

ALABAMA PUBLIC SERVICE COMMISSION
ADMINISTRATIVE CODECHAPTER 770-X-9
WASTEWATER MANAGEMENT ENTITY RULES770-X-9-.08 Standardized Financial Operations And Management
(Rule WW-8).

(1) MEs shall be established and exist as separate business entities and not as subsets or divisions of other business entities.

(2) MEs shall limit business activities to those authorized by the Commission. If a ME seeks authority to conduct business activities other than the operation of cluster or community wastewater systems as defined in Code of Ala. 1975, §22-25B-1, it must submit a petition to the Commission requesting that authority. The ME has the burden of showing that any business activities other than operation of wastewater systems listed on its certificate would not negatively impact the financial viability of the ME. If the Commission approves the petition to conduct such business activities, the ME shall maintain separate accounting for the activities covered by the PSC certificate and the additional activities.

(3) MEs shall not contribute capital toward the initial design, equipment purchase, or construction of wastewater systems, or purchase a wastewater system, without the prior written approval of the Commission.

(4) MEs shall not borrow against wastewater system assets or in any manner pledge such assets as security without the prior written approval of the Commission.

(5) MEs shall take measures to ensure that subdivision or development "Covenants to Run with the Land" are in place to protect their interest as the wastewater service provider for the development.

(6) MEs shall employ water service lock-out valves for the purpose of disconnecting sewer service for non-payment or other tariff violation.

(7) MEs shall maintain a reserve account as a separate company bank account. All revenue derived from reserve rate riders approved by the PSC shall be deposited into such reserve account monthly. Unless an emergency requires immediate access to funds to prevent system failure, MEs shall not make a withdrawal from this reserve account until a petition has been submitted to the Commission and approval granted. If a ME withdraws from its

reserve account in response to an emergency, the ME must notify the Commission within 48 hours of the nature of the emergency and the amount withdrawn.

(8) Titling of Wastewater System Property

(a) The components of the wastewater treatment plant, collection system and disposal system shall be the property of the ME. Residential on-lot wastewater treatment facilities may be customer-owned.

(b) The wastewater sewerage treatment plant, collection system and disposal area may be situated within easements. Such easements may be located within the common area of the subdivision or condominium, or on privately held real property in the name of the ME, or held in trust.

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Statutory Authority: Code of Ala. 1975, §22-25B-6.

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