

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

Subchapter A. GENERAL PROVISIONS.

§24.1. Purpose and Scope of this Chapter.

- (a)
- (b)
- (c)
- (d)

§24.2. Severability Clause.

- (a)
- (b)

§24.3. Definitions of Terms.

§24.4. Cooperative Corporation Rebates.

§24.5. Submission of Documents.

§24.6. Signatories to Applications.

- (a)
- (b)

§24.8. Administrative Completeness.

- (a)
- (b)
- (c)
- (d)

§24.9. Agreements to be in Writing.

§24.11. Financial Assurance.

- (a) Purpose.
- (b) Application.
- (c)
- (d) Irrevocable stand-by letter of credit.

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

- (e) Financial test.

§24.12. Burden of Proof.

§24.14. Emergency Orders and Emergency Rates.

- (a)

- (b)

- (c)

- (d)

- (e)

- (f)

- (g)

§24.15. Notice of Wholesale Water Supply Contract.

- (a)

- (b)

- (c)

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

Subchapter B. RATES AND TARIFF CHANGES.

§24.25. Form and Filing of Tariffs.

- (a) Approved tariff.
- (b) Requirements as to size, form, identification, minor changes, and filing of tariffs.
- (c) Composition of tariffs.
- (d) Tariff filings in response to commission orders.
- (e) Availability of tariffs.
- (f) Rejection.
- (g) Change by other regulatory authorities.
- (h) Effective date.
- (i) Tariffs filed by water supply or sewer service corporations.
- (j) Temporary water rate provision for mandatory water use reduction.
- (k) Multiple system consolidation.
- (l) Regional rates.
- (m) Exemption.
- (n) Energy cost adjustment clause.

§24.27. Notice of Intent and Application to Change Rates.

- (a) Purpose.
- (b) Contents of Application.
- (c) Notice requirements specific to applications filed by a Class A Utility under TWC §13.187.
- (d) Notice requirements specific to applications filed by Class B, C, and D utilities.
- (e) Line extension and construction policies.
- (f) Capital improvements surcharge.
- (g) Debt repayments surcharge.

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

§24.29. Time between Filings.

- (a) Application.
- (b)
- (c)

§24.31. Jurisdiction over Affiliated Interests.

- (a)
- (b)

§24.33. Suspension of the Effective Date of Rates.

- (a)
- (b)
- (c)
- (d)
- (e)
- (f)
- (g)

§24.35. Processing and Hearing Requirements for an Application to Change Rates.

- (a) Purpose.
- (b) Proceedings under TWC §13.187.
- (c) Proceedings under TWC §13.1871.
- (d)
- (e)

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

§24.37. Interim Rates.

- (a)
- (b)
- (c)
- (d)
- (e)
- (f)
- (g)
- (h)
- (i)
- (j)

§24.39. Escrow of Proceeds Received under Rate Increase.

- (a)
- (b)

§24.41. Cost of Service.

- (a) Components of cost of service.
- (b) Allowable expenses.
- (c) Return on rate base.
- (d) Recovery of positive acquisition adjustments.
- (e) Negative acquisition adjustment.
- (f)
- (g)

§24.43. Rate Design.

- (a) General.
- (b) Conservation.
- (c) Volume charges.

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

§24.44. Rate-case Expenses.

- (a)
- (b)
- (c)
- (d)
- (e)

§24.45. Rates Charged by a Municipality to a District.

- (a)
- (b)
- (c)

§24.46. Fees Charged by a Municipality to a Public School District.

- (a)
- (b)
- (c)

§24.47. Jurisdiction of Commission over Certain Water or Sewer Supply Corporations.

- (a)
- (b)

§24.49. Application for a Rate Adjustment by a Class D Utility Under Texas Water Code §13.1872.

- (a) Purpose.
- (b) Definitions.
- (c) Requirements for filing of the application.
- (d) Processing of the application.
- (e) Notice of Approved Rates.
- (f) Time between filings.

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

Subchapter C: ALTERNATIVE RATE METHODS.

§24.75. Alternative Ratemaking Methodologies.

- (a) Purpose and application.
- (b) Multi-step rates.
- (c) Cash needs method.
- (d) New customer classes.

§24.76. System Improvement Charge.

- (a) Purpose.
- (b) Definitions.
- (c) System improvement charge.
- (d) Application for a system improvement charge.
- (e) Calculation of the system improvement charge.
- (f) Notice.
- (g) Commission processing of application.
- (h) Scope of proceeding.
- (i) System improvement charge reconciliation.
- (j) Rate case expenses.
- (k) Requirement to file a rate case.

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

Subchapter D: RATE-MAKING APPEALS.

§24.101. Appeal of Rate-making Decision, Pursuant to the Texas Water Code §13.043.

- (a)
- (b)
- (c)
- (d)
- (e)
- (f)
- (g)
- (h)
- (i)
- (j)

§24.103. Contents of Petition Seeking Review of Rates Pursuant to the Texas Water Code §13.043(b).

- (a)
- (b)
- (c)

§24.105. Refunds During Pendency of Appeal.

§24.107. Seeking Review of Rates for Sales of Water Under the Texas Water Code §12.013.

- (a)
- (b)

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

Subchapter E: RECORDS AND REPORTS.

§24.125. General Reports.

- (a) Who shall file.
- (b) Report attestation.
- (c) Due dates of reports.
- (d) Information omitted from reports.
- (e) Special and additional reports.
- (f) Report amendments.
- (g) Penalty for refusal to file on time.

§24.127. Financial Records and Reports--Uniform System of Accounts.

§24.129. Water and Sewer Utilities Annual Reports.

- (a)
- (b) Contents of report.
- (c)

§24.131. Maintenance and Location of Records.

§24.133. Management Audits.

§24.134. Financial, Managerial, and Technical Reports Required for Water and Sewer Utilities.

- (a) Applicability.
- (b) Notification of violation.
- (c) Notification to utility.
- (d) Report required.
- (e) No additional report required.
- (f) Failure to report.

§24.135. Regulatory Assessment.

- (a)
- (b)

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

(c)

(d)

(e)

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

Subchapter F: CUSTOMER SERVICE AND PROTECTION.

§24.151. Applicability.

§24.153. Customer Relations.

- (a) Information to customers.
- (b) Customer complaints.
- (c) Telephone number.
- (d) Local office.

§24.155. Resolution of Disputes.

- (a)
- (b)

§24.157. Refusal of Service.

- (a) Grounds for refusal to serve.
- (b) Service Applicant's recourse.
- (c) Insufficient grounds for refusal to serve.

§24.159. Service Applicant and Customer Deposit.

- (a) Deposit on Tariff.
- (b) Customers not disconnected.
- (c) Applicants 65 years of age or older.
- (d) Interest on deposits.
- (e) Landlords/tenants.
- (f) Reestablishment of credit or deposit.
- (g) Records of deposits.
- (h) Refund of deposit.
- (i) Transfer of service.

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

§24.161. Response to Requests for Service by a Retail Public Utility Within Its Certificated Area.

- (a)
- (b)
- (c)
- (d) Easements.
- (e) Service Extensions by a Water Supply or Sewer Service Corporation or Special Utility District.

§24.163. Service Connections.

- (a) Water Service Connections.
- (b) Sewer Service Connections.
- (c) Line extension and construction charges.
- (d) Cost utilities and service applicants shall bear.
- (e) Other Fees for Service Applicants.

§24.165. Billing.

- (a) Authorized rates.
- (b) Due date.
- (c) Penalty on delinquent bills for retail service.
- (d) Deferred payment plan.
- (e) Rendering and form of bills.
- (f) Charges for sewer service.
- (g) Consolidated billing and collection contracts.
- (h) Overbilling and underbilling.
- (i) Estimated bills.
- (j) Prorated charges for partial-month bills.
- (k) Prorated charges due to utility service outages.
- (l) Disputed bills.
- (m) Notification of alternative payment programs or payment assistance.

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

- (n) Adjusted bills.
- (o) Equipment damage charges.
- (p) Fees.
- (q) Payment with cash.
- (r) Voluntary contributions for certain emergency services.

§24.167. Discontinuance of Service.

- (a) Disconnection with notice.
- (b) Disconnection without notice.
- (c) Disconnection prohibited.
- (d) Disconnection due to utility abandonment.
- (e) Disconnection of water service due to nonpayment of sewer charges.
- (f) Disconnection for ill customers.
- (g) Disconnection upon customer request.
- (h) Service restoration.

§24.169. Meters.

- (a) Meter requirements.
- (b) Meter readings.
- (c) Access to meters and utility cutoff valves.
- (d) Meter tests on request of customer.
- (e) Meter testing.
- (f) Meter test prior to installation.
- (g) Bill adjustment due to meter error.
- (h) Meter tampering.

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

§24.171. Continuity of Service.

- (a) Service interruptions.
- (b) Record of interruption.

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

Subchapter G: QUALITY OF SERVICE.

§24.201. Applicability.

§24.203. Requirements by Others.

(a)

(b)

§24.205. Adequacy of Water Utility Service.

§24.207. Adequacy of Sewer Service.

(a) Sufficiency of service.

(b) Sufficiency of Treatment.

(c) Maintenance of facilities.

§24.209. Standards of Construction.

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

Subchapter H: CERTIFICATES OF CONVENIENCE AND NECESSITY.

§24.225. Certificate of Convenience and Necessity Required.

- (a)
- (b)
- (c)
- (d)
- (e)

§24.227. Criteria for Granting or Amending a Certificate of Convenience and Necessity.

- (a)
- (b)
- (c)
- (d)
- (e)
- (f)
- (g)
- (h)
- (i)
- (j)

§24.229. Certificate of Convenience and Necessity Not Required.

- (a) Extension of Service.
- (b) Construction of Facilities.
- (c) Single Certification Under TWC §13.255.
- (d) Municipal Systems in Unserved Area.
- (e) Water Utility or Water Supply Corporation With Less Than 15 Potential Connections.

§24.231. Applicant.

- (a)

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

(b)

§24.233. Contents of Certificate of Convenience and Necessity Applications.

- (a) Application.
- (b)
- (c) Application within the municipal boundaries or extraterritorial jurisdiction of certain municipalities.
- (d) Extension beyond extraterritorial jurisdiction.
- (e) Area within municipality.

§24.235. Notice Requirements for Certificate of Convenience and Necessity Applications.

- (a)
- (b)
- (c)
- (d)
- (e)

§24.237. Action on Applications.

- (a)
- (b)
- (c)

§24.238. Fair Market Valuation.

- (a) Applicability.
- (b) Definitions.
- (c) List of qualified utility valuation experts.
- (d) Notice of intent to determine fair market value.
- (e) Selection of utility valuation experts.
- (f) Determination of fair market value.
- (g) Cost approach.
- (h) Income approach.

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

- (i) Market approach.
- (j) Contents of utility valuation expert report.
- (k) Transaction and closing costs.

§24.239. Sale, Transfer, Merger, Consolidation, Acquisition, Lease, or Rental.

- (a) Application for approval of transaction.
- (b) Intervention period.
- (c) Notice.
- (d) Requirements for application with fair market valuation.
- (e)
- (f)
- (g)
- (h)
- (i)
- (j)
- (k)
- (l)
- (m)
- (n)
- (o)
- (p)
- (q)
- (r)

§24.241. Foreclosure and Bankruptcy.

- (a)
- (b)
- (c)

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

(d)

(e)

§24.243. Purchase of Voting Stock or Acquisition of a Controlling Interest in a Utility.

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

§24.245. Revocation of a Certificate of Convenience and Necessity or Amendment of a Certificate of Convenience and Necessity by Decertification, Expedited Release, or Streamlined Expedited Release.

(a) Applicability.

(b) Definitions.

(c) Provisions applicable to all proceedings for revocation, decertification amendment, expedited release, or streamlined expedited release.

(d) Revocation or amendment by decertification.

(e) Decertification amendment for a municipality's service area.

(f) Expedited release.

(g) Determination of compensation to former CCN holder after revocation, decertification amendment or expedited release.

(h) Streamlined expedited release.

(i) Determination of compensation to former CCN holder after streamlined expedited release.

(j) Valuation of real and personal property of the former CCN holder.

(k) Mapping information.

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

- (l) Additional conditions for decertification under subsection (d) of this section.

§24.247. Requirement to Provide Continuous and Adequate Service.

- (a)
- (b)
- (c)

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

§24.249. Cessation of Operations by a Retail Public Utility.

- (a)
- (b)
- (c)
- (d)
- (e)
- (f)
- (g)
- (h)
- (i)
- (j)

§24.251. Exclusiveness of Certificates.

- (a)
- (b)

§24.253. Contracts Valid and Enforceable.

- (a)
- (b)
- (c)

§24.255. Contents of Request for Cease and Desist Order by the Commission Under TWC §13.252.

- (a)
- (b)

§24.257. Mapping Requirements for Certificate of Convenience and Necessity Applications.

- (a)
- (b)

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

§24.259. Single Certification in Incorporated or Annexed Areas.

- (a) Applicability.
- (b) Definitions.
- (c) Notice of intent to provide service in incorporated or annexed areas.
- (d) Written agreement regarding service to area.
- (e) Application for single certification.
- (f) Notices for single-certification application.
- (g) Response to single-certification application.
- (h) Referral to SOAH.
- (i) Hearing at SOAH.
- (j) Interim order.
- (k) Administrative Completeness.
- (l) Valuation of real property.
- (m) Valuation of personal property.
- (n) Valuation Process.
- (o) Action after receipt of appraisals.
- (p) Appeal to district court judgment, and transfer of property.
- (q) Withdrawal of application for single certification.
- (r) Additional requirements regarding certain current CCN holders.
- (s) Notice of single certification.
- (t) Provision of notice.
- (u) Additional conditions.

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

Subchapter I: WATER UTILITY SUBMETERING AND ALLOCATION.

§24.275. General Rules and Definitions.

- (a) Purpose and Scope.
- (b) Application.
- (c) Definitions.

§24.277. Owner Registration and Records.

- (a) Registration.
- (b) Water quantity measurement.
- (c) Plumbing system requirement.
- (d) Installation of individual meters.
- (e) Records.
- (f) Records retention.
- (g) Availability of records.

§24.279. Rental Agreement.

- (a) Rental agreement.
- (b) Requirements to provide rules.
- (c) Tenant agreement to billing method changes.
- (d) Change from submetered to allocated billing.
- (e) Waiver of tenant rights prohibited.

§24.281. Charges and Calculations.

- (a) Prohibited charges.
- (b) Dwelling unit base charge.
- (c) Customer Service charge.
- (d) Calculations for submetered utility service.
- (e) Calculations for allocated utility service.
- (f) Conversion to approved allocation method.

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

§24.283. Billing.

- (a) Monthly billing of total charges.
- (b) Rendering bill.
- (c) Submeter reading schedule.
- (d) Billing period.
- (e) Multi-item bill.
- (f) Information on bill.
- (g) Information on submetered service.
- (h) Due date.
- (i) Estimated bill.
- (j) Payment by tenant.
- (k) Overbilling and underbilling.
- (l) Disputed bills.
- (m) Late fee.

§24.285. Complaint Jurisdiction.

- (a) Jurisdiction.
- (b) Complaints.

§24.287. Submeters or Point-of-Use Submeters and Plumbing Fixtures.

- (a) Submeters or point-of-use submeters.
- (b) Plumbing fixtures.
- (c) Plumbing fixture not applicable.

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

Subchapter J: WHOLESALE WATER OR SEWER SERVICE.

§24.301. Petition or Appeal Concerning Wholesale Rate.

§24.303. Definitions.

§24.305. Petition or Appeal.

(a)

(b)

(c)

§24.307. Commission's Review of Petition or Appeal Concerning Wholesale Rate.

(a)

(b)

(c)

(d)

§24.309. Evidentiary Hearing on Public Interest.

(a)

(b)

(c)

(d)

§24.311. Determination of Public Interest.

(a)

(b)

§24.313. Commission Action to Protect Public Interest, Set Rate.

(a)

(b)

(c)

(d)

(e)

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

§24.315. Determination of Cost of Service.

- (a)
- (b)

§24.317. Burden of Proof.

§24.319. Commission Order to Discourage Succession of Rate Disputes.

- (a)
- (b)
- (c)

§24.321. Filing of Rate Data.

- (a)
- (b)

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

Subchapter K: ENFORCEMENT, SUPERVISION AND RECEIVERSHIP.

§24.351. Enforcement Action

§24.353. Supervision of Certain Utilities.

(a)

(b)

(c)

§24.355. Operation of Utility that Discontinues Operation or is Referred for Appointment of a Receiver.

(a)

(b)

(c)

(d)

§24.357. Operation of a Utility by a Temporary Manager.

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

§24.359. Fines and Penalties.

(a)

(b)

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

§24.361. Municipal Rates for Certain Recreational Vehicle Parks.

- (a)
- (b)
- (c)

§24.363. Temporary Rates for Services Provided for a Nonfunctioning System.

- (a)
- (b)
- (c)
- (d)

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

Subchapter L: PROVISIONS REGARDING MUNICIPALITIES.

§24.375. Jurisdiction of Municipality: Surrender of Jurisdiction.

(a)

(b)

§24.377. Applicability of Commission Service Rules Within the Corporate Limits of a Municipality.

§24.379. Notification Regarding Use of Revenue.

§24.381. Fair Wholesale Rates for Wholesale Water Sales to a District.

(a)

(b)