

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

Subchapter K. ENFORCEMENT, SUPERVISION, AND RECEIVERSHIP.

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

- (a) After providing a utility with notice and an opportunity for a hearing, the commission may appoint a willing person, municipality, or political subdivision to temporarily manage and/or operate a utility that:
 - (1) has discontinued or abandoned operations or the provision of services; or
 - (2) is being referred to the attorney general for the appointment of a receiver under TWC §13.412 for:
 - (A) having expressed an intent to abandon or abandoned operation of its facilities;
 - (B) having violated a final order of the commission;
 - (C) having allowed any property owned or controlled by it to be used in violation of a final order of the commission; or
 - (D) having violated a final judgment issued by a district court in a suit brought by the attorney general under:
 - (i) Chapter 13, Texas Water Code;
 - (ii) Chapter 7, Texas Water Code; or
 - (iii) Chapter 341, Texas Health and Safety Code.
- (b) Appointment under this section may be by emergency order under chapter 22, subchapter P of this title (relating to Emergency Orders for Water Utilities). A corporation may be appointed as a temporary manager.
- (c) Abandonment includes, but is not limited to:
 - (1) failure to pay a bill or obligation owed to a retail public utility or to an electric or gas utility with the result that the utility service provider has issued a notice of discontinuance of necessary services;
 - (2) failure to provide appropriate water or wastewater treatment so that a potential health hazard results;
 - (3) failure to adequately maintain facilities or provide sufficient facilities resulting in potential health hazards, extended outages, or repeated service interruptions;
 - (4) failure to provide customers adequate notice of a health hazard or potential health hazard;
 - (5) failure to secure an alternative available water supply during an outage;
 - (6) displaying a pattern of hostility toward or repeatedly failing to respond to the commission or the utility's customers; and
 - (7) failure to provide the commission or its customers with adequate information on how to contact the utility for normal business and emergency purposes.
- (d) This section does not affect the authority of the commission to pursue an enforcement claim against a utility or an affiliated interest.