

**PROJECT NO. 39473**

<b>RULEMAKING PROCEEDING TO</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>AMEND PUC SUBST. R. 25.74,</b>	<b>§</b>	
<b>RELATING TO REPORT ON CHANGE</b>	<b>§</b>	<b>OF TEXAS</b>
<b>IN CONTROL, SALE OF</b>	<b>§</b>	
<b>PROPERTY, PURCHASE OF STOCK,</b>	<b>§</b>	
<b>OR LOAN</b>	<b>§</b>	

**PROPOSAL FOR PUBLICATION OF AMENDMENT TO §25.74  
AS APPROVED AT JULY 8, 2011 OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes an amendment to §25.74, relating to Report on Change in Control, Sale of Property, Purchase of Stock, or Loan. Pursuant to House Bill 1753 of the 82nd Legislature, Regular Session in 2011 (HB 1753), the amendment increases from \$100,000 to \$10 million the total amount of consideration exchanged in a sale, acquisition, or lease of an operating unit or system above which a public utility is required to report the transaction to the commission. Project Number 39473 is assigned to this proceeding

Slade Cutter, Senior Financial Analyst, Rate Regulation Division, has determined that for each year of the first five-year period the amendment is in effect, there will be no fiscal implications for state or local government as a result of enforcing or administering the amendment.

Mr. Cutter has determined that for each year of the first five years the amendment is in effect, the public benefit anticipated as a result of enforcing the amendment will be compliance with HB 1753. There will be no adverse economic effect on small businesses or micro-businesses as a result of enforcing the amendment. Therefore, no regulatory flexibility analysis is required. There is no anticipated economic cost to persons who are required to comply with the amendment as proposed.

Mr. Cutter has also determined that for each year of the first five years the amendment is in effect, there should be no effect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act (APA), Texas Government Code §2001.022.

Initial comments on the amendment may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326, within 20 days after publication. Reply comments may be submitted within 27 days after publication. Sixteen copies of initial and reply comments on the amendment are required to be filed pursuant to §22.71(c) of this title. Comments should be organized in a manner consistent with the organization of the amended rule. All comments should refer to Project Number 39473.

The commission staff will conduct a public hearing on this rulemaking, if requested pursuant to the Administrative Procedure Act, Texas Government Code §2001.029, at the commission's offices located in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas 78711. The request for a public hearing must be received within 20 days after publication.

This amendment is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 2007 and Supp. 2009) (PURA), which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction; and specifically, HB 1753 §1, which amends PURA §14.101(a), effective September 1, 2011, to increase the threshold above which public utilities must report to the commission.

Cross Reference to Statutes: Public Utility Regulatory Act §§14.001 and HB 1753 §1 (which amends PURA 14.101(a)).

**§25.74. Report on Change in Control, Sale of Property, Purchase of Stock, or Loan.**

- (a) (No change.)
- (b) Pursuant to PURA §14.101(a)(1), an electric utility shall not sell, acquire, or lease a plant as an operating unit or system in the State of Texas for a total consideration of more than \$10 million~~\$100,000~~ unless the electric utility reports such transaction to the commission at least one commission working day before the transaction closes. Pursuant to PURA §37.154, if the transaction involves the sale, assignment, or lease of a certificate of convenience and necessity (CCN) or a right obtained under a CCN, the electric utility must obtain commission approval of such CCN transfer.
- (c)-(f) (No change.)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 8th DAY OF JULY 2011 BY THE  
PUBLIC UTILITY COMMISSION OF TEXAS  
ADRIANA A. GONZALES**

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