

UTILI-FACTS

PUC Jurisdiction over Retail Public Utility Rates and Service Policies

The tables in this publication summarize the Public Utility Commission of Texas' (PUC) jurisdiction over the rates charged for potable water or sewer service, areas served, and the customer service policies followed by retail public utilities owned by cities, counties, districts, water supply or sewer service corporations, and investors. For definitions of the terms and abbreviations used in this publication, look on page 2.

What jurisdiction does PUC have over retail rates charged by a water or sewer retail public utility?

If the retail public is owned by a(n) ...		What type of jurisdiction does the PUC have over retail rates?		Is customer notice of a retail rate change required?
		Original ¹	Appellate ²	
City	with customers inside city limits	No	No	No
	with customers outside city limits	No	Yes, if 10% or 10,000 (whichever is less) of customers outside the city limits protest OR if a city that receives services from an Investor-Owned Utility (IOU) protests OR if an IOU that provides service to a city, appeals the city's denial of their rate increase	Yes*
County (other than an 'affected county')		No	No	No
Affected County (within 50 miles of the US-Mexico border)		No	Yes, if 10% or 10,000 (whichever is less) of customers protest	Yes*
District	with customers inside the district	No	Yes, if 10% or 10,000 (whichever is less) of customers protest	No
	with customers outside district	No	Yes, if 10% or 10,000 (whichever is less) of customers protest	Yes*
Water Supply Corporation (WSC)		No	Yes, if 10% of customers protest	No
Exempt WSC		No	No	No
Exempt IOU		No	Yes, if 50% of customers protest	No
Investor-Owned Utility (IOU)	Inside a city	No	Yes, if 10% or 10,000 (whichever is less) of customers protest OR if a party to a rate case before the city files an appeal of the city's decision	Yes*
	Outside a city	Yes	Not applicable	Yes*

*The notice must include the old rates, the new rates, and the date the new rates take effect. The PUC recommends that customers be informed of their right to appeal.

¹Texas Water Code, Section 13.041
²Texas Water Code, Section 13.043

(continued from front)

When must retail public utilities obtain a CCN and observe PUC tariff and service policies?

If a retail public utility is owned by a(n)...		Is a CCN required?	Do PUC Tariff and Customer Service Policies apply?
City		No	No
Affected County	within 50 miles of the US-Mexico border	Yes	Yes
	elsewhere in Texas	No	No
District		No	No
WSC		Yes	No, but must file tariff with PUC
Exempt WSC		No	No, but must file tariff with PUC
Inside a city		Yes	Yes, if city does not adopt its own
Outside a city		Yes	Yes
Exempt IOU		No	Yes

Terms used in this publication:

Affected County. Counties within 50 miles of the US- Mexico border. Chapter 13 of the Texas Water Code gives these counties specific authority to provide water or sewer utility service.

Appellate Jurisdiction. Circumstances where the PUC has the authority to review and either approve or modify the decision of another authority after receiving an appeal from affected customers or parties.

Certificate of Convenience and Necessity (CCN). Issued by the PUC. Authorizes a retail public utility to provide water or sewer utility service to a specific area and obligates the retail public utility to provide continuous and adequate service to every qualified applicant who requests service in that area.

District. A “district” is created by the Legislature or under the Texas Water Code. There are various types, such as MUD (municipal utility district), FWSD (fresh water supply district), WCID (water control and improvement district), or SUD (special utility district).

Exempt IOU or Exempt WSC. A water utility or water supply corporation with fewer than 15 potential service connections. The exemption (from the requirement to obtain a CCN) does not apply to sewer utilities.

IOU, Investor-Owned Utility. A retail public utility owned by an individual, partnership, corporation or homeowners association.

Original Jurisdiction. Circumstances where the PUC has the authority to review and approve or modify the rates charged by an individual or corporation for water or sewer services.

Potable Water. Water that meets state standards for drinking water, whether consumed or not.

Retail Public Utility. Any person, corporation, public utility,

water supply or sewer service corporation, municipality, political subdivision, or agency operating, maintaining, or controlling in this state facilities for providing potable water service or sewer service, or both, for compensation.

Retail water or sewer utility service. Potable water service or sewer service, or both, provided by a retail public utility to the ultimate consumer for compensation.

Tariff. A document listing the rates charged by and related service policies practiced by a utility providing retail service.

WSC–Water Supply Corporation. A nonprofit water supply or sewer service corporation owned and controlled by its members.

Wholesale Utility. A retail public utility that sells potable water service or sewer service to a retail public utility that is not the ultimate consumer of the service.

How to learn more:

- See [Chapter 13 of the Texas Water Code](#), titled Water Rates and Services.
- See the PUCT’s rules in [Title 16, Texas Administrative Code, Chapter 24](#).
- Contact the PUCT’s Water Utility Regulation Division by phone at: (512) 936-7405 or by email at water@puc.texas.gov. You may also visit the PUCT’s website at www.puc.texas.gov.



QUESTIONS:
 Call: 512-936-7405
 Write:
 Public Utility Commission of Texas
 Water Utility Regulation Division
 1701 N. Congress Ave.
 P.O. Box 13326,
 Austin, TX 78711-3326