

By: Workman

H.B. No. 1461

A BILL TO BE ENTITLED

AN ACT

relating to the partition and transfer of a geographic portion of service area certificate of convenience and necessity by municipally owned electric utility systems.

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

SECTION 1. Subchapter C, Utilities Code, is amended by adding Section 37.103 to read as follows:

Sec. 37.103. PARTITION AND TRANSFER OF CERTIFICATE FOR CERTAIN UTILITIES. (a) This section applies only to a municipally owned electric utility system with 400,000 or more customers that is owned by a municipality with a population of less than 850,000.

(b) A municipally owned electric utility system shall identify and transfer to a nonprofit electric cooperative created under Chapter 161 that serves more than 64,000 members the part of the system's certificated service area that is not in the certificated service area of another utility or dually certificated and that is:

(1) outside the owning municipality's city limits; and  
(2) located inside the county in which the owning municipality is primarily located.

(c) The utility system shall sell to the electric cooperative that will provide service to the partitioned area at net book value all of the system's electric distribution assets attributable to the transferred service area that are used to serve

1 the area. Generation assets and transmission service facilities  
2 are not subject to sale under this subsection.

3 (d) The commission shall:

4 (1) review and approve the identification and transfer  
5 of the service area to ensure compliance with this section;

6 (2) as necessary, amend or issue certificates of  
7 convenience and necessity to implement the transfer of the service  
8 area; and

9 (3) identify, oversee, and approve the sale of assets.

10 (e) This section expires September 1, 2019.

11 SECTION 2. The Public Utility Commission of Texas shall  
12 ensure that the transfer and sales required by Section 37.103,  
13 Utilities Code, as added by this Act, shall be completed not later  
14 than September 1, 2018.

15 SECTION 3. This Act takes effect September 1, 2017.