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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	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Ronda Hardin to cancel her exempt utility registration number N0059 and the application of Evan Staton to register the exempt utility formerly held by Ms. Hardin under a new exempt utility registration number. The Commission cancels Ms. Hardin’s exempt utility registration number N0059 and issues exempt utility registration number N0081 to Mr. Staton.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Ms. Hardin is an individual.
2. Ms. Hardin currently holds exempt utility registration number N0059 issued by the Commission.
3. The water utility operated under exempt utility registration number N0059 includes one water well, 16 acres, and 12 existing water customer connections and two additional potential connections in Erath County.
4. Mr. Staton is an individual.
5. Mr. Staton recently purchased from Ms. Hardin the water utility operated under exempt utility registration number N0059.

Application

6. On June 30, 2021, Ms. Hardin and Mr. Staton filed an exempt utility information form seeking to transfer Ms. Hardin’s exempt utility registration to Mr. Staton.
7. On September 23, 2021, Ms. Hardin filed a sworn letter of intent to relinquish exempt utility registration number N0059.

8. On August 30, 2021, Mr. Staton filed supplemental information.
9. On December 8, 2021, Mr. Staton filed an amended application for an exempt utility registration. Included with the amended application was an explanation from Mr. Staton that Lone Oak Water was not registered with the Texas Commission on Environmental Quality and was the name being used for the subdivision.
10. On October 14, 2021, Mr. Staton filed supplemental information, which included a general and detail location map.
11. As a result of the transaction, Ms. Hardin's exempt utility registration number N0059 will be cancelled, and the water utility, including the well and facilities, that had been owned and operated under Ms. Hardin's exempt utility registration number N0059 will be owned and operated under Mr. Staton's exempt utility registration number N0081.
12. In Order No. 7 filed on January 10, 2022, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

Notice

13. On March 4, 2022, Mr. Staton filed water service agreements as proof of notice to the 12 affected customers.
14. In Order No. 9 filed on April 18, 2022, the ALJ found the notice sufficient.

Evidentiary Record

15. In Order No. 10 filed on July 18, 2022, the ALJ admitted the following evidence into the record: (a) Mr. Staton's exempt utility registration form filed on December 8, 2021; (b) Commission Staff's supplemental recommendation on administrative completeness and comments on the application filed on January 7, 2022; (c) Mr. Staton's detailed maps for the location of Lone Oak Water filed on October 14, 2021; (d) Ms. Hardin's sworn letter of intent to relinquish exempt utility registration number N0059 filed on September 23, 2021; (e) Mr. Staton's signed customer notice forms filed on March 4, 2022; (f) Ms. Hardin's signed consent form filed on May 16, 2022; (g) Mr. Staton's unsigned consent form filed on May 19, 2022; (h) Mr. Staton's signed consent form, attached to Commission Staff's informational filing, filed on June 29, 2022; and (i) Commission Staff's final recommendation, including all attachments thereto, filed on June 3, 2022.

Effect on Customers

16. Ms. Hardin's relinquishment will have no effect on the 12 existing customers because Mr. Staton filed service agreements demonstrating that he will continue to serve those customers.

Certificate Not Required

17. The water utility at issue in this proceeding has less than 15 potential service connections.
18. The water utility at issue in this proceeding is not owned by or affiliated with a retail public water utility or any other provider of potable water service.
19. The service area of the water utility at issue in this proceeding is not within the certificated area of another retail public water utility.
20. The service area of the water utility at issue in this proceeding is not within the corporate boundaries of a district or municipality.

Tariffs and Maps

21. On May 6, 2022, Commission Staff emailed the proposed exempt utility water tariff and map to Ms. Hardin and Mr. Staton for review and consent.
22. On May 16, 2022, Ms. Hardin filed a consent form concurring with the exempt utility water tariff and map as prepared by Commission Staff.
23. On June 3, 2022, Commission Staff filed the proposed exempt utility water tariff and map as attachments to its final recommendation.
24. On June 29, 2022, Commission Staff filed, on behalf of Mr. Staton,¹ Mr. Staton's consent form concurring with the proposed exempt utility water tariff and map.

Informal Disposition

25. More than 15 days have passed since the completion of notice provided in this proceeding.
26. Ms. Hardin, Mr. Staton, and Commission Staff are the only parties to this proceeding.
27. No protests or motions to intervene were filed.

¹ The consent form was sent to Commission Staff via email by Mr. Staton who indicated that he had difficulty uploading a signed consent form after inadvertently uploading an unsigned consent form on May 19, 2022.

28. No party requested a hearing and no hearing is needed.
29. Commission Staff recommended approval of the application.
30. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over the application under TWC §§ 13.041, 13.242(c), and 13.250.
2. The water utility registered as an exempt utility under number N0059 is properly registered as an exempt utility in accordance with 16 TAC § 24.229(e).
3. Mr. Staton's application complied with the mapping requirements in 16 TAC § 24.229(e)(6).
4. Mr. Staton provided reasonable notice to the 12 existing customers in accordance with 16 TAC § 22.55.
5. Mr. Staton demonstrated that the cancellation of exempt utility registration number N0059 will not adversely affect current customers.
6. Mr. Staton is not required to obtain a certificate of convenience and necessity to provide water service under TWC § 13.242(c) and 16 TAC § 24.229(e).
7. Mr. Staton's application for a new exempt utility registration was processed in accordance with the requirements of TWC § 13.242(c) and 16 TAC § 24.229(e).
8. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,² the TWC, and Commission rules.
9. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

² Texas Gov't Code §§ 2001.001–.903.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission cancels Ms. Hardin's exempt utility registration number N0059.
2. The Commission approves Mr. Staton's registration of the exempt utility and associated area in Erath County, formerly held by Ms. Hardin, under new exempt utility registration number N0081, as shown on the map attached to this Notice of Approval.
3. The Commission approves the map and exempt utility water tariff attached to this Notice of Approval.
4. Mr. Staton must comply with the service rule requirements in the attached exempt utility tariff.
5. Mr. Staton must provide a copy of the exempt utility tariff for exempt utility registration number N0081 to each future customer at the time service is requested and upon request to each current customer.
6. Mr. Staton must maintain a current copy of the exempt utility tariff approved in this Notice of Approval at his business location.
7. Mr. Staton may not change the rates charged under exempt utility registration number N0081 unless he follows the procedure outlined in 16 TAC § 24.22(e)(7)(B).
8. Mr. Staton must not cease operations under exempt utility registration number N0081 unless he obtains written authorization from the Commission.
9. Within ten days of the date of this Notice of Approval, Commission Staff must provide a clean copy of the approved exempt utility water tariff to Central Records to be marked *Approved* and filed in the Commission's tariff books.
10. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the 18th day of July 2022.

PUBLIC UTILITY COMMISSION OF TEXAS


A handwritten signature in black ink, appearing to read 'Isaac TA', written over a horizontal line.

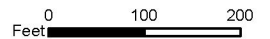
**ISAAC TA
ADMINISTRATIVE LAW JUDGE**

Lone Oak Water
Water Service Area
Exempt Utility Registration No. N0081
PUC Docket No. 52290
Obtained New Exempt Utility Registration No. and
Transferred all of Lone Oak Water System, Exempt Utility Registration No. N0059 in Erath County



Exempt Utility Water Service Area

 N0081 - Lone Oak Water





EXEMPT UTILITY WATER TARIFF FORM
Docket No. 52290
Exempt Registration No. N0081

Lone Oak Water
(Water System Name)

(254) 434-7232
(Phone Number)

CR 258/PR 1604
(Utility Address)

Stephenville, TX 76401
(City, State, Zip Code)

Rate Schedule
Residential

Monthly Minimum Charge
\$65.00 (Includes 6,000 gallons)

Gallonage Charge
\$10.83 per 1000 gallons

Commercial

FORM OF PAYMENT: The utility will accept the following forms of payment:
Cash , Check , Money Order, Credit Card, Other (specify) _____

REGULATORY ASSESSMENT 1.0%
A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER.

TAP FEE \$0.00

RECONNECTION FEE
THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:
a) Non-payment of bill (not to exceed \$25 without justification) \$20.00
b) Customer's request \$0.00
c) Transfer Fee \$0.00

LATE CHARGE \$5.00
FOR BILLS NOT RECEIVED BY THE DUE DATE

RETURNED CHECK CHARGE \$30.00

CUSTOMER DEPOSIT \$20.00

METER TEST FEE \$0.00

The attached Service Rules are part of this tariff.
Docket No. 52290

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.

Every service applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills, meter tampering, bypassing of meter or failure to comply with applicable state and municipal regulations or regulations of the utility shall be required, before service is resumed, to pay all amounts due the utility or execute a deferred payment agreement, if offered, and may be required to pay a deposit if the utility does not currently have a deposit from the customer. The burden shall be on the utility to prove the amount of utility service received but not paid for and the reasonableness of any charges for such unpaid service, as well as all other elements of any bill required to be paid as a condition of service restoration.

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 \$0.00. 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.

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REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES (Continued)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 workday 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 at least the following: 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.

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 the Commission after notice has been issued.

REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES (Continued)

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.

A reconnection fee will be applied to the customer's account for reconnection of service. Payment of all service charges and fees must be received by 5:00 pm of the regularly scheduled workday in order to have water service reconnected that day. When 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, including paying the past-due bill, reconnection fee, and any other outstanding charges.

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.

Applicant/Customer's Signature

Date ____/____/____

\$_____ Tap Fee Collected

\$_____ Deposit Collected

Service will be connected at the service location on or about _____, 20_____.

Utility Representative

Date ____/____/____