



Control Number: 48392



Item Number: 3

Addendum StartPage: 0

COMPLIANCE DOCKET FOR
DOCKET NO. 47424 (APPLICATION
OF LEGEND BANK DBA OREAL,
INC. FOR A RATE/TARIFF
CHANGE)

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§

PUBLIC UTILITY COMMISSION

2019 JUN 6 PM 3:35
PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S COMMENTS ON COMPLIANCE

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files these Comments on Compliance. In support thereof, Staff shows the following:

I. BACKGROUND

In Docket 45620¹, a sewer certificate of convenience and necessity (CCN) No. 20568 was granted to Legend Bank, Inc. In that same docket, mapped service area and a sewer utility tariff were created under the name Legend Bank dba OREAL, Inc. An adjustment to this tariff was approved in Docket No. 47424.² Docket No. 47424 also ordered Legend Bank to file in a compliance docket:

affidavits and supporting documentation proving (a) which entity or entities own and operate the utility equipment and facilities and (b) the ownership of OREAL, Inc. and any other entities that own or operate the utility equipment and facilities. Once the identity of the utility is established, the utility shall file a tariff in conformance with this Order with the proper name. In addition, if necessary, a new certificate of convenience and necessity shall be issued with the proper name of the utility.

On May 25, 2018, a compliance docket was opened for this issue and on April 4, 2019, a filing was made in compliance with the above language.

¹ *Application of Lee Goodman, Trustee for the Moffett Twin Oaks Mobile Home Property Trust and Legend Bank For Sale, Transfer, or Merger of Facilities and Certificate Rights in Angelina County*, Docket No. 45620, Notice of Approval (Nov. 21, 2016).

² *Application of Legend Bank DBA OREAL, Inc. for a Rate/Tariff Change*, Order (May 29, 2019).

II. COMMENTS

On April 4, 2019, a filing was made that includes a Substitute Trustee Deed, showing that Legend Bank, N.A. obtained certain property including the wastewater treatment plant providing service under CCN No. 20568 at a foreclosure sale held on February 7, 2012.³ This property was then conveyed to OREAL, Inc. through a Special Warranty Deed on February 8, 2013.⁴ The Texas Secretary of State's website lists OREAL, Inc. under Texas Taxpayer Number 32005779825.

Therefore, Staff recommends that the map, certificate, and tariff should be corrected to reflect the correct legal entity responsible for CCN 20568 as OREAL, Inc.

An amended sewer tariff was also submitted on April 4, 2019. This amended tariff changed the utility name on the first page to OREAL Inc., but continued to list Legend Bank dba OREAL, Inc. on subsequent pages. Staff recommends that a revised sewer tariff be issued that substitutes OREAL, Inc. as the utility name in all sections. Staff therefore recommends that the attached amended mapping, CCN, and sewer tariff be approved.

III. CONCLUSION

For the reasons discussed above, Staff recommends that the amended documents be approved.

³ Exhibits Showing Ownership of Wastewater Treatment Plant at 5-12.

⁴ *Id.* at 13 – 20.

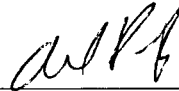
Dated: June 6, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
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DOCKET NO. 48392

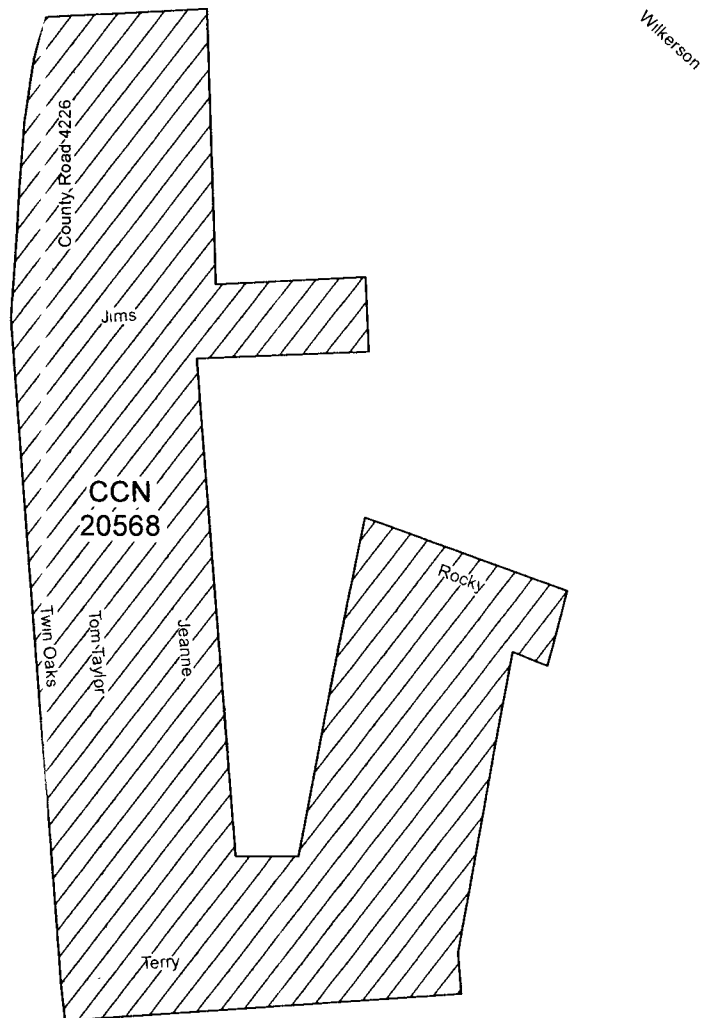
CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on June 6, 2019,
in accordance with 16 Texas Administrative Code § 22.74.




Alexander Petak

OREAL, Inc.
Sewer Service Area
CCN No. 20568
PUC Docket No. 48392
Transferred all of Moffett Twin Oaks Mobile Home, CCN No. 20568 in Angelina County



Sewer CCN Service Area

 20568 - OREAL, Inc.





Public Utility Commission Of Texas

By These Presents Be It Known To All That

OREAL, Inc.

having obtained certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, OREAL, Inc., is entitled to this

Certificate of Convenience and Necessity No. 20568

to provide continuous and adequate sewer utility service to that service area or those service areas in Angelina County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48392 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the OREAL, Inc., to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this _____ day of _____ 2019.



SEWER UTILITY TARIFF

Docket Number: 48392

OREAL, Inc.
(Utility Name)

P. O. Box 1081
(Business Address)

Bowie, Texas 76230
(City, State, Zip Code)

(512) 894-3322
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

20568

This tariff is effective in the following counties:

Angelina

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or public water systems:

Moffett Twin Oaks Subdivision

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The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

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SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Flat Rate</u>	<u>Monthly Minimum Charge</u>
Residential	<u>\$70.00</u>
Commercial	<u>\$70.00</u>

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

Cash X, Check X, Money Order X, Credit Card , Other (specify)

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND REMIT THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$325.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT \$0.00

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$50.00

TRANSFER FEE \$35.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) \$5.00
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$30.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

SECTION 1.0 – RATE SCHEDULE (Continued)

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY THE PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.21(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

SECTION 2.0 -- SERVICE RULES AND POLICIES

Taps made at property line.

All tap fees shall be in addition to rates set out in Section 1.0.

SECTION 3.0 -- EXTENSION POLICY

No Contribution in Aid of Construction may be required of any customer except as provided for in the following extension policy which must be a consistent, non-discriminatory policy which is subject to the approval of the Public Utility Commission of Texas (Commission).

Cost of extension of existing lines must be borne by proposed users.

Tap fees - \$325.00 – per connection.

All requests for service will be accepted presuming capacity of plant is adequate.

SECTION 4.0 – CONDENSED SUBSTANTIVE SERVICE RULES

The following paragraphs are combinations of the Substantive Rules of the Commission. Every water utility must comply with the Substantive Rules in their entirety and copies of the complete rules for reliance thereon are available for a nominal printing cost of \$3.00 plus \$.15 tax. (\$3.15)

Billing. Bills shall be rendered monthly (unless the Commission has specifically authorized otherwise) and shall show sufficient information to enable a customer to readily compute his own bill with a rate schedule (which must be furnished upon request). Among the items required to be shown on each bill are: amount of water used, applicable rate schedule title or code, total amount due, and date by which the bill must be paid (not less than 15 days after issuance). A penalty cannot be added to a delinquent residential customer bill.

Service Refusal. If state and local regulations have been met, a service request can be refused only if: applicant has refused to make a deposit (if required), has an existing water utility debt which is not in dispute, or, an installation would be hazardous or unsuccessful. A debt or delinquency of a previous occupant cannot be used against an applicant for service or a customer.

Service Discontinuance. A customer may be disconnected, after at least a 7 day personal notice in writing, only for the following: a bill unpaid more than 15 days after issuance unless a deferred payment agreement is signed; a willful violation of a utility usage rule which interferes with the service of others; failure to comply with deposit or guarantee arrangements; failure to comply with terms of a deferred payment agreement; and, bypassing or tampering with a utility meter. No one may be disconnected for failure to pay for non-utility merchandise or service provided by a utility. A service may be disconnected without notice only for the duration of a known dangerous condition. Complete records of any service interruptions must be kept by the utility.

Meters. Unless the Commission has specifically authorized otherwise, each utility shall provide, install, own and maintain meters to measure amounts of water consumed by its customers. Upon request a customer may have his meter tested without charge in his presence at a convenient time (during normal working hours). A charge not to exceed \$25.00 may be assessed for an additional requested test within 2 years of the first test if any such additional test shows the meter to be accurate. Records of all meters and tests must be properly kept by the utility while meter is placed in service until its accuracy has been established.

Applicant Deposit. Permanent residential applicants shall not be required to make a deposit if they can demonstrate a satisfactory credit rating, furnish a satisfactory guarantee, show substantial equity ownership, had been a water utility customer for one of the two previous years with but one delinquency and no disconnections for unpaid bills, or, are 65 years or older with no unpaid bill from any water utility.

A deposit may be required of temporary, weekend or seasonal residential customers if deposit policy is applied, in a uniform and nondiscriminatory manner. A commercial customer may be required to a deposit if credit is not satisfactorily established. If disconnected for an unpaid bill, to be reconnected an applicant must pay all amounts due or execute a deferred payment agreement and establish credit.

SECTION 4.0 – CONDENSED SUBSTANTIVE SERVICE RULES (Continued)

The utility must keep a record of each deposit, issue a receipt for it, and pay at least 6% annual interest thereon. The amount of a deposit may not exceed 1/6 of an estimated annual bill for that customer. Refund of a deposit plus accrued interest shall promptly and automatically be made to residential customers who have paid service bills for 12 consecutive months without having service disconnected for nonpayment of a bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of current bills, and to commercial and industrial customers who have paid bills for service for 24 consecutive months without have service disconnected for nonpayment of a bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of their current bills. Failure of either a residential, commercial or industrial customer to meet these refund criteria permits the utility to retain the deposit and any interest which they have accrued.



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to provide continuous and adequate sewer utility service to that service area or those service areas in Angelina County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48392 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the OREAL, Inc., to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this _____ day of _____ 2019.