

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

Subchapter D. RECORDS, REPORTS AND OTHER REQUIRED INFORMATION.

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

- (a) Pursuant to Public Utility Regulatory Act (PURA) §39.262(l)-(m) and §39.915, an electric utility must report to and obtain approval of the commission before closing any transaction in which:
 - (1) the electric utility will be merged or consolidated with another electric utility;
 - (2) at least 50% of the stock of the electric utility will be transferred or sold; or
 - (3) a controlling interest or operational control of the electric utility will be transferred.
- (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 \$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) An electric utility shall not purchase voting stock in another public utility doing business in the State of Texas unless the electric utility reports such purchase to the commission at least one commission working day before the transaction closes.
- (d) An electric utility shall not loan money, stocks, bonds, notes, or other evidence of indebtedness to any person who directly or indirectly owns or holds 5% or more of the stock of the electric utility unless the electric utility reports such transaction to the commission at least one commission working day before the transaction closes. A properly filed tariff or energy efficiency plan with respect to energy conservation loans available to customers will be considered adequate reporting to the commission.
- (e) This section does not apply to activities addressed by PURA §14.101(d) and §39.452(e).
- (f) This section applies to any transaction addressed by this section that has not closed, except for a transaction addressed by PURA §39.262(n) or §39.915(c).