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# TEXAS REGISTER

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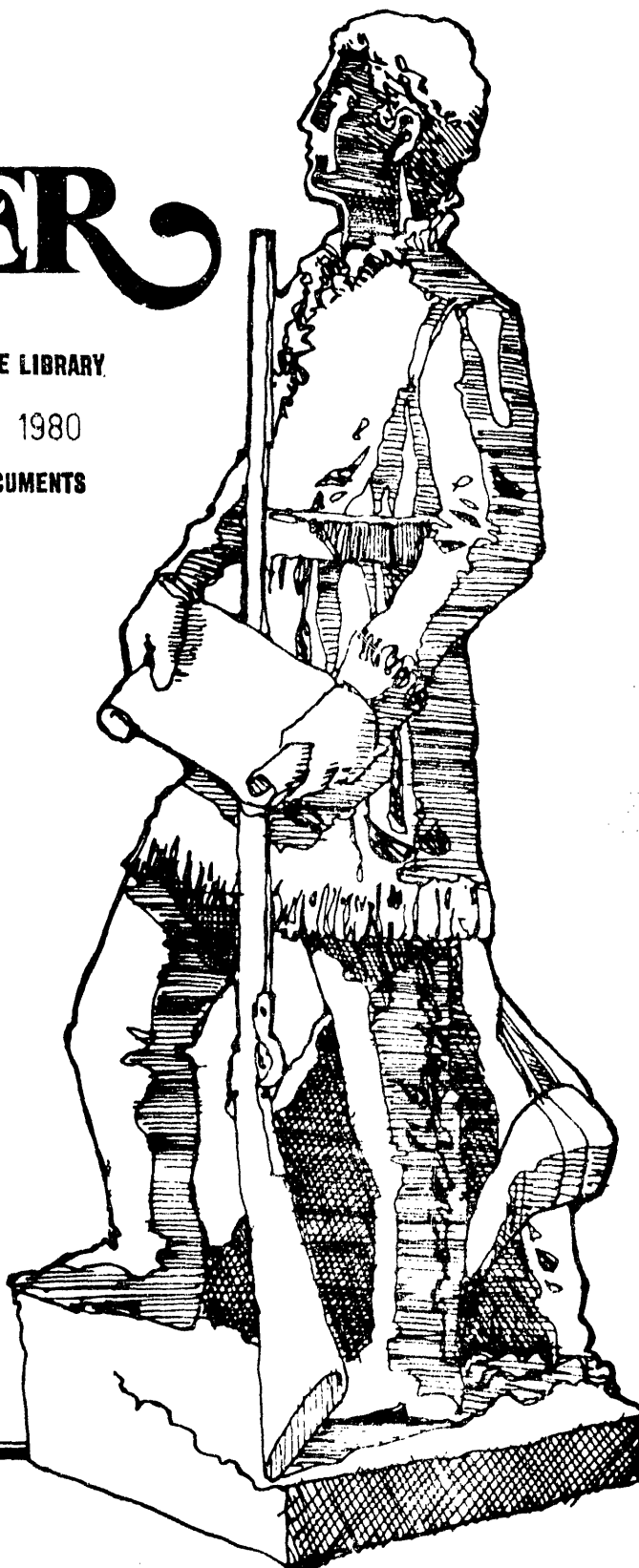
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Office of the Secretary of State

The *Texas Register* is currently in the process of converting to the numbering system found in the *Texas Administrative Code* (TAC). To aid the reader in this conversion, both the 10-digit *Register* number and the new TAC number will be listed for agencies whose rules have been published in the TAC. Emergency, proposed, and adopted rules sections of the *Register* are divided into two classifications: codified and noncodified. Codified rules appear in title number order. Non-codified rules appear in alphabetical order as they have in the past. An "Index of TAC Titles Affected" appears at the end of this issue.

Titles 1, 4, 7, 10, 13, 31, and 43 only of the TAC have now been published. Documents classified in the *Texas Register* to titles not yet published and certain documents affecting titles of the code have been accepted in the non-TAC format and may be renumbered or revised, or both, when initially codified in the TAC.

Under the TAC scheme, each agency rule is designated by a TAC number. For example, in the citation 1 TAC §27.15:

1 is the title (agencies grouped together by subject title which are arranged alphabetically)

TAC is the *Texas Administrative Code*

§27.15 is the section number (27 represents the chapter number and 15 represents the individual rule within the chapter)

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Latest Texas Code Reporter  
(Master Transmittal Sheet): No. 1, Oct. 79

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**HOW TO CITE:** Material published in the *Texas Register* is referenced by citing the volume in which a document appears, the words "TexReg," and the beginning page number on which that document was published. For example, a document published on page 2404 of Volume 4 is cited as follows: 4 TexReg 2404.

*Cover illustration represents Elisabet Ney's statue of Stephen F. Austin, which stands in the foyer of the State Capitol.*



George W. Strake, Jr.  
Secretary of State

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# PROPOSED RULES

An agency may adopt a proposed rule no earlier than 30 days after publication in the *Register*, except where a federal statute or regulation requires implementation of a rule on shorter notice.

Upon request, an agency shall provide a statement of the reasons for and against adoption of a rule. Any interested person may request this statement from the agency before adoption or within 30 days afterward. The statement shall include the principal reasons for overruling objections to the agency's decision.

This section now contains two classifications: codified and noncodified. Agencies whose rules have been published in the *Texas Administrative Code* will appear under the heading "Codified." These rules will list the new TAC number, which will be followed immediately by the *Texas Register* 10-digit number. Agencies whose rules have not been published in the TAC will appear under the heading "Noncodified." The rules under the heading "Codified" will appear first, immediately followed by rules under the heading "Noncodified."

**Symbology**—Changes to existing material are indicated in **bold italics**. [Brackets] indicate deletion of existing material.

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## NONCODIFIED

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### Texas Education Agency

#### State Board of Education

##### Investment of the Permanent School Fund

226.12.03.010, .050, .060, .070, .100, .110, .130

The Texas Education Agency proposes to amend Rules 226.12.03.010, .050, .060, .070, .100, .110, and .130 concerning the investment of the Permanent School Fund. The amendments clarify the responsibilities of the State Board of Education, the Board Investment Committee, and the Investment Advisory Committee. Items requiring State Board of Education approval are listed in Rule .100. Rule .130 makes provision for emergency action by either the state board or the Board Investment Committee.

The Texas Education Agency does not anticipate the proposed amendments to Rules .010, .050, .060, .070, .100, .110, and .130 will have state or local fiscal implications.

Public comment on the proposed amendments to Rules .010, .050, .060, .070, .100, .110, and .130 is invited. Comments may be submitted by telephoning the office of Dr. J. B. Morgan, associate commissioner for policies and services, at (512) 475-7077, or by writing to him at 201 East 11th Street, Austin, Texas 78701.

All requests for a public hearing on proposed rules submitted in accordance with the Administrative Procedure and Texas

Register Act must be received by the commissioner of education not more than 15 calendar days after notice of a proposed change in rules has been published in the *Texas Register*.

These amendments are proposed under the authority of Section 15.02, Texas Education Code.

**.010. Investment Authority.** The State Permanent School Fund shall be invested **in accordance with constitutional and statutory law**, as directed by the State Board of Education.

**.050. Long-Range Diversification Pattern [of Investments].** The **percentage** division of **proposed investments** between **fixed income and equity securities** [classes of bonds and stocks] and the **industry** diversification within each of **these groups** [group] shall be determined periodically by the **Board Investment Committee** [State Board of Education], with the advice of investment staff, **the** [and] **Investment Counsel**, **and the Investment Advisory Committee** [on the basis of the economic outlook and the relative attractiveness and availability of investments].

**.060. Approved List of Corporations for Security Purchases.** The specific corporations to be included in the list of approved corporations or deleted therefrom shall be **recommended** [submitted] by the investment **officer** [staff], acting with the advice of Investment Counsel **and the investment staff**, and approved by the State Board of Education. [Specific stocks from the approved list to be purchased in a particular purchase program shall be approved by the Board Investment Committee.]

**.070. Approved Brokerage Firms for Equity Transactions.**

(a) Under the direction of the investment officer, normal purchase and sale transactions shall be effected through brokerage firms on the approved list. Additions or deletions to the list of approved brokerage firms shall be submitted by the investment **officer** [staff] for approval by the Board Investment Committee.

(b) **Equity brokerage commissions shall be allocated among the approved firms on a basis established by the Board Investment Committee and shall be reported in writing to the Board Investment Committee.**

**.100. Items Requiring State Board of Education Approval.** [Sale or Exchange of Securities.]

(a) **The following items require approval by the State Board of Education:**

(1) **the total amount of funds to be invested in each investment program (Policy 12.03.040);**

(2) **the allocation between equity and fixed income securities in each investment program (Policy 12.03.040);**

(3) **authorization for short-term investments in each investment program (Policy 12.03.040);**

(4) **the approved list of corporations for security purchases (Policy 12.03.060);**

(5) **the appointment of members to the Investment Advisory Committee (Policy 12.03.110); and**

(6) **the contract with the investment counsel (Policy 12.03.111).**

(b) **The status of the Permanent School Fund shall be reported in writing to the State Board of Education at each regular meeting of the board.**

[Corporation securities of the State Permanent School Fund may be sold at the discretion of the State Board of Education and the proceeds reinvested for the Permanent School Fund. The State Board of Education regulations for the sale of securities shall be established and maintained in the Investment Operating Manual, Rule .130. The State Board of Education may sell or exchange any securities issued by the United States Treasury, or municipal bonds issued by any county, city, precinct, district, or any other political subdivisions held for the Permanent School Fund. The State Board of Education may exchange bonds owned by the Permanent School Fund for refunding bonds as provided by statute.]

.110. *[Organization and] Committees.* To administer the affairs of the Permanent School Fund, the following *committees* [organization] shall be established: [and be described, with functions and duties, in the Investment Operating Manual, Rule .130 below.]

(1) Board Investment Committee.

(A) A committee of *five or more* [six] members of the State Board of Education with the chairman of the board serving as an ex officio member *shall be* appointed by the chairman of the board.

(B) *The total amount of funds to be invested each month and the allocation between equities and fixed income securities shall be recommended by the Board Investment Committee to the State Board of Education*

(C) *The committee shall direct the activities of the investment officer in implementing the policies of the State Board of Education concerning investment of the Permanent School Fund.*

(D) *The committee shall direct and monitor each board-approved investment program, and counsel with and receive reports from the investment officer, Investment Advisory Committee, and investment counsel.*

(E) *Specific stocks to be purchased or sold shall be approved by the Board Investment Committee.*

(F) *Specific fixed income securities to be sold shall be approved by the Board Investment Committee.*

(G) *Changes in the list of approved brokerage firms for equity transactions shall be approved by the Board Investment Committee.*

(2) Investment Advisory Committee.

(A) A committee of five members having investment backgrounds and responsibilities, such as representatives of commercial banks, industrial corporations, public utilities, and insurance companies, *shall be* appointed by the State Board of Education.

(B) *Members of the committee shall be appointed for three-year terms.*

(C) *The terms of the members of the committee shall be staggered so that at all times a majority of the members will have had experience on the committee.*

(D) *The committee shall meet in Austin quarterly and at the call of the chairman of the Board Investment Committee or the chairman of the State Board of Education. A schedule of regular meetings shall be fixed annually by the Board Investment Committee.*

(F) *The committee shall provide an independent and continuous review of the investment policies, procedures and nature of investments, and shall advise with reference to investment plans and programs. Advice shall include but not be limited to recommendations concerning changes in the diversification pattern, changes in the method of developing the list of approved corpora-*

*tions, and security purchase and sale patterns. Advice shall not include any recommendation regarding specific securities or corporations.*

[(3) Investment counsel. A professional investment counseling firm recommended by the Board Investment Committee and retained by the State Board of Education.

[(4) Investment staff. An investment officer with a staff to be adjusted as necessary, who functions directly with the board concerning investment matters, and who functions as part of the internal operation through the office of the commissioner of education.]

.130. *Provision for Emergency Action.* [Investment Operating Manual]. *In case of emergency or urgent public necessity, the Board Investment Committee or the State Board of Education, as appropriate, may hold an emergency meeting in accordance with Article 6252-17, Vernon's Texas Civil Statutes.*

[Policy. The investment staff shall develop and maintain an Investment Operating Manual authorized as the State Board of Education operating regulations for the Investment Program of the Permanent School Fund.

[Administrative Procedure. The investment officer and staff administer the investment program of the Permanent School Fund in accordance with the Investment Operating Manual. This manual is approved by the State Board of Education as operating regulatory provisions and is considered as the administrative procedure for this policy.]

Doc. No. 801938

226.12.03.020, .031, .032, .041, .042, .081, .082, .090, .120

(Editor's note: The texts of the following rules proposed for repeal will not be published. The rules may be examined in the offices of the Texas Education Agency, 201 East 11th Street, Austin, or in the Texas Register Division offices, 503E Sam Houston Building, Austin.)

The Texas Education Agency proposes to repeal Rules 226.12.03.020, .031, .032, .041, .042, .081, .082, .090, and .120 concerning the investment of the Permanent School Fund. Rule .020, Standard of Care, is a statutory citation and cannot be filed as a rule. Material in Rule .031, Goal, and Rule .032, Objectives, is presented, with revisions, in proposed new Rule .030. Rules .041, .042, .081, .082, and .120 also repeated statutory material; some of it obsolete. Quality standards for securities purchases (Rule .090) are addressed in proposed new Rules .061 and .062.

The Texas Education Agency does not anticipate the proposed repeal of Rules .020, .031, .032, .041, .042, .081, .082, .090, and .120 will have state or local fiscal implications.

Public comment on the proposed repeal of Rules .020, .031, .032, .041, .042, .081, .082, .090, and .120 is invited. Comments may be submitted by telephoning the office of Dr. J. B. Morgan, associate commissioner for policies and services at (512) 475-7077, or by writing him at 201 East 11th Street, Austin, Texas 78701.

All requests for a public hearing on proposed rules submitted in accordance with the Administrative Procedure and Texas Register Act must be received by the commissioner of educa-

tion not more than 15 calendar days after notice of a proposed change in rules has been published in the *Texas Register*.

These repeals are proposed under the authority of Section 15.02, Texas Education Code.

- .020. *Standard of Care in Investing Permanent School Funds.*
- .031. *Goal.*
- .032. *Objectives.*
- .041. *Authorized Investments of the Permanent School Fund Fixed Income: Fixed Income Securities.*
- .042. *Authorized Investments of the Permanent School Fund: Equity Securities.*
- .081. *Restrictions and Limitations of Investments: Fixed Income Securities.*
- .082. *Restrictions and Limitations of Investments: Equity Securities.*
- .090. *Quality Standards.*
- .120. *Specific Authorizations and Requirements.*

Doc. No. 801939

## 226.12.03.030, .040, .061, .062, .071, .111, .112, .140, .150, .160

The Texas Education Agency proposes to adopt new Rules 226.12.03.030, .040, .061, .062, .071, .111, .112, .140, .150, and .160 concerning investment of the Permanent School Fund. Rule .030 sets out the goal and objectives for the fund. Rule .040 defines "investment program" as the investments made in each period between meeting of the State Board of Education. Rules .061 and .062 set out guidelines for purchase of equities and fixed income securities. Rules .111 and .112 address the roles of the investment counsel and the investment staff. Rule .150 requires the development and annual testing of a system of internal controls. Proxies are addressed in Rule .160.

The Texas Education Agency does not anticipate the proposed adoption of new Rules .030, .040, .061, .062, .071, .111, .112, .140, .150, and .160 will have state or local fiscal implications.

Public comment on the proposed adoption of Rules .030, .040, .061, .062, .071, .111, .112, .140, .150, and .160 is invited. Comments may be submitted by telephoning the office of Dr. J. B. Morgan, associate commissioner for policies and services, at (512) 475-7077, or by writing to him at 201 East 11th Street, Austin, Texas 78701.

All requests for a public hearing on proposed rules submitted in accordance with the Administrative Procedure and Texas Register Act must be received by the commissioner of education not more than 15 calendar days after notice of a proposed change in rules has been published in the *Texas Register*.

These rules are proposed under the authority of Section 15.02, Texas Education Code.

### .030. *Goal and Objectives for the Permanent School Fund.*

(a) *Goal.* The goal of the State Board of Education for the State Permanent School Fund shall be to obtain the greatest amount of total income consistent with the safety of principal. To achieve this goal, there shall be a continuing careful administration of the investment of the Permanent School Fund including the thorough investigation and analysis of securities available for purchase and the continuous study and review of all securities held in the portfolio of the Permanent School Fund.

#### (b) *Objectives.*

(1) The preservation and safety of principal shall be a primary consideration in the investment of the Permanent School Fund.

(2) Fixed income securities shall be purchased at the highest income return consistent with safety and preservation of principal emphasizing current rather than deferred income.

(3) The administrators of the Permanent School Fund shall hedge, insofar as possible, against inflation through the purchase of equities emphasizing stability and growth of future earnings and dividends rather than current return.

(4) Securities shall be selected for investment on the basis of long-term investment merits rather than short-term gains.

.040. *Investment Program.* "Investment program" shall be defined as the investments made in each period between meetings of the State Board of Education.

### .061. *Equity Transactions.*

(a) All equity securities must be purchased from the approved list of corporations for security purchases.

(b) Specific equities from the approved list to be purchased or sold, including a recommended price, shall be approved by the Board Investment Committee. All transactions shall be made within 10% or better of the recommended price unless otherwise specified by the Board Investment Committee.

(c) All consummated transactions shall be reported in writing to the Board Investment Committee at the first subsequent meeting of the committee.

### .062. *Fixed Income Transactions.*

(a) Any fixed income security on the approved list of corporations for security purchases with at least an "A" rating may be purchased.

(b) Fixed income securities not on the approved list may be purchased if they meet the quality standards set forth in the investment operating manual.

(c) Specific fixed income securities to be sold shall be approved by the Board Investment Committee. A recommended price may be included at the discretion of the committee.

(d) All consummated transactions shall be reported in writing to the Board Investment Committee at the first subsequent meeting of the committee.

### .071. *Approved Brokerage Firms for Fixed Income Transactions.*

(a) Transactions shall be conducted on a net basis with well established, financially secure brokerage firms having fixed income trading capability.

(b) Purchases shall be reported in writing to the Board Investment Committee by brokerage firm name on a par value basis.

**.111. Investment Counsel.**

(a) A professional investment counseling firm shall be recommended by the Board Investment Committee and retained by the State Board of Education.

(b) The investment counseling firm shall be a firm of national scope which has:

(1) a large and complete research division for the analysis of industries and individual corporations;

(2) an economics department competent in analysis and forecasts in all facets affecting the general economy or the economy of particular industries;

(3) an organization that will provide for combining the knowledge and judgments of all departments in order that the advice and recommendations made to the Permanent School Fund will have evolved from the opinions of many rather than one individual.

(c) The investment counsel shall serve in an advisory capacity only and shall advise on both policy and on specific securities transactions. Within the policy framework established by the State Board of Education, the investment counsel's advice or recommendations shall include:

(1) the economic conditions in prospect;

(2) diversification of investments between equities and fixed income securities;

(3) proper diversification among industries;

(4) the companies in each industry which are the most attractive;

(5) specific stocks and/or corporate bond issues; and

(6) general advice on the timing of purchases and sales.

**.112. Investment Staff.** The Texas Education Agency shall have an investment officer with a staff to be adjusted as necessary, who functions directly with the board through the Board Investment Committee concerning investment matters, and who functions as part of the internal operation through the office of the deputy commissioner for program administration and finance.

**.140. Investment Operating Manual.** The investment staff shall develop and maintain an Investment Operating Manual.

**.150. System of Internal Controls.**

(a) There shall be a system of internal controls. The system of internal controls shall be documented. The objective of internal control is to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

(b) The system of internal controls shall be reviewed and tested at least once each year by the Division of Audits, Texas Education Agency.

**.160. Proxies.** In general, proxies shall be voted with management. Unusual situations, where such a vote might be detrimental to the Permanent School Fund, shall be brought to the attention of the Board Investment Committee by the

investment officer. Such proxies shall be voted as directed by the Board Investment Committee.

Issued in Austin, Texas, on March 13, 1980.

Doc. No. 801940

A. O. Bowen

Commissioner of Education

Proposed Date of Adoption: May 10, 1980

For further information, please call (512) 475-7077.

## School Districts

### School District Responsibilities and Powers for Operation 226.23.06

The Texas Education Agency proposes to amend the administrative procedure section of Rule 226.23.06.030, concerning records and reports. Under the proposed amendment, permanent student academic records which must be maintained on each pupil enrolled in the Texas free public schools shall be required to reflect (A) proof of birth, (B) place of birth, and (C) whether the student is a citizen of the United States or a legally admitted alien, as well as courses of studies completed in fulfillment of requirements towards qualifying for high school graduation.

The Texas Education Agency does not anticipate the proposed amendment to Rule .030 will have state or local fiscal implications.

Public comment on the proposed amendment to Rule .030 is invited. Comments may be submitted by telephoning the office of Dr. J. B. Morgan, associate commissioner for policies and services, at (512) 475-7077, or by writing to him at 201 East 11th Street, Austin, Texas 78701. All requests for a public hearing on proposed rules submitted in accordance with the Administrative Procedure and Texas Register Act must be received by the commissioner of education not more than 15 calendar days after notice of a proposed change in rules has been published in the *Texas Register*.

This rule amendment is proposed under the authority of Sections 11.52 and 21.031, Texas Education Code.

**.030. Records and Reports.**

(a) Policy. (No change.)

(b) Administrative procedure. **Permanent** student academic records. School districts **shall** [will] maintain a **permanent** student academic [achievement] record on each pupil enrolled in the Texas free public schools. This record **shall** [will] reflect (1) **proof of birth**, (2) **place of birth**, (3) **whether the student is a citizen of the United States or a legally admitted alien**, and (4) courses of studies completed [and will substantiate the] in fulfillment of course requirements towards qualifying for high school graduation. A copy of this record **shall** [will] be furnished each pupil transferring to another school district. School districts **shall** [will] maintain other records and reports as required by Series 42.00.

Doc. No. 801907

## Adaptations for Special Populations Special Education Program 226.35.73

The Texas Education Agency proposes to amend the administrative procedure portion of Rule 226.35.73.030, regarding the regional day school program for the deaf. The proposed amendment eliminates the stipulation that at least one member of the campus referral committee is a specialist in the education of the deaf, and adds the stipulation that a professional certified in the education of the deaf is available to the committee.

The Texas Education Agency does not anticipate the proposed amendment to Rule .030 will have state or local fiscal implications.

Public comment on the proposed amendment to Rule .030 is invited. Comments may be submitted by telephoning the office of Dr. J. B. Morgan, associate commissioner for policies and services, at (512) 475-7077, or by writing to him at 201 East 11th Street, Austin, Texas 78701. All requests for a public hearing on proposed rules submitted in accordance with the Administrative Procedure and Texas Register Act must be received by the commissioner of education not more than 15 calendar days after notice of a proposed change in rules has been published in the *Texas Register*.

This rule amendment is proposed under the authority of Sections 11.03, 11.10, 11.052, 16.005, and 16.104, Texas Education Code.

### .030. *Regional Day School Program for the Deaf.*

- (a) Policy. (No change.)
- (b) Administrative procedure.

(1)-(5) (No change.)

(6) Student eligibility, identification, assessment, and individual educational plan development and review.

(A) Any person, birth through 22, who has a hearing impairment which severely impairs processing linguistic information through hearing, with or without amplification, and adversely affects educational performance is eligible for consideration of services through the Regional Day School Program for the Deaf.

(B) The child identification standards, Administrative Procedure 35.72.020, apply to the hearing impaired population with the following additional requirement. ***When a campus referral committee is considering a student with a possible significantly serious auditory handicap, a professional certified in the education of the deaf is available to the committee.*** [When a child who has a possible auditory handicap is referred to the school district campus referral committee, at least one member of the committee is a specialist in the education of the deaf.]

(C)-(D) (No change.)

(7)-(8) (No change.)

Issued in Austin, Texas, on March 12, 1980.

Doc. No. 801908      A. O. Bowen  
Commissioner of Education

Proposed Date of Adoption: April 21, 1980  
For further information, please call (512) 475-7077.

## Texas Department of Human Resources

### AFDC

#### Residence 326.10.23

The Department of Human Resources proposes to amend its rule concerning the criteria to determine residence requirements for eligibility in the Aid to Families with Dependent Children (AFDC) Program. Federal regulations have been amended to expand the definition of a resident to include anyone who is living in the state, anyone entering the state with a job commitment or to seek employment, and who is not receiving AFDC benefits from another state. Federal regulations require this amendment to ensure that migrants and itinerant workers are not excluded from Medicaid coverage.

The department has determined that the total cost of implementing the proposed amendment will be approximately \$34,994 for fiscal year 1980; \$70,994 for fiscal year 1981; \$78,101 for fiscal year 1982; \$84,790 for fiscal year 1983; and \$92,278 for fiscal year 1984. The federal funds to be expended from the total cost will be approximately \$23,042 for fiscal year 1980; \$46,270 for fiscal year 1981; \$49,386 for fiscal year 1982; \$53,165 for fiscal year 1983; and \$56,173 for fiscal year 1984.

Written comments are invited and may be sent to Susan L. Johnson, administrator, Handbook and Procedures Development Division—015, Department of Human Resources, P.O. Box 2960, Austin, Texas 78769, within 30 days of publication in this *Register*.

This amendment is proposed under the authority of the Human Resources Code, Chapter 31.

### .001. *Definition.*

(a)-(c) (No change.)

(d) ***In addition, in order to ensure that migratory and itinerant workers receive Medicaid coverage, the residence criteria also includes those persons who at the time of application are living in the state, are not receiving assistance from another state, and who enter the state with a job commitment or to seek employment in the state. This requirement applies whether or not the applicant is currently employed. The child(ren) is a resident of the state in which the caretaker is resident.***

(e)[(d)] When an applicant indicates receipt of assistance from another state, the worker notifies that state's welfare agency that public assistance is being granted in Texas; ***a request is made for verification of denial from the other state. Duplicate payments will not be made; although certification of the Texas application should not be held pending this notification if the applicant states he or she is no longer receiving assistance, the worker should ensure that a response is received.***

(f)[(e)] When a recipient moves to another state with the intention of remaining there, the grant is denied. [On these denials, the worker sends a letter to the welfare agency of the state to which the recipient moves.] ***If a recipient leaves*** [Recipients leaving] ***the state and has not*** [with no]



declared *his* intention to return, *the case is* [are] denied immediately.

Issued in Austin, Texas, on March 12, 1980.

Doc. No. 801906 Jerome Chapman  
Commissioner  
Texas Department of Human Resources

Proposed Date of Adoption: April 21, 1980

For further information, please call (512) 475-4601.

## Food Stamps

### Drug Addicts, Alcoholics, and Participants in Prepared Meal Services 326.15.53

The Department of Human Resources proposes to amend its rules about the policies and procedures for certifying treatment center residents for participation in the Food Stamp Program. These rule changes clarify current procedures and also provide more detailed procedures for complying with current policy. The procedures which explain responsibilities for approving centers is expanded; procedures for reporting on the resident participants is clarified; and the procedures for handling residents who leave the center is clarified.

The department has determined that the proposed amendments will have no fiscal implications for the state or units of local government. These rule changes are a clarification of existing policy.

Written comments are invited and may be sent to Susan L. Johnson, administrator, Handbook and Procedures Development Division—410, Department of Human Resources, John H. Reagan Building, Austin, Texas 78701, within 30 days of publication in this Register.

These rule amendments are proposed under the authority of the Human Resources Code, Chapter 33.

#### .001. Participants in [USDA-/ Approved Special Programs.

(a) Participants in drug *addict/alcoholic* [addiction or alcoholic] treatment and rehabilitation programs who elect to participate in the Food Stamp Program, must meet the same income and resource standards as other households. In addition, residents of these centers must apply for, *receive* [purchase], and use food stamps with the center acting as their authorized representative.

(b) Centers residents who are not regularly participating in a drug *addict/alcoholic* [addiction or alcoholic] treatment rehabilitation program are not eligible under this provision to participate in the Food Stamp Program. The worker must document the casefolder to identify which program the applicant participates in.

#### .002. Approved Centers.

(a) (No change.)

(b) State approval is obtained voluntarily by the center. *TDCA is responsible for providing approval of centers conducting drug abuse treatment programs. TCA is responsible for approving centers conducting alcoholic treatment programs. Approved centers will have letters or other documentation from TDCA or TCA. If a center conducts both types of programs, it should have documentation from both TDCA and TCA. Both agencies provide approval for a specific period of time and recertification of the center is required for continued participation.*

[Approved centers will have letters or other documentation from TDCA or TCA.] Approval by USDA is not required. *The center is responsible for reporting to the local non-PA food stamp office if its approval is revoked by TDCA or TCA.*

#### .014. List of Resident Participants.

(a) Each center must provide the local food stamp office with a monthly list of residents currently participating in the Food Stamp Program. The list must be *signed by an employee* [certified by an officer of the center and [must] be provided within five working days after the end of the month for which it [the list] is prepared. [The list should identify the following about each participant: name; birthdate; food stamp case number; date entered center; date left center; and indicate whether an ID card, partial allotment, and change report form was provided to departing participants.]

(b) The certification office *uses* [will use] the list to monitor its center caseload on a monthly basis, *when making periodic on-site visits*, and to ensure that office records are kept up to date. Workers must ensure that the individual designated by the center to act as authorized representative for participants is aware of *the monthly reporting* [this] requirement.

#### .016. Processing Participant Applications.

(a) Normal processing standards, for eligibility determinations, redeterminations, reporting changes, and other program actions, apply to applicants participating in drug *addict/alcoholic* [addiction and alcoholic] treatment or rehabilitation programs, as well as normal verification and documentation requirements.

(b)-(c) (No change.)

#### .019. Residents Leaving the Center.

(a) (No change.)

(b) *Once the participant* [If a resident] leaves the center, [after the 15th of the month.] the center *no longer may act as authorized representative for that household. The center also must provide the household with its Change Report form, and advise the household to report to the local office its change in circumstances within 10 days* [is not prohibited from keeping the individual's remaining food stamps. In any event, the former resident cannot receive additional benefits for that month, if the center chooses to keep the stamps].

(c) If the departing resident fails to report the change in his or her circumstances as required, and the worker is unable to locate the household, the worker must *stop* [suspend the] delivery to future ATPs. Hold procedures used for *households which cannot be located* [undeliverable ATPs] must be applied. ATPs delivered to the center after the participant leaves should be returned to the worker.

(d) (No change.)

Issued in Austin, Texas, on March 13, 1980.

Doc. No. 801943 Jerome Chapman  
Commissioner  
Texas Department of Human Resources

Proposed Date of Adoption: April 21, 1980

For further information, please call (512) 475-4601.



## State Board of Insurance

### Insurance Premium Finance

#### General Provisions 059.60.01

The State Board of Insurance proposes to promulgate and adopt rules applicable to insurance premium financing pursuant to the authority provided in Texas Insurance Code Annotated, Articles 1.04 and 24.09. The purpose of Rules 059.60.01.001-.010 is to establish the authority and scope applicable to all of Chapter .60, inclusive of all subchapters and rules.

These proposed rules have no known fiscal implications for the state or for units of local government. The board relies on its Insurance Premium Finance section in making this fiscal evaluation.

Public comment is invited on the proposed adoption of Rules .001-.010. Comments may be made at a public hearing to be held in April or May 1980, specific notice of which will follow, or may be submitted in writing, Brad Ellis, director, Insurance Premium Finance, State Board of Insurance, 1110 San Jacinto, Austin, Texas 78786.

Rules .001-.010 are proposed pursuant to the authority of Texas Insurance Code Annotated, Articles 1.04 and 24.09.

.001. *Communications to the State Board of Insurance.* All correspondence shall be addressed to the Insurance Premium Finance Section, State Board of Insurance, 1110 San Jacinto, Austin, Texas 78786.

.002. *Definitions.* The following definitions of words, terms, or phrases shall apply when used in these rules:

(1) Each word, term, or phrase used herein shall have the same meaning as it has in the Texas Insurance Code and Vernon's Annotated Texas Statutes, Article 5069, commonly and hereafter referred to as the "Texas Credit Code," unless such word, term, or phrase is defined herein.

(2) "Annual percentage rate" means that rate computed in accordance with the regulations issued by the Federal Reserve Board of the United States pursuant to the Truth-in-Lending Act, 15 United States Code, §1606 (1968).

(3) "Net assets" means the total value of assets available for use in the business less liabilities.

(4) "Ownership in a corporation" means the acquisition of 10% or more stock in a corporation.

.003. *Responsibility for Acts of Employees.* The board may hold any licensee responsible for the acts of its officers, directors, and employees in the conduct of the business of the licensee.

.004. *Employees: Knowledge of Laws and Regulations Required.* Each employee of a licensee who negotiates, makes, or collects loans under Chapter 24, Texas Insurance Code, shall be expected to have adequate knowledge of the laws and regulations governing such business with respect to his area of responsibility or activity.

.005. *Surplus Lines Insurance Companies.* If a surplus lines insurance company is notified by the insurance premium finance company of the financing of the premiums of an insurance policy it issued, the surplus lines company shall return all gross unearned premiums to the insurance premium finance company upon cancellation of the insurance policy by the premium finance company, the insurance company, or its agent.

.006. *Miscellaneous Charges.* Fees will be charged for change of address, change of name, license application, and information kit, etc., in accordance with published charge schedules by the State Board of Insurance. The payment of these miscellaneous charges shall accompany any informational change request. The Insurance Premium Finance Section or the comptroller's office of the State Board of Insurance shall provide a list of charges upon request.

.007. *Installment Agreement Exception.* In an agreement between an insured and an insurer dealing with the collection of premiums, a service fee not exceeding \$2.00 per monthly payment shall not constitute premium or interest and such a transaction is not subject to Chapter 24 of the insurance code, nor to these rules.

Doc. No. 801953

#### Licensing 059.60.02

The State Board of Insurance proposes to adopt Rules 059.60.02.001-.012 concerning the licensing of insurance premium finance companies. The purpose of these rules is to provide certain licensing requirements for insurance premium finance companies.

These proposed rules have no known fiscal implications for the state or for units of local government. The board relies on its Insurance Premium Finance Section in making this fiscal evaluation.

Public comment is invited on the proposed adoption of Rules .001-.012. Comments may be made at a public hearing to be held in April or May 1980, specific notice of which will follow, or may be submitted in writing to Brad Ellis, director, Insurance Premium Finance, State Board of Insurance, 1110 San Jacinto, Austin, Texas 78786.

Rules .001-.012 are proposed pursuant to the authority of Texas Insurance Code Annotated, Articles 1.04 and 24.09.

.001. *Statutory Requirements.* The licensing of insurance premium finance companies shall be in accordance with Articles 24.02 and 24.03 of the Texas Insurance Code. All licensees will be investigated prior to being licensed and shall pay the prescribed fees, unless otherwise exempt under law.

**.002. Banks and Savings and Loan Associations.** Any bank or savings and loan association doing business under the laws of this state or the United States shall be issued a license immediately upon receipt of a notification of intent to operate under Chapter 24 of the Texas Insurance Code. A license application shall be required to establish an existing certificate license number, ownership, address, and operating location.

**.003. Previously Licensed Regulated Loan Companies.** Any person holding a license under Chapter 3, Title 79, Revised Civil Statutes of Texas, 1925, as amended, on the effective date of Chapter 24, Texas Insurance Code, is required to pay a license fee of \$100. The \$200 license applicant investigation fee will not be required.

**.004. License Application.** Application for insurance premium finance company licenses shall be in accordance with procedures established by the State Board of Insurance. Instruction and application forms are available on request from the Insurance Premium Finance section of the State Board of Insurance.

**.005. Financial Responsibility.**

(a) Each application for a license shall be accompanied by a complete, sworn financial statement of individuals, partners, or corporations, as applicable, disclosing the applicant's financial condition and reflecting net assets for use in the licensed business of not less than \$25,000. As used herein, "net assets" means the total value of assets available for use in the business less liabilities other than those liabilities secured by assets which are not acceptable for meeting the financial requirements under this section. The financial statement shall also disclose any existing or anticipated lines of credit for operation of the business to be licensed or indicate that there are none.

(b) Unacceptable assets include but are not limited to goodwill, unpaid stock subscription, lines of credit, property subject to the claim of homestead, and encumbered real or personal property to the extent of the encumbrance. Valuations of accounts receivable shall be adjusted by adequate reserves for unearned charges and bad debts.

**.006. Display of License.** The license shall be conspicuously displayed at the place of business named in the license.

**.007. Place of Business.** Every licensed insurance premium finance company shall have and maintain a place of business accessible to the public. Such a place of business shall be located where the insurance premium finance company conducts transactions under the license. A licensee may not conduct the business of premium financing provided for by this chapter under any name or at any place of business other than that stated in the license.

**.008. Relocation of Licensed Offices or Accounts.**

(a) A licensee may move his office from the licensed location to any other location in the State of Texas by forwarding notice of intended relocation to the board not less than 30 days prior to the anticipated moving date. Such notice shall include the present address of the licensed office, the contemplated new address of the licensed office, and the approximate date of relocation.

(b) Written notice of a relocation of an office or an account shall be mailed to all insureds of record at least 15 days prior to the date of relocation unless the licensee conducts his

business solely by mail. Change of a mailing address for a licensee conducting his business solely by mail shall be handled the same as a relocation with respect to insureds. Any licensee failing to give the required notice shall waive all default charges on payments coming due from the date of relocation to 15 days subsequent to the mailing of notices to insureds. Notices shall identify the licensee, give both old and new addresses, the telephone number at the new location and the date relocation is effective.

(c) When accounts are relocated to an affiliated office, both licensed offices shall maintain a record of the accounts relocated.

**.009. Change in Ownership.** When there is a change in ownership of an insurance premium finance company, the new owner shall submit a new license application reflecting the new ownership (sole proprietor, partners, corporate officers and directors). Ownership in a corporation is defined as having 10% or more stock in a corporation. A \$200 investigation fee shall accompany the new license application. When the State Board of Insurance approves the license application, it shall issue a new license to the company.

**.010. Investigation.** Unless otherwise exempted by law, each license applicant shall be investigated to assure compliance with the requirements of Article 24.03 of the Texas Insurance Code. Specifically, the applicant and any person associated with him shall be reviewed for financial responsibility, experience, character, and general fitness to assure that the applicant commands the confidence of the community and warrants the belief that the business will be conducted honestly and fairly. The investigation shall be completed and appropriate action taken on the application within 90 days after receipt of the application.

**.011. Insurance Premium Finance Agreement Form.** An Insurance Premium Finance agreement form shall accompany each license application. The form shall be deemed approved if not returned with criticism prior to the issuance of the license. The State Board of Insurance shall approve prior to use any change in an approved Insurance Premium Finance agreement form. The format of the insurance premium finance agreement shall be in accordance with Article 24.11 of the Texas Insurance Code.

**.012. Rate and Refund Charts.** Each insurance premium finance company shall submit with its license application a copy of all rate and refund charts to be used. If standard rate and refund charts are to be used, appropriate identification shall accompany the application to identify these rate and refund charts. Any restrictions pertaining to the use of the proposed rate and refund charts shall be included. If the chart or instructions do not give all necessary state and federal disclosures, the applicant shall attach a statement indicating an understanding of such disclosures. The user shall submit proofs of the rate and refund charts required by Chapters 3 and 4 of the Texas Credit Code and Chapter 24 of the Texas Insurance Code, allowing time for review and criticism prior to printing and distribution. The company preparing the rate and refund charts may make the required filing on behalf of the insurance premium finance company. Each filing of rates and refund chart changes shall be filed at least 30 days prior to implementation. If the charts are not returned with criticism prior to the approval of the license, they shall be deemed approved.

Doc. No. 801954

## Insurance Premium Finance Agreement 059.60.03

The State Board of Insurance proposes to adopt Rules 059.60.03.001-.004 concerning the acceptance or rejection and the prompt processing of insurance premium finance agreements. The purpose of these rules is to ensure the expeditious handling of insurance premium finance agreements.

These proposed rules have no known fiscal implications for the state or for units of local government. The board relies on its Insurance Premium Finance Section in making this fiscal evaluation.

Public comment is invited on the proposed adoption of Rules .001-.004. Comments may be made at a public hearing to be held in April or May 1980, specific notice of which will follow, or may be submitted in writing to Brad Ellis, director, Insurance Premium Finance, State Board of Insurance, 1110 San Jacinto, Austin, Texas 78786.

Rules .001-.004 are proposed pursuant to the authority of Texas Insurance Code Annotated, Articles 1.04 and 24.09.

*.001. Acceptance or Rejection.* An insurance premium finance company may not alter any insurance premium finance agreement except to correct a clerical error or make a change which economically benefits the insured. The insured shall be notified of the changes before the first installment is due. Upon receipt of an insurance premium finance agreement, the insurance premium finance company shall return any unacceptable agreement to the agent from whom it was received within three working days.

*.002. Prompt Processing Required.* An insurance premium finance company shall exercise reasonable care in the processing of insurance premium finance agreements and shall promptly pay amounts due under such agreements. Failure to exercise reasonable care as determined by the State Board of Insurance shall result in the adjustment of the amount of the finance charges collectible under the premium finance agreements. The State Board of Insurance shall prescribe the amounts or methods of determining the amounts, if any, which may be collected under the agreements.

*.003. Duplication of Loans.* A licensee may make more than one insurance premium finance loan agreement with the same insured. However, no licensee shall induce or permit any person to be obligated directly or indirectly under more than one insurance premium finance agreement under this chapter at the same time for the purpose of obtaining a higher authorized charge than would otherwise be permitted.

*.004. Quotation of Net Payoffs.* When inquiry is made of a licensee by the insured or his spouse or by a co-obligor to ascertain the net amount necessary to pay the insured's indebtedness in full, the licensee shall quote the requested information to the person making such inquiry.

Doc. No. 801955

## Increases or Decreases in the Amount of Insurance Premium Financed 059.60.04

The State Board of Insurance proposes to adopt Rules 059.60.04.001-.007 regarding increases or decreases in the

amount of insurance premium financed. The purpose of these rules is to provide certain requirements in the event increases or decreases occur in the amount of insurance premium financed.

These proposed rules have no known fiscal implications for the state or for units of local government. The board relies on its Insurance Premium Finance Section in making this fiscal evaluation.

Public comment is invited on the proposed adoption of Rules .001-.007. Comments may be made at a public hearing to be held in April or May 1980, specific notice of which will follow, or may be submitted in writing to Brad Ellis, director, Insurance Premium Finance, State Board of Insurance, 1110 San Jacinto, Austin, Texas 78786.

Rules .001-.007 are proposed pursuant to the authority of Texas Insurance Code Annotated, Articles 1.04 and 24.09.

*.001. Notice of Additional or Return Premium Charge.* If an insurance company receives notification of a financed insurance premium, it shall notify the premium finance company of any additional or return premium arising under the same insurance policy whenever it notifies the insurance agent of the additional or return premium.

*.002. Notification of Account Adjustment to Insured.* The insured shall be promptly advised of any adjustments made to his account balance and of any changes in his repayment schedule.

*.003. Increase in Financed Premiums.* The insurance premium finance agreement shall contain a provision for amendment if increased premiums are financed through use of a memorandum of agreement. Otherwise, any amendment financing increased premiums shall be authorized by the signature of the insured at the time the insurance premium finance agreement is amended.

*.004. Finance Charge on Additional Premium.* A finance charge may accrue on the additional premium from the original date the finance charge began to accrue provided the premium increase was effective from the policy inception date.

*.005. Premium Decrease Due to Improper Rating.* Decrease in the premium due to an improperly rated policy or improperly calculated premium or any other premium reduction shall be effective on the date the insurance premium finance company receives endorsement from the insurance company and shall be handled as follows if not refunded directly to the insured:

(1) credit the amount of return premium to the insured's account balance as a current payment and reduce in like amount the insured's next payment(s) due. No reduction of the original finance charge is necessary when the credit of return premium is given in this manner, or

(2) credit the return premium on the insured's account balance plus finance charge credit on the returned premium equal to the difference between the amount of finance charge initially charged and the amount that should have been charged at the same finance charge rate on the reduced amount financed. The insured's repayment schedule shall be revised to reflect smaller monthly payments due to the reduction of the account balance or the finance charge and premium credits shall be applied to the final maturing installments.

**.006. Changes in Finance Rate.** When amending an insurance premium finance agreement, the agent or insurance premium finance company may not charge the insured a greater rate of finance charge than was agreed upon under the premium finance agreement or a rate which exceeds that permitted under the Texas Credit Code. When an increase in the principal amount financed creates a total amount financed greater than that permitted on the original loan, made under either Article 3.15 or 3.16 of the Texas Credit Code, the rate of finance charge on the premium finance agreement shall be reduced so as not to exceed the maximum permitted under the Texas Credit Code. This shall apply regardless of whether an additional finance charge is charged on the additional premium.

**.007. Effective Date of Adjusted Premium Finance Changes.** Any increases or decreases in premiums of a policy financed under an insurance premium finance agreement due to changes in the policy subsequent to the date of the policy shall be considered effective, for finance charge adjustment purposes, on the date the insurance premium finance company receives the adjusted premium from the insurance company.

Doc. No. 801956

## Finance Charges 059.60.05

The State Board of Insurance proposes to adopt Rules 059.60.05.001-.004 concerning finance charges and insurance premium finance agreements. The purpose of these rules is to provide certain safeguards for an insured's account with an insurance premium finance company.

These proposed rules have no known fiscal implications for the state or for units of local government. The board relies on its Insurance Premium Finance Section in making this fiscal evaluation.

Public comment is invited on the proposed adoption of Rules .001-.004. Comments may be made at a public hearing to be held in April or May 1980, specific notice of which will follow, or may be submitted in writing to Brad Ellis, director, Insurance Premium Finance, State Board of Insurance, 1110 San Jacinto, Austin, Texas 78786.

Rules .001-.004 are proposed pursuant to the authority of Texas Insurance Code Annotated, Articles 1.04 and 24.09.

**.001. Computation of Finance Charge upon Cancellation.** If a premium finance agreement is to be prepaid by return premium due to cancellation of the financed policy for non-payment, the finance charge will cease to accrue on the date the return premium is received on that part of the outstanding indebtedness equal to the return premium.

**.002. Finance Charge Earnings upon Acceleration.** If a premium finance agreement contains a provision whereby the insurance premium finance company may accelerate the maturity of the contract for reasonable cause other than default of the insured in making payments(s), and the insurance premium finance company exercises this right, the insurance premium finance company shall credit the insured's account with the amount of unearned finance charge as of the date of acceleration and the insurance premium finance company shall be entitled to collect additional interest

under the premium finance agreement from the date of acceleration at the lawful rate of charge provided in the premium finance agreement for interest after maturity. Likewise, an insurance premium finance company is only entitled to earn and collect interest at the lawful rate stipulated in the premium finance agreement as interest after maturity (or 6.0% per annum as authorized by law) when the insurance premium finance company accelerates the maturity of a premium finance agreement because of the default in payment(s) by the insured.

**.003. Notification to Insured of Offset.** An insurance premium finance company may not offset monies paid to an insured by mistake unless it notifies the insured that it is offsetting against an insured's account. Furthermore, the insurance premium finance company must have verification from the insured acknowledging an overpayment.

**.004. Alternative Methods of Adjusting Accounts.**

(a) Any amount found to be due an insured may be credited to the next payments(s) on the account of the insured when the insured has an existing obligation to the licensee. The licensee must notify the insured in writing of the date and amount of the next payment due after this credit has been given.

(b) Alternatively, if the error correction or adjustment to an account is related to an improper charge or proceeds improperly held by licensee on which interest has been precomputed, the licensee may credit the final maturing installment(s) of the contract provided credit is also given the insured for the proportionate interest originally charged on the amount being so credited.

Doc. No. 801957

## Power of Attorney 059.60.06

The State Board of Insurance proposes to adopt Rules 059.60.06.001-.006 concerning the effect of a power of attorney in an insurance premium finance agreement. The purpose of these rules is to provide procedural requirements for the implementation of the power of attorney provision in insurance premium finance agreements.

These proposed rules have no known fiscal implications for the state or for units of local government. The board relies on its Insurance Premium Finance Section in making this fiscal evaluation.

Public comment is invited on the proposed adoption of Rules .001-.006. Comments may be made at a public hearing to be held in April or May 1980, specific notice of which will follow, or may be submitted in writing to Brad Ellis, director, Insurance Premium Finance, State Board of Insurance, 1110 San Jacinto, Austin, Texas 78786.

Rules .001-.006 are proposed pursuant to the authority of Texas Insurance Code Annotated, Articles 1.04 and 24.09.

**.001. Cancellation of Policy through Power of Attorney.** When a premium finance agreement contains, or if an insurance premium finance company utilizes, a power of attorney to effect the cancellation of a financed policy, the insurance premium finance company may not require the insured to pay the insurance premium finance company any amount remaining unpaid on his account for such policy after application of the return premium due from the cancelled

policy. However, an insurance premium finance company may collect from the insured any amount remaining unpaid on the account of the insured if:

(1) the amount directly resulted from additional premium earnings of which the insurance premium finance company had no knowledge or over which the insurance premium finance company had no control; or if

(2) the untimely cancellation of the financed policy was occasioned by the acceptance of checks from the insured that were either rejected or returned by the bank for nonpayment; or if

(3) the amount unpaid was due to a part or all of the insurance premium financed becoming earned at an accelerated rate in accordance with special provisions of the insurance contract.

*.002. Notice of Intent to Cancel Insurance because of Default.* A notice of intent to cancel insurance because of default as provided for by the power of attorney agreement shall be sent to the insured with a cancellation date not earlier than 10 days after the mailing date of the notice of intent to cancel. The insurance premium finance company shall establish and maintain a record of mailing the intent-to-cancel notice. A copy of the notice of intent to cancel insurance because of default shall be sent to the insurance agent.

*.003. Notice of Cancellation because of Default.* A notice of cancellation because of default shall be promptly sent to the insurer after the 10-day waiting period of the notice of cancellation has expired. Copies shall also be sent to the insured and insurance agent. The actual insurance company policy cancellation date shall be the day following the date of postmark on the letter of cancellation issued by the insurance premium finance company unless otherwise stated in the insurance policy.

*.004. Premium Refunds by Insurance Companies.* It shall be the responsibility of the insurer to pay the entire amount of the unearned premium to be refunded as a result of cancellation of insurance policies to the insurance premium finance company. The entire amount of any unearned premium owed the insurance premium finance company (insured) shall be paid within a reasonable length of time not to exceed 60 days from the effective date of the cancellation. The insurer shall return whatever unearned premiums are due under the insurance contract to the premium finance company either directly or through the agent or agency writing the insurance. If the insurance premium finance company does not receive the unearned commission refund within a reasonable length of time, not to exceed 60 days from the effective date of the cancellation, the cancelling company shall pay the entire amount of unearned premium including unearned agents' commissions directly to the insurance premium finance company. It shall be the insurer's responsibility to collect from its agent that part of the unearned premium retained by its agent. The above shall apply to cancelled policies written in a statutory plan or pool, except that the agent who applied for the policy on behalf of the insured shall be responsible for the payment of any unearned commission owed to the insurance premium finance company unless the insuring company or its agent tenders the entire unearned premium including unearned commission.

*.005. Collection Practices.* In attempting to collect money due on an insurance premium finance loan from the insured,

and prior to implementing the power of attorney, a licensee may not use any means other than appeals to reason or lawful remedies authorized under the laws of this state including those prescribed in any loan instrument and the Texas Insurance Code, Chapter 24.

*.006. Record of Contacts.* A licensee or his agent shall preserve a written record of each and every written contact made by a licensee with the insured or any other person for the purpose of collecting late insurance premium finance payments. The record shall also include written contacts made by the insured with the licensee. The written record shall include the date, method of contact, contacted party, person initiating the contact and essence of the contact. Each record shall be maintained in a manner that is readily understood.

Doc. No. 801958

## Books and Records 059.60.07

The State Board of Insurance proposes to adopt Rules 059.60.07.001-.006 concerning the keeping of books and records by insurance premium finance companies. The purpose of these rules is to require individual account records, filing of account records, retention of records, and to make provisions for the maintenance of records by data processing systems.

These proposed rules have no known fiscal implications for the state or for units of local government. The board relies on its Insurance Premium Finance Section in making this fiscal evaluation.

Public comment is invited on the proposed adoption of Rules .001-.006. Comments may be made at a public hearing to be held in April or May 1980, specific notice of which will follow, or may be submitted in writing to Brad Ellis, director, Insurance Premium Finance, State Board of Insurance, 1110 San Jacinto, Austin, Texas 78786.

Rules .001-.006 are proposed pursuant to the authority in Texas Insurance Code Annotated, Articles 1.04 and 24.09.

*.001. Individual Account Records.* Individual account records on each insured shall be maintained to reflect the complete account history as to charges, payments, and adjustment, if any, and shall include the accurate dates of all entries to the account. The record shall also reflect the date the finance charge began to accrue. Individual account records shall disclose the date that the insurance premium finance company requested cancellation of the financed insurance policy(s) and the individual's file shall contain evidence of the cancellation request, for example, copy of a letter or notice.

*.002. Filing of Account Records.* All filing of account records shall be systematic, maintained on a current basis, and appropriately cross-referenced for access to other files.

*.003. Copy of Premium Finance Agreement, Memorandum of Agreement, Amendments.* Each individual or commercial file shall contain a copy of the premium finance agreement and a copy of any memorandum of agreement or any amendments thereto.

*.004. Records Maintained by Data Processing Systems.* Records and account systems maintained in whole or in part



by mechanical or electronic data processing methods may be used in lieu of the books and records outlines above if the systems provide equivalent information. If examination of the equivalent records by representatives of the Insurance Premium Finance Section establish that the equivalent records are unsatisfactory, the licensee shall within 90 days of notification bring his system into compliance with the requirements of these rules and Chapter 24, Texas Insurance Code.

**.005. Retention of Records.** All papers and instruments required by the Texas Insurance Code to be retained by the licensee, and copies of instruments signed by the borrower, shall be available for inspection at any time by the board or its authorized representatives and shall be retained for a period of two years from the date of the final entry made thereon. Records of paid out loans shall be retained in original form for a period of at least one year following the date of the last examination by the State Board of Insurance after which such records may be microfilmed for the remainder of the statutory period required under the Texas Insurance Code.

**.006. File for Official Correspondence and Reports.** Each licensee shall maintain a separate file for all communications from the State Board of Insurance and copies of correspondence and reports addressed to the board. This shall include but not be limited to copies of the Texas Insurance Code, examination reports and any regulations, policies, rules of operation, and procedures issued by the board.

Doc. No. 801959

## Annual Reports and Examinations 059.60.08

The State Board of Insurance proposes to adopt Rules 059.60.08.001-.004 concerning annual reports and examinations for insurance premium finance companies. The purpose of these rules is to require the filing of an annual report by each insurance premium finance company for each of its office locations and periodic examinations by the State Board of Insurance.

These proposed rules have no known fiscal implications for the state or for units of local government. The board relies on its Insurance Premium Finance Section in making this fiscal evaluation.

Public comment is invited on the proposed adoption of Rules .001-.004. Comments may be made at a public hearing to be held in April or May 1980, specific notice of which will follow or may be submitted in writing to Brad Ellis, director, Insurance Premium Finance, State Board of Insurance, 1110 San Jacinto, Austin, Texas 78786.

Rules .001-.004 are proposed pursuant to the authority of Texas Insurance Code Annotated, Articles 1.04 and 24.09.

**.001. Annual Reports.** Each person holding an insurance premium finance company license shall file an annual report as prescribed by the State Board of Insurance. The annual report shall include such information as the most recent financial statement, ownership, and statistical data sufficient to provide an overview of the licensee's activities. Each licensee will receive an annual report form by no later than January 15th of each year.

**.002. Examinations.** The State Board of Insurance shall conduct examinations on a periodic basis to determine if a licensee is in compliance with Chapter 24 of the Texas Insurance Code and Rules 059.60.01-.59.60.10. The State Board of Insurance shall be reimbursed for the expense of the examinations in accordance with the rate structure established in Rule .003 below. Examinations of banks and savings and loan associations doing business under the laws of this state or the United States will not be conducted by the State Board of Insurance, unless the annual report indicates irregularities or complaints indicate a problem.

**.003. Examination Charges.** The charges for conducting an examination of an insurance premium finance company shall be in accordance with established procedure of the State Board of Insurance. The charge to be invoiced to the insurance premium finance company shall include travel, per diem, and the examiner's time at his current hourly wage rate plus employee benefits and general and administrative expenses. All of these charges shall be actual expenses incurred by the State Board of Insurance. The charge for the examiner's time shall include travel time plus actual time of the examination. If an examiner examines more than one insurance premium finance company or accrues chargeable and nonchargeable travel, per diem, and labor cost on the same trip, the travel, per diem, and labor charge due to travel shall be prorated to each examination at a rate directly proportional to the actual time expended on each examination. That is, the proration shall be the percent obtained by dividing the actual hours expended on the examination by the total actual hours expended on all activities during the specific trip. The calculation of these charges shall be on a per trip basis. The overhead rate charged for the examination shall include employee benefits, general and administrative cost of the Insurance Premium Finance Section, and prorated general and administrative cost of the State Board of Insurance. This overhead rate shall be subject to periodic review and adjustment by the State Board of Insurance.

**.004. Review of Records.** If, in the course of an examination or annual report review, the board determines that the extent of errors and discrepancies made by a licensee to indicate that the licensee has not been conducting his business in an acceptable manner, the board may direct the licensee to review his account records and make proper adjustments to any accounts in error or make any appropriate refunds. If the adjustment amount is less than \$1.00, no refund need be made.

DOc. No. 801960

## Deceptive Advertising 059.60.09

The State Board of Insurance proposes to adopt Rules 059.60.09.001-.006 regarding deceptive advertising. The purpose of these rules is to regulate the advertising practices of insurance premium finance companies by specifying the place of loan, requiring an advertisement file, requiring full disclosure, and prohibiting misleading advertising.

These proposed rules have no known fiscal implications for the state or for units of local government. The board relies on its Insurance Premium Finance Section in making this fiscal evaluation.

Public comment is invited on the proposed doption of Rules .001-.006. Comments may be made at a public hearing to be held in April or May 1980, specific notice of which will follow, or may be submitted in writing to Brad Ellis, director, Insurance Premium Finance, State Board of Insurance, 1110 San Jacinto, Austin, Texas 78786.

Rules .001-.006 are proposed pursuant to the authority in Texas Insurance Code Annotated, Articles 1.04 and 24.09.

**.001. Advertisements in General.** An insurance premium finance company may not engage in deceptive advertising as set forth in Article 24.13 of the Texas Insurance Code and further defined in Rules .001-.006.

(1) Advertisements by an insurance premium finance company shall be truthful and not misleading in fact or in implication.

(2) No advertisement shall be used by an insurance premium finance company which because of words, phrases, statements, or illustrations therein or information omitted therefrom has the capacity and tendency to mislead or deceive borrowers irrespective of whether the loan advertisement is made available to an insured prior to the consummation of the finance agreement. Words or phrases which are misleading or deceptive because the meaning thereof is not clear, or is clear only to persons familiar with insurance premium finance terminology, may not be used. The above shall not inhibit use of trade or technical terms in advertisements directed exclusively at commercial insureds.

(3) All information required to be disclosed by these guides shall be set out conspicuously and in close conjunction with the statements to which such information relates or under appropriate captions of such prominence that it shall not be minimized, rendered obscure, or presented in an ambiguous fashion or intermingled with the context of the advertisement so as to be confusing or misleading.

**.002. Place of Loan.** No licensee shall advertise that loans will be made at any other place other than that named in its license, and every such advertisement shall state or clearly indicate the identity of the licensee in such a manner as to prevent confusion with the name of any other unrelated licensee. Licensees shall not use any blind loan advertisement which gives only telephone numbers or addresses.

**.003. Advertisement File.** Every licensee shall maintain either at the licensed office or at a principal Texas office, so designated to the State Board of Insurance, a file, or other complete record of all written form communications soliciting the financing of insurance premiums, and of all other advertising material used (including scripts of radio and television broadcasts and reproductions of billboards and signs not at the licensed place of business) for a period of not less than one year from the date of use or until the next examination by a representative of the State Board of Insurance. The date or period of use of each solicitation or advertisement shall be indicated. If any language other than English is used in any such advertising material, a true and correct translation thereof shall appear along with such material in the file.

**.004. Full Disclosure Requirements.**

(a) If rates or charges are stated in advertising, they shall be expressed in terms of an "annual percentage rate" (simple annual interest rate). Any advertisement that states the amount of any installment payment, the dollar amount of

any finance charge or the number of installments or the period of repayment shall also state:

(1) the amount of the loan expressed as "amount financed;"

(2) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness if the credit is extended;

(3) the rate of the finance charge; and

(4) the sum of the payments expressed as "total of payments."

(b) The foregoing information shall be clearly shown in such a manner as not to be deceiving or misleading.

(c) If any licensee advertises that the first installment on a loan may be extended beyond one month from the loan date, he shall also clearly state whether a charge is to be made for such extension.

(d) The advertisement shall state that a licensed insurance agent can take application from the insured for insurance premium financing.

(e) The advertisement shall specifically state that the advertisement pertains to insurance premium finance only.

**.005. Misleading Advertising.** In determining whether any particular advertising matter violates Article 24.13 of the Texas Insurance Code, the board may give consideration to general arrangement of copy, and whether, from statements or representations made, the inference or impression may reasonably be drawn that such statements or representations are inaccurate, deceptive, or misleading.

(1) No advertisement may use phrases such as "lowest costs," "quickest service," "easy payments," "repayment in easy installments."

(2) No advertisement may state "new reduced rates" or "a new type of service" or any such similar comparative expression unless such statement is in fact accurate with respect to the business of the licensee so advertised and unless such advertisement clearly indicates that such new plan refers specifically to a change in the particular licensee's plan of operation, and which change must be of more than minor importance with respect to the business of the licensee. Any such advertisement may not be used for a period longer than 60 days after such plan has been put into effect.

(3) An advertisement may not contain any statement or representation with reference to the ease of procuring insurance premium financing, the speed with which it may be effected, the freedom from credit inquiries addressed to particular sources of information, or to any other implied differentiation in policy or loan service, unless such licensee shall comply with the representation so made.

(4) An advertisement may not contain offers to insureds for insurance premium financing in general unless, in general practice, the licensee actually makes a reasonable number of such loans within such limited time and upon the basis of such offer.

(5) A licensee other than a lawfully chartered banking institution may not use the word "bank" or any derivative in any advertisement wherein its use might mislead the public to believe that the licensee is an authorized banking institution or is conducting a banking business.

(6) Any advertisement which omits material facts shall be deemed deceptive or misleading.

**.006. Multiple Page Advertisements.** For the purposes of these rules, a catalog or other multiple page advertisement



shall be considered a single advertisement if it clearly and conspicuously displays a credit terms table or chart on which the information required to be stated under these regulations is clearly set forth.

Doc. No. 801961

### Miscellaneous Provisions 059.60.10

The State Board of Insurance proposes to adopt Rules 059.60.10.001 and .002 concerning a savings clause and severability clause applicable to insurance premium finance. The purpose of these rules is to provide a savings clause, and to provide that all provisions of Chapter .60 of the rules and regulations of the State Board of Insurance are to be severable.

The proposed rules have no known fiscal implications for the state or for units of local government. The board relies on its Insurance Premium Finance Section in making this fiscal evaluation.

Public comment is invited on the proposed adoption of Rules .001 and .002. Comments may be made at a public hearing to be held in April or May 1980, specific notice of which will follow, or may be submitted in writing to Brad Ellis, director, Insurance Premium Finance, State Board of Insurance, 1110 San Jacinto, Austin, Texas 78786.

Rules .001 and .002 are proposed pursuant to the authority of Texas Insurance Code Annotated, Articles 1.04 and 24.09.

*.001. Savings Clause.* Each cause of action, pending litigation, matter in process before the State Board of Insurance or commissioner of insurance, or matter hereafter arising from an event occurring prior to the time Chapter .60 of the rules and regulations of the State Board of Insurance become effective shall be determined in accordance with and governed by the provisions of statutes, rules, orders, or interpretations of the State Board of Insurance in effect at the time of the occurrence of the subject event; and this rule operates to save the application of such past procedure and law to any such event from amendment, change or repeal notwithstanding any provisions of these rules or any conflict or ambiguity therein.

*.002. Severability.* If any provision of Chapter .60 of the rules and regulations of the State Board of Insurance or the application thereof to any person or circumstance are held invalid for any reason, the invalidity shall not affect the other provisions or any other application of said rules which can be given effect without the invalid provisions or application. To this end, all provisions of Chapter .60 of the rules and regulations of the State Board of Insurance are declared to be severable.

Issued in Austin, Texas, on March 12, 1980.

Doc. No. 801962      Pat Wagner  
                                 Chief Clerk  
                                 State Board of Insurance

Proposed Date of Adoption: April 21, 1980  
For further information, please call (512) 475-4509.

## Public Utility Commission of Texas

### Practice and Procedure 052.01.00

The Public Utility Commission of Texas is proposing certain amendments to its rules of practice and procedure. Rule 052.01.00.012 would be amended to make the definition of "test year" comport with the legislature's recent amendment of Article 1446c, Section 3(t), Texas Revised Civil Statutes, which sets forth the statutory definition of "test year." Rule .017 would be added to require that communications between public utilities, their affiliates or representatives, or any party and the commission or any employee of the commission are recorded at the commission in a manner which complies with the requirements of Article 6252-23, Sections 2, 3, and 4, Texas Revised Civil Statutes. Rule .035 would be amended to provide for a more orderly and complete analysis of pleadings and rate applications. Subsection (a) has been amended to allow the commission to notify parties of the insufficiency of their pleading at any time during the pendency of a proceeding. This amendment is necessary in complex proceedings when the initial review of a party's pleadings or rate filing package requires more than 10 days. Subsection (b) would be added to allow the commission to notify an applicant of the insufficiency of his rate increase application and to prevent the running of statutory rate case deadlines to the detriment of the public when incomplete rate increase applications are filed. Rule .039 would be amended to provide that in major rate cases annual financial statements, reported on by a certified public accountant, which fall within a test year shall be included in the rate application, along with a post-audit review statement that covers the period from the date of an annual audit to the end of the test year. The rule would require the filing of 15 copies of an application in major rate cases, rather than 11, and would eliminate certain form requirements in the rate filing application. Rule .043 would be amended to remove the requirement that notice of proceedings be published in the commission bulletin. Rule .051 would be amended to codify the commission policy of allowing any applicant to withdraw without prejudice any pending application at any time before the rendition of a final order of the commission on that application. Rule .067 would be amended to allow parties additional time to file appeals of interim orders. The amendment also extends the period in which the commission must act on an appeal of interim orders so that such appeals can normally be heard at regularly scheduled meetings. The amendment restricts such appeals to rulings on substantive matters and precludes interim appeals of procedural or evidentiary rulings by an examiner. The amendment finally provides that if the commission fails to rule on an appeal of an interim order within 15 days of its filing, the interim order is deemed approved by operation of law. Rule .079 would be amended to provide that subpoenas may be issued by commissioners, the director of public utilities, the commission secretary, and the presiding examiner in a particular case. Rule .094 would be amended to expand the number of utilities whose applications are subject to the commission's reciprocity rule since the commission has experienced cases in which equity suggested that reciprocity should be afforded but was unavailable because that utility had too many customers to fall within the reciprocity standards. This minor amendment of the reciprocity standards will have minimal impact on overall commission regulatory jurisdiction. Rule .104 would be amended to comport with

Article 6252-13a, Section 17, Texas Revised Civil Statutes, on ex parte communications.

The commission has determined that the proposed amendments have no fiscal implications for the state or for units of local government.

Written comments are invited and may be sent to Philip F. Ricketts, director of hearings and secretary of the commission, Public Utility Commission of Texas, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757.

These amendments are proposed under authority of Texas Revised Civil Statutes, Article 1446c.

**.012. Definitions.** As used in these rules, unless the context requires otherwise, the following words shall have the indicated meaning:

(1)-(34) (No change.)

(35) **Test year.** The most recent 12 months for which operating data for a public utility are available, and shall commence with a calendar or fiscal quarter.

(36) (No change.)

**.017. Communications.** Communications by public utilities, their affiliates or representatives, or any party with the commission or any employee of the commission shall be governed by Article 6252-23, Sections 2, 3, and 4, Texas Revised Civil Statutes. These communications shall be recorded at the commission. This record will contain the name of the person contacting the commission or employee of the commission, the name of the party, business entities represented, a brief description of the subject matter of the communication, and the action, if any, requested by same. This record shall be available to the public on a monthly basis.

**.035. Examination and Correction of Pleadings.**

(a) Any pleading filed with the commission shall be examined for sufficiency under these rules. If it does not comply in all material respects with these rules, it shall nevertheless be conditionally accepted for filing. [Within 10 days of the filing, the party filing the pleading shall be notified by the commission of the deficiencies, if any, therein. Within five days of receipt by the filing party of this notice of deficiencies, the filing party shall correct the deficiencies.] **Upon notification by this commission of a deficiency in pleadings, the pleading party shall correct or complete the pleading in accordance with the notice.** If a dispute between the commission and the filing party cannot be resolved as to correctness and sufficiency of pleadings, the commission shall issue a final order in connection therewith. [All statutory time periods shall begin to run with the initial filing of a pleading and shall continue unless a final order is entered by the commission rejecting the pleading which order shall state the reasons for the rejection.]

(b) **If the commission issues written notice to the filing party of deficiencies in a commission-prescribed rate change application within 15 days of the date of filing, the earliest possible effective date of the proposed change is at least 35 days after the filing of a sufficient application with substantially complete information as required by the commission, and the deadlines under Section 43 of the Act are determined from the 35th day (or proposed effective date, if later) of the filing of the sufficient application and information.**

**.039. Time Limits for Filing Requests for Information and Prepared Testimony and Exhibits.**

(a) In any major rate proceeding over which the commission has original jurisdiction, all requests for information and prepared testimony and exhibits shall, unless otherwise provided by the commission, be filed as follows:

(1) (No change.)

(2) **Any utility filing an application, petition, or statement of intent to change its rates must file all of its evidence, including the prepared testimony of all of its witnesses and exhibits, on the same date that such application, petition, or statement of intent to change its rates is filed with the commission. In addition, such filing shall include annual financial statements that have been examined and reported on by an independent certified public accountant, the date of such statements to be within the test year. Also, the filing shall include a report on a post-audit review made by the independent auditors that covers the period from the date of the annual audit to the end of the test year. The required scope of the post-audit review shall be included in the commission-prescribed rate filing package. A utility filing for a change in rates shall be prepared to go forward at a hearing on the data which have been previously submitted and sustain the burden of proof of establishing that its proposed changes are just and reasonable, and the material submitted as the filing and supporting work papers shall be of such composition, scope, and format so as to serve as the utility's complete case. Fifteen sets of the company's application, petition, or statement of intent to change rates, working papers, supporting data, prepared testimony and exhibits shall be submitted and filed with the commission, each securely bound in a cover. In addition, the utility must complete and submit 15 copies of the commission-prescribed rate filing package and all the applicable schedules contained therein in order to complete an original filing, and failure to file such complete rate filing package shall be considered an incomplete filing, and any application or statement of intent to change rates shall be subject to being dismissed and any time limits shall not begin to run thereon.**

(3)-(4) (No change.)

(b) **In any other proceeding before the commission, the commission or its hearing examiner may require by order that motions in intervention, protests, requests for information, answers to requests for information, and prepared testimony and exhibits be filed prior to the date set for hearing.**

**.043. Publication of Notice.**

(a) Rate setting proceedings.

(1) In all rate proceedings, whether the commission has original or appellate jurisdiction, notice shall be given in the following ways:

(A) publication by the commission in the *Register*;

(B) publication in the commission bulletin by printing twice monthly notice of all applications by which proceedings have been instituted before the commission since the last previous publication of notices in the bulletin;

(B)(C) written notice to the parties at least 10 days in advance of the hearing date.

(2) (No change.)

(b) Licensing proceedings. In licensing proceedings, notice shall be given in the following ways:

(1) publication by the commission in the *Register*;  
 (2) publication in the commission bulletin by publishing twice monthly notice of all applications by which proceedings have been instituted before the division since the last previous publication of notices in the bulletin;]

(2)(3) except in minor boundary changes, publication by the applicant in a newspaper having general circulation in the area of the state where a "certificate of convenience and necessity" is being requested, in that newspaper once each week for two consecutive weeks beginning with the week after the application is made with the commission, of the applicant's intent to secure a "certificate of convenience and necessity;" this notice shall identify in general terms the type of facility, if applicable, and the area for which the certificate is being requested;

(3)(4) written notice to the parties at least 10 days in advance of the hearing date.

(4)(5) the commission may require the applicant to mail or deliver notice to other affected persons or agencies.

(c) Rulemaking proceedings. In rulemaking proceedings, notice shall be given in the following ways:

(1) publication by the commission in the *Register* at least 30 days prior to the hearing date and simultaneous delivery to the lieutenant governor and speaker of the house;

(2) the commission shall mail notice to all persons who have made timely written requests of the commission for advance notice of its rulemaking proceedings;

(3) publication in the commission bulletin by publishing twice monthly notice of all rule changes proposed by the commission since the last previous publication of notices in the bulletin;]

(3)(4) the commission may require the applicant to mail or deliver notice to other affected persons or agencies.

(d) Proceedings other than rate setting, licensing, or rulemaking proceedings. In proceedings other than rate setting, licensing, or rulemaking, notice shall be given in the following ways:

(1) publication by the commission in the *Register*;

(2) publication in the commission bulletin by publishing twice monthly notice of all applications by which proceedings have been instituted before the commission since the last previous publication of notices in the bulletin;]

(2)(3) written notice to the parties 10 days in advance of the hearing date;

(3)(4) the commission may require the applicant to mail or deliver notice to other affected persons or agencies.

#### .051. Dismissal without Hearing.

(a) (No change.)

(b) **An applicant may withdraw its application, without prejudice to refile of same, at any time prior to rendition of a final order thereon by the commission.**

#### .067. Interim Orders.

(a) Prior to any final order of the commission, a party or the staff may seek, through an examiner, relief through a written interim order, but that order shall not be considered of the same nature as a final decision. Furthermore, an interim order shall not be subject to exceptions or application for rehearing, but any party aggrieved by the interim order may file an appeal from the examiner's ruling to the **commissioners** [commission] **by filing written notice within 10** [three] **days of the rendition of the order.** The **commissioners** [commission] shall rule on the interim order within **15** [(10)] **days of the filing of the appeal and, pending ruling**

thereon, the interim order is stayed. **If the commissioner do not rule on the appeal within 15 days of its filing, or extend the time for ruling, the interim order is deemed approved and the stay is lifted.**

(b) **A procedural or evidentiary ruling by an examiner is not an interim order and is not appealable to the commissioners pending the issuance by the examiner of an examiner's report.**

.079. *Subpoenas.* The issuance of subpoenas in any proceeding shall be governed by Section 14 of the Administrative Procedure and Texas Register Act. Following written request by a party, or on its own motion, the commission may issue subpoenas addressed to the sheriff or any constable to require the attendance of witnesses and the production of books, records, papers, or other objects as may be necessary and proper for the purposes of a proceeding. The subpoena may be issued by [the commission itself,] any commissioner, [division director,] **the director of public utilities, the secretary of the commission,** or [during the course of a hearing,] the presiding examiner of the hearing.

.094. *Reciprocity of Final Orders between States.* After reviewing the facts and the issues presented, a final order may be adopted by the commission even though it is inconsistent with the commission's procedural or substantive rules if the final order is an adoption, in whole or in part, of a final order rendered by a regulatory agency of some state other than the State of Texas after a hearing on the merits has been held by that other state's regulatory agency and if the number of customers in Texas affected by the final order is no more than the lesser of either **1,000** [500] customers or 10% of the total number of customers of the affected utility.

.104. *Ex Parte Communications.* **During the pendency of any proceeding before this commission, no communications by public utilities, their affiliates or representatives, or any party shall be made with the commissioners** [commission] **or hearings examiner concerning any issue of fact or law relative to the matter pending, to the exclusion of any other party to said proceedings.** [Any employee of the commission shall be recorded by the commission. This record will contain the name of the person contacting the commission or employee of the commission, the name of the party, business entities represented, a brief description of the subject matter of the communication and the action, if any, requested by same. This record shall be available to the public on a monthly basis.]

Doc. No. 801932

## Substantive

The Public Utility Commission of Texas is proposing certain amendments to its substantive rules, Chapter .02.

The commission has determined that the proposed amendments have no fiscal implications for the state or for units of local government.

Written comments are invited and may be sent to Philip F. Ricketts, director of hearings and secretary of the commis-

sion, Public Utility Commission of Texas, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757.

## Records and Reports 052.02.02

Rule 052.02.02.021 would be amended to require electric utilities to file all fuel cost reports by the fifth day of each month. Rule .022 would be amended to provide that energy conservation loans may be made by electric utilities to customers who happen to be shareholders without reporting such, so long as a tariff provision regarding conservation loans has been filed. Rule .024 would be amended to require that an order of the commission be obtained before utility records could be maintained outside the state.

These amendments are proposed under authority of Texas Revised Civil Statutes, Article 1446c.

### .021. General Reports.

(a)-(d) (No change.)

(e) Fuel cost and use information. Copies of all presently effective and future fuel purchase and/or sale contracts shall be available for examination or filed with the commission on request. **Effective April 1, 1980**, fuel cost and fuel use information **involved in calculating a fuel cost factor for a given month shall be filed with the commission by the fifth day of that month** [required by the commission shall be reported monthly] by all electric utilities, including municipally owned electric utilities, on a form prescribed by the commission. [The initial report shall cover the period of May 1976.]

(f)-(p) (No change.)

### .022. Financial Records and Reports.

(a)-(b) (No change.)

(c) Reports on sale of property and mergers.

(1) A public utility shall not sell, acquire, lease, or rent any plant as an operating unit or system in the State of Texas for a total consideration in excess of \$100,000 unless the public utility reports such pending transaction to the commission.

(2) A public utility shall not merge or consolidate with another public utility operating in the State of Texas unless the public utility reports such pending transaction to the commission.

(3) A public utility shall not purchase voting stock in another public utility doing business in the State of Texas, unless the utility reports such pending purchase to the commission.

(4) A public utility shall not loan money, stocks, bonds, notes, or other evidences of indebtedness to any corporation or person owning or holding directly or indirectly any stock of the public utility unless the public utility reports such transaction to the commission within a reasonable time. **A properly filed tariff change with respect to energy conservation loans available to customers, who may or may not be shareholders as defined above, will be considered adequate reporting to the commission.**

### .024. Maintenance and Location of Records.

(a) Unless otherwise permitted by the commission, all records required by these rules or necessary for the administration thereof shall be kept within the State of Texas at a central location or at the main business office located within the area served. These records shall be available for examination by the commission or its authorized representative at all reasonable hours.

**(b) An order of the commission is required for any record to be kept outside the State of Texas.**

Doc. No. 801933

## Rates 052.02.03

Rule 052.02.03.031 would be amended to clarify the amount of working capital allowance which would be included in the rate base of utilities. Specifically, a working cash allowance of one-eighth of operations and maintenance expenses would be authorized for electric, water, and sewer utilities and an amount up to one-twelfth of such expenses would be permitted for telephone and radio-telephone utilities. Rule .033 would be amended to provide that total fuel costs of an electric utility need not be shown on the customer's bill and to provide a procedural mechanism for the commission to review all fuel costs of electric utilities. Rule .034 would be amended to provide that all filings of tariff revisions contain a description of the proposed change and of the revenue impact of the filing. It would also require that notice be given for certain filings which increase existing rates and that utilities provide copies of their tariffs to requesting parties at a reasonable cost.

These amendments are proposed under authority of Texas Revised Civil Statutes, Article 1446c.

### .031. Rate Base.

(a) Rate base.

(1)-(2) (No change.)

(3) Working capital allowance to be composed of but not limited to the following:

(A)-(B) (No change.)

(C) A reasonable **working cash** allowance of [up to] one-eighth of total **test year** [annual] operations and maintenance expenses, [excluding allowance for (A) and (B) above.] **as adjusted, for electric, water, and sewer utilities, and up to one-twelfth of total test year operations and maintenance expenses, as adjusted, for telephone and radio-telephone utilities. Operations and maintenance expenses do not include depreciation, other taxes, or federal income taxes. The amount of operations and maintenance expense may be reduced for fuel expense, depending on the method of passing fuel cost to the consumer and for other items.**

### .033. Rate Structure.

(a) (No change.)

(b) Rate design.

(1) (No change.)

(2) An adjustment for recovering the cost of fuel used in the generation of electric power may be allowed in the tariff of electric utilities when approved by the commission provided that:

(A) At the time of a rate hearing, the utility shall have filed with the commission all requested fuel contracts and cost data upon which such total fuel costs are predicated with a schedule showing any adjustments anticipated under current contracts;

(B) The total cost of fuel **per kilowatt-hour (fuel cost factor)** is shown [separately] on the bill [as cost per kilowatt-hour of electricity used and no fuel charges are included in the base rate];

(C) The items included *in the cost of fuel* [and sum charged for total fuel costs] are approved by the commission [prior to the first time the separated billing form is used];

[(D) The utility files with the commission, before adjustment of total fuel costs to customers, any requested contracts for fuel and a revised schedule of anticipated adjustments. Changes in fuel costs to customers will be reviewed on a regular basis by the commission, and improper increases may be disallowed. If any fuel cost increases are disallowed, the utility shall provide appropriate refunds, including interest, to affected customers within 30 days of notice by the commission;]

[(D)](E) Fuel costs billed shall be for fuel consumed in the generation of electric energy in the calendar month that most closely corresponds to the billing period; **and**

[(F) Fuel costs are billed uniformly to all customers on a kilowatt hour use basis regardless of customer class or quantity of use, unless otherwise provided by the commission; and]

(E)](G) The total fuel cost is applied equitably to each customer's bill and is proportional to the number of kilowatt-hours used. This shall be done by determining a fuel cost factor.

**(3) Items included in the cost of fuel will be reviewed on a regular basis by the commission, and improper charges may be disallowed. If such charges are disallowed, the utility shall provide appropriate refunds to affected customers as directed by the commission.**

[(4)](3) Each electric utility shall maintain a monthly record of the cost of fuel used in the generation of electricity which is included or will be included in customer rates. Such record shall show at each month end the total cost (actual or estimate) of fuel consumed for that month and on a cumulative basis, and the total dollar amount of revenues resulting from the fuel cost component in customer rates. Any difference between the (1) total cost of fuel consumed and (2) the amount of revenues resulting from the fuel cost component in customer rates shall be credited or charged to the customers in the next billing month.

[(5)](4) An adjustment for recovering the cost of economy energy purchased pursuant to a sale between different electric utilities may, at the commission's discretion, be allowed in the tariff of the purchasing utility.

**(6) If the fuel cost revenues exceed the fuel cost by 10% in any given month and the average of fuel cost revenues have exceeded fuel costs by an average of 5.0% or more for the most recent 12-month period, the utility shall so advise the commission.**

**(7) A 10% penalty shall be applied to excessive collections above the actual fuel costs for any given month. For any month in which a utility over recovers actual fuel costs by 10% or more and has averaged an over recovery of 5.0% or more for the most recent 12-month period, such over collections shall be deemed to be excessive unless otherwise found by the commission.**

**(8) No penalties for excessive collections shall be applied to those electric utilities which have been granted a fuel adjustment clause which explicitly considers changes in the efficiency of generation. In addition, utilities applying such an efficiency-based fuel adjustment clause shall be exempt from calculating adjustments for over and under collection in the manner set forth in paragraph (4) above.**

#### .034. Form and Filing of Tariffs.

(a) (No change.)

(b) Requirements as to size, form, identification, and filing of tariffs.

(1) Every public utility shall file with the commission filing clerk four copies of its tariff containing schedules of all its rates, tolls, charges, rules, and regulations pertaining to all of its utility service by September 1, 1976, or when it applies for a certificate of convenience and necessity to operate as a public utility, if it is not in existence as of September 1, 1976. It shall also file four copies of each subsequent revision. Each revision shall be accompanied by a cover page which contains a list of pages being revised, **a statement describing the effect of each change, and a statement as to impact on rates of the change by customers class, if any. If a proposed tariff revision constitutes an increase in existing rates of a particular customer class or classes, then the commission may require that notice be given.**

(2)-(4) (No change.)

(c)-(e) (No change.)

(f) Availability of tariffs. Each utility shall make available to the public at each of its business offices within Texas all of its tariffs currently on file with the commission, and its employees shall lend assistance to seekers of information therefrom and afford inquirers an opportunity to examine any of such tariffs upon request. **The utility also shall provide copies of any portion of the tariffs at a reasonable cost to reproduce such tariff for a requesting party.**

(g)-(h) (No change.)

Doc. No 801934

#### Service 052.02.04

Rule 052.02.04.044(a) would be amended to provide that utility bills shall be considered paid on the date of postmark on the envelope containing such payment. Rule .045 would be amended to provide a framework under which customers could be disconnected by utilities for meter tampering and under which utilities could collect past due amounts for such tampering or bypassing. Rule .046(a)(1)(C) would be amended to require that telephone utilities offer a deferred payment plan to any customer who has been underbilled by the utility.

These amendments are proposed under authority of Texas Revised Civil Statutes, Article 1446c.

#### .044. Discontinuance of Service.

(a)-(b) (No change.)

(c) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment agreement entered into within 20 days from the date of issuance and if proper notice has been given. Proper notice shall consist of a separate mailing or hand delivery at least five days prior to a stated date of disconnection. If mailed, the cutoff date may not fall on a holiday or weekend but shall fall on the next work day after the fifth day. Payment at a utility's authorized payment agency is considered payment to the utility. **If a bill is paid by mail, the postmark date on the envelope containing payment shall be considered the date of payment.**

(d)-(e) (No change.)

## .045. Applicant Deposit.

(a) (No change.)

(b) Re-establishment of credit. Every applicant who previously has been a customer of the utility and whose service has been discontinued for nonpayment of bills **or meter tampering or bypassing of meter** shall be required before service is rendered to pay all amounts due the utility or execute a deferred payment agreement, if offered, and re-establish credit as provided in subsection (a).

(1) *In cases of meter tampering or bypassing of meter, electric energy or water consumed, but not metered, may be estimated by the utility based on amounts used under similar conditions during preceding years. Where no previous usage history exists or is considered unreliable due to meter tampering or bypassing of meter, consumption may be estimated on the basis of usage levels of similar customers and under similar conditions.*

(2) *Under no circumstances shall the utility's charges for usage resulting from meter tampering or bypassing of meter exceed a two-year usage period.*

(3) *A utility may charge for all labor, material, and equipment necessary to repair or replace all equipment damaged due to meter tampering or bypassing of meter.*

(c)-(j) (No change.)

## .046. Billing.

(a) Rendering and form of bills.

(1) Telephone utilities.

(A)-(B) (No change.)

(C) *If billings for telephone utility services are found to differ from the utility's lawful rates for the services being purchased by the customer, a billing adjustment shall be calculated by the utility. If the customer is due a refund, an adjustment shall be made for the entire period of overcharge. If the customer was undercharged, the utility may back bill the customer for a period not to exceed six months from the date the utility initially notifies the customer of the amount of undercharge and the total additional amount that will be due. Said amount shall be added to the next regular billing. The company shall offer to such customer a deferred payment plan option, for the same length of time as that of the underbilling.*

(2)-(3) (No change.)

(b) (No change.)

Doc. No. 801935

## Special 052.02.05

Rule 052.02.05.053 would be amended to establish specific quality of service standards for water utilities.

This amendment is proposed under authority of Texas Revised Civil Statutes, Article 1446c.

## .053. Water Utilities.

(a) (No change.)

(b) **Quality of product and adequacy of service.** Each utility shall furnish water which has been approved by the Texas Department of Health [Resources]. **Each utility shall furnish and maintain sufficient facilities to provide a continuous and adequate supply of water at reasonable**

**pressure. The standards by which quality of service is determined are outlined in subsections (c), (d), and (e).**

(c) **Adequacy of service. Minimum requirements for all water systems other than those serving transient type accommodation units (.053(d)) and special purpose units (.053(e)). All quantities listed below are minimum requirements only. In view of the wide variation in per capita water usage throughout the State of Texas, the determining factor for water system facilities is the ability of the system to maintain a minimum residual pressure of 20 psi, and a normal operating pressure of 35 psi. Those systems which are unable to maintain the specified minimum pressure may be required to provide additional supply, storage, pumping, or pressure maintenance facilities.**

(1) **Ground water supply.**

(A) **Less than 50 connections or less than 150 population.**

(i) **Ground storage—not required.**

(ii) **Pressure tank capacity—50 gallons per connection.**

(iii) **Well capacity—1.5 gallons per minute per connection.**

(B) **Fifty to 250 connections or 150 to 750 population.**

(i) **Total storage capacity (not including pressure tank capacity)—200 gallons per connection.**

(ii) **Pressure maintenance facilities must have either pressure tank capacity of 2,500 gallons for each 125 connections or each fraction of 125 connections, or elevated storage in the amount of 100 gallons per connection.**

(iii) **Elevated storage in the amount of 200 gallons per connection may be substituted for ground storage and pressure tank installations.**

(iv) **Well capacity—0.6 gallon per minute per connection.**

(v) **Service pumps—two or more having a total rated capacity of 2.0 gallons per minute per connection.**

(C) **More than 250 connections or over 750 population.**

(i) **Total storage capacity (not including pressure tank capacity)—200 gallons per connection with a maximum of 5.0 mg required.**

(ii) **Pressure maintenance facilities—must either have elevated storage based on 100 gallons per connection with a maximum of 5.0 mg required, or pressure tank capacity of 2,500 gallons for each 125 connections or fraction of 125 connections.**

(iii) **Elevated storage in the amount of 200 gallons per connection may be substituted for ground storage and pressure tank installations.**

(iv) **Pressure tank installations are not recommended for systems of over 1,000 connections, and elevated storage in the amount of 100 gallons per connection is recommended. Elevated storage in the amount of 100 gallons per connection is required for systems of over 2,500 connections or for systems where a minimum residual pressure of 20 psi under peak design conditions or 35 psi under normal operating conditions cannot be maintained with a single input point.**

(v) **Well capacity—two or more wells having a total rated capacity of 0.6 gallon per minute per connection. Where an interconnection is provided with another**

acceptable water system, which is capable of supplying at least 0.35 gpm for each connection in the combined system under emergency conditions, then an additional well will not be required as long as the 0.6 gpm per connection requirement is met for each system on an individual basis. Each water system will still be required to meet the storage and pressure maintenance requirements on an individual basis unless the interconnection is permanently open; then the systems will be considered as a single system.

(vi) Service pumps—two or more having a total rated capacity of 2.0 gallons per minute per connection or total capacity of 1,000 gpm and able to meet peak demands, whichever is less.

(vii) Necessary auxiliary power to deliver water to the distribution system in the event of the loss of normal power supply must be provided for pressure tank installations.

(2) Surface water supply.

(A) Less than 50 connections or less than 150 population.

(i) Total storage capacity (not including pressure tank capacity)—200 gallons per connection, with a minimum capacity of 1,000 gallons, must be provided as clear well capacity at the plant.

(ii) Pressure tank capacity—50 gallons per connection, with a minimum capacity of 250 gallons.

(iii) Raw water pumps and transfer pumps—duplicate pumps with each having a rated capacity of 0.6 gallon per minute per connection.

(iv) Treatment plant capacity—0.6 gallon per minute per connection under normal rated design capacity.

(v) Service pumps—two or more having a total rated capacity of 2.0 gallons per minute per connection.

(B) Fifty to 250 connections or 150 to 750 population.

(i) Total storage capacity (not including pressure tank capacity)—200 gallons per connection.

(ii) Covered clear well storage or ground storage at the plant of 25% of the total storage capacity will be required to provide adequate chlorine contact time.

(iii) Pressure maintenance facilities—must have either pressure tank capacity in the amount of 2,500 gallons for each 125 connections or fraction of 125 connections, or elevated storage capacity in the amount of 100 gallons per connection.

(iv) Raw water pumps and transfer pumps—duplicate pumps with each having a rated capacity of 0.6 gallon per minute per connection.

(v) Treatment plant capacity—0.6 gallon per minute per connection under normal rated design capacity.

(vi) Service pumps—two or more having a total rated capacity of 2.0 gallons per minute per connection.

(C) More than 250 connections or over 750 population.

(i) Total storage capacity (not including pressure tank capacity)—200 gallons per connection with a maximum of 5.0 mg required.

(ii) Covered clear well storage or ground storage at the plant of 25% of the total storage capacity,

with a maximum requirement of 1 mg, will be required to provide adequate chlorine contact time.

(iii) Pressure maintenance facilities—must either have elevated storage based on 100 gallons per connection, with a maximum of 5.0 mg required or pressure tank capacity of 2,500 gallons for each 125 connections or fraction of 125 connections. Elevated storage in the amount of 200 gallons per connection may be substituted for ground storage and pressure tank installations.

(iv) Pressure tank installations are not recommended for systems of over 1,000 connections, and elevated storage in the amount of 100 gallons per connection is recommended. Elevated storage in the amount of 100 gallons per connection is required for systems of over 2,500 connections or for systems where a minimum residual pressure of 20 psi under peak design conditions or 35 psi under normal operating conditions cannot be maintained with a single input point.

(v) Raw water pumps and transfer pumps—duplicate pumps with each having a rated capacity of 0.6 gallon per minute per connection.

(vi) Treatment plant capacity—0.6 gallon per minute per connection under normal rated design capacity.

(vii) Service pumps—two or more having a total rated capacity of 2.0 gallons per minute per connection or total capacity of 1,000 gpm and able to meet peak demand, whichever is less.

(viii) Necessary auxiliary power to deliver water to the distribution system in the event of the loss of normal power supply must be provided for pressure tank installations.

[Each utility shall furnish and maintain sufficient facilities to provide a continuous and adequate supply of water at reasonable pressure subject to Rule 052.02.04.041(a).]

(d) Minimum requirements for water systems serving transient type accommodation units. The following water quantity requirements are applicable to water systems serving accommodation units such as hotel rooms, motel rooms, travel trailer spaces, and campsites.

(1) Ground water supply.

(A) Less than 50 accommodation units.

(i) Ground storage capacity—not required.

(ii) Pressure tank capacity—10 gallons per unit with a minimum of 250 gallons required.

(iii) Well capacity—1.5 gallons per minute per unit.

(B) Systems serving 50 or more accommodation units.

(i) Ground storage capacity—35 gallons per unit.

(ii) Pressure tank capacity—10 gallons per unit.

(iii) Well capacity—0.6 gallon per minute per unit.

(iv) Service pump capacity—two or more pumps having a total rated capacity of 1.0 gallon per minute per unit.

(2) All systems regardless of size.

(A) Ground storage capacity—35 gallons per unit with a minimum requirement of 1,000 gallons, with all storage required as clear well capacity to provide adequate chlorine detention time.



(B) Pressure tank capacity—10 gallons per unit with a minimum requirement of 250 gallons.

(C) Raw water pump and transfer pump capacity—duplicate pumps with each having a capacity of 0.6 gallon per minute per unit.

(D) Treatment plant capacity—0.6 gallon per minute per unit.

(E) Service pump capacity—two or more pumps with a total rated capacity of 1.0 gallon per minute per unit.

(e) Minimum requirements for water systems serving special purpose units. The following table shall be used to estimate the daily water requirements for the various types of facilities listed.

Table A

Type of Establishment	Gallons/Person/Day
Restaurants	18
Schools without cafeterias, gymnasiums, or showers	18
Schools with cafeterias, but no gymnasiums or showers	24
Schools with cafeterias, gymnasiums, and showers	30
Office buildings	18
Hospitals	240
Institutions other than hospitals	120
Factories (gallons per person per shift, exclusive of industrial wastes)	24
Parks without bathhouse	6
Swimming pools and bathhouses	12
Country clubs (per resident member)	120
Drive-in theaters (per car space)	6
Movie theaters (per auditorium seat)	6
Airports (per passenger)	6
Self-service laundries (gallons per wash, i.e., per customer)	60
Stores (total per day per washroom)	480
Service stations (per vehicle served)	12

*It should be noted that usage of this table is for the purpose of estimating minimum capacities only, and that the overriding criteria will be the ability of the system to maintain a minimum pressure of 35 psi under normal operating conditions, and a minimum residual pressure of 20 psi under all conditions of demand.*

(1) Ground water supply.

(A) Less than 150 persons per day served.

(i) Ground storage—not required.

(ii) Pressure tank capacity—a minimum tank capacity of 250 gallons is required, with additional capacity, if necessary.

(iii) Well capacity—must be sized to provide the maximum daily demand as determined from Table "A" and estimate of the time of the usage.

(B) One hundred fifty or more persons per day served.

(i) Ground storage—must have storage equal to 50% of the maximum daily demand determined from Table "A."

(ii) Pressure tank capacity—a minimum tank capacity of 250 gallons is required, with additional capacity, if necessary.

(2) Surface water supply.

(A) All systems regardless of the number of persons served.

(i) Ground storage—must provide clear well storage at the plant in sufficient quantity as to produce a 30 minute chlorine detention time at a flow rate of three times the maximum daily flow rate in gallons per minute, as determined from Table "A."

(ii) Pressure tank capacity—a minimum tank capacity of 250 gallons is required, with additional capacity, if necessary.

(iii) Treatment plant capacity—must be sized to provide maximum daily usage, as determined using Table "A."

(iv) Raw water pumps—duplicate pumps, each of which is sufficient to provide maximum daily usage plus a 20% allowance for filter backwash water and flushing.

(v) Transfer pumps—duplicate pumps, each of which is capable of providing maximum daily demand as determined using Table "A."

(vi) Service pumps—two or more pumps with a total rated capacity of three times the maximum daily flow rate in gallons per minute, as determined from Table "A."

Issued in Austin, Texas, on March 13, 1980.

Doc. No. 801936 Philip F. Ricketts  
Secretary of the Commission

Proposed Date of Adoption: May 21, 1980  
For further information, please call (512) 458-0100.



An agency may adopt a proposed rule no earlier than 30 days after publication in the *Register*, and the adoption may go into effect no sooner than 20 days after filing, except where a federal statute or regulation requires implementation of a rule on shorter notice.

Upon request, an agency shall provide a statement of the reasons for and against adoption of a rule. Any interested person may request this statement from the agency before adoption or within 30 days afterward. The statement shall include the principal reasons for overruling objections to the agency's decision.

This section now contains two classifications: codified and noncodified. Agencies whose rules have been published in the *Texas Administrative Code* will appear under the heading "Codified." These rules will list the new TAC number, which will be followed immediately by the *Texas Register* 10-digit number. Agencies whose rules have not been published in the TAC will appear under the heading "Noncodified." The rules under the heading "Codified" will appear first, immediately followed by rules under the heading "Noncodified."

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## CODIFIED

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### TITLE 31. NATURAL RESOURCES AND CONSERVATION

#### Part XIII. Board for Lease of University Lands

##### Chapter 401. Organization of the Board

These sections are amended under the authority of Subchapter D, Chapter 66.62, of the Texas Education Code.

**§401.5 (137.01.00.005). Meetings.**

- (a) (No change.)
- (b) Docket. All matters to be presented to the board, except those presented by a board member, shall be referred to the secretary of the Board for Lease, who shall submit the agenda for consideration by the board. The agenda shall contain all items recommended by the board members, and by the chancellor of the University of Texas System and the vice chancellor for lands management of the University of Texas System. The docket shall list all matters on the agenda and shall include a summary or review of each of these matters.
- (c) Attendance at meetings. The members of the staff to be in attendance at each meeting of the board shall be designated by the chancellor of the University of Texas System and the vice chancellor for lands management of the University of Texas System. Other persons who desire to be heard by the board may appear only with permission of the board.

- (d) (No change.)

**§401.6 (137.01.00.006). Minutes.** The official minutes of the board shall be kept in bound volumes, properly indexed by the secretary and in the custody of the secretary in the files of

the Office of Lands Management, the University of Texas System, and shall be open to public inspection. The minutes shall reflect, as much as possible, only the action of the board, and the details of the proceedings relative to such action shall be kept in a separate file for reference purposes. After each meeting of the Board for Lease, the minutes shall be forwarded by mail to each member of the board for confirmation, who shall indicate his approval upon the carbon copy of the letter of transmittal. Such minutes shall be approved, if in order, according to parliamentary procedure, at the first subsequent meeting of the board. They shall be signed in the minutes book by the chairman of the board and by the secretary. An approved copy of the minutes shall be furnished to the commissioner of the General Land Office.

Doc. No. 801921

#### Chapter 403. Sale of Oil and Gas Leases

These sections are amended under the authority of Subchapter D, Chapter 66.64, of the Texas Education Code.

**§403.4 (137.02.00.004). Information and Inspection of Lands.**

- (a) (No change.)
- (b) Records concerning production of wells on university lands may be inspected at the University Lands Office in Midland, Texas, under rules and regulations of the Board of Regents of the University of Texas System, the General Land Office in Austin, Texas, and the University Lands Accounting Office.
- (c) Description of tracts to be offered and general information concerning sales of oil and gas leases may be obtained from the board, the University Lands Office at Midland, Texas, and the University Lands Accounting Office.

**§403.6 (137.02.00.006). Bidding.**

- (a)-(h) (No change.)
- (i) The highest successful bidder shall pay to the Board of Regents of the University of Texas System, on the day such bid is accepted, the full amount of the bonus and of the special 1.0% fee, as required by law. Separate checks must be submitted for payment of the bonus and of the special 1.0% fee due from the lessee.

**§403.7 (137.02.00.007). Terms of Lease.**

- (a) The board shall adopt such forms and contracts, not inconsistent with statutory provisions, as in its judgment will best effectuate the purpose of the statutes and protect the interests of the university.
- (b) Each lease shall be for a primary term not to exceed five years.
- (c) Leases shall cover oil and gas rights together and shall remain in force and effect after the primary term as long as there is production in paying quantities of either oil or gas from the leased premises. Leases shall not be issued covering oil only or gas only.
- (d) Each lease shall be subject to a royalty of not less than one-eighth of the gross production of oil and gas in the land and shall furthermore be subject to a payment of an annual rental, after the first year, of not less than \$.10 per acre, payable each year in advance, unless the royalties received from such land during the preceding year shall equal or exceed the amount of the annual rental payment.

(e) Lessee agrees to use reasonable diligence to prevent the underground or above ground waste of oil or gas and, to avoid the physical waste of gas produced from the leased premises, lessee shall pay lessor a royalty of not less than one-eighth of the market value on any oil or gas so wasted. The board shall determine the royalty percentage and the rate per MCF prior to each lease sale.

Doc. No. 801922

## Chapter 405. Disposition of Bonuses, Rentals, Royalties, Fees

These sections are amended under the authority of Subchapter D, Chapter 66.65, of the Texas Education Code.

**§405.1 (137.03.00.001). Payments of Fees.** All payments or fees made in connection with university oil and gas leases shall be paid to the Board of Regents of the University of Texas System; successful bidders shall make payment, on the day of the sale, in the form of exchange, or certified check, of a solvent member bank of the Federal Reserve System.

**§405.2 (137.03.00.002). Bonus, Rental, and Royalty Payments.** Bonus, rental, and royalty payments shall be transmitted by the Board of Regents of the University of Texas System to the state treasurer for deposit to the credit of the Permanent University Fund.

**§405.3 (137.03.00.003). Assignment, Relinquishments, and Other Fees.** Assignment and relinquishment fees, and all other payments due university funds from oil and gas leases (except the special 1.0% fee and those payments specified under §405.1(137.03.00.001) of this title) shall be transmitted by the Board of Regents of the University of Texas System to the state treasurer for deposit to the credit of the Available University Fund.

**§405.4 (137.03.00.004). Special 1.0% Fee.** The special 1.0% fee for defraying expenses of sales of oil and gas leases shall be transmitted by the Board of Regents of the University of Texas System to the comptroller of the University of Texas System for deposit to the credit of the Board for Lease of University Lands. The Special 1.0% Fee Fund, derived from an assessment of 1.0% of the bonus received from the successful bidder for oil and gas leases on university lands, shall be used as follows:

(1)-(2) (No change.)

(3) For the purpose of acquiring, constructing, and equipping a building in the City of Midland or adjacent area to house the administrative staff of the offices of university lands, manager of university lands—oil, gas, and mineral interests, and manager of university lands—surface interests, and such other related agencies necessary for the management and development of university lands in West Texas.

(4) Disbursement of appropriations made by the board from this special fund shall be by means of vouchers initiated by the secretary of the board and approved by the comptroller and the vice chancellor for business affairs of the University of Texas System.

(5) Upon authorization by the board, any unexpended balances remaining in the Special 1.0% Fee Fund, after reserving a sufficient amount therein for the payment of necessary expenses, shall be transmitted by the com-

ptroller of the University of Texas System to the state treasurer for deposit to the credit of the Permanent University Fund.

Doc. No. 801923

## Chapter 407. Operational Matters

These sections are amended under the authority of Subchapter D, Chapter 66.79, of the Texas Education Code.

**§407.1 (137.04.00.001). Common Tankage and/or Commingling of Oil and Gas; Lease Automatic Custody Transfer (LACT) Systems; Vapor Recovery Systems; and Off-Lease Storage.**

(a) Permission must be obtained from the Board for Lease to common store and/or commingle oil, install lease automatic custody transfer systems, and install off-lease storage facilities on university lands. Applications shall be directed to the manager of university lands—oil, gas, and mineral interests.

(b) (No change.)

**§407.2 (137.04.00.002). Applications.**

(a) Applications for permission are made by transmitting three copies of the application and supporting data to: manager of university lands—oil, gas, and mineral interests, P.O. Drawer 553, Midland, Texas 79702.

(b) Applications shall include the following:

(1)-(2) (No change.)

(3) Description of leases involved (state lease number, county, block, section, and part of section in which leases are located).

(4)-(12) (No change.)

(c) (No change.)

(d) Notification of approval will be received from the manager of university lands—oil, gas, and mineral interests.

**§407.3 (137.04.00.003). Operating Requirements for Common Tankage and/or Commingling Systems.**

(a)-(b) (No change.)

(c) A common tank battery may be used under the conditions described below for storage of oil and/or condensate produced from a single producing reservoir from two or more leases; two or more reservoirs from a single lease; or two or more reservoirs from more than one lease. The tank battery must be located on one of the commingled leases unless off-lease storage has been approved under the provisions of §407.7 (.007) of this title.

(1) The metering equipment and component accessories shall be approved by the manager of university lands—oil, gas, and mineral interests.

(2) The lessee or operator shall install metering equipment and accessory component parts to measure accurately the produced oil and gas. The metered volumes shall be used for determining the amounts of oil and gas produced from their respective sources. Meters must be utilized to measure any injected gas-lift gas and power oil delivered to each lease and/or horizon. If the metered fluid contains more than 2.0% BS&W, a BS&W sampler must be installed in conjunction with the meter. The sampler must operate continuously with the production as it is obtained. Shake outs of a representative sample must be performed at least once each month and the determined percentages of BS&W applied to correct the metered volume. Lease meter readings,

power oil meter readings, injected gas meter readings, and the results of shake outs—all properly identified—shall be reported monthly to the manager of university lands—oil, gas, and mineral interests, on daily gauge reports or otherwise.

(3) (No change.)

(4) All installed oil metering equipment and component accessories shall be maintained in proper working condition at all times and shall be test calibrated at least every three months, and at such other times as the manager of university lands—oil, gas, and mineral interests, may deem advisable.

(5)-(6) (No change.)

(7) Gas produced from each lease shall be metered. In the event that gas produced under a common tankage agreement is being marketed, flared, or vented but the gas volume from one or more leases is not sufficient to justify a separate meter for low volume leases, a waiver of such placement can be granted upon written application for, and the approval of the manager of university lands—oil, gas, and mineral interests. In the event of such waiver, the gas produced shall be allocated to the respective leases upon the basis of semiannual gas-oil ration tests. Such waivers shall be effective for only so long as the gas volume is below meter placement justification. All such waivers shall be reported to the Board for Lease of University Lands.

**§407.6 (137.04.00.006).** *Vapor Recovery Systems.* Permission to install vapor recovery systems is not required by the Board for Lease. However, notification of such installation, upon its completion, is required. Statement of notification shall contain information as shown in §407.2(b)(2-3) (.002) of this title of applications and shall be forwarded to:

(1) manager of university lands—oil, gas, and mineral interests, P.O. Drawer 553, Midland, Texas 79702.

(2) director, University Lands Accounting Office, the University of Texas System, P.O. Box 579, Austin, Texas 78767.

**§407.8 (137.04.00.008).** *Produced Water.* All produced waters must be injected into subsurface salt water bearing formations, stored in lined surface pits, or utilized in secondary recovery operations. All injection intervals in salt water disposal wells must be approved by the manager of university lands—oil, gas, and mineral interests. All surface pits shall be sealed with an impervious material, and be constructed and maintained in such a manner that will prevent any leakage, seepage, or other escape of deleterious substances.

**§407.9 (137.04.00.009).** *Reporting Procedures.*

(a) The production of oil and condensate from each level or reservoir of each lease and the production of gas from each lease shall be reported monthly to the Board of Regents of the University of Texas System in the manner provided by law.

(b) LACT meter proving reports and certifications of volume are due within 10 days after recalibrations are made and shall be sent to the two addressees shown under §407.6 (.006) of this title. Reports of test calibrations of lease and/or reservoir meters are due within 20 days and shall be sent to the manager of university lands—oil, gas, and mineral interests.

(c) If the allocation of production to leases and/or horizons is accomplished by the use of periodic well tests, the operator shall submit well tests within 30 days following the required test period. All individual well tests shall be reported in an orderly manner, by lease and by reservoir. In ad-

dition, the operator shall summarize on one form the manner in which the production is to be allocated. These well tests and summaries shall be sent to the manager of university lands—oil, gas, and mineral interests.

**§407.11 (137.04.00.011).** *Field Inspection.*

(a) All systems, upon their completion, will receive a field inspection by a representative from the Midland, Texas, office of the manager of university lands—oil, gas, and mineral interests. Noncompliance, if not immediately corrected, will result in revocation of authority from the Board for Lease. Field inspections will be made periodically on each system for as long as it is utilized; no alterations or additions shall be made in a system without first obtaining authority from the manager of university lands—oil, gas, and mineral interests.

(b)-(d) (No change.)

**§407.12 (137.04.00.012).** *Alterations in System Design.*

Alterations in system design, subsequent to system approved by Board for Lease, shall not be made until approval for such change has been granted by the manager of university lands—oil, gas, and mineral interests. Application for design changes are to be made in the same manner as the original application.

**§407.14 (137.04.00.014).** *Termination.* The operator must notify the two addressees shown in §407.6 (.006) of this title within 30 days, of the discontinuance of all or any part of any operations authorized under these regulations.

**§407.16 (137.04.00.016).** *Tank Cleaning Regulations.*

(a) Whenever tanks are cleaned or tank residues are disposed of, tests shall be made to determine the quality of merchantable oil in said tanks. The manner of disposition and the results of such tests shall be reported to the manager of university lands—oil, gas, and mineral interests. Such reports shall be made within 20 days following the end of the month of such cleaning or other disposition.

(b) The above regulations may be satisfied by filing with the director, University Lands Accounting Office, copies of the proper Railroad Commission forms containing the required information. Copies of tank cleaning requests (Forms G-ES-A), when issued, and ES-A forms must be furnished in order to comply with this requirement.

(c) The lessee is responsible to the board for filing all required forms regardless of the tank cleaning procedures or disposition of the residue. When tank bottoms and/or residue are disposed of without filing the proper forms with the director, University Lands Accounting Office, royalty shall be due on the gross contents of such tank bottoms.

Doc. No. 801924

## Chapter 409. Special Actions by the Board

These sections are amended under the authority of Subchapter D, Chapter 66, of the Texas Education Code.

**§409.4 (137.05.00.004).** *Forfeiture and Reinstatement of Leases.*

(a) If the owner of the rights acquired under an oil and gas lease awarded by the board (or otherwise acquired under Subchapter D, Chapter 66, of the Texas Education Code) fails or refuses to make the payment of any sum due thereon, either as rental or royalty on the production, within 30 days

after same becomes due, or if the owner or his authorized agent makes any false return or false report concerning production, royalty, or drilling, or if the owner fails or refuses to drill any offset well or wells in good faith, as required by his lease, or if the owner or his agent refuses the proper authority access to the records and other data pertaining to the operations under Subchapter D, Chapter 66, of the Texas Education Code, or if the owner or his authorized agent fails or refuses to give correct information to the proper authorities, or fails or refuses to furnish the log of any well within 30 days after production is found in paying quantities, or if any of the material terms of the lease are violated, the lease is subject to forfeiture by the board by an order entered upon the minutes of the board reciting the facts constituting the default and declaring the forfeiture.

(b) The board may have suit instituted for forfeiture through the attorney general.

(c) On proper showing by the forfeiting owner, within 30 days after the declaration of forfeiture, the lease may, at the discretion of the board and on such terms as it may prescribe, be reinstated.

(d) In case of violation by the owner of the lease contract, the remedy of the state by forfeiture is not the exclusive remedy, but suit for damages or specific performance, or both, may be instituted.

Issued in Austin, Texas, on March 11, 1980.

Doc. No. 801925      Maxine R. Dean  
                                  Secretary  
                                  Board for Lease of University Lands

Effective Date: April 2, 1980

Proposal Publication Date: January 22, 1980

For further information, please call (512) 471-5781.

## NONCODIFIED

### Texas Education Agency

#### Comprehensive Instruction

##### Adoptions by Reference: State Plans 226.32.91

The Texas Education Agency has amended Rule 226.32.91.080, the adoption by reference of the Texas State Plan for Vocational Education for 1979-80. The plan as originally submitted to the Department of Health, Education, and Welfare was not approved because the funding procedure used by the state was not in compliance with Public Law 94-482.

The amended state plan provides for the distribution of federal vocational funds to eligible recipients on the basis of a weighted formula. The formula determines funding for local school districts based on the following factors: (1) relative financial ability of the district; (2) low-income families; (3) "economically depressed area" (county income per capital); (4) general unemployment rate; (5) drop-out rate; and (6) new programs being implemented by the school district.

Public review and discussion of the proposed rule were held. The rule is adopted with no change from the text as proposed.

This amendment is adopted under the authority of Public Law 94-482 and Section 11.02(c), Texas Education Code.

.080. *Texas State Plan for Vocational Education.* The rules for occupational education and technology are described in Part I of the Texas State Plan for Vocational Education as amended January 1980, which was developed as a requirement under Public Law 94-482. The plan is adopted by this reference as the Texas Education Agency's official rule. A copy is available for examination during regular office hours, 8 a.m. to 5 p.m., except holidays, Saturdays, and Sundays, at the Texas Education Agency (headquarters) Building, 201 East 11th Street, Austin, Texas.

Doc. No. 801909

### Planning and Evaluation

#### Principles, Standards, and Procedures for the Accreditation of School Districts 226.37.15.270

The Texas Education Agency has amended Rule 226.37.15.270, Principle 7 of the Principles, Standards, and Procedures for the Accreditation of School Districts, by adding a standard to address library and learning resources services provided by local school districts. Learning resources include the provision of a cataloged and organized collection of print and audiovisual materials; an ongoing program of assistance and instruction in the use of such materials; reference assistance; and in-service programs for teachers in the use of materials.

Public review and discussion of the proposed rule was held. The rule is adopted with no change from the text as proposed. However, the fiscal note for the proposed rule failed to state that House Bill 1309, 66th Legislature, stipulated that "local districts shall not be required to expend local funds for the implementation" of these regulations.

This amendment is adopted under the authority of Section 11.36, Texas Education Code.

.270. *Principle 7.* Constructive, skillful, and personalized teaching is evident in implementing the instructional programs of the district.

(1)-(4) (No change.)

(5) The district operates a planned program for library and learning resources services and materials for all teachers and students. Indicators:

(A) The district provides the professional services of certificated librarian(s) to direct and develop a learning resources program.

(B) The district provides and maintains a collection of materials in various formats. The materials are cataloged and organized for quick and efficient location of materials and information to satisfy instructional purposes as well as individual interests of teachers and students.

(C) The district makes an effort to coordinate with other institutions in the community which have learning resources.

(D) Learning resources services include:

(i) the provision of a cataloged and organized collection of print and audiovisual materials, and the provision of access to other collections;

(ii) an ongoing program of assistance and instruction in the location and use of materials to complement and extend classroom instruction;

(iii) reference assistance in identifying and locating information and materials within the center and from external collections;

(iv) the provision or accessing of assistance in making instructional aids; and

(v) consultation with and in-service programs for teachers in the use of materials.

(E) District commitment to the library and learning resources program is evidenced in board policy and budgetary provisions sufficiently extensive to ensure the accomplishment of student goals and instructional objectives.

Doc. No. 801910

## 226.37.15.391

The Texas Education Agency has adopted new Rule 226.37.15.391 concerning requirements for the learning resources program. This new rule is correlated with the proposed amendment to Principle 7 of the Principles, Standards, and Procedures for the Accreditation of School Districts (Rule .270).

Under the adopted rule, all districts must provide professional learning resources services. Districts with over 1,000 ADA must provide at least one certified learning resources specialist (librarian). Minimum standards for books and other equipment and materials are set out in subsection (b). Materials available through the 20 regional education service centers may be prorated and counted as part of the minimum number of items required. Districts shall fully implement the learning resources program requirements by September 1, 1985. This rule implements House Bill 1309, 66th Legislature, which directed the Texas Education Agency to establish accreditation standards for library services and personnel.

Public review and discussion of the proposed rule were held. The rule is adopted with no change from the text as proposed.

This rule is adopted under the authority of Section 11.36, Texas Education Code.

### .391. Requirements for Learning Resources Program.

#### (a) Staffing.

(1) All districts provide professional learning resources services.

(2) Districts with 1,000 or fewer ADA may enter into cooperative agreements to provide professional services based on shared personnel units.

(3) Districts with over 1,000 ADA provide on a district-wide basis at least one certificated learning resources specialist (librarian) within the following pattern of both professional and paraprofessional personnel units:

ADA	PUs
1001-2000	2.0
2000-3000	3.0
3001+	3.0 + 1.0 per thousand or major fraction thereof above 3000

#### (b) Resources.

(1) A collection of materials in a variety of formats is centrally organized and available to students and teachers at

the campus unit level. Materials are chosen using standard selection tools and/or personal examination. The collection is balanced and relevant to the curriculum.

(2) Minimum acceptable standards are:

(A) Books: seven books per student.

(B) Audiovisual items: two audiovisual items per student. Audiovisual materials include: filmstrips, slides, transparencies, study prints, pictures, sound recordings, maps, globes, kits, microforms, games, and single-concept films.

(C) Equipment: appropriate equipment to use the selected materials is provided.

(3) A proration of materials available from regional education service centers may be counted as part of the minimum number of items required.

(c) Learning resources program development. The learning resources program develops and implements the following five services:

(1) instruction of students in the use of library materials;

(2) student and teacher access to materials and services to facilitate learning;

(3) assistance to teachers and students in making materials;

(4) provision of reference and bibliographic services; and

(5) consultative assistance and in-service education to teachers.

(d) Implementation requirements. The district shall fully implement the learning resources program requirements by September 1, 1985.

Issued in Austin, Texas, on March 11, 1980.

Doc. No. 801911      A. O. Bowen  
Commissioner of Education

Effective Date: April 2, 1980

Proposal Publication Date: January 22, 1980

For further information, please call (512) 475-7077.

## Texas Real Estate Commission Provisions of the Real Estate License Act Suspension and Revocation of Licensure 402.03.15

Pursuant to the authority of Article 6573a, Vernon's Texas Civil Statutes, the Texas Real Estate Commission has adopted an amendment to Rule 402.03.15.030, which deals with the obligations of real estate licensees acting as escrow agents. With this amendment, licensees will be obligated to deposit funds received as escrow agent by the close of business the second working day after execution of the contract by the principals. The commission's original proposal called for deposit on the next working day after execution of the contract; in its final adoption of the amendment, the commission changed the time for deposit to the second working day after execution of the contract.

*.030. Section 15(4)(Y): Grounds for Suspension or Revocation: Failing to Properly Deposit Escrow Monies.*

(a)-(h) (No change.)

(i) Unless a different time to deposit money is expressly agreed upon in writing by the principals to the transaction, "reasonable time" as used in this subsection means by the close of business of the second working day after execution of the contract by the principals. If all principals agree, a deposit may be delayed in accordance with their agreement.

(j)-(k) (No change.)

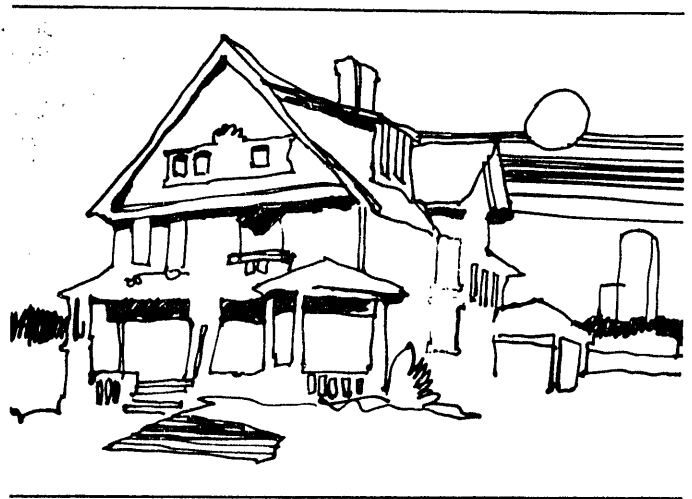
Issued in Austin, Texas, on March 11, 1980.

Doc. No. 801945      Andy James  
                         Administrator  
                         Texas Real Estate Commission

Effective Date: April 3, 1980

Proposal Publication Date: February 25, 1980

For further information, please call (512) 475-6693.



The Open Meetings Act (Article 6252-17, Texas Civil Statutes) requires that an agency with statewide jurisdiction have notice posted for at least seven days before the day of a meeting. A political subdivision covering all or part of four or more counties, or an institution of higher education, must have notice posted for at least 72 hours before the scheduled meeting time. Notice of an emergency meeting or an emergency addition or amendment to an agenda must be posted for at least two hours before the meeting is convened. Although some notices may be received and filed too late for publication before the meetings are held, all filed notices will be published in the *Register*. Each notice published includes an agenda or a summary of the agenda as furnished for publication by the agency and the date and time of filing. Notices are posted on the bulletin board outside the offices of the secretary of state on the first floor in the East Wing of the State Capitol. These notices may contain more detailed agendas than space allows to be published in the *Register*.

## Credit Union Department

**Wednesday and Thursday, March 26 and 27, 1980, 1 p.m.**

The Credit Union Commission will meet at 914 East Anderson Lane, Austin. According to the agenda, the commission will consider revised rules pertaining to: Credit Union Department hearings; Texas Share Guaranty Credit Union; preliminary review of Credit Union Act.

Additional information may be obtained from Harry L. Elliott, 914 East Anderson Lane, Austin, Texas 78752, telephone (512) 837-9236.

Filed: March 17, 1980, 10:52 a.m.  
Doc. No. 802022

## Texas Deepwater Port Authority

**Thursday, March 20, 1980, 1:30 p.m.** The Board of Commissioners of the Texas Deepwater Port Authority met in emergency session in Suite 500 at 3131 West Alabama in Houston. According to the agenda, the board considered a report on the status of the Deepwater Port project.

Additional information may be obtained from Carole Speranza, 3131 West Alabama, Suite 500, Houston, Texas 77098, telephone (713) 523-2202.

Filed: March 13, 1980, 4:20 p.m.  
Doc. No. 801944

## Texas Department of Health

**Saturday, March 22, 1980, 9:30 a.m.** The Texas Board of Health will meet at 2300 East Yandell, El Paso. According to the agenda summary, the board will consider the following items: approval of minutes of February 24, 1980, meeting; commissioner's report; comments on health services; review of Public Health Region 3 activities; proposed rules and regulations for the control of communicable diseases; proposed data collection rules; request for support for the Texas Health Data Cooperative; appointments to the Congenital

Heart Disease Advisory Committee; and meeting date for April 1980. The board will also meet in executive session.

Additional information may be obtained from Joe Klinger, 1100 West 49th Street, Austin, Texas 78756, telephone (512) 458-7248.

Filed: March 14, 1980, 1:48 p.m.  
Doc. No. 801983

**Saturday, March 22, 1980, 9:30 a.m.** The Technical Advisory Committee of the Division of Crippled Children's Services of the Texas Department of Health will meet in Commissioner's Conference Room G-107, 1100 West 49th Street, Austin. According to the agenda summary, the committee will consider the following items: applications of physicians desiring program approval; proposed rules and regulations of the Crippled Children's Services Program; report from subcommittee considering proposed hospital approval requirements; and vacancies on the Technical Advisory Committee.

Additional information may be obtained from Punam Myer, M.D., 1100 West 49th Street, Austin, Texas 78756, telephone (512) 458-7241.

Filed: March 14, 1980, 1:48 p.m.  
Doc. No. 801984

The Texas Department of Health will conduct the following hearings in April.

**Tuesday, April 8, 1980, 9 a.m.**

City Hall, 151 West Church Street, Lewisville—Application 1025 of DFW Sanitary Landfill, Division of American Container Svs., Inc., to locate a solid waste disposal site near Lewisville

**Tuesday, April 15, 1980, 9 a.m.**

Anderson County Courthouse, third floor courtroom, Palestine—Application 1362 of Texas Department of Corrections-Beto Unit to locate a solid waste disposal site near Palestine

**Wednesday, April 16, 1980, 1:30 p.m.**

City Council Room, City Hall, Stockdale—Application 1354 of City of Stockdale to locate a solid waste disposal site near Stockdale

**Wednesday, April 23, 10:30 a.m.**

Commissioners Courtroom, first floor, McLennan County Courthouse, Waco—Application 1357 of Texas Department of Corrections-Gatesville Unit to locate a solid waste disposal site near Gatesville

**Wednesday, April 23, 1980, 11 a.m.**

Commissioners Courtroom, first floor, McLennan County Courthouse, Waco—Application 348-A of City of West to locate an extension of an existing solid waste disposal site near West

Additional information may be obtained from Jack C. Carmichael, 1100 W. 49th Street, Austin, Texas 78756, telephone (512) 458-7271.

Filed: March 14, 1980, 1:48 p.m.  
Doc. No. 801985

## Texas Health Facilities Commission

**Thursday, March 27, 1980, 10 a.m.** The Texas Health Facilities Commission will meet in Suite 305 of the Jefferson Building, 1600 West 38th Street, Austin, to consider the following applications:

certificate of need  
San Juan Nursing Home, San Juan,  
AN79-0828-015  
Presbyterian Village, Inc., Dallas,  
AN79-1025-011  
Community Action Agency—Dental Clinic,  
Lockhart, AS79-0913-015  
Texas Home Health, Inc., Silsbee,  
AS79-1112-014  
Doctor's Hospital, Corpus Christi,  
AH79-1022-022  
Park Plaza Hospital, Houston,  
AH79-1219-005

certificate of need reissuance  
Friendship Villa of Hondo, Hondo,  
AH79-0315-027R(013180)

exemption certificate  
D. M. Cogdell Memorial Hospital, Snyder,  
AH80-0118-016  
Medical Center Hospital, Odessa,  
AH80-0117-010  
Kerrville State Hospital, Kerrville,  
AA80-0116-006  
El Paso Center for MH/MR Services,  
El Paso, AA80-0131-001  
West Texas Home Health Agency,  
Denver City, AA80-0201-011  
Childress General Hospital, Childress,  
AH79-1227-079  
Childress General Hospital, Childress,  
AH79-1227-081  
Olsten Health Care Services, Dallas,  
AS80-0207-014  
Austin Travis County MH/MR Center for  
Rosewood Human Development Center,  
Austin, AA80-0129-017

declaratory ruling  
Oak Cliff Medical and Surgical Hospital, Dallas,  
AH79-1016-021

Additional information may be obtained from O. A. Cassity III, P.O. Box 15023, Austin, Texas 78761, telephone (512) 475-6940.

Filed: March 14, 1980, 11:18 a.m.  
Doc. No. 801966

## Texas Advisory Commission on Intergovernmental Relations

**Friday, March 28, 1980, 9 a.m.** The Committee for the Project to Revise the Model Rules for Law Enforcement Officers of the Texas Advisory Commission on Intergovernmental Relations will meet in Rooms 118 and 119, Stephen F. Austin Building, 17th and Congress, Austin, to cover the Model

Rules chapters on emergency driving, eyewitness identification, arrest without a warrant, and execution of search warrants. The committee will also hold final discussion on and approve chapters on domestic disturbances, control of criminal justice information, and handling rape cases.

Additional information may be obtained from Stan Kantrowitz, 17th and Congress, Austin, Texas 78701, telephone (512) 475-3728.

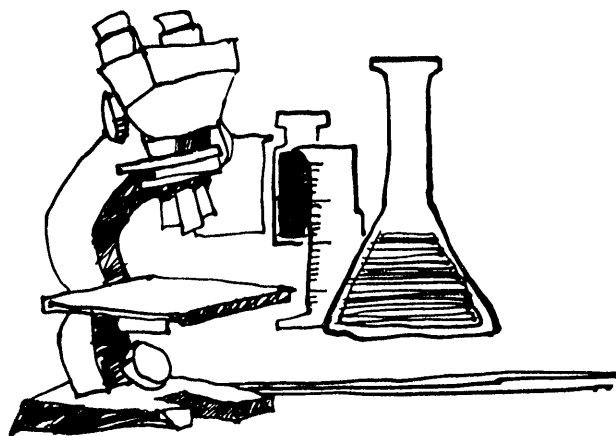
Filed: March 17, 1980, 10:05 a.m.  
Doc. No. 802020

## Texas Department of Labor and Standards

**Wednesday, April 23, 1980, 10 a.m.** The Licensing and Enforcement Division of the Texas Department of Labor and Standards will meet in Room 316, 14th and San Jacinto Streets, Sam Houston Building, Austin, to consider whether the Texas Auctioneer License No. TxS-030-0760 of James O. Little should be suspended or revoked.

Additional information may be obtained from Texas Department of Labor and Standards, P.O. Box 12157, Austin, Texas 78711, telephone (512) 475-6560.

Filed: March 17, 1980, 9:50 a.m.  
Doc. No. 802015



## Legislative Budget Board

**Friday, July 25, 1980, 8:30 a.m.** The Legislative Budget Board will meet in Room 301 at the Capitol in Austin to consider appropriation requirements for the 1982-83 biennium, approve the operating budget for fiscal year 1981, and to consider any other subjects that come before the board.

Additional information may be obtained from Thomas M. Keel, Room 207-A, Austin, Texas, telephone (512) 475-3426.

Filed: March 14, 1980, 2:14 p.m.  
Doc. No. 801988



The Legislative Budget Board will meet in Room 301 at the Capitol in Austin on the following dates to continue consideration of appropriation requirements for the 1982-83 biennium:

*Friday, September 12, 1980, 8:30 a.m.*  
*Friday, October 3, 1980, 8:30 a.m.*  
*Friday, October 17, 1980, 8:30 a.m.*  
*Friday, October 31, 1980, 8:30 a.m.*  
*Friday, November 14, 1980, 8:30 a.m.*  
*Friday, November 21, 1980, 8:30 a.m.*  
*Friday, December 5, 1980, 8:30 a.m.*

Additional information may be obtained from Thomas M. Keel, Room 207-A, State Capitol, Austin, Texas, telephone (512) 475-3426.

Filed: March 14, 1980, 2:14 p.m.  
 Doc. Nos. 801989-801995

## Texas Board of Mental Health and Mental Retardation

*Friday, March 21, 1980, 10 a.m.* The Medical Advisory Committee of the Texas Board of Mental Health and Mental Retardation will meet in the Central Office, Room 240, 909 West 45th Street, Austin. According to the agenda summary, the committee will consider the following: psychotropic drug utilization rule review and discussion of guidelines for outpatient use; review of physician role in community MH/MR centers—Dallas County MH/MR Center overview; consensus statement of committee; and forensic psychiatry program development discussion.

Additional information may be obtained from John J. Kavanagh, M.D., P.O. Box 12668, Austin, Texas 78711, telephone (512) 454-3761.

Filed: March 13, 1980, 4:11 p.m.  
 Doc. No. 801950

## Midwestern State University

*Tuesday, March 18, 1980, 10 a.m.* The Board of Regents of the Midwestern State University met at Hardin Administration Building, 3400 Taft Boulevard, Wichita Falls. According to the agenda, the board considered search procedure; roofing bids; ad valorem tax matter; xerox proposal; and energy grant allocation.

Additional information may be obtained from Dr. John G. Barker, 3400 Taft Boulevard, Wichita Falls, Texas 76308, telephone (817) 692-6551.

Filed: March 14, 1980, 3:26 p.m.  
 Doc. No. 801996

## Texas Peanut Producers Board

*Wednesday, March 26, 1980, 1 p.m.* The Texas Peanut Producers Board will meet at the Howard Johnson Motel, 7800 North IH 35, Austin. According to the agenda, the board will

consider research priority allocations; Texas pest management report; National Peanut Council promotional program report; and budget approval.

Additional information may be obtained from Rayne Eaves, P.O. Box 398, Gorman, Texas 76452, telephone (817) 734-2853.

Filed: March 14, 1980, 4:36 p.m.  
 Doc. No. 802012

## State Pension Review Board

*Monday, March 24, 1980, 10 a.m.* The State Pension Review Board will meet in the main auditorium, 100 North IH 35, Austin, to hear a presentation by Tom Bleakney and Jim Curtis of Milliman and Robertson and to discuss priorities of board activities and office space and related space.

Additional information may be obtained from Rita Horwitz, P.O. Box 2910, Austin, Texas 78679, telephone (512) 475-2401.

Filed: March 14, 1980, 10:09 a.m.  
 Doc. No. 801963

## Texas State Board of Pharmacy

*Tuesday, March 25, 1980, 2-5 p.m.* The Texas State Board of Pharmacy will meet in Room 117, San Houston State Office Building, Austin, to administer the Texas jurisprudence examination and conduct reciprocity hearings for licensure as pharmacists.

Additional information may be obtained from Priscilla Jarvis, Southwest Tower, Suite 1121, 211 East 7th Street, Austin, Texas 78701, telephone (512) 478-9827.

Filed: March 17, 1980, 9:46 a.m.  
 Doc. No. 802013

*Wednesday-Friday, March 26-28, 1980, 8:30 a.m.-5 p.m. daily.* The Texas State Board of Pharmacy will meet at the Sheraton Crest Inn, 111 East First at Congress Avenue, Austin, to hear testimony and view evidence of alleged violations of those laws and regulations under the purview of the board. In closed executive session, the board will determine which persons are subject to administrative sanctions and what form those sanctions will take.

Additional information may be obtained from Priscilla Jarvis, Southwest Tower, Suite 1121, 211 East 7th Street, Austin, Texas 78701, telephone (512) 478-9827.

Filed: March 17, 1980, 9:46 a.m.  
 Doc. No. 802014

## Public Utility Commission of Texas

**Friday, March 21, 1980, 9:30 a.m.** The Hearings Division of the Public Utility Commission of Texas will meet in emergency session in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to conduct a prehearing conference in Dockets 2989 and 3013, the applications of Horseshoe Bend Estates Homeowner's Association of Wichita Falls, Inc., for a certificate of convenience and necessity to provide water utility service and to implement rates within Wichita County.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: March 14, 1980, 10:09 a.m.  
Doc. No. 801964

**Monday, March 24, 1980, 9 a.m.** The Hearings Division of the Public Utility Commission of Texas will meet in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to conduct a preliminary hearing in Docket 3094, the application of General Telephone Company of the Southwest for authority to change rates (interim rate increase).

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: March 14, 1980, 3:56 p.m.  
Doc. No. 801997

**Thursday, March 27, 1980, 9 a.m.** The Hearings Division of the Public Utility Commission of Texas will meet in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to conduct a hearing in Docket 2978, the application of Peoples Water Supply, Inc., for a rate increase within Brown County. This hearing was rescheduled from March 20, 1980.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: March 14, 1980, 3:31 p.m.  
Doc. No. 802001

**Thursday, March 27, 1980, 10 a.m.** The Hearings Division of the Public Utility Commission of Texas will meet in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to conduct a prehearing in Docket 3076, the application of Cedar Bayou Water Supply Corporation for a rate increase within Harris County.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: March 17, 1980, 9:45 a.m.  
Doc. No. 802016

**Thursday, April 24, 1980, 10 a.m.** The Hearings Division of the Public Utility Commission of Texas will meet in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to conduct a

hearing in Docket 3072, the application of Community Beneficial Corporation of Grape Creek to increase rates within Tom Green County.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: March 14, 1980, 10:09 a.m.  
Doc. No. 801965

**Thursday, May 1, 1980, 10 a.m.** The Hearings Division of the Public Utility Commission of Texas will meet in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to consider a prehearing order and notice of hearing in Docket 3011, the application of A.N.N.S. Development, Inc., for a rate increase within Walker County.

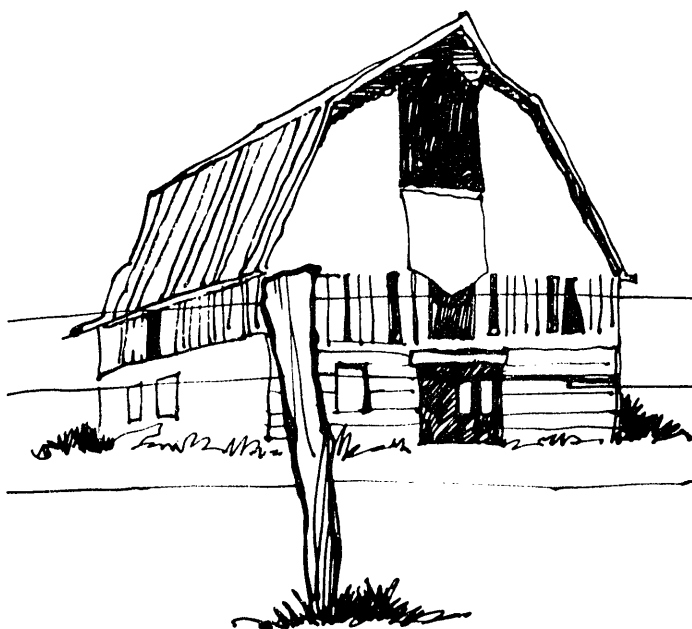
Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: March 17, 1980, 9:45 a.m.  
Doc. No. 802017

**Wednesday, May 21, 1980, 9 a.m.** The Public Utility Commission of Texas will meet in Suite 450N, 7800 Shoal Creek Boulevard, Austin, to consider amendments to the commission's substantive and procedural rules.

Additional information may be obtained from Philip F. Ricketts, 7800 Shoal Creek Boulevard, Suite 450N, Austin, Texas 78757, telephone (512) 458-0100.

Filed: March 13, 1980, 3:53 p.m.  
Doc. No. 801937



## State Purchasing and General Services Commission

**Friday, March 28, 1980, 10 a.m.** The State Purchasing and General Services Commission will meet in Room 916, 111 East 17th Street, LBJ Building, Austin. According to the agenda summary, the commission will consider cost estimates and determine whether to proceed with renovation of SAMSCO Property in San Antonio; review MAI appraisal of the Veterans of Foreign Wars property in Austin; consider the purchase of property located in the complex at 1807 North Congress Avenue, Austin; report on evaluation surveys and liaison reports; information items: tree planting program, attorney general Opinion MW-130, governor's operational audit, sale of surplus guns, monthly reports; set date and time for next regular meeting of the commission.

Additional information may be obtained from Homer A. Foerster, P.O. Box 18047, Austin, Texas 78711, telephone (512) 475-2211.

Filed: March 17, 1980, 10:48 a.m.  
Doc. No. 802021

## Railroad Commission of Texas

**Monday, March 17, 1980, 9 a.m.** The Automatic Data Processing Division of the Railroad Commission of Texas met in emergency session in the first floor auditorium, 1124 South IH 35, Austin, to consider word processing matters. This matter was properly noticed by the commission for March 3, 1980, was passed at such meeting, and was considered on less than seven days notice as a matter of urgent public necessity.

Additional information may be obtained from David Garlick, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1204.

Filed: March 14, 1980, 11:32 a.m.  
Doc. No. 801968

**Monday, March 17, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas made emergency additions to the agenda of a meeting held in the first floor auditorium, 1124 South IH 35, Austin. According to the agenda summary, the additions concerned consideration of the final adoption of an amendment to Statewide Rule 13(e)(9) (051.02.02.013) (published at 4 TexReg 4421) and consideration of Oil and Gas Docket 9-74,481, application by Cotton White to use Jim Clingingsmith Lease No. 1 well for salt water disposal in the Clingingsmith (Caddo Cong. E.) Field, Montague County. These matters were properly noticed for the meeting of March 10, 1980, and were passed over at that meeting. Consideration on less than seven days notice was required as a matter of urgent public necessity.

Additional information may be obtained from John G. Soule, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1285.

Filed: March 14, 1980, 11:33 a.m.  
Doc. No. 801969

**Monday, March 17, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas made an emergency addition to the agenda of a meeting held in the first floor auditorium, 1124 South IH 35, Austin. The addition concerned consideration of a motion for rehearing in Oil and Gas Docket 9-74,603, the application of mineral owners in the Perkins Lease, Well No. 1, Grayson County, requiring offsetting operator to comply with Rule 11. This matter was considered on less than seven days notice as a matter of urgent public necessity to avoid having the motion overruled by operation of law without the commission having an opportunity to consider the motion on its own merits.

Additional information may be obtained from John G. Soule, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1285.

Filed: March 14, 1980, 11:32 a.m.  
Doc. No. 801970

**Monday, March 17, 1980, 9 a.m.** The Surface Mining Division of the Railroad Commission of Texas made emergency additions to the agenda of a meeting held in first floor auditorium, 1124 South IH 35, Austin. According to the agenda, the division considered an amendment of a contract with Pittman Engineering for an independent estimate of the cost of reclamation of lands to be disturbed by Conoco, Inc., at the Tom Retzlaff Mine site; a letter to the Office of Surface Mining to request funds for reclamation of three abandoned coal mines; final adoption of amendments to Rule 051.07.05.001. These matters were properly noticed for consideration by the commission in open meeting on March 10, 1980, were passed at such meeting, and are now being considered on less than seven days notice as a matter of urgent public necessity.

Additional information may be obtained from J. Randel (Jerry) Hill, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1176.

Filed: March 14, 1980, 11:33 a.m.  
Doc. No. 801971

**Monday, March 17, 1980, 9 a.m.** The Transportation Division of the Railroad Commission of Texas made an emergency addition to the agenda of a meeting held in Room 107, 1124 South IH 35, Austin. According to the agenda, the division considered Docket 023809ZZT, application of Sand and Gravel Motor Carriers Association, Inc., for a fuel adjustment charge; Item 1 series S&GMCA Tariff No. 2-F; increase charge based on additional 1.81 cents per running mile. Consideration of less than seven days' notice is required as a matter of urgent public necessity because delay is likely to result in curtailment of essential transportation services presently being rendered to the public.

Additional information may be obtained from Owen T. Kinney, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1330.

Filed: March 14, 1980, 11:31 a.m.  
Doc. No. 801972

**Monday, March 17, 1980, 9 a.m.** The Transportation Division of the Railroad Commission of Texas made an emergency addition to the agenda of a meeting held in Room 107, 1124 South IH 35, Austin. According to the agenda, the division considered Docket 035630A1N, application of Larry Scott for a new SMC certificate to authorize the transportation of machine shop equipment and fork lifts between all points within a 150 mile radius of Dallas. This matter was properly noticed for consideration by the commission in open meeting on March 10, 1980, was passed at such meeting, and is now being considered on less than seven days notice as a matter of urgent public necessity.

Additional information may be obtained from Owen T. Kinney, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1330.

Filed: March 14, 1980, 11:31 a.m.  
Doc No 801973

**Monday, March 24, 1980, 9 a.m.** The Railroad Commission of Texas will meet in the third floor conference room, 1124 South IH 35, Austin. According to the agenda, the commission will go into executive session to discuss personnel actions for all divisions and to consult with its legal staff on prospective and pending litigation pursuant to Sections 2g and 2e of the Act, respectively.

Additional information may be obtained from Carla S. Doyme, 1124 South IH 35, Austin, Texas 78704, telephone (512) 445-1186.

Filed: March 14, 1980, 11:31 a.m.  
Doc No 801974

**Monday, March 24, 1980, 9 a.m.** The Gas Utilities Division of the Railroad Commission of Texas will meet in Room 107, 1124 South IH 35, Austin. According to the agenda, the division will consider Gas Utilities Dockets 1718, 1758, 1971, 1983, 2087, 2221, 2449, 2452, 2527, 2534, and the director's report.

Additional information may be obtained from Lucia Sturdevant, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1126.

Filed: March 14, 1980, 3:57 p.m.  
Doc No. 801998

**Monday, March 24, 1980, 3:30 p.m.** The Gas Utilities Division of the Railroad Commission of Texas made an addition to the agenda of a meeting to be held in Room 107, 1124 South IH 35, Austin. According to the agenda summary, the addition concerns consideration of Gas Utilities Docket 1877.

Additional information may be obtained from Lucia Sturdevant, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1126.

Filed: March 14, 1980, 3:57 p.m.  
Doc. No. 801999

**Monday, March 24, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas made an addition to the agenda of a meeting to be held in first floor auditorium, 1124 South IH 35, Austin. According to the agenda, the division will consider rehearing of Docket F-08-009922, an application filed under the Natural Gas Policy Act of 1978.

Additional information may be obtained from Linda D. Carr, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1273.

Filed: March 14, 1980, 11:30 a.m.  
Doc. No. 801978

**Monday, March 24, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas made an addition to the agenda of a meeting to be held in the first floor auditorium, 1124 South IH 35, Austin. According to the agenda summary, the addition concerns consideration of category determinations under Section 102(c)(1)(B), 102(c)(1)(C), 103, 107, and 108 of the Natural Gas Policy Act of 1978.

Additional information may be obtained from Linda D. Carr, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1273.

Filed: March 14, 1980, 11:30 a.m.  
Doc. No. 801979

**Monday, March 24, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas made an addition to the agenda of a meeting to be held in the first floor auditorium, 1124 South IH 35, Austin. The addition concerns consideration of procedures for formulating tight sand recommendations to the FERC.

Additional information may be obtained from John G. Soule, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1285.

Filed: March 14, 1980, 11:31 a.m.  
Doc. No. 801977

**Monday, March 24, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas will meet in the first floor auditorium, 1124 South IH 35, Austin. According to the agenda summary, the division will consider various matters falling within the Railroad Commission's oil and gas regulatory jurisdiction.

Additional information may be obtained from Jan Burris, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1307.

Filed: March 14, 1980, 11:32 a.m.  
Doc No. 801980

**Monday, March 24, 1980, 9 a.m.** The Oil and Gas Division of the Railroad Commission of Texas made an addition to the agenda of a meeting to be held in the first floor auditorium, 1124 South IH 35, Austin. The addition concerns consideration of a contract for telephone service in Kilgore.

Additional information may be obtained from John G. Soule, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1285.

Filed: March 14, 1980, 11:32 a.m.  
Doc. No. 801976

**Monday, March 24, 1980, 9 a.m.** The Liquefied-Petroleum Gas Division of the Railroad Commission of Texas will meet in the first floor auditorium, 1124 South IH 35, Austin. According to the agenda, the division will consider the director's report.

Additional information may be obtained from Guy G. Mathews, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1189.

Filed: March 14, 1980, 11:32 a.m.  
Doc. No. 801975

**Monday, March 24, 1980, 9 a.m.** The Transportation Division of the Railroad Commission of Texas will meet in Room 107, 1124 South IH 35, Austin. According to the agenda summary, the division will consider various matters falling within the Railroad Commission's transportation regulatory jurisdiction.

Additional information may be obtained from Owen T. Kinney, P.O. Drawer 12967, Austin, Texas 78711, telephone (512) 445-1330.

Filed: March 14, 1980, 11:30 a.m.  
Doc. No. 801981



## Commission on Standards for the Teaching Profession

**Friday, March 28, 1980, 9 a.m.** The Commission on Standards for the Teaching Profession will meet in the board room at 150 East Riverside Drive, Austin. According to the agenda, the commission will consider the following: reorganization of the commission; Governor's Advisory Committee on Education, Texas College and University System Coordinating Board; college/university reports—interim reports; individual programs, regular reports from visiting teams, regular approval visits, report on open hearings; Committee on 1980 Teacher Education Conference, Committee on Certification Programs and Requirements, Committee on Standards and Procedures for Institutions, and Committee on Recruiting and Training Members of Visiting Teams.

Additional information may be obtained from Elmer Russell, 201 East 11th Street, Austin, Texas 78701, telephone (512) 475-0164.

Filed: March 13, 1980, 2:08 p.m.  
Doc. No. 801941

## Texas Water Commission

**Thursday, March 27, 1980, 10 a.m.** The Texas Water Commission will conduct hearings in the council chamber at City Hall, 115 North Adelaide, Terrell. According to the agenda summaries, the commission will consider the following applications:

Corrugated Services, Inc., Forney, for a permit to authorize the disposal of industrial process generated wastewater not to exceed 11,000,000 gallons per year from the paper recycling plant located on the south side of IH 20, approximately one mile east of the City of Forney in Kaufman County.

City of Fruitvale, for a permit to authorize a discharge of 4,300 gallons per day of treated domestic sewage effluent from a treatment facility which will serve an apartment complex located approximately 1,800 feet south of U.S. Highway 80, 2.3 miles southeast of the intersection of U.S. Highway 80 and FAP 19 in Van Zandt County.

Additional information may be obtained from John Sutton, P.O. Box 13087, Austin, Texas 78711, telephone (512) 475-1468.

Filed: March 13, 1980, 2:39 p.m.  
Doc. Nos. 801946 & 801947

**Wednesday, April 16, 1980, 11 a.m.** The Texas Water Commission makes a supplemental addition to a hearing concerning Sienna Plantation Levee Improvement District of Fort Bend County. The heading has been changed from "Construction of Levee and Other Improvements" to "Construction of Drainage Improvements." Also, language in Paragraph 6 was revised to say (in the first sentence) "The project, located at 29° 27' north latitude and 95° 31' west longitude, five miles southwest of Arcata, Texas, is to the purpose of improving surface runoff drainage within the boundaries of the district."

Additional information may be obtained from Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, telephone (512) 475-4514.

Filed: March 13, 1980, 2:40 p.m.  
Doc No. 801948

**Friday, April 25, 1980, 10 a.m.** The Texas Water Commission will conduct a hearing in Room 618 of the Stephen F. Austin Building, 1700 North Congress Avenue, Austin. According to the agenda summary, the commission will consider Application 4030—Dr. J. T. Pinkerton, for a permit to divert and use not to exceed 15 acre-feet of water per annum from a 63-acre foot capacity reservoir on an unnamed tributary of Prairie Creek, tributary Mud Creek, tributary Angelina River, tributary Neches River, Neches River Basin for irrigation purposes in Smith County.

Additional information may be obtained from Mary Ann Hefner, P.O. Box 13087, Austin, Texas 78711, telephone (512) 475-4514.

Filed: March 13, 1980, 2:40 p.m.  
Doc No. 801949



## Texas Water Development Board

**Tuesday, March 18, 1980, 8:30 a.m.** The Texas Water Development Board made emergency additions to the agenda of a meeting held in Room 118, Stephen F. Austin Building, 1700 North Congress, Austin. According to the agenda summary, the addition concerned the following items: consideration of authorizing the executive director to conduct public hearings to receive input concerning amending Chapter VI rules relating to bond anticipation and tax anticipation notes and guarantees for street paving associated with water district utility projects and consideration of authorizing the executive director to execute a contract in an amount not to exceed \$65,000 with Espey, Huston, and Associates, Inc., to perform a comprehensive inflow-exchange study of Laguna Madre.

Additional information may be obtained from Harvey Davis, P.O. Box 13087, Austin, Texas 78711, telephone (512) 475-3187.

Filed: March 17, 1980, 10:25 a.m.  
Doc. Nos. 802018-802019

## Regional Agencies

### Meetings Filed March 14, 1980

**The Austin-Travis County MH/MR Center, Ad Hoc Committee** of the Board of Trustees, met in Conference Room, 2326 East First Street, Austin, on March 17, 1980, at 12 noon. Further information may be obtained from Becky Howard, 1430 Collier Street, Austin, Texas 78704, telephone (512) 447-4141.

**The Austin-Travis County MH/MR Center, Executive Committee** of the Board of Trustees, met in Board Room, 1430 Collier Street, Austin, on March 18, 1980, at 7:30 p.m. Further information may be obtained from Becky Howard, 1430 Collier Street, Austin, Texas 78704, telephone (512) 447-4141.

**The Copano Bay Soil Conservation, District No. 329**, will meet at Shay Plaza, 106 South Alamo, Refugio, on May 24, 1980, at 7:30 p.m. Further information may be obtained from Jim Wales, P.O. Box 340, Refugio, Texas 78377, telephone (512) 526-2334.

**The Deep East Texas Regional MH/MR Services, Board of Trustees**, will meet in Ward R. Burke Community Room, Day Treatment/Administration Facility, 4101 South Medford Drive, Lufkin, on March 25, 1980, at 5:30 p.m. Further information may be obtained from Wayne Lawrence, Ph.D., 4101 South Medford Drive, Lufkin, Texas 75901, telephone (713) 639-1141.

**The Houston-Galveston Area Council, Community and Environmental Planning**, will meet at Houston-Galveston Area Council offices, 3701 West Alabama, Houston, on April 10, 1980, at 3 p.m. Further information may be obtained from Doris S. Ebner, P.O. Box 22777, Houston, Texas 77027, telephone (713) 627-3200.

**The Panhandle Regional Planning Commission, Project Notification and Review System Committee**, will meet in Chamber of Commerce Conference Room, Amarillo Building, 3rd and Polk Street, Amarillo, on March 20, 1980, at 1:30 p.m. Further information may be obtained from Tom Plumlee, P.O. Box 9257, Amarillo, Texas 79105, telephone (806) 372-3381.

**The Permian Basin Health Systems Agency, Projects Review Committee**, will meet at Offices of Permian Basin Regional Planning Commission, Midland Air Terminal, on March 24, 1980, at 6:30 p.m. Further information may be obtained from Harley Reeves, P.O. Box 6391, Midland, Texas 79701, telephone (915) 563-1061.

**The Permian Basin Health Systems Agency, Public Hearing**, will meet at Offices of the Permian Basin Regional Planning Commission, Midland Air Terminal, on March 24, 1980, at 6:30 p.m. Further information may be obtained from Harley Reeves, P.O. Box 6391, Midland, Texas 79701, telephone (915) 563-1061.

**The Permian Basin Health Systems Agency, Governing Body**, will meet at Offices of Permian Basin Regional Planning Commission, Midland Air Terminal, on March 24, 1980, at 7:30 p.m. Further information may be obtained from Harley Reeves, P.O. Box 6391, Midland, Texas 79701, telephone (915) 563-1061.

Doc. No. 801982

## Meetings Filed March 17, 1980

**The Capital Area Rural Transportation System**, Board of Directors, will meet at First National Bank—Community Hall, Giddings, on March 21, 1980, at 10 a.m. Further information may be obtained from Gayle M. Sundeen, 1000 North Lamar, Austin, Texas 78703, telephone (512) 474-8315.

**The Education Service Center, Region XV**, Facilities Study Committee, will meet in Room 310, 100 North Magdalen Street, San Angelo, on March 24, 1980, at 2 p.m. Further information may be obtained from Clyde Warren, P.O. Box 5199, San Angelo, Texas 76902, telephone (915) 655-6551.

**The Education Service Center, Region XV**, Board of Directors, will meet at San Angelo ISD Administration Building, 100 North Magdalen, San Angelo, on March 27, 1980, at 1:30 p.m. Further information may be obtained from Clyde Warren, P.O. Box 5199, San Angelo, Texas 76902, telephone (915) 655-6551.

**The Education Service Center, Region XV**, Joint Committee, will meet at San Angelo ISD board room, 100 North Magdalen, San Angelo, on March 28, 1980, at 9 a.m. Further information may be obtained from Clyde Warren, P.O. Box 5199, San Angelo, Texas 76902, telephone (915) 655-6551.

**The Greater East Texas Health System Agency**, Executive Committee, will meet at Dogwood Country Club, Highway 190, Woodville, on March 27, 1980, at 7:30 p.m. Further information may be obtained from Larry D. Lacy, 2900 North, Suite 303, Beaumont, Texas 77703, telephone (713) 892-6962.

**The Lower Rio Grande Valley Development Council**, Board of Directors, will meet at Harlingen Chamber of Commerce, 311 East Tyler, Harlingen, on March 27, 1980, at 2 p.m. Further information may be obtained from Robert A. Chandler, Suite 207, First National Bank Building, McAllen, Texas 78501, telephone (512) 682-3481.

**The North Texas Municipal Water District**, Board of Directors, will meet at North Texas Municipal Water District central plant, Wylie, on March 27, 1980, at 4 p.m. Further information may be obtained from Carl W. Riehn, P.O. Drawer "C", Wylie, Texas 75098, telephone (214) 442-2217 ext. 26.

**The Northeast Texas Municipal Water District**, Board of Directors, will meet at 1003 Linda Drive, Daingerfield, on March 24, 1980, at 8 p.m. Further information may be obtained from Homer Tanner, P.O. Box 680, Daingerfield, Texas 75638, telephone (214) 645-2241.

**The Trinity River Authority of Texas**, Basin Planning Committee, will meet, originating out of the General Manager's Office, at 2723 Avenue E. East, Arlington, on March 25, 1980, at 10 a.m. Further information may be obtained from James H. Bjorum, P.O. Box 5768, Arlington, Texas 76011, telephone (817) 461-3151.

**The Trinity River Authority of Texas**, Grand Prairie Water System Improvements Project Right-of-Way Committee, will meet in the executive conference room, Trinity River Authority's General Office, 2723 Avenue E. East, Arlington, on March 26, 1980, at 2 p.m. Further information may be obtained from James H. Bjorum, P.O. Box 5768, Arlington, Texas 76011, telephone (817) 461-3151.

Doc. No. 802023

## Texas Energy and Natural Resources Advisory Council

### Consultant Proposal Request

**Description of Services To Be Performed.** The Texas Energy and Natural Resources Advisory Council (TENRAC) is soliciting proposals from qualified firms or public agencies to review and process applications for technical assistance (TA) and energy conservation measures (ECM) grants to provide engineering reviews for TA reports, and to develop computer programming for formatting and analyzing application data. It is anticipated that 600 to 700 TA applications and 300 to 400 ECM applications (including TA reports) will be submitted to TENRAC as a part of the U.S. Department of Energy's second cycle cost-sharing grants program for institutions.

The contractor selected will possess the following qualifications:

- (1) expertise in the development of methodologies and forms for logging, sorting, auditing, technically reviewing, and processing large numbers of technical applications;
- (2) comprehensive knowledge of energy systems for institutional buildings, energy auditing, and energy savings calculations;
- (3) the capability to develop a computer system and the related programming required to format and analyze application data; and
- (4) the ability to process data and generate the data reports necessary for managing the grants program.

The contractor's review of each TA report will include:

- (1) an evaluation of the document in question for technical accuracy, soundness of engineering principles and economic feasibility;
- (2) the preparation of a written critique on the document, including suggested changes and improvements; and
- (3) the assessment of an overall technical review core for the document.

The contractor will also be expected to contact applicants as necessary to resolve technical problems and other inconsistencies in the applications, to provide a written critique of each application and make final corrections based on the critique after contacting the applicant, and to be available to the TENRAC staff for consultation on problems as they develop.

**Selection Criteria.** TENRAC reserves the right to interview each proposer before the contract award is made. Proposal will be judged by the following criteria:

- (1) contractor's ability to demonstrate experience and qualified personnel to complete the project, and
- (2) contractor's previous work and experience relative to this type of project.

Each proposal should include a detailed budget which includes a complete unit cost analysis and man-load requirements by activity.

TENRAC also reserves the right to enter into competitive negotiations with selected respondents prior to the award of the contract and award various portions of the project to one or more contractors. Touche Ross and Company provided desk audit and computer programming contractual services for the first grant cycle; engineering services were provided

by Richard Bywater and Associates and KVB. The contract award will be made on or before April 25, 1980, and the contract period will be made effective for 12 months.

**Person to Contact.** Further information concerning this project may be obtained by contacting Duane Keeran, program director for energy conservation grants, Conservation Division, TENRAC, 411 West 13th Street, Austin, Texas 78752, telephone (512) 475-5407. Five copies of the written proposal should be sent to the above address by registered mail or by courier and must be postmarked no later than 5 p.m. April 11, 1980. No verbal proposals will be accepted. Any proposal arriving after April 11, 1980, will not be considered.

Issued in Austin, Texas, on March 13, 1980.

Doc. No. 801951 Duane Keeran, Program Director  
Energy Conservation Grants Division  
Texas Energy and Natural Resources  
Advisory Council

Filed: March 13, 1980, 10:17 a.m.

For further information, please call (512) 475-5407, ext. 30.

## North Central Texas Council of Governments

### Consultant Proposal Request

#### Contact Person.

William G. Barker  
Acting Director of Transportation and Energy  
North Central Texas Council of Governments  
P.O. Drawer COG  
Arlington, Texas 76011

**Due Date.** April 11, 1980, 5 p.m. in the offices of the North Central Texas Council of Governments Department of Transportation and Energy.

**Background.** The North Central Texas Council of Governments annually receives funding for the conduct of technical studies identified under the annual United Planning Work Program for transportation planning in North Central Texas. One of the work tasks to be accomplished by consultant effort under the 1979-80 Unified Planning Work Program is the consolidation of all current Fort Worth central business district studies and plans into one single focus.

Proposals are hereby requested for the Fort Worth central business district plan update and consolidation study. Copies of the request for proposal providing detailed information on this project are available on request from the contact person indicated above.

**Contract Award Procedures.** The recommendation for the selection of a firm or agency for the Fort Worth central business district plan update and consolidation study will be accomplished by a consultant selection committee. The contract award procedures which follow are not totally inclusive or mutually exclusive of other procedures which, in the opinion of the Consultant Selection Committee, require inclusion in order to achieve the best results possible within the scope of services requested. If the recommendation by the



Consultant Selection Committee is approved by the executive board of the the North Central Texas Council of Governments, a contract will be awarded to the firm or agency which is considered to be best able to perform the work set forth in the said contract.

Each proposal received will be objectively evaluated using measurement methods determined in accordance with the suitability and relationship to the scope of services requested. Specific criteria include:

- Record of performance in related fields
- Staff experience
- Ability to meet specific time frames
- Demonstrated knowlege of transportation planning
- Project management
- Written proposal
- Oral presentation (if requested)

The proposed methodology to accomplish the work will be evaluated based on review of Consultant Selection Committee's recommendation by NCTOG Executive Board to contract with consultant, and, if approved, award of contract by NCTOG Executive Board.

If respondents are asked to participate in interviews prior to final selection, interview expenses will be borne by the respondents.

The North Central Texas Council of Governments, in accordance with Title VI of the Civil Rights Act of 1964, 78 Statute 252, 42 United States Code 2000d to 2000d-4, and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation issued pursuant to such Act, hereby notifies all bidders that it will affirmatively insure that in regard to any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, sex, or national origin in consideration for an award.

Respondents must be willing to abide by all the applicable regulations of the Urban Mass Transportation Administration, U.S. Department of Transportation, including inspection and audit.

The ability of the North Cental Texas Council of Governments to enter into a contract from performance of the proposed program will be dependent on the timely receipt of funds from the Urban Mass Transportation Administration.

The North Central Texas Council of Governments reserves the right to reject, in total or part, any and/or all proposals should it be advantageous to do so.

Since the maximum amount available for this project is \$12,000, projected cost will be an item of evaluation.

Respondents should indicate proprietary interests where applicable.

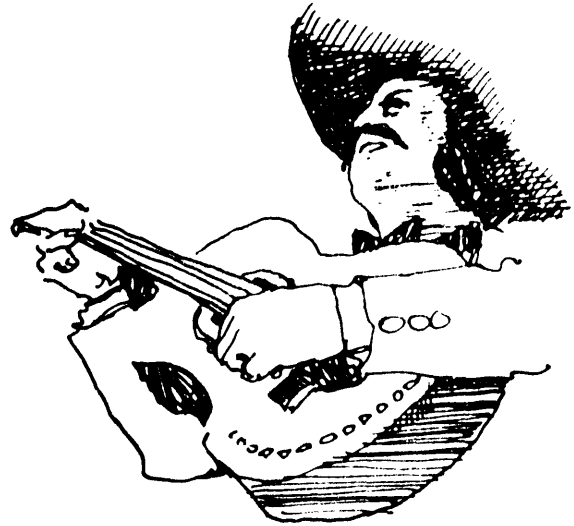
The contractor will comply with all federal and state laws and regulations applicable to subcontractors, including but not limited to equal employment opportunity, Davis-Bacon Act, and records management.

Replies must be received by the agency no later than 5 p.m. April 11, 1980.

Issued in Arlington, Texas, on March 10, 1980.

Doc. No. 801952 William J. Pilstick  
Executive Director  
North Central Texas Council  
of Governments

Filed: March 13, 1980, 11:34 a.m.  
For further information, please call (817) 640-3300.



## State Property Tax Board Consultant Contract Awards

In accordance with its invitation of November 20, 1979 (4 TexReg 4274), the State Property Tax Board has awarded contracts to individuals. These individuals are to conduct assessment ratio studies in compliance with procedures and methodologies developed by the board to determine the valuation of taxable property in each school district within the individuals assigned geographic region. The contracts are as follows:

Name	Address	Total Value	Beginning and Ending Date
James P. Bachus	313 North Belnap Stephenville Texas 76401	\$15,000	2 10 80 to 8 31 80
Michael Barnett	P.O. Drawer V Weatherford Texas 76086	\$20,000	2 10 80 to 8 31 80
Jean Brown	P.O. Box 92 China Spring Texas 76633	\$20,000	2 10 80 to 8 31 80

J. O. Burnett, Jr.	Box 426 Brownfield Texas 79316	\$20,000	2-10-80 to 8-31-80	Darrell Lisenbe	105 Municipal Building Temple Texas 76501	\$10,000	2-10-80 to 8-31-80
Gerald N Carmona	P.O. Drawer AL Port Isabel Texas 78578	\$10,000	2-10-80 to 8-31-80	Bob Loe	507 23rd Street Canyon Texas 79015	\$24,000	2-10-80 to 8-31-80
William T. Carroll	P.O. Box 432 Gladewater Texas 75647	\$20,000	2-10-80 to 8-31-80	Franklin Mann	P.O. Box 79160 Saginaw Texas 76179	\$10,000	2-10-80 to 8-31-80
O. L. Chick	Box 105 Hereford Texas 79045	\$20,000	2-10-80 to 8-31-80	Juanita R. Maples	329 Earl Garrett Kerrville Texas 78028	\$10,000	2-10-80 to 8-31-80
Bill Coker	P.O. Box 611 Carrollton Texas 75006	\$15,000	2-10-80 to 8-31-80	Robert G. McAdams	P.O. Drawer S Van Vleck Texas 77482	\$15,000	2-10-80 to 8-31-80
Grover A. Cook	P.O. Box 1798 Huntsville Texas 77340	\$15,000	2-10-80 to 8-31-80	Edward Morrow	P.O. Box 480 Mt. Vernon Texas 75457	\$15,000	2-10-80 to 8-31-80
Jack Devine	P.O. Box 6005 Beaumont Texas 77705	\$15,000	2-10-80 to 8-31-80	Doy Myers	P.O. Box 19037 Houston Texas 77024	\$10,000	2-10-80 to 8-31-80
W. J. Dodd	P.O. Box 1798 Huntsville Texas 77340	\$20,000	2-10-80 to 8-31-80	Johnny P. Neece	14910 Aldine Westfield Road Houston Texas 77032	\$10,000	2-10-80 to 8-31-80
Milton A. Drumh Sr	P.O. Box 188 Adkins Texas 78101	\$10,000	2-10-80 to 8-31-80	Henry E. Nemeo	6515 FM Road 1464 Clodine Texas 77469	\$10,000	2-10-80 to 8-31-80
Daryl Duncan	P.O. Box 805 Nacogdoches Texas 75961	\$15,000	2-10-80 to 8-31-80	Jarri A. Parker	Box 167 Jayton Texas 79528	\$15,000	2-10-80 to 8-31-80
David F. Eaton, Jr	620 Lons Street Kerrville Texas 78028	\$15,000	2-10-80 to 8-31-80	Richard G. Parks	Box 419 Bedford Texas 76021	\$15,000	2-10-80 to 8-31-80
Stephen R. Eaton	P.O. Box 1475 Montgomery Texas 77156	\$15,000	2-10-80 to 8-31-80	Alice Peddy	P.O. Box 650 Gruver Texas 79040	\$15,000	2-10-80 to 8-31-80
Fred Force	P.O. Box 520 Orange Texas 77630	\$15,000	2-10-80 to 8-31-80	F. E. Pereira	P.O. Box 303 Dennison Texas 75020	\$10,000	2-10-80 to 8-31-80
Cecil Gooch	Box 27 Darrrouzett Texas 79024	\$20,000	2-10-80 to 8-31-80	David J. Piwonka	P.O. Box 368 Alief Texas 77411	\$10,000	2-10-80 to 8-31-80
Marcia Hahn	Box 549 Aspermont Texas 79502	\$15,000	2-10-80 to 8-31-80	Bobby Reed	4610 Williams Road Ft. Worth Texas 76116	\$10,000	2-10-80 to 8-31-80
Larry Hammonds	P.O. Box 5187 Ft. Worth Texas 76108	\$15,000	2-10-80 to 8-31-80	Alvin Roberts	P.O. Drawer 119 New Caney Texas 77357	\$10,000	2-10-80 to 8-31-80
Louis P. Hodge	P.O. Box 506 Holliday Texas 76366	\$10,000	2-10-80 to 8-31-80	Darrell J. Samuel	P.O. Box 976 Ft. Worth Texas 76101	\$10,000	2-10-80 to 8-31-80
Gail G. Jackson	P.O. Box 19037 Houston Texas 77024	\$15,000	2-10-80 to 8-31-80	Charles E. Scott	P.O. Box 976 Ft. Worth Texas 76101	\$15,000	2-10-80 to 8-31-80
Luther B. Jasper	Route 1, Box 346 E Edinburg Texas 78534	\$10,000	2-10-80 to 8-31-80	Elroy M. Satterlee	P.O. Box 1318 Pasadena Texas 77501	\$10,000	2-10-80 to 8-31-80
John L. Johnson	P.O. Box 569 Devine Texas 78016	\$15,000	2-10-80 to 8-31-80	Roy B. Sinclair	P.O. Box 190 Lufkin Texas 75901	\$10,000	2-10-80 to 8-31-80
Jerry O. Jones	P.O. Box 137 Mesquite Texas 75149	\$15,000	2-10-80 to 8-31-80	Bill Steger	P.O. Box 428 Iowa Park Texas 76367	\$20,000	2-10-80 to 8-31-80
Virgil Jones, Jr	P.O. Box 157 Midland Texas 79701	\$20,000	2-10-80 to 8-31-80	Louise Stracener	Route 4, Box 148 Gilmer Texas 75644	\$10,000	2-10-80 to 8-31-80
Preston C. Kelly	6301 South Stadium Lane Katy Texas 77450	\$15,000	2-10-80 to 8-31-80	Terry R. Turner	Room 101, City- County Building El Paso Texas 79901	\$10,000	2-10-80 to 8-31-80
James J. Kilchenstein	Box 2000 Lubbock Texas 79457	\$10,000	2-10-80 to 8-31-80	R. L. Van Pelt	1610 Martinez- Losoya Road San Antonio Texas 78221	\$10,000	2-10-80 to 8-31-80
Clovis T. King	Box 95 Gatesville Texas 76528	\$20,000	2-10-80 to 8-31-80				

Vernon Warren	215 West Avenue H Silsbee Texas 77656	\$20,000	2-10-80 to 8-31-80
John E. White	5900 Evers Road San Antonio Texas 78238	\$15,000	2-10-80 to 8-31-80
Joel Whitmire	P.O. Box 459 Richmond Texas 77469	\$15,000	2-10-80 to 8-31-80
Gustav R. Wimp	P.O. Box 1407 Lufkin Texas 75901	\$15,000	2-10-80 to 8-31-80
Starky Winnett	105 Municipal Building Temple Texas 76501	\$10,000	2-10-80 to 8-31-80
William H. Wright	P.O. Box 1388 Port Arthur Texas 77640	\$20,000	2-10-80 to 8-31-80

The due dates for returning the values developed by the consultant is no later than June 15, 1980, with the consultant to be available to the board through August 31, 1980.

Issued in Austin, Texas, on March 12, 1980.

Doc. No. 801920      Walter E. Lillie  
General Counsel  
State Property Tax Board

Filed: March 12, 1980, 4:15 p.m.  
For further information, please call (512) 837-8622.

## Railroad Commission of Texas

### Oil and Gas Division

### Postponement of Hearing

At the request of several operators who have indicated a need for additional time to study the commission's proposed amendment of Statewide Rule 36 (051.02.02.036), the hearing scheduled for April 2, 1980, is postponed until further notice. Notice of the hearing appeared in the *Texas Register* on March 7, 1980 (5 TexReg 873).

Issued in Austin, Texas, on March 4, 1980.

Doc. No. 801967      Elizabeth Mavropoulis  
Railroad Commission of Texas

Filed: March 14, 1980, 11:33 a.m.

For further information, please call (512) 445-1285.

## TAC Titles Affected in This Issue

The following is a list of the chapters of each title of the *Texas Administrative Code* affected by documents published in this issue of the *Register*. The listings are arranged in the same order as the table of contents of the *Texas Administrative Code*.

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