

AN ACT

relating to an application for the amendment of a certificate of public convenience and necessity in an area within the boundaries of a political subdivision.

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

SECTION 1. Section 13.002, Water Code, is amended by adding Subdivision (13-a) to read as follows:

(13-a) "Municipal utility district" means a political subdivision of this state operating under Chapter 54.

SECTION 2. Section 13.244(a), Water Code, is amended to read as follows:

(a) Except as provided by Section 13.258, to ~~to~~ obtain a certificate of public convenience and necessity or an amendment to a certificate, a public utility or water supply or sewer service corporation shall submit to the utility commission an application for a certificate or for an amendment as provided by this section.

SECTION 3. Section 13.246, Water Code, is amended by adding Subsection (j) to read as follows:

(j) This section does not apply to an application under Section 13.258.

SECTION 4. Subchapter G, Chapter 13, Water Code, is amended by adding Section 13.258 to read as follows:

Sec. 13.258. UTILITY'S APPLICATION FOR AMENDMENT AND USE OF MUNICIPAL UTILITY DISTRICT'S CERTIFICATE UNDER CONTRACT.

1 (a) Notwithstanding any other provision of this chapter, a Class A
2 utility may apply to the commission for an amendment of a
3 certificate of convenience and necessity held by a municipal
4 utility district to allow the utility to have the same rights and
5 powers under the certificate as the municipal utility district.

6 (b) This section does not apply to a certificate of
7 convenience and necessity held by a municipal utility district
8 located wholly or partly inside of the corporate limits or
9 extraterritorial jurisdiction of a municipality with a population
10 of two million or more.

11 (c) An application under this section must be accompanied
12 by:

13 (1) information identifying the applicant;

14 (2) the identifying number of the certificate of
15 convenience and necessity to be amended;

16 (3) the written consent of the municipal utility
17 district that holds the certificate of convenience and necessity;

18 (4) a written statement by the municipal utility
19 district that the application is supported by a contract between
20 the municipal utility district and the utility for the utility to
21 provide services inside the certificated area and inside the
22 boundaries of the municipal utility district; and

23 (5) a description of the proposed service area by:

24 (A) a metes and bounds survey certified by a
25 licensed state land surveyor or a registered professional land
26 surveyor;

27 (B) the Texas State Plane Coordinate System;

1 (C) verifiable landmarks, including roads,
2 creeks, or railroad lines; or

3 (D) if a recorded plat of the area exists, lot and
4 block number.

5 (d) For an application under this section, the utility
6 commission may not require any information other than the
7 information required by this section.

8 (e) Not later than the 60th day after the date an applicant
9 files an application for an amendment under this section, the
10 utility commission shall review whether the application is
11 complete. If the utility commission finds that the application is
12 complete, the utility commission shall:

13 (1) find that the amendment of the certificate is
14 necessary for the service, accommodation, convenience, or safety of
15 the public; and

16 (2) grant the application and amend the certificate.

17 (f) The utility commission's decision under this section
18 becomes final after reconsideration, if any, authorized by utility
19 commission rule, and may not be appealed.

20 (g) The consent of a municipality is not required for the
21 utility commission to amend a certificate as provided by Subsection
22 (a) for an area that is in the municipality's extraterritorial
23 jurisdiction.

24 (h) Sections 13.241(d) and 13.245 do not apply to an
25 application under this section.

26 (i) Chapter 2001, Government Code, does not apply to an
27 application for an amendment of a certificate of convenience and

1 necessity under this section.

2 SECTION 5. Section 341.035(d), Health and Safety Code, is
3 amended to read as follows:

4 (d) A person is not required to file a business plan under
5 Subsection (a)(1) or (b) if the person:

6 (1) is a county;

7 (2) is a retail public utility as defined by Section
8 13.002, Water Code, unless that person is a utility as defined by
9 that section;

10 (3) has executed an agreement with a political
11 subdivision to transfer the ownership and operation of the water
12 supply system to the political subdivision; ~~or~~

13 (4) is a Class A utility, as defined by Section 13.002,
14 Water Code, that has applied for or been granted an amendment of a
15 certificate of convenience and necessity under Section 13.258,
16 Water Code, for the area in which the construction of the public
17 drinking water supply system will operate; or

18 (5) is a noncommunity nontransient water system and
19 the person has demonstrated financial assurance under Chapter 361
20 or 382 of this code or Chapter 26, Water Code.

21 SECTION 6. The change in law made by this Act applies only
22 to an application for an amendment of a certificate of public
23 convenience and necessity filed on or after the effective date of
24 this Act. An application filed before the effective date of this
25 Act is governed by the law in effect on the date the application is
26 filed, and the former law is continued in effect for that purpose.

27 SECTION 7. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1842 passed the Senate on May 4, 2017, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 26, 2017, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

I hereby certify that S.B. No. 1842 passed the House, with amendment, on May 22, 2017, by the following vote: Yeas 139, Nays 6, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor