# CHAPTER 24.    SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS.

## Subchapter G.  CERTIFICATES OF CONVENIENCE AND NECESSITY.

### §24.110.  Foreclosure and Bankruptcy.

(a)     If a utility that is required by law to possess a certificate of convenience and necessity (CCN) receives notice that all or a portion of the utility's or system's facilities or property used to provide utility service is being posted for foreclosure, the utility shall notify the commission in writing of that fact and shall provide a copy of the foreclosure notice to the commission not later than the tenth day after the date on which the retail public utility or system receives the notice.

(b)     A person other than a financial institution that forecloses on facilities used to provide utility service shall not charge or collect rates for providing retail public water or sewer service unless the person has a completed application for a CCN or to transfer the current CCN on file with the commission within 30 days after the foreclosure is completed.

(c)     A financial institution that forecloses on a utility or on any part of the utility's facilities or property that are used to provide utility service is not required to provide the 120-day notice prescribed by TWC §13.301, but shall provide written notice to the commission before the 30th day preceding the date on which the foreclosure is completed.

(d)     The financial institution may operate the utility for an interim period not to exceed 12 months before selling, transferring, merging, consolidating, acquiring, leasing, or renting its facilities or otherwise obtaining a CCN unless the commission in writing extends the time period for good cause shown.  A financial institution that operates a utility during an interim period under this subsection is subject to each commission rule to which the utility was subject and in the same manner.

(e)     Not later than the 48th hour after a retail public utility files a bankruptcy petition, the retail public utility shall report this fact to the commission and the TCEQ in writing.