



## Filing Receipt

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**DOCKET NO. 52290**

**APPLICATION OF EVAN STATON           §           PUBLIC UTILITY COMMISSION**  
**FOR SALE, TRANSFER, OR MERGER   §**  
**OF EXEMPT UTILITY                   §                                   OF TEXAS**  
**REGISTRATION                         §**

**COMMISSION STAFF’S SUPPLEMENTAL RECOMMENDATION ON  
ADMINISTRATIVE COMPLETENESS AND COMMENTS ON THE APPLICATION**

On June 30, 2021, Garth Duncan, Rhonda Hardin, and Evan Staton (collectively, Applicants) filed what appears to be an application for the sale, transfer, or merger (STM) of an exempt utility and associated registration number N0059. The Applicants filed supplemental information on October 14 and December 8, 2021.

On November 3, 2021, the administrative law judge (ALJ) filed Order No. 6, requiring Staff (Staff) of the Public Utility Commission of Texas (Commission), to file supplemental comments regarding this application, recommendations regarding notice and under what applicable law this proceeding was filed and would be processed, and to propose a procedural schedule, if appropriate, by January 7, 2022. Therefore, this pleading is timely filed.

**I.           ADMINISTRATIVE COMPLETENESS**

As detailed in the attached memorandum from Patricia Garcia in the Commission’s Infrastructure Division, recommends that the application is administratively complete. As detailed in Ms. Garcia’s memorandum, Ms. Hardin has filed an affidavit of her intent to relinquish the exempt utility registration identified by the registration number N0059. Additionally, Mr. Staton has provided a completed application for an exempt utility registration. Accordingly, Staff respectfully recommends that the application be found to be administratively complete. Staff’s recommendation on administrative completeness is not a comment on the merits of the application.

**II.          NOTICE**

At this time, Staff recommends that the Applicants proceed with providing public notice to all current customers and to each future customer at the time they connect to the system. Staff respectfully recommends that Mr. Staton be ordered to provide notice of the application to all existing customers and to file in the docket a copy of the signed “Water Service Application/Agreement” from each of the existing customers. A copy of the required form is

attached to this pleading. The relevant “Water Service Application/Agreement” is contained on page numbers 9 and 10 of the attached document.

### **III. PROCEDURAL SCHEDULE**

Staff respectfully requests the adoption of the following procedural schedule for the further processing of this docket:

<b>Event</b>	<b>Date</b>
Deadline for the Applicants to file signed Water Service Application/Agreement forms in the docket.	February 7, 2022
Deadline for Staff to file a supplemental recommendation on sufficiency of notice	February 17, 2022

### **IV. CONCLUSION**

For the reasons detailed above, Staff recommends that the application be found administratively complete, that the Applicants be directed to provide notice as described in the attached memorandum, and that the proposed procedural schedule be adopted. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: January 7, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

Rustin Tawater  
Managing Attorney

/s/ John Harrison \_\_\_\_\_  
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**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on January 7, 2022, in accordance with the Order Suspending Rules, filed in Project No. 50664.

/s/ John Harrison \_\_\_\_\_  
John Harrison

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** John Harrison, Attorney  
Legal Division

**FROM:** Patricia Garcia, Senior Engineering Specialist  
Infrastructure Division

**DATE:** January 7, 2022

**RE:** Docket No. 52290 – *Application of Evan Staton for Sale, Transfer, or Merger of Exempt Utility Registration*

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On January 15, 2021, Evan Staton (Mr. Staton) filed a handwritten “Exempt Utility Information Form” for transfer of an exempt utility owned and operated by Garth Duncan and Rhonda Hardin (Ms. Hardin) in Erath County, Texas. The application was reviewed under 16 TAC § 24.229(e), a utility is exempt from the requirement to possess a certificate of convenience and necessity (CCN) in order to provide retail water service if it has less than 15 potential service connections.

On August 30, 2021, Commission Staff requested the docket be restyled as the *Petition of Garth Duncan and Rhonda Hardin to Cancel an Exempt Utility Registration and of Evan Staton to Obtain an Exempt Utility Registration*.

On September 23, 2021, Ms. Hardin, first name spelled Ronda, the responsible party listed in the Commission’s water utility database, submitted a letter signed and notarized indicating her request to relinquish the exempt utility registration identified by the registration number N0059. On December 8, 2021, Mr. Staton submitted a typed “Exempt Utility Registration Form” application indicating only Ms. Hardin as the previous owner. The application submitted on December 8, 2021 is not signed, however the “Exempt Utility Registration” filed on January 15, 2021 is signed by Mr. Staton. I recommend this signature be accepted.

Based on the mapping review by Tracy Montes, Infrastructure Division, the maps submitted on October 14, 2021 are sufficient. Based on my technical and managerial review of the additional information filed by Ms. Hardin on September 23, 2021 and Mr. Staton on December 8, 2021, I recommend that the application be deemed administratively complete. A copy of the required customer notice and service rules must be provided to each current customer and to each future customer at the time they connect to the system. I recommend that Mr. Staton be ordered to provide notice of the application to the existing customers and file in the docket a copy of the signed “Water Service Application/Agreement” from each of the existing customers.

## LONE OAK WATER

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(Utility Name)

**CUSTOMER NOTICE: THIS UTILITY SERVICE PROVIDER IS EXEMPT FROM MANY OF THE REQUIREMENTS FOR UTILITIES, BUT IT STILL MUST COMPLY WITH THESE SERVICE RULES. THE COMMISSION WILL NOT REVIEW RATE CHANGES UNLESS PROTESTED BY AT LEAST 50% OF THE CUSTOMERS WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THE RATE CHANGE.**

### **REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES**

#### Rate Changes

Rates can be changed no more than once per year without the approval of the commission. Customers will be given a notice of rate change which states the effective date of the rate change, the old rates, the new rates, the commission's address and a statement that written protests can be submitted to the commission.

#### **Application for and Provision of Water Service**

All new applicants will be given a copy of this Exempt Utility Tariff.

Where service has been disconnected for nonpayment of a bill, service will be reconnected within one working day after the customer has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service line from the utility's point of connection on the customer's property to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

#### Refusal of Service

This exempt utility is **not required** to have a designated service area and is **not obligated** to serve every applicant for service but is required to provide service in a nondiscriminatory manner.

#### Customer Deposits

Refund of deposit - If service is not connected, or after permanent disconnection of service to a customer, the utility will promptly refund, within 30 days, the customer's deposit or the balance, if any, in excess of the unpaid bills for service furnished.

# LONE OAK WATER

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(Utility Name)

## **Meter Requirements, Readings, and Testing**

One meter or connection may be required for each customer. The exempt utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make a test of the accuracy of the customer's meter. The test may be made using a container of known volume.

A meter test will cost \$ \_\_\_\_\_ Following the completion of any requested test, the utility will promptly advise the customer in writing of the results. If the meter is in error by more than 3% the meter should be replaced at the utility's expense. Meters will be read at (preferably monthly) intervals.

## **Billing**

Bills from the utility will be mailed at intervals specified in the service agreement. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees, is not received at the designated payment location by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

## **Late Fee**

A late penalty may be charged (if listed on the tariff) on bills received after the due date. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide the following information (at a minimum): The total amount due for water service, the due date of the bill and a telephone number (or numbers) for customers to call if they have questions.

## **Metered Service**

If service is metered the bill must also state the date and reading of the meter at the beginning and end of the period for which the bill is rendered, and the numbers of gallons consumed.

## **Service Disconnection and Disputed Bills**

If a customer or applicant for service files a complaint about all or a portion of the bill, the utility will promptly investigate the matter and advise the complainant of the results. Service may not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he/she has recourse through the Public Utility Commission of Texas complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

## LONE OAK WATER

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(Utility Name)

The exempt utility is encouraged, **but not required**, to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of disconnection has been given.

Notice of disconnection must be a separate mailing or hand delivery.

Utility service may also be disconnected without notice if an imminent hazard to the utility system exists.

The utility is required to reconnect service after a customer who has been disconnected for nonpayment pays a delinquent bill and any other applicable fees in accordance with this tariff and any applicable service agreement. The utility may permanently disconnect service to an existing customer only if authorized to in writing by commission and after notice has been issued.

### **Reconnection of Service**

Service will be reconnected within 24 hours, unless otherwise stated on the service agreement, after the past due bill, reconnection fee and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

### **Service Interruptions**

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time.

### **Quality of Service**

The utility will provide properly treated and disinfected water and facilities with sufficient pressure and capacity for reasonable consumer uses unless otherwise stated on the service agreement.

### **Standard Extension Requirements**

All practices and policies related to the extension of service to new applicants or restoration of service must be reasonable and nondiscriminatory.

### **Specific Utility Rules**

(May not conflict with commission required rules. Attach additional pages if needed.)



# WATER SERVICE APPLICATION/AGREEMENT

Date \_\_\_\_\_

Exempt Utility Name \_\_\_\_\_  
Business Address Street \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
(AC)Telephone \_\_\_\_\_

## APPLICATION FOR WATER SERVICE

Name of Applicant/Customer: \_\_\_\_\_  
Service Location: \_\_\_\_\_  
Billing Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_

### Check Applicable Items:

Residential     Owner     Commercial     Tenant

The Exempt Utility agrees to sell and deliver water to the Applicant and the Applicant agrees to purchase and receive water from the Utility in accordance with the rules and regulations required by the Public Utility Commission of Texas which are included in its Exempt Utility Tariff and any other rules or requirements contained in this agreement.

Water will  Will not  be disinfected. Water will  will not  be measured by meters which are furnished, installed, owned and maintained by the Utility. The meter and/or connection is for the sole use of the Applicant/Customer to serve water to one dwelling, business or property. The Applicant/Customer shall not share, resell, or submeter water to any other dwelling, business, property, etc., without the specific written authorization of the Utility and in compliance with applicable laws and regulations.

The Utility has the right to locate a water service meter/connection and the pipe necessary to connect the meter to the utility's water main on the property of the Applicant at a point mutually agreeable to both the Utility and the Applicant. The Applicant/Customer will allow the Utility access at all reasonable times to its property and equipment located upon Applicant/Customer's premises for the limited purposes of reading the water meter, repairing or replacing existing facilities and the inspection of the Applicant/Customer's facilities to check for illegal connections or unsafe plumbing practices or cross-connections, in compliance with the requirements of the Texas Commission on Environmental Quality's "Rules and Regulations for Public Water Systems."

The Applicant will install, at his own expense, a service line from the water meter/connection to the Applicant's point of use which includes  /does not include  a cutoff valve on the Applicant's side of the water meter/connection. The Applicant/Customer will be responsible for maintenance and repair of the Applicant/Customer's service line. The Applicant/Customer shall hold the Utility harmless from any and all claims or demands for damage to real or personal property occurring from the point the Applicant/Customer ties on the water meter/connection to the final destination of the line installed by Applicant/Customer.

The Applicant agrees to grant to the utility an easement/right-of-way for the purpose of installing, maintaining and operating such pipe lines, meters, valves, and any other equipment which may be deemed necessary for the provision of Utility service to that Applicant/Customer. The utility will attempt to restore the Applicant/Customer's property to its original condition after installation or repairs. This easement may be in such form as is required by the utility. The Applicant/Customer agrees not to interfere with the utility's employees in the discharge of their duties. The Applicant/Customer will not permit anyone except the utility's employees to tamper with or interfere with any of the utility's equipment installed on the Applicant/Customer's premises.

**Non-standard Service**

Will the Applicant's use of water place unique, non-standard service demands upon the system or require any special facilities?     No     Yes. If yes, please describe:

**OTHER AGREEMENTS OR REQUIREMENTS FOR SERVICE**

The service applicant has been provided a copy of the utility's exempt utility tariff and agrees to pay the rates in the tariff and abide by the requirements in this service agreement. This utility is exempted from most of the requirements for water utilities as long as service is provided in accordance with the exempt utility tariff. The commission will not review rate changes by the utility unless it receives written protests from at least 50% of the customers within 90 days after the effective date of a rate change.

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Signature of Applicant or Customer Date

\$ \_\_\_\_\_ Tap Fee Collected                      \$ \_\_\_\_\_ Deposit Collected

Service will be connected at the service location on or about \_\_\_\_\_ 20 \_\_\_\_\_

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Utility Representative Date