

BILL ANALYSIS

C.S.S.B. 893
By: Zaffirini
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, the Public Utility Commission of Texas (PUC) cannot correct errors on a petition to revoke or amend a certificate of public convenience and necessity without following formal amendment procedures. If there is a mistake on a certification petition, then the applicant may have to undergo a lengthy process to withdraw and to refile the petition. Although there is an expedited amendment option, mapping errors smaller than 25 acres are ineligible for correction through the expedited option. C.S.S.B. 893 seeks to authorize the PUC to correct certain nonsubstantive errors in a certificate of public convenience and necessity, allowing the agency to, at its discretion, prevent unnecessary and burdensome paperwork. Providing for this authority could help ensure that the service providers operate with correct and up-to-date information without burdensome paperwork processes and lead to more accurate billing, better customer service, and improved infrastructure and maintenance of the water and sewer systems.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 of this bill.

ANALYSIS

C.S.S.B. 893 amends the Water Code to authorize the executive director of the Public Utility Commission of Texas (PUC), at the discretion of the executive director or on the request of the certificate holder, to make a correction to a certificate of public convenience and necessity, without observing formal amendment procedures, by reissuing the certificate or issuing an endorsement to the certificate. The bill requires the executive director to notify the certificate holder that the correction has been made and ensure that the reissued certificate or endorsement is recorded in the PUC's records. The bill authorizes the executive director to make a correction only for the following purposes:

- to correct a clerical or typographical error;
- to change the name of an incorporated certificate holder on a certificate if an amendment to the certificate holder's articles of incorporation or certificate of formation, as applicable, is filed with the secretary of state that only changes the name of the certificate holder and the certificate holder provides verification of such a change;
- to correct a mapping error in a certificate to reflect the metes and bounds of the certificated area; or
- to correct another similar nonsubstantive error or matter if authorized by PUC rule.

The bill prohibits the executive director of the PUC from making a correction of a mapping error unless the certificate holder submits to the executive director a written agreement between the

certificate holder and any other retail water or sewer service provider whose service area is directly affected by the correction and provides notice of the correction to any water or sewer service customers whose retail service is directly affected by the correction. The corrections authorized under the bill are exempt from application of certain requirements relating to notice and hearing by the PUC regarding an application for a certificate of public convenience and necessity.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 893 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

While both the engrossed and substitute version of the bill prohibit the executive director of the PUC from making a correction, as provided by the bill, unless the certificate holder submits a written agreement and provides notice of correction, they differ as follows:

- the engrossed required the agreement to be between all affected persons, whereas the substitute specified that the agreement must be between the certificate holder and any other retail water or sewer service provider whose service area is directly affected by the correction; and
- the engrossed required the notice of correction to be provided to any customers of the certificate holder affected by the correction, whereas the substitute specifies that the notice of correction must be provided to any water or sewer service customers whose retail service is directly affected by the correction.