

AN ACT

1
2 relating to the procedure for amending or revoking certificates of
3 public convenience and necessity issued to certain retail public
4 utilities.

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

6 SECTION 1. Section 13.254(a-3), Water Code, is amended to
7 read as follows:

8 (a-3) Within 60 calendar days from the date the utility
9 commission determines the petition filed pursuant to Subsection
10 (a-1) to be administratively complete, the utility commission shall
11 grant the petition unless the utility commission makes an express
12 finding that the petitioner failed to satisfy the elements required
13 in Subsection (a-1) and supports its finding with separate findings
14 and conclusions for each element based solely on the information
15 provided by the petitioner and the certificate holder. The utility
16 commission may grant or deny a petition subject to terms and
17 conditions specifically related to the service request of the
18 petitioner and all relevant information submitted by the petitioner
19 and the certificate holder. In addition, the utility commission may
20 require an award of compensation as otherwise provided by this
21 section. If the utility commission requires an award of
22 compensation, the utility commission shall require the petitioner
23 to submit a report to the utility commission verifying for the
24 purposes of Subsection (d) that the compensation has been paid to

1 the decertified retail public utility.

2 SECTION 2. Section 13.2541(f), Water Code, is amended to
3 read as follows:

4 (f) The utility commission may require an award of
5 compensation by the petitioner to the certificate holder in the
6 manner provided by this section. If the utility commission requires
7 an award of compensation, the utility commission shall require the
8 petitioner to submit a report to the utility commission verifying
9 for the purposes of Subsection (j) that the compensation has been
10 paid to the certificate holder.

11 SECTION 3. Section 13.255, Water Code, is amended by
12 amending Subsection (c) and adding Subsections (c-1) and (c-2) to
13 read as follows:

14 (c) The utility commission shall grant single certification
15 to the municipality. The utility commission shall also determine
16 whether single certification as requested by the municipality would
17 result in property of a retail public utility being rendered
18 useless or valueless to the retail public utility, and shall
19 determine in its order the monetary amount that is adequate and just
20 to compensate the retail public utility for such property. If the
21 municipality in its application has requested the transfer of
22 specified property of the retail public utility to the municipality
23 or to a franchised utility, the utility commission shall also
24 determine in its order the adequate and just compensation to be paid
25 for such property pursuant to the provisions of this section,
26 including an award for damages to property remaining in the
27 ownership of the retail public utility after single certification.

1 The order of the utility commission shall not be effective to
2 transfer property. A transfer of property may only be obtained
3 under this section by a court judgment rendered pursuant to
4 Subsection (d) or (e). The grant of single certification by the
5 utility commission shall go into effect on the date the
6 municipality or franchised utility, as the case may be, pays
7 adequate and just compensation pursuant to court order, or pays an
8 amount into the registry of the court or to the retail public
9 utility under Subsection (f). If the court judgment provides that
10 the retail public utility is not entitled to any compensation, the
11 grant of single certification shall go into effect when the court
12 judgment becomes final.

13 (c-1) The utility commission by rule shall require the
14 municipality or franchised utility to submit a report to the
15 utility commission verifying that the municipality or franchised
16 utility has paid all required adequate and just compensation to the
17 retail public utility as provided by Subsection (c).

18 (c-2) The municipality or franchised utility must provide
19 to each customer of the retail public utility being acquired an
20 individual written notice within 60 days after the effective date
21 for the transfer specified in the court judgment. The notice must
22 clearly advise the customer of the identity of the new service
23 provider, the reason for the transfer, the rates to be charged by
24 the new service provider, and the effective date of those rates.

25 SECTION 4. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 837 was passed by the House on April 16, 2021, by the following vote: Yeas 142, Nays 3, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 837 was passed by the Senate on May 19, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor