows:

1 (21)"Business service" means a telecommunications service classified as a business service under rules adopted by the 2 3 Texas Energy and Communications [Public Utility] Commission [of Texas] or under the applicable tariffs of the principal service 4 5 supplier. 6 SECTION 3.63. Section 772.002(e), Health and Safety Code, 7 is amended to read as follows: 8 (e) The <u>Texas Energy and Communications</u> [Public Utility] Commission [of Texas] may impose an administrative penalty under 9 10 Subchapter B, Chapter 15, Utilities Code, against a service provider who is a person regulated under the Utilities Code if the 11 12 person: (1) does not provide information required by 13 а 14 district under this section; or 15 (2) bills and collects a 9-1-1 emergency service fee as required by this chapter but does not remit the fee to the 16 appropriate district. 17 SECTION 3.64. Section 246.001(1), Local Government Code, is 18 19 amended to read as follows: (1) "Commission" 20 means the Texas Energy and <u>Communications</u> [Public Utility] Commission [of Texas]. 21 SECTION 3.65. Section 283.002(3), Local Government Code, is 22 amended to read as follows: 23 24 (3) "Commission" means the Texas Energy and Communications [Public Utility] Commission [of Texas]. 25 26 SECTION 3.66. Section 304.001(f), Local Government Code, is 27 amended to read as follows:

(f) A political subdivision corporation may appear on 1 behalf of its incorporating political subdivisions before the Texas 2 Energy and Communications [Public Utility] Commission [of Texas], 3 [the Railroad Commission of Texas,] the Texas [Natural Resource 4 5 Conservation] Commission on Environmental Quality, any other governmental agency or regulatory authority, the 6 Texas Legislature, and the courts. 7

8 SECTION 3.67. Sections 33.2053(b) and (c), Natural 9 Resources Code, are amended to read as follows:

10 (b) The <u>Texas Energy and Communications</u> [Public Utility]
11 Commission [of Texas] shall comply with Sections 33.205(a) and (b)
12 when issuing:

13 (1) a certificate of convenience and necessity; [-]

14 (2) [(c) The Railroad Commission of Texas shall comply 15 with Sections 33.205(a) and (b) when issuing:

16

[<del>(1)</del>] a wastewater discharge permit;

17(3) [(2)] a waste disposal or storage pit permit; or18(4) [(3)] a certification of a federal permit for the

19 discharge of dredge or fill material.

20 SECTION 3.68. Section 81.01001, Natural Resources Code, is 21 amended to read as follows:

Sec. 81.01001. SUNSET PROVISION. The <u>Texas Energy and</u> <u>Communications</u> [Railroad] Commission [of Texas] is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished September 1, <u>2023</u> [<del>2011</del>].

27 SECTION 3.69. Section 81.01005, Natural Resources Code, is

1 amended to read as follows:

Sec. 81.01005. NAME AND SEAL. (a) The commissioners are known collectively as the <u>"Texas Energy and Communications</u> [<u>"Railroad</u>] Commission [of Texas]."

(b) The seal of the commission contains a star of five
points with the words <u>"Texas Energy and Communications</u> [<del>"Railroad</del>]
Commission [<del>of Texas</del>]" engraved on it.

8 SECTION 3.70. Section 28.03(d), Penal Code, is amended to 9 read as follows:

10 (d) The terms "public communication, public transportation, public gas or power supply, or other public service" and "public 11 12 water supply" shall mean, refer to, and include any such services subject to regulation by the <u>Texas Energy and Communications</u> 13 [Public Utility] Commission [of Texas, the Railroad Commission of 14 15 Texas, or the Texas [Natural Resource Conservation] Commission on Environmental Quality or any such services enfranchised by the 16 17 State of Texas or any political subdivision thereof.

18 SECTION 3.71. Section 8281.103, Special District Local 19 Laws Code, as effective April 1, 2011, is amended to read as 20 follows:

Sec. 8281.103. LIMITATION ON PROVIDING WATER TO CERTAIN USERS. Notwithstanding any other provision of this chapter, the district may not compete with the City of Mabank in providing water to household users unless the district receives permission from the <u>Texas Energy and Communications</u> [Public Utility] Commission [<del>of</del> <del>Texas</del>], with the consent of that city.

27

SECTION 3.72. Section 22.01(h), Tax Code, is amended to

1 read as follows:

2 If the property that is the subject of the rendition is (h) regulated by the Texas Energy and Communications [Public Utility] 3 Commission [of Texas, the Railroad Commission of Texas], the 4 5 federal Surface Transportation Board, or the Federal Energy Regulatory Commission, the owner of the property is considered to 6 have complied with the requirements of this section if the owner 7 8 provides to the chief appraiser, on written request of the chief appraiser, a copy of the annual regulatory report covering the 9 10 property and sufficient information to enable the chief appraiser to allocate the value of the property among the appropriate taxing 11 12 units for which the appraisal district appraises property.

13 SECTION 3.73. Section 301.004(c), Tax Code, is amended to 14 read as follows:

(c) In this section, "telephone company" means a person who owns or operates a telephone line or a telephone network in this state, charges for its use, and is regulated by the <u>Texas Energy and</u> <u>Communications</u> [Public Utility] Commission [of Texas] as a certificated provider of local exchange telephone service.

20 SECTION 3.74. Section 203.0922(g), Transportation Code, is 21 amended to read as follows:

22 (g) This section or a contractual right obtained under an 23 agreement under this section does not:

(1) make the department or a utility subject to new or
additional licensing, certification, or regulatory jurisdiction of
the <u>Texas Energy and Communications</u> [Public Utility] Commission <u>or</u>
the [of Texas,] Texas Department of Insurance[, or Railroad

## 1 Commission of Texas]; or

2 (2) supersede or otherwise affect a provision of 3 another law applicable to the department or a utility regarding 4 licensing, certification, or regulatory jurisdiction of an agency 5 listed in Subdivision (1).

6 SECTION 3.75. Section 227.021(e), Transportation Code, is 7 amended to read as follows:

8 (e) Nothing in this chapter, or any contractual right obtained under a contract with the department authorized by this 9 10 chapter, supersedes or renders ineffective any provision of another law applicable to the owner or operator of a public utility 11 12 facility, including any provision of the Utilities Code regarding licensing, certification, and regulatory jurisdiction of the Texas 13 Energy and Communications [Public Utility] Commission [of Texas or 14 15 Railroad Commission of Texas].

SECTION 3.76. Section 370.033(n), Transportation Code, is amended to read as follows:

Nothing in this chapter or any contractual right 18 (n) 19 obtained under a contract with an authority under this chapter supersedes or renders ineffective any provision of another law 20 applicable to the owner or operator of a public utility facility, 21 including any provision of the Utilities Code [utilities code] 22 regarding licensing, certification, or regulatory jurisdiction of 23 24 the <u>Texas Energy and Communications</u> [Public Utility] Commission [of Texas or the Railroad Commission of Texas]. 25

26 SECTION 3.77. Section 370.181(e), Transportation Code, is 27 amended to read as follows:

1 (e) Nothing in this chapter, or any contractual right obtained under a contract with an authority authorized by this 2 3 chapter, supersedes or renders ineffective any provision of another law applicable to the owner or operator of a public utility 4 5 facility, including any provision of the Utilities Code regarding licensing, certification, and regulatory jurisdiction of the Texas 6 Energy and Communications [Public Utility] Commission [of Texas or 7 Railroad Commission of Texas]. 8

9 SECTION 3.78. Section 370.302(g), Transportation Code, is 10 amended to read as follows:

(g) Nothing in this chapter, or any contractual right 11 12 obtained under a contract with an authority authorized by this chapter, supersedes or renders ineffective any provision of another 13 14 law applicable to the owner or operator of a public utility 15 facility, including any provision of the Utilities Code regarding licensing, certification, and regulatory jurisdiction of the Texas 16 Energy and Communications [Public Utility] Commission [of Texas or 17 Railroad Commission of Texas]. 18

SECTION 3.79. Section 452.065(b), Transportation Code, is amended to read as follows:

(b) The parties to a contract made under Subsection (a)(3) may fulfill the terms of the contract notwithstanding any order or rule of the <u>Texas Energy and Communications</u> [Public Utility] Commission [of Texas] with respect to certification, except that any supply of power or energy by one utility into the service area of another utility must be provided over transmission or distribution lines owned by the authority.

H.B. No. 1302 1 SECTION 3.80. Sections 13.1396(b), (c), and (f), Water 2 Code, are amended to read as follows:

3 (b) An affected utility shall submit to the county judge, 4 the office of emergency management of each county in which the 5 utility has more than one customer, the <u>Texas Energy and</u> 6 <u>Communications</u> [Public Utility] Commission [of Texas], and the 7 office of emergency management of the governor, a copy of:

8 (1) the affected utility's emergency preparedness plan 9 approved under Section 13.1395; and

10 (2) the commission's notification to the affected11 utility that the plan is accepted.

(c) Each affected utility shall submit to the county judge and the office of emergency management of each county in which the utility has water and wastewater facilities that qualify for critical load status under rules adopted by the <u>Texas Energy and</u> <u>Communications [Public Utility]</u> Commission [of Texas], and to the <u>Texas Energy and Communications [Public Utility]</u> Commission [of <u>Texas</u>] and the division of emergency management of the governor:

(1) information identifying the location and
providing a general description of all water and wastewater
facilities that qualify for critical load status; and

(2) emergency contact information for the affectedutility, including:

(A) the person who will serve as a point ofcontact and the person's telephone number;

(B) the person who will serve as an alternative
 point of contact and the person's telephone number; and

1

(C) the affected utility's mailing address.

(f) Not later than May 1 of each year, each electric utility and each retail electric provider shall determine whether the facilities of the affected utility qualify for critical load status under rules adopted by the <u>Texas Energy and Communications</u> [Public <u>Utility</u>] Commission [of Texas].

7 SECTION 3.81. Section 152.255, Water Code, is amended to 8 read as follows:

9 Sec. 152.255. RECOVERABILITY OF COSTS FROM RATEPAYERS. 10 This subchapter does not limit the authority of the <u>Texas Energy and</u> 11 <u>Communications</u> [<del>Public Utility</del>] Commission [<del>of Texas</del>] to determine 12 the recoverability of costs from ratepayers.

13 SECTION 3.82. Section 152.301, Water Code, is amended to 14 read as follows:

15Sec. 152.301. ELECTRICTRANSMISSIONSERVICESAND16FACILITIES. Notwithstanding any other law, a river authority may:

(1) provide transmission services, as defined by the Utilities Code or the <u>Texas Energy and Communications</u> [Public <u>Utility</u>] Commission [of Texas], on a regional basis to any eligible transmission customer at any location within or outside the boundaries of the river authority; and

(2) acquire, including by lease-purchase, lease from
or to any person, finance, construct, rebuild, operate, or sell
electric transmission facilities at any location within or outside
the boundaries of the river authority.

26 SECTION 3.83. This article takes effect September 1, 2012.

| 1  | ARTICLE 4. REPEALER  |
|----|--|
| 2  | SECTION 4.01. The following are repealed:                            |
| 3  | (1) Sections 12.002, 12.003, 12.004, and 12.005,                     |
| 4  | Utilities Code;  |
| 5  | (2) Subchapters B, C, and D, Chapter 12, Utilities                   |
| 6  | Code;  |
| 7  | (3) Section 15.029, Utilities Code;                                  |
| 8  | (4) Subchapter B, Chapter 16, Utilities Code;                        |
| 9  | (5) Section 2003.049, Government Code;                               |
| 10 | (6) Section 33.2053(b), Natural Resources Code; and                  |
| 11 | (7) Section 12.013(h), Water Code.                                   |
| 12 | SECTION 4.02. This article takes effect September 1, 2012.           |
| 13 | ARTICLE 5. TRANSITION; EFFECTIVE DATE                                |
| 14 | SECTION 5.01. The Railroad Commission of Texas shall adopt           |
| 15 | a timetable for phasing in the change of the agency's name so as to  |
| 16 | minimize the fiscal impact of the name change. Until January 1,      |
| 17 | 2012, to allow for phasing in the change of the agency's name and in |
| 18 | accordance with the timetable established as required by this        |
| 19 | section, the agency may perform any act authorized by law for the    |
| 20 | Railroad Commission of Texas as the Railroad Commission of Texas or  |
| 21 | as the Texas Energy and Communications Commission. Any act of the    |
| 22 | Railroad Commission of Texas acting as the Texas Energy and          |
| 23 | Communications Commission after the effective date of this Act and   |
| 24 | before January 1, 2012, is an act of the Railroad Commission of      |
| 25 | Texas.   |
| 20 | CROMION E OD - Russet og sthemuige russided hu thig Det              |

26 SECTION 5.02. Except as otherwise provided by this Act, 27 this Act takes effect immediately if it receives a vote of

1 two-thirds of all the members elected to each house, as provided by 2 Section 39, Article III, Texas Constitution. If this Act does not 3 receive the vote necessary for immediate effect, this Act takes 4 effect on the 91st day after the last day of the legislative 5 session.