

**DOCKET 31164**

ATTACHMENT A

**WASTEWATER MANAGEMENT ENTITY RULES  
OF THE  
ALABAMA PUBLIC SERVICE COMMISSION**

Promulgated on August 25, 2009

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WASTEWATER MANAGEMENT ENTITY RULES  
OF THE  
ALABAMA PUBLIC SERVICE COMMISSION

RULE WW-1  
APPLICATION AND SCOPE

- (A) These rules and regulations shall apply to all Wastewater Management Entities (or “MEs”) subject to the jurisdiction of the Alabama Public Service Commission. They are intended to promote good practices, to assure adequate and efficient service to the public at a reasonable cost, and to establish the rights and responsibilities of both the Wastewater Management Entity and the customers of such entities.
- (B) If compliance with any of these rules causes unusual hardship, application may be made to the Commission for modification of the rules or for temporary exemption from their requirements, provided the Wastewater Management Entity submits with such application a complete explanation as to the reason therefore.
- (C) No deviation from these rules shall be permitted without written authorization granted by the Commission.
- (D) Adoption of these rules shall in no way preclude the Commission, upon complaint or upon its own motion, from altering or amending them, in whole or in part after the provision of appropriate notice.
- (E) It is not intended that any rule or regulation herein shall supersede or conflict with an applicable regulation of the State of Alabama, the Alabama Department of Public Health, the Alabama Department of Environmental Management or the United States Environmental Protection Agency.
- (F) The adoption of these rules shall in no way relieve any Wastewater Management Entity from any duties under the laws of the State of Alabama.

RULE WW-2  
DEFINITIONS

- (A) ADEM. The Alabama Department of Environmental Management
- (B) ADPH. The Alabama Department of Public Health

- (C) CERTIFICATE OF FINANCIAL VIABILITY. The certification by the Alabama Public Service Commission of the financial viability of a Wastewater Management Entity's current and future financial standing pursuant to applicable Alabama law including, but not limited to, *Code of Alabama* 1975, §22-25B-1, *et seq.*
- (D) CONTRIBUTION IN AID OF CONSTRUCTION (CIAC). Contributed wastewater system property conveyed to a Wastewater Management Entity free and clear of all liens and encumbrances.
- (E) CLUSTER WASTEWATER SYSTEM. An integrated wastewater collection system and/or treatment system or multiple systems serving a single development or contiguous developments, which collectively have a design flow of 15,000 GPD or less, and is designed and permitted for discharge of the treated wastewater to a subsurface distribution system, but excluding systems that discharge directly to surface waters of the state. The system must be designed by and certified by a licensed professional engineer to comply with design and permit requirements established by the Department of Public Health. The term "cluster wastewater system" does not include a small-flow cluster system.
- (F) COMMUNITY WASTEWATER SYSTEMS. An integrated wastewater collection system and/or treatment system or multiple systems serving a single development or contiguous developments, which collectively have a design flow of more than 15,000 GPD, and is designed and permitted for discharge of the treated wastewater to a subsurface distribution, but the term specifically excludes systems that discharge directly to surface waters of the state. The system must be designed and certified by a licensed professional engineer to comply with the design and permit requirements established by ADEM.
- (G) COMMISSION. The Alabama Public Service Commission or the "PSC"
- (H) CUSTOMER. A person, business, or other entity, public or private, that is connected or eligible for connection to a certified Wastewater Management Entity's wastewater system upon proper payment of costs and fees and is subject to rates approved by the Public Service Commission.
- (I) DEPARTMENT. The Alabama Department of Public Health or The Alabama Department of Environmental Management as specified.
- (J) DESIGN FLOW. The average daily flow that a wastewater system will treat with appropriate consideration given to maximum flow periods, equalization, and organic loading.
- (K) DRAFT PERMIT. A preliminary permit issued by ADEM or ADPH setting forth the discharge and other requirements which will be included in the final permit that may be issued upon compliance with the department rules.
- (L) EFFLUENT. Treated wastewater
- (M) GPD. Gallons per day
- (N) LOT EQUIPMENT. The laterals, septic tank, other tanks, pumps, filters, controls and any other component of a collection system located on the lot owner's premises. The

Wastewater Management Entity is responsible for operation, maintenance, and replacement of such equipment.

- (O) ME. A Wastewater Management Entity
- (P) SMALL-FLOW CLUSTER SYSTEM. A wastewater system serving four or fewer dwellings, apartment units, or other establishments whether owned by a single person or multiple persons, including individual single-user septic tank systems but excluding systems that discharge directly to the waters of the state.
- (Q) PSC. The Alabama Public Service Commission
- (R) VACANT LOT FEES. Sewer System Access Fees that allow Wastewater Management Entities to collect funds that enable said WMEs to make sewer system access available at a later date.
- (S) WASTEWATER. Waterborne waste of similar composition as may be found in the typical residence or dwelling and sometimes referred to as sewage; but not to include wastewater generated at an industrial nonresidential site.
- (T) WASTEWATER MANAGEMENT ENTITY. An entity which exercises sole responsibility for the operation and maintenance of one or more cluster or community wastewater systems under the jurisdiction of the PSC.
- (U) WASTEWATER SYSTEM. An integrated specialized technological process for the collection, treatment, processing, disposal, discharge, and reuse of domestic wastewater generated by multiple dwellings or establishments, including single structures with multiple units, sometimes referred to as a wastewater plant.

RULE WW-3  
APPLICATION FOR  
CERTIFICATES OF FINANCIAL VIABILITY  
AND MODIFICATIONS THEREOF

- (A) (1) All Wastewater Management Entities who seek a Certification of Financial Viability, except those who have already had their financial viability verified by the PSC Staff and approved by ADPH prior to the effective date of *Code of Alabama, 1975, §22-25B-1, et seq.*, shall file an application with the PSC seeking such certification of their financial viability. A Certificate of Financial Viability must be issued by the PSC prior to the issuance of a new operating permit by ADEM or ADPH. The fee which must accompany each such application for a Certificate of Financial Viability shall be \$700.00. Such applications for a Certificate of Financial Viability may apply to multiple systems for the \$700.00 filing fee. In addition to any special requests by the Commission, the following

will be required with respect to applications seeking certification of financial viability:

(2) Form of Application

1. Each application shall be addressed to the Alabama Public Service Commission and filed with the Secretary of the Commission.
2. Each application shall be subscribed and sworn to before a notary public or other officer authorized to administer oaths, by the owner, officer, general partner or other responsible individual member of applicant's management.
3. Each application shall specify or include by exhibit attached thereto, the following:
  - a. Full and accurate name and address of the applicant.
  - b. Character of the organization; e.g., corporation, LLC, partnership, or individual proprietorship.
  - c. Proposed tariff showing all rates, classifications and charges for service of every kind furnished or to be furnished and all Rules and Regulations. (See Appendix A)
  - d. Worksheets for rates, detailing the data and calculations used to arrive at such rates which must be cost-based.
  - e. Detailed description of proposed service area including service area map.
  - f. Detailed description of the wastewater system(s) including a description of the collection system(s) and the treatment facility(s).
  - g. Copy of franchise agreement(s) and/or approval(s) of municipal authorities (or county permits).
  - h. Estimate, in reasonable detail, of the cost of proposed construction.
  - i. Draft operational permit number(s).
  - j. All documents pursuant to Rule WW-6 and Rule WW-7.
  - k. Estimated revenue to be derived from this operation, indicating the estimated number of consumers in each classification of service. Include and itemize estimated revenue to be derived from vacant lot fees or sewer system access fees.
  - l. Copies of operators/installers licenses.
  - m. Copies of all contracts pertaining to wastewater system(s) to which the ME is a party.
  - n. Copies of all relevant deeds and trust indentures.
  - o. Copies of all regulatory compliance enforcement documents received by applicant in the last two years.

- (B) In addition to initial applications seeking a Certificate of Financial Viability, Wastewater Management Entities who already hold a Certificate of Financial Viability issued by the PSC may seek a modification of their existing Certificate by filing an Application for

Modification of an Existing Certificate of Financial Viability. Applications for Modification of an Existing Certificate of Financial Viability may encompass multiple systems for the required filing fee of \$300.00. Such Applications for Modification must include all of the information required by Rule WW-3(A)(2) that has not been previously provided to the Commission. Modification of an existing Certificate of Financial Viability shall be mandatory before a new operating permit is issued by ADEM or ADPH or before an operating permit is modified by ADEM or ADPH.

- (C) The original and one (1) copy of all applications for certification of financial viability or modification of existing certificates shall be filed with the Commission if applicant also submits applications online using the PSC website. Otherwise, an original and ten (10) copies are required for submittal.

RULE WW-4  
APPLICATION FOR  
CERTIFICATE RENEWAL

Applications for the renewal of Certificates of Financial Viability may apply to multiple certificates as previously issued. Each such application for renewal must be accompanied by an application fee of \$300.00 if the renewal request does not involve any simultaneous modifications. Renewal requests also involving modification(s) must be accompanied by an application fee of \$500.00.

1. Wastewater management entities shall submit applications for the renewal of their Certificates of Financial Viability issued by the PSC as required by *Code of Alabama*, 1975, §22-25B-1, *et seq.*
2. The original and one (1) copy of applications for Certificate of Financial Viability renewals shall be filed with the Commission if applicant also submits applications online using the PSC website. Otherwise, an original and ten (10) copies must be submitted. Such renewals must be submitted at least 90 days in advance of the expiration date of the Certificate of Financial Viability sought to be renewed. Applicants may renew only those certificates previously issued by the PSC which remain in good standing and have not been revoked and/or suspended by PSC order.
3. Form of Renewal Applications
  - a. Each application shall be addressed to the Alabama Public Service Commission and filed with the Secretary of the Commission.
  - b. Each application shall be subscribed and sworn to before a notary public or other officer authorized to administer oaths, by the owner, officer, general partner or other responsible individual member of applicant's management.

- c. Each application shall specify or include by exhibit attached thereto, the following:
- (1) Full and accurate name and address of the applicant
  - (2) PSC certificate or docket number
  - (3) ADEM or ADPH operating permit number for each wastewater system added in last two years.
  - (4) Copies of all deeds and trust indentures for wastewater systems acquired in the last two years.
  - (5) Current number of customers and number of vacant lots for each wastewater system
  - (6) Data reflecting all disconnections for nonpayment, late payments, and uncollectible accounts for each wastewater system for each of the preceding two years
  - (7) Describe capital equipment replacements and single repairs made in excess of \$1,500.00 in or to each wastewater system over the preceding two years
  - (8) Describe any modifications within the preceding two years for each wastewater system covered by each certificate for which renewal is sought.
  - (9) All documents pursuant to Rule WW-6 and Rule WW-7.
  - (10) Copies of all contracts pertaining to wastewater system(s) in Alabama to which the ME is a party entered into in the preceding two years
  - (11) Copies of all regulatory compliance enforcement documents pertaining to wastewater system(s) received by applicant in the preceding two years.
  - (12) Copies of the last twelve (12) bank account statements for the Commission-required reserve account.

<p><b><u>RULE WW-5</u></b></p> <p><b>EXPANSION OF A CERTIFICATED AREA</b></p>
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- (A) Wastewater Management Entities may, following the submission of a PSC approved Application for Modification of a Certificate of Financial Viability prescribed herein by Rule WW-3(B), furnish sewer service to property owners whose lands abut the Main Line of existing wastewater systems where it is technically feasible and the developer or property owner is willing to bear the expense of designing and building the wastewater system expansion.
- (B) Applications for service area expansion shall include the following:
1. Detailed description of proposed expansion to wastewater system.

2. Number of projected additional customers for each classification for each year until build out and the total number of customers at expansion build-out.
3. Copies of all contracts pertaining to the expansion to which the ME is a party.
4. Wastewater system operating permit number and PSC Certificate or Docket number.

<p><u>RULE WW-6</u> RECORDS AND REPORTS</p>
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- (A) On or before April 15 of each year, each ME shall file annual financial operating and statistical reports upon forms prescribed by or authorized by the Commission. All foot notes and instructions contained on the report forms prescribed or authorized by the Commission for making annual reports must be carefully observed.
- (B) Each ME shall furnish the Commission, at such time and in such form as the Commission may require, the results of any tests and summaries of any required records. The ME shall also furnish the Commission any information concerning the ME's facilities or operations which the Commission may request for determining rates or assessing the business practices of the ME. All such data, unless specified, shall be consistent with and reconcilable with the ME's Annual Report to the Commission.

<p><u>RULE WW-7</u> FINANCIAL ASSURANCE REQUIREMENTS</p>
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- (A) Whenever required by Commission Rules and Regulations, each ME shall provide proof of a security in the amount of one hundred percent (100%) of gross annual revenue or \$100,000, whichever is greater. Such financial security shall be in the form of a bond (See Appendix B) or irrevocable letter of credit (See Appendix C) made payable to the PSC. If an ME proposes to post financial security other than the type or amount permitted here, it must file a separate petition with the Commission and obtain PSC approval for such other financial security.
- (B) Wastewater Management Entities shall ensure that the PSC is notified at least thirty (30) days prior to any termination action concerning an irrevocable letter of credit that will not be renewed. At least thirty (30) days written notice shall also be required prior to the expiration date for a bond of non-perpetual duration that is not renewed or a bond that is otherwise terminated. Written notification by means of certified mail to the PSC shall be required.

- (C) Whenever required by Commission Rules and Regulations, each ME shall provide proof of general commercial liability insurance in the amount of \$2,000,000 general aggregate.

RULE WW-8  
STANDARDIZED FINANCIAL OPERATIONS  
AND MANAGEMENT

- (A) Wastewater Management Entities shall be established and exist as separate business entities and not as subsets or divisions of other business entities.
- (B) Wastewater Management Entities shall limit business activities to those allowed by their Commission-approved tariffs.
- (C) Wastewater Management Entities shall not contribute capital toward the initial design, equipment purchase, or construction of wastewater systems. Wastewater Management Entities shall not borrow against wastewater system assets or in any manner pledge such assets as security without the prior written approval of the Commission.
- (D) Wastewater Management Entity contracts with project developers shall contain provisions formulated to ensure wastewater systems are designed and constructed properly using methods and equipment of industry standard quality. *ADPH Minimum Construction and Testing Standards for Cluster Wastewater Systems* shall be used as a benchmark for industry standards. In addition, contract provisions shall require project developers to compensate Wastewater Management Entities for inspection, permitting, and other expenses incurred during the planning and construction stages of wastewater systems as well as wastewater system operating expense shortfalls during project build-out. In general, all contracts to which an ME is a party shall be written to protect the interests of the ME and its ratepayers over time.
- (E) Wastewater Management Entities shall take whatever measures necessary to ensure that subdivision or development “Covenants to Run with the Land” are in place to protect their interest as the sewer service provider for the development.
- (F) Wastewater Management Entities shall employ all available avenues to collect vacant lot fees and sewer systems access fees when due. Whenever possible, Wastewater Management Entities should have arrangements in place with the local issuer of Certificates of Occupancy to delay move-in until all Wastewater Management Entity requirements are met and fees are paid. Wastewater Management Entities may initiate disconnection procedures with respect to residential lots and business establishments where vacant lot or system access fees are outstanding in accordance with the provisions of their standardized tariff on file with the PSC.
- (G) Wastewater Management Entities shall employ water shut-off valves and/or sewer poppers to be used for the purpose of disconnecting sewer service for non-payment.

- (H) Wastewater Management Entities shall maintain a Commission-required 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. Withdrawals from reserve bank accounts shall be restricted to interceptor tank pumping and equipment replacements, including associated labor costs unless otherwise approved by the Commission. Such reserve accounts shall be used for all sewer system equipment replacements including equipment located on customer premises.
- (I) Wastewater system facilities furnished by project developers and property owners to Wastewater Management Entities shall be recognized as Contributions in Aid of Construction in accordance with Internal Revenue Code rules and regulations.
- (J) Titling of Wastewater System Property
  - i) The components of the wastewater sewage treatment plant, collection system and disposal system shall be the property of the wastewater management entity.
  - ii) 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 wastewater management entity, or held in trust.

<p><u>RULE WW-9</u> ADEQUATE SERVICE REQUIREMENTS</p>
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- (A) Wastewater Management Entities shall have operation and maintenance (O&M) procedures in place in order to ensure proper operation of wastewater systems. Such procedures shall be designed to ensure reliable sewer service and to minimize system O&M costs while complying with operating permit requirements. These procedures shall require the periodic pumping of interceptor tanks, treatment facility media replacement, preventive maintenance, and regular system inspections, at a minimum. These procedures shall apply equally to all wastewater system components located on customer premises.
- (B) Wastewater Management Entities shall have provisions in place to adequately respond to unscheduled service calls from their customers.
- (C) Wastewater Management Entities shall keep a record of all interruptions of service to their customers, including a statement of time, duration, and cause of such interruptions.

RULE WW-10  
ADMINISTRATIVE PROCEDURES

- (A) The initial application of each wastewater management entity seeking certification of such entity's financial viability shall be set for hearing pursuant to notice issued by the PSC. Such hearings shall be subject to the provisions of subsection (N) of this rule.

Wastewater Management Entity applicants shall bear the burden of proving to the satisfaction of the PSC during said hearings that such applicants are economically viable as required by the *Code of Alabama*, 1975, §22-25B-1, *et seq.* and that such applicants are familiar with and will comply with the requirements of *Code of Alabama*, 1975, §22-25B-1, *et seq.* as well as all implementing rules and regulations related thereto which have been or will be promulgated by the PSC. The PSC may also require in its discretion that the certification renewal applications required by Rule WW-4 herein be set for hearing with the applicants required to meet the same burden of proof established herein for wastewater management entities submitting applications under Rule WW-3 herein. The PSC will issue an order approving or denying any such application.

- (B) Whenever a wastewater management entity desires to put in operation a new rate or service regulation or to change any existing rate or service regulation, it shall file with the Commission a new schedule embodying the same, not less than 30 days prior to the time it desires to make the same effective; but the Commission may, upon application of the wastewater management entity, prescribe a less time within which the same may be made effective. In the absence of suspension or disapproval by the Commission, as herein provided, the new rate or service regulation embodied in any such new schedule shall become effective at the time specified in such schedule, subject however to the power of the Commission at any time thereafter to take any action respecting the same authorized by these rules or Title 22, Chapter 25B, *Code of Alabama*, 1975, as amended.
- (C) Upon a complaint in writing made against any wastewater management entity by any mercantile, agricultural or manufacturing society, or by any body politic or municipal organization, or by any affected person, that any rate, service regulation, classification, practice or service in effect or proposed to be made effective is in any respect unfair, unreasonable, unjust or inadequate, or unjustly discriminatory, or unduly preferential, or constitutes unfair competition, or that the service is inadequate or cannot be obtained, the Commission shall proceed, and without such complaint, the Commission, whenever it deems that the public interest so requires, may proceed, after notice as provided in this rule, to make such investigation as it may deem necessary or appropriate; but no order affecting such rates, service regulation, classification, practice, or service complained of shall be entered by the Commission without notice and a hearing. Any utility may make complaint as to any matter within the provisions of these rules with like effect as though made by any mercantile, agricultural or manufacturing society, body politic or municipal organization, or other person. However, when any such complaint in writing is filed, the same shall be set down for hearing within 90 days from the date of the filing thereof,

which said hearing may be continued for an additional period not to exceed 90 days, unless the parties to said proceeding agree upon further continuance.

- (D) To enable it to make such investigation as, in its opinion, the public interest requires, the Commission, in its discretion, for a period not exceeding six months may suspend the operation of any new schedule of rates or service regulations filed with the Commission. Unless as a result of its investigation the Commission otherwise orders before the termination of such period of six months, such rate or service regulation shall thereupon become effective. The Commission may make any order in the premises which it is authorized by statute or any of the provisions of this rule to make in any investigation or complaint or on its own motion without complaint.
- (E) The Commission, by order, may require any utility or any officer or agent thereof to produce within the state, at such reasonable time and place as it may designate, any books, records, accounts or documents kept in any office or place without or within the state, or certified copies thereof, whenever the production thereof is reasonably required and pertinent to any matter under investigation before the Commission, in order that an examination thereof may be made by the Commission, or by any person employed by the Commission.
- (F) The Commission shall examine and inspect, or cause to be examined and inspected, at reasonable times and in a reasonable manner, under its authority, the books, records, accounts, documents, plant, property and facilities of any Wastewater Management Entity, whether there is any proceeding by or against the utility then pending before the Commission or not. Every wastewater management entity, its officers and agents shall make all its books, records, accounts and documents available at its principal office or place of business in this state, for examination and inspection by the Commission or its authorized representatives or employees, whenever the Commission may deem it in the public interest that such examination or inspection should be made. Every wastewater management entity, its officers and agents shall make available all and every part of its plant, property and facilities for examination and inspection by the Commission or its authorized representatives or employees, whenever the Commission may deem it in the public interest that such examination or inspection should be made; and any person shall produce, when so required, his authority from the Commission to make such examination or inspection under the seal of the Commission.
- (G) Complaint proceedings shall be commenced by filing formal complaints with the Secretary of the Public Service Commission which allege the manner in which the practices, service regulations, rate or rates, or order or orders complained of are invalid or unfair or unreasonable. Such complaints shall comply with the requirements specified in the PSC's published Rules of Practice.
- (H) Whenever the Commission shall determine to conduct an investigation either with or without complaint, as in this rule provided, it shall fix a time and place for public hearings of the matters under investigation.
- (I) Before proceeding to make such investigation, the Commission shall give the wastewater management entity and the complainant at least 10 days' notice of the time and place when and where such matters will be considered and determined, and all parties shall be

entitled to be heard, through themselves or their counsel, and shall have process to enforce the attendance of witnesses.

- (J) Whenever the Commission shall make any order or determination, or issue any subpoena, notice or writ, notice thereof may be served on the person affected thereby by delivering a copy of such order, subpoena, notice or writ, signed by or in the name of the chairman of the Commission, to any such person or an officer or agent of such person, if a corporation, as in the case of civil process, which service may be executed by any member of the Commission, the secretary or any employee thereof, or by any sheriff of the state, and a copy of such order, subpoena, notice or writ, with the service endorsed thereon, must be returned to the Commission and entered of record as a part of the proceedings, and such endorsement and return shall be prima facie evidence that such order, subpoena, notice or writ has been duly served.
- (K) Every person, firm, corporation, co-partnership, association, or organization affected thereby may by petition intervene and become a party to any proceeding envisioned by these rules before the Commission.
- (L) In any hearing, proceeding or investigation conducted under these rules by the Commission, any party may be heard in person or by attorney.
- (M) At the hearing held pursuant to such notice, the Commission may take such testimony as may be offered, or as it may desire, and may make such other further investigation as in its opinion is desirable.
- (N) The Commission, by appropriate order in any case, may appoint or designate a special examiner or one of the Commission to take evidence at such time and place as designated by the Commission in the order. The laws which now provide for the attendance of witnesses, the giving of testimony, the punishing for contempt, the production of evidence and the payment of witnesses at hearings before the Commission shall apply to and govern hearings and examinations conducted by such special examiner or Commissioner when acting under an order of the Commission. A transcript of the evidence, together with all the exhibits received at such hearings or examinations shall be promptly conveyed to and filed with the Secretary of the Commission for the consideration of the Commission in reaching its decision.
- (O) Whenever, upon an investigation made under the provisions of this title, the Commission shall find any existing rate or rates or any regulation or practice whatsoever or any service, unreasonable or unjustly discriminatory, or any service inadequate, it shall so determine and by order fix, to the extent that it is within its power to do so, a reasonable rate, fare, charge, classification or joint rate as between like carriers, to be imposed, observed and followed in the future in lieu of that found to be unreasonable or unjustly discriminatory, or inadequate, as the case may be. All wastewater management entities to which the order applies shall make such changes in their schedule of rates, fares, charges or classifications as may be necessary to make the same conform to said order, where such order relates to rates, fares, charges or classification, and no change shall thereafter be made by any utility in such rates, fares, charges or classification, or joint rate or rates, or in the service or practice so ordered, without the approval of the Commission.

- (P) Whenever, after investigation in accordance with the provisions of this title the Commission shall be of the opinion that any provision or requirement of these rules or any order of the Commission is being, has been, or is about to be violated, it may make and enter of record an order in the premises, specifying the actual or proposed acts or omission to act which constitute such real or proposed violation and requiring that such violation be discontinued or rectified, or both, or that it be prevented.
- (Q) All rates, fares, charges, classifications and joint rates and orders establishing rules, regulations, practices or services fixed by the Commission shall be in force and shall be deemed prima facie reasonable and valid in any court wherein the reasonableness or validity thereof is properly drawn in question, and the burden shall be upon the party attacking said rates or orders to show that same are invalid or unfair and unreasonable.

RULE WW-11  
INSPECTION AND SUPERVISION FEES

- (a) Each wastewater management entity doing business in this state and subject to the jurisdiction of the Commission shall pay a fee each year for the inspection and supervision of such business during the next preceding fiscal year. Such inspection and supervision fees shall be paid by such wastewater management entities in addition to any and all property, franchise, license, intangible and other taxes, fees and charges now or hereafter provided by law. No similar inspection and supervision fees shall be levied or assessed by any county or municipality of the state, and no part of such inspection and supervision fees shall be allowed to any county or municipality of this state. Such inspection and supervision fees shall be measured by the amount of gross receipts of each such wastewater management entity for the fiscal year next preceding the dates herein fixed for the payment of the same, except that in case of such wastewater management entities engaged in interstate business, the fees shall be measured by the gross receipts of such wastewater entities from intrastate business only, for such preceding fiscal year, and not in any respect upon receipts derived wholly or in part from interstate business. Such fees shall be ascertained as follows: A fee of \$2.85 per \$1,000.00 for the first \$100,000.00 or less of such gross receipts; a fee of \$2.35 per \$1,000.00 for each additional \$1,000.00 of such gross receipts up to and including \$1,000,000.00 thereof; a fee of \$1.85 per \$1,000.00 for each additional \$1,000.00 of such gross receipts over \$1,000,000.00 thereof, but in no case shall said fee be less than \$25.00, which shall be the minimum inspection and supervision fee to be paid by any wastewater management entity. The Commission shall keep a true record of all such amounts so paid to it, under this subsection but said amounts, when received by the Commission, shall be promptly paid over to the treasurer, and shall be held in the Commission's operating fund by, and shall be paid out by the treasurer in payment of expenses incurred by the Commission under this title upon warrants drawn as provided by law upon the treasurer and approved as required by law. Payment of the supervision and inspection fees provided for

hereunder shall in all respects be governed by the provisions of subsections (b) and (c) of this rule.

- (b) Supervision and inspection fees provided for in this rule shall be in default after November 1 of each year, if not paid prior to or on that date. In the event that the amount payable by any wastewater management entity for any year cannot be ascertained on or before November 1 of a given year, such wastewater management entity shall, in any event, pay the minimum supervision and inspection fee herein provided and in addition such part of any additional supervision and inspection fee as may be ascertainable on or before the date of default; and when any further or additional amount payable for year can be ascertained, the same shall be paid within 30 days after it becomes possible to ascertain the same. Any wastewater management entity failing in whole or in part to pay any supervision or inspection fee, or part thereof, due by it within any of the time herein prescribed for payment of the same, shall be in default and shall be liable to a penalty of not exceeding \$50.00 per day, to be recovered by suit of the state, for every day it thereafter remains in default, and such penalty may be recovered together with the supervision and inspection fee in default, in a single action.
- (c) The state shall have a lien upon all the property in this state of any wastewater management entity for the payment of the supervision and inspection fees provided for in this chapter to be paid and the penalties in this chapter provided for, which lien shall be superior to all other liens, except the lien for state, county and municipal taxes.

Appendix A

XXXXXXXX

TARIFF

FOR

SEWER SERVICES IN

THE STATE OF ALABAMA

XXXXXX, LLC

SEWER SERVICE RATES

STATE OF ALABAMA

(Rate Area to Which Schedule is Applicable)

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SEWER SERVICE RATES

STATE OF ALABAMA

(Rate Area to Which Schedule is Applicable)

**Residential**

(Class of Service)

**AVAILABILITY:**

Sewer service is available to each single family residence located within the service area certified by the Alabama Public Service Commission.

Single Family Residence .....\$XX.XX per month (flat rate)

The amount calculated at the above rate will be increased by applying the effective Rate Rider RR charge.

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SEWER SERVICE RATES

STATE OF ALABAMA

(Rate Area to Which Schedule is Applicable)

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SEWER SERVICE RATES

STATE OF ALABAMA

(Rate Area to Which Schedule is Applicable)

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SEWER SERVICE RATES

STATE OF ALABAMA

(Rate Area to Which Schedule is Applicable)

**Recreational Vehicle Lot**

(Class of Service)

**AVAILABILITY:**

Sewer service is available to each recreational vehicle lot located within the service area certified by the Alabama Public Service Commission.

XX.XX

The amount calculated at the above rate will be increased by applying the effective Rate Rider RVR charge.

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SEWER SERVICE RATES

STATE OF ALABAMA

(Rate Area to Which Schedule is Applicable)

**RATE RIDER RVR - RECREATIONAL VEHICLE RESERVE**

(CLASS OF SERVICE)

**AVAILABILITY:**

Sewer service is available to each recreational vehicle lot located within the service area Certified by either the Alabama Public Service Commission.

**APPLICABILITY:**

Rate Rider RVR is to be applied to each recreational vehicle monthly sewer service billing. All revenue derived from this rate rider to be deposited into reserve bank account monthly. Withdrawals from reserve bank account shall be restricted to interceptor tank pumping and equipment replacements, including associated labor costs, unless otherwise approved by the PSC.

**COST:**

RECREATIONAL VEHICLE RATE RIDER .....\$ X.XX per month

XXXXXX, LLC

SEWER SERVICE RATES

STATE OF ALABAMA

(Rate Area to Which Schedule is Applicable)

**RATE RIDER RR – RESIDENTIAL RESERVE**

(CLASS OF SERVICE)

**AVAILABILITY:**

When sewer service is available to each residential lot located within the service area Certified by either the Alabama Public Service Commission or the Alabama Department of Public Health prior to the passage of §22-25B-1, *et seq.* of the *Code of Alabama*, 1975.

**APPLICABILITY:**

Rate Rider RR to be applied to each residential monthly sewer service billing. All revenue derived from this rate rider to be deposited into reserve bank account monthly. Withdrawals from reserve bank account shall be restricted to interceptor tank pumping and equipment replacements, including associated labor costs, Unless otherwise approved by the PSC.

**COST:**

Residential Rate Rider .....\$X.XX per month

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SEWER SERVICE RATES

STATE OF ALABAMA

(Rate Area to Which Schedule is Applicable)

**RATE RIDER RR – RESIDENTIAL RESERVE**

(CLASS OF SERVICE)

**AVAILABILITY:**

When sewer service is available to each residential lot located within the service area Certified by either the Alabama Public Service Commission or the Alabama Department of Public Health prior to the passage of §22-25B-1, *et seq.* of the *Code of Alabama*, 1975.

**APPLICABILITY:**

Rate Rider RR is to be applied to each residential monthly sewer service billing. All revenue derived from this rate rider shall be deposited into reserve bank account monthly. Withdrawals from reserve bank account restricted to interceptor tank pumping and equipment replacements, including associated labor costs unless otherwise approved by the PSC.

**COST:**

Residential Rate Rider .....\$X.XX per month

XXXXXX, LLC

SEWER SERVICE RATES

STATE OF ALABAMA

(Rate Area to Which Schedule is Applicable)

**Commercial**

(Class of Service)

**AVAILABILITY:**

Sewer service is available to each commercial installation located within the service area certified by the Alabama Public Service Commission. Commercial rates will be based on the strength contents of the wastewater placed in the collection lines.

XX.XX

For domestic sewage only



XXXXXX, LLC

RULES AND REGULATIONS

STATE OF ALABAMA

(Rate Area to Which Schedule is Applicable)

**Availability:**

Sewer service is available in the project areas which have been permitted by the state or county regulatory agencies.

**Connection Fee:**

A sewer service connection fee will usually not be required for residential lots if the equipment, land and leases were conveyed by a Contribution in Aid of Construction.

**Reconnection Fee:**

A fee for reconnection of sewer service of \$ XX.00 will be applicable in case the sewer service is cut off for the reason of non-payment or otherwise. When the ownership changes, each new owner (or applicant for service) will be required to pay the re-connection fee which is a non-refundable charge.

**Obligations of The Consumer:**

**Notify Company of Need of Service**

The Consumer should contact the Company in writing and indicate that they desire to be connected to the sewer system. The Consumer should reveal to the Company the earliest date sewer service shall be required. The connection point at which the Consumer's house lateral shall connect to the septic tank shall be determined by the Company and shall be conveyed to the Consumer. If something unknown to the Company will prevent the location of the connect point at the indicated location the Consumer shall immediately notify the Company of the conflict so that an acceptable connection point can be located. In no way will the Company be held responsible for any delay in the house construction due to the conflict. The Consumer shall also obtain all necessary permits from the public authorities, where applicable.

**Consumer Responsibility Before the Collection System Connection**

Beginning when company-provided sewer service is available and until such time that a residence is constructed and occupied, a monthly Sewer System Access Fee of \$10.00 (ten dollars) is to be paid to the Company by the lot owner of the unoccupied lot to compensate the Company for standing ready to provide sewer service to the residence or lot once occupied.

The Consumer shall, at his or her cost, install the lateral from their house plumbing to the inlet connection point of the septic tank. It is the responsibility of the Consumer that the house lateral be installed and inspected to the requirements of the local building code authority. The Consumer shall notify the Company at least 48 hours in advance of the date the lateral is to be installed. All connections into the septic tank or holding tank shall be performed by an authorized contractor. A list

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RULES AND REGULATIONS

STATE OF ALABAMA

(Rate Area to Which Schedule is Applicable)

of authorized contractors will be provided to the homeowners of each development by the company based on the location (County) of each development. The lateral shall be pressure tested to 25 psig before sewage usage is permitted.

**Contracts for Service**

Each customer before installation of service shall be required to execute, on the appropriate forms furnished by the Company, a Sewer Subscription Contract (Attachment 1).

**Provide Suitable Place to Install Home Owner's Equipment**

The Consumer shall provide, free of expense to the Company, a suitable location for the septic tank, pipes and other appliances necessary for providing service.

Access to the septic tank, its openings and its associated piping for inspection, repair or other purposes shall be furnished to authorized agents of the Company at all reasonable hours.

**Deposit or Guarantee**

A deposit of \$XX.00 or suitable guarantee or security to insure payment of the final bill, other indebtedness or damage to Company property may be required of any Consumer before service will be supplied. This deposit may be retained by the Company until determination of service, except in the case of a Consumer whose account is considered in good standing by the Company pursuant to the requirements of the PSC's General Rule 12.

**What Can Go Through the Pipe or System**

Only domestic or similar sewage consistent with the requirements and limits of the system permit issued by the Alabama Department of Environmental Management or the Alabama Department of Public Health will be allowed.

The Consumer shall not allow the following prohibited materials from entering the Sewer System:

Coffee grinds, dental floss, kitty liter, tampons, disposal diapers, sanitary napkins, cigarette butts, condoms, fats, grease or oil, paper towels, paints, varnishes, thinners, motor oil, pesticides, fuels, photographic solutions

**General:**

No storm water from pavements, area roads and ways, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pump discharge, photographic developing or

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STATE OF ALABAMA

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processing chemicals, unpolluted industrial or commercial process water, or other sources shall be admitted to the Company' sewer system.

The discharge of garbage to the Company's sewer system is expressly prohibited.

Properly shredded garbage may be discharged into the Company's sewer system.

When expressly authorized by the Company. Normal household shredded garbage from the kitchen residential disposal is permitted.

**Prohibited Discharges**

No person shall cause or permit to be discharged into the Company's wastewater sewer system any toxic substance or waste having any of the following characteristics.

Waste containing any gasoline, naphtha, fuel, oil or other liquids, solids or gases which by reason of their nature or quality may cause fire or explosion or be in any other way injurious to persons, the structures of the wastewater sewage system or its operation.

Wastewater containing any photographic developing or processing fluids or chemicals.

Washes having a pH lower than 6.0 or higher than 9.0 having any corrosive property capable of causing damage or hazards to structures, components, equipment or Personnel of the wastewater sewage system.

Waste having a temperature in excess of 120 degrees Fahrenheit or lower than 20 degrees Fahrenheit.

Waste containing any noxious or malodorous gas substance that either singly or by interaction with sewage or other waste is likely, in the opinion of the appropriate governmental authority or the Utility, to create a public nuisance or hazard to life or prevent entry to sewers for their maintenance or repair.

Waste containing ashes, cinders, sand, mud, straw, shavings, metal, paint, glass, rags, feathers, tar, plastic, wood, cotton or other fibers, lime, slurry or any other solid or viscous material of such character or in such quantity as in the opinion of the Utility may cause an obstruction to the flow in sewers or otherwise interfere with the proper operation of the sewer system.

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RULES AND REGULATIONS

STATE OF ALABAMA

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**Obligations of the Company in Furnishing Service**

**Provide Sewer**

The Company will use all reasonable diligence to provide an uninterrupted flow of the sewer system, but in case flow should be interrupted or fail by reason of accident, strike, legal process, governmental order, fire, extraordinary repairs or other causes beyond the control of the Company, or; By action of the Company when, in the sole judgment of the Company, such interruption will prevent or alleviate an emergency threatening the integrity of the system or aid in the restoration of its service in such an emergency; then the Company shall not be held liable for damages because of such interruption or failure and the Consumer shall make no claim for such damages.

**Right to Disconnect Service**

The Company reserves the right to disconnect its services upon (5) days written notice, should the Consumer fail to comply with any of the provisions of the Company's rate schedule or any of its rules and regulations on file with and approved by the Alabama Public Service Commission. The lock-out water valve will be used for disconnection of service.

**Cost of Repair**

The Consumer shall exercise proper care to protect the property of the Company located on his premises and in the event of loss or damage to equipment arising from neglect of the Consumer to properly protect said equipment, the cost of necessary repairs or replacement shall be paid by the Consumer. Other than stated above, the Company is responsible for all maintenance and repair from the forced main or truck line up to and including the treatment facility and effluent disposal system.

**Requirements After Service Has Been Supplied:**

**Notification of Company of Defect or Trouble**

The Consumer shall notify the Company promptly of any defect in service or any trouble or accident to the sewer system.

**Company Access to Equipment**

The authorized agents of the Company shall have free access to the equipment of the Company and or Home Owner, situated on the Consumer's premises, as is necessary from time to time. The Consumer shall use reasonable diligence to protect the equipment of the Company and shall reimburse the Company for injury or damage suffered by it, resulting from actions or negligence of the Consumer.

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STATE OF ALABAMA

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**Condition of Customer's Equipment**

The Company in accepting the application of the Consumer and in supplying sewer service does not assume any obligation or responsibility as to the Consumer's plumbing system or any other of apparatus of the Consumer.

**Billing, Payment and Collection:**

The company shall mail out all customer billing at least 5 days prior to the due date indicated on the billing statements.

Bills for sewer service will be issued monthly and will be payable at offices of the Company within (10) days from the due date. The company shall mail out all customer billing at least 5 days prior to the due date indicated on the billing statements.

**Delinquent Bills and Collection Fee**

Any such bill that is not paid within ten (10) days from the due date shall then be deemed delinquent.

**5 Day Notice to Disconnect Service**

- A. At any time after a Consumer's account has become delinquent the Company must give the Consumer at least five (5) days written notice of the Company's intention to disconnect service if his account is not paid. At the same time as the Consumer is issued a written notice of disconnection, a copy of the disconnection notice will be mailed to the local health department.
- B. If the account has not been paid in full, after the lapse of the period specified in the written notice of disconnection, the Company may then disconnect service without further notice, subject to the provisions set forth below in subsections C - K.
- C. The Consumer shall have the right of paying such a delinquent account at any time prior to the actual disconnect of his services.
- D. Payment by the Consumer at the offices of the Company, as set out in (C) above, shall not affect the Company's right during the day such payment is received to disconnect service for nonpayment, if such payment was unknown to the employee disconnecting the service.
- E. No service shall be disconnected for nonpayment after 3:30 P.M. on any day immediately preceding a day or days when the Company' office will be closed.

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**RULES AND REGULATIONS**

STATE OF ALABAMA

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**How Notice Can Be Delivered**

- F. Notice of the Company's intention to disconnect service as required in paragraph (B) shall be considered to be given to Consumer when copy of such notice is left with such Consumer, left at premises where service is rendered, or posted in the United States mail, addressed to the Consumer's last known post office address.

**Reconnect Fee and Deposit**

- G. Whenever sewer service is disconnected for nonpayment and the affected Consumer requests that service be restored, a reconnect fee in the amount of \$XX.00 paid during regular office hours (before 5:00 P.M.) shall be added to Consumer's account and shall become due and payable, and can be required by the Company to be paid before the service is reconnected.

**Extension of Time to Pay**

- H. The Company may extend at any time and from time to time upon terms satisfactory to it, the time for payment of any delinquent account, or any part thereof, and its action in so doing, shall be without prejudice to its rights to disconnect service.

**Consumer's Responsibility to Notify of Special Conditions**

- I. It is the responsibility of the Consumer to notify the Company regarding existing conditions that might require special consideration prior to the termination of services for nonpayment of a delinquent bill.

**Return Check Policy**

- J. An administrative charge of twenty five dollars \$25.00 will be billed to each Consumer for which payment for sewer service made by check is subsequently returned due to being dishonored by the Consumer's financial institution. Such charge shall become a part of the total amount owed by the Consumer for which sewer service maybe disconnected.

**Indebtedness to Company**

- K. The Company may decline to serve an applicant or disconnect a Consumer who is indebted to the Company for similar sewer service at a former location pursuant to the requirements of the PSC's general Rule 11.

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STATE OF ALABAMA

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**Authorized Representative of Company**

It is understood that no statement or representative of any employee or officer of the Company shall bind the Company, unless the same be in writing and approved by the signature of an authorized representative of the Company. No employee or officer of the Company is authorized to waive this condition.

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**APPENDIX B**

**MANAGEMENT ENTITY FINANCIAL RESPONSIBILITY BOND**

**KNOW ALL PERSONS BY THESE PRESENTS**, that we,

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

as **Principal**, and

as **Surety**, are held firmly bound unto:

**The Alabama Public Service Commission  
100 North Union Street  
Post Office Box 304260 (36130-4260)  
Montgomery, Alabama 36104**

as **Obligee**

in the sum of \_\_\_\_\_ (\$ \_\_\_\_\_),  
lawful money of the United States of America for the payment of which sum well and  
truly to be made, we bind ourselves, our heirs, executors, personal representatives,  
administrators, successors and assigns jointly and severally, firmly by these presents.

**THE CONDITIONS OF THE OBLIGATIONS ARE SUCH**, That Whereas the  
Principal is an Alabama Wastewater Management Entity pursuant to *Code of Alabama*,  
1975, §22-25B-1, *et seq.* and the Statutes, Rules and Regulations promulgated  
thereunder by the Obligee, including but not limited to the financial responsibility  
requirements thereunder, said Statutes and Rules are hereby incorporated herein by  
reference and deemed a part hereof as if fully set out herein.

**NOW THEREFORE**, If Principal shall fully indemnify and hold harmless the  
Obligee from all loss, liability, cost, damages, penalty, attorney's fees or expenses  
which Obligee or customers of the Principal may incur by reason of Principal's failure  
to comply with its obligations to be kept and performed pursuant to the above  
referenced Statutes, Rules and Regulations, then this obligation shall be of no effect,  
but otherwise it shall remain in full effect.

**IT IS A CONDITION HEREOF**, that any changes, alterations, modifications, or  
amendments to *Code of Alabama*, 1975, §22-25B-1, *et seq.* and/or the Rules and  
Regulations promulgated thereunder by the Obligee may be made without notice and the  
Surety hereby consents and waives notice of any changes, alterations, modifications, or  
amendments unless public notice of such changes, alterations, modifications, or  
amendments is required by law.

**IT IS A FURTHER CONDITION HEREOF**, that no one other than the named  
Obligee and the heirs, executors, personal representatives, administrators, successors  
and assigns of the Obligee shall have any right of action under this bond.

**IT IS A FURTHER CONDITION HEREOF**, that this Financial Responsibility  
Bond may be cancelled only after the Obligee is provided a minimum of thirty (30)  
days prior written notice of such cancellation.

**IN WITNESS WHEREOF**, the said Principal and Surety have hereunto set their  
hands and seals this the \_\_\_\_\_ day of \_\_\_\_\_,

**PRINCIPAL:**

**SURETY:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

APPENDIX C

MANAGEMENT ENTITY FINANCIAL RESPONSIBILITY  
LETTER OF CREDIT INDEMNITY

KNOW ALL PERSONS BY THESE PRESENTS, that we,

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

as **Principal**, and

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

as **Issuing Bank**, have issued herewith a Letter of Credit to guarantee the faithful performance of the duties and conditions as set forth herein unto:

**The Alabama Public Service Commission  
100 North Union Street  
Post Office Box 304260 (36130-4260)  
Montgomery, Alabama 36104**

as **Obligee**

in the sum of \_\_\_\_\_ (\$ \_\_\_\_\_),  
lawful money of the United States of America for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, personal representatives, administrators, successors and assigns jointly and severally, firmly by these presents.

**THE CONDITIONS OF THE OBLIGATIONS ARE SUCH**, That Whereas the Principal is an Alabama Wastewater Management Entity pursuant to *Code of Alabama*, 1975, §22-25B-1, *et seq.* and the Statutes, Rules and Regulations promulgated thereunder by the Obligee, including but not limited to the financial responsibility requirements thereunder, said Statutes and Rules are hereby incorporated herein by reference and deemed a part hereof as if fully set out herein.

**NOW THEREFORE**, If Principal shall fully indemnify and hold harmless the Obligee from all loss, liability, cost, damages, penalty, attorney's fees or expenses which Obligee or customers of the Principal may incur by reason of Principal's failure to comply with its obligations to be kept and performed pursuant to the above referenced Statutes, Rules and Regulations, then this obligation shall be of no effect, but otherwise it shall remain in full effect.

**IT IS A CONDITION HEREOF**, that any changes, alterations, modifications, or amendments to *Code of Alabama*, 1975, §22-25B-1, *et seq.* and/or the Rules and Regulations promulgated thereunder by the Obligee may be made without notice and the Surety hereby consents and waives notice of any changes, alterations, modifications, or amendments unless public notice of such changes, alterations, modifications, or amendments is required by law.

**IT IS A FURTHER CONDITION HEREOF**, that no one other than the named Obligee and the heirs, executors, personal representatives, administrators, successors and assigns of the Obligee shall have any right of action under this bond.

**IT IS A FURTHER CONDITION HEREOF**, that this Financial Responsibility Letter of Credit Indemnity may be cancelled only after the Obligee is provided a minimum of thirty (30) days prior written notice of such cancellation.

**IN WITNESS WHEREOF**, the said Principal and Issuing Bank have hereunto set their duly authorized hands and seals this the \_ day of \_\_\_\_\_, \_\_\_\_\_.

**PRINCIPAL:**

**ISSUING BANK:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_