

## **BILL ANALYSIS**

Senate Research Center  
82R4302 JXC-D

S.B. 573  
By: Nichols et al.  
Natural Resources  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Chapter 13 (Water Rates and Services), Water Code, provides that a landowner may petition the Texas Commission on Environmental Quality to be released from a certificate of convenience and necessity (CCN) if the CCN holder is not providing service. The process to be released from a CCN is cumbersome and costly for both the CCN holder and landowner.

As proposed, S.B. 573 amends current law relating to certificates of public convenience and necessity for water or sewer services.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 13.254(a), (a-1), and (a-3), Water Code, as follows:

(a) Authorizes the Texas Commission on Environmental Quality (TCEQ), at any time after notice and hearing, rather than at any time after notice and hearing on its own motion or on receipt of a petition described by Subsection (a-1), to revoke or amend any certificate of public convenience and necessity with the written consent of the certificate holder or if it makes certain findings.

(a-1) Authorizes the owner of a tract of land that is at least 25, rather than 50, acres and that is not in a platted subdivision actually receiving water or sewer service, as an alternative to decertification under Subsection (a), to petition TCEQ under this subsection for expedited release of the area from a certificate of public convenience and necessity, rather than expedited release of the area from a certificate of public convenience and necessity so that the area may receive service from another retail public utility. Deletes existing text requiring the petitioner to deliver via certified mail, a copy of the petition to the certificate holder, who may submit information to TCEQ to controvert information submitted by the petitioner.

Deletes existing text requiring the petitioner to demonstrate that a written request for service, other than a request for standard residential or commercial service, has been submitted to the certificate holder identifying certain information; that the certificate holder has been allowed at least 90 calendar days to review and respond to the written request and the information it contains; requiring the certificate holder does not meet certain service criteria; or that the alternative retail public utility from which the petitioner will be requesting service is capable of providing continuous and adequate service within the timeframe, at the level, and in the manner reasonably needed or requested by current and projected service demands in the area.

(a-3) Requires TCEQ, not later than 60 calendar days after the date a landowner files a petition with TCEQ under Subsection (a-1), to grant the petition. Prohibits TCEQ from denying a petition based on the fact that a certificate holder is a borrower under a federal loan program. Authorizes TCEQ, in addition, to require an award of compensation to the

decertified retail public utility as otherwise provided by this section. Deletes existing text requiring TCEQ, within 90 calendar days from the date TCEQ determines the petition is filed pursuant to Subsection (a-1) to be administratively complete, to grant the petition unless TCEQ makes an express finding that the petitioner failed to satisfy the elements required in Subsection (a-1) and supports its finding with separate finding and conclusions for each element based solely on the information provided by the petitioner and the certificate holder. Deletes existing text authorizing TCEQ to grant or deny a petition subject to terms and conditions specifically related to the service request of the petitioner and all relevant information submitted by the petitioner and the certificate holder.

SECTION 2. Makes application of Section 13.254, Water Code, as amended by this Act, prospective.

SECTION 3. Effective date: September 1, 2011.