

## **BILL ANALYSIS**

Senate Research Center  
76R6481 JJT-D

S.B. 1503  
By: Truan  
Border Affairs - Special  
3/24/1999  
As Filed

### **DIGEST**

Currently, the Texas Natural Resource Conservation Commission does not differentiate between economically distressed areas and noneconomically distressed areas in the certification process of utilities or water supply or sewer service corporations. This bill would revise the method for selecting which utilities or water supply or sewer service corporations receive certification of public convenience and necessity in economically distressed areas.

### **PURPOSE**

As proposed, S.B. 1503 revises the method for selecting which utilities or water supply or sewer service corporations receive certification of public convenience and necessity in economically distressed areas.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 13.241, Water Code, by adding Subsection (e), to require the Texas Natural Resource Conservation Commission (TNRCC) to develop a standardized method for determining under Section 13.246(f) which of two or more retail public utilities or water supply or sewer service corporations that apply for a certificate of public convenience and necessity to provide water or sewer utility service to an uncertified area located in an economically distressed area is more capable financially, managerially, and technically of providing continuous and adequate service. Defines "economically distressed area."

SECTION 2. Amends Section 13.246, Water Code, by amending Subsection (e) and adding Subsections (f) and (g), to delete the definition of "economically distressed area." Requires TNRCC to grant a certificate of public convenience and necessity (certificate) to the retail public utility or water supply or sewer service corporation that is more capable financially, managerially, and technically of providing continuous and adequate service, if two or more retail public utilities or water supply or sewer service corporations apply for a certificate to an uncertified area located in an economically distressed area and otherwise meet the requirements for obtaining a new certificate. Makes conforming changes.

SECTION 3. Amends Section 13.381, Water Code, to provide that any party to a proceeding before TNRCC is entitled to judicial review under the substantial evidence rule, except as provided by Subsection (b). Authorizes a retail public utility or water supply or sewer service corporation that is denied a certificate of public convenience and necessity to provide water or sewer utility service to an uncertified area located in an economically distressed area on the ground that another retail public utility or water supply or sewer service corporation is more capable financially, managerially, and technically of providing continuous and adequate service to file a motion for rehearing as provided by Section 2001.146, Government Code. Defines "economically distressed area." Makes conforming changes.

SECTION 4. Effective date: September 1, 1999.  
Makes application of this Act prospective.

SECTION 5. Emergency clause.