

UT CLE Land Use Conference 2024

Why Would Anyone Want to Own and Operate a Utility?

William "Cody" Faulk, III
Spencer Fane LLP



1

Overview

- Regulatory Agencies
- Issues to Consider
- Pros and Cons
- Alternatives to Owning and Operating Your Own Utility

© Spencer Fane LLP 2024

2



2

Regulatory Oversight

- Public Utility Commission of Texas
- Texas Commission on Environmental Quality
- Cities

3

Public Utility Commission of Texas

Commissioners



Thomas J. Gleeson
Chairman



Lori Cobos
Commissioner



Jimmy Glotfelty
Commissioner



Kathleen Jackson
Commissioner

4

Public Utility Commission of Texas

- The Public Utility Commission of Texas regulates the state's electric, telecommunication, and water and sewer utilities, implements respective legislation, and offers customer assistance in resolving consumer complaints.
- After deregulation, the PUC's focus has shifted from regulation of rates and services to oversight of competitive markets and compliance enforcement of statutes and rules for the electric and telecommunication industries.
- The PUC regulates water and sewer rates and services, Certificates of Convenience and Necessity (CCNs) and Sale/Transfer/Mergers.

Utility Defined

- **Water and sewer utility, utility, or public utility** -- Any person, corporation, cooperative corporation, affected county, or any combination of those persons or entities, other than a municipal corporation, water supply or sewer service corporation, or a political subdivision of the state, except an affected county, or their lessees, trustees, and receivers, owning or operating **for compensation** in this state equipment or facilities for the transmission, storage, distribution, sale, or provision of potable water to the public or for the resale of potable water to the public for any use or for the collection, transportation, treatment, or disposal of sewage or other operation of a sewage disposal service for the public, other than equipment or facilities owned and operated for either purpose by a municipality or other political subdivision of this state or a water supply or sewer service corporation, but **does not include any person or corporation not otherwise a public utility that furnishes the services or commodity only to itself or its employees or tenants as an incident of that employee service or tenancy when that service or commodity is not resold to or used by others.**

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: Why Would Anyone Want to Own and Operate a Utility

Also available as part of the eCourse

[2024 Land Use eConference](#)

First appeared as part of the conference materials for the
28th Annual Land Use Conference session

"Why Would Anyone Want to Own and Operate a Utility"