



Control Number: 42860



Item Number: 48

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.



Bryan W. Shaw, Ph.D., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
Protecting Texas by Reducing and Preventing Pollution

QUALITY COMMISSION
FILING CLERK

September 18, 2013

Mr. Mark H. Zeppa, Attorney
4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759

Re: Docket No. 2013-1735-UCR; Protest of the application for a Water Rate/Tariff Change of Douglas Utility Company, Certificate of Convenience and Necessity (CCN) No. 11369, in Harris County; Application No. 37554-R

Docket No. 2013-1735-UCR; Protest of the application for a Sewer Rate/Tariff Change of Douglas Utility Company, Certificate of Convenience and Necessity (CCN) No. 20527, in Harris County; Application No. 37555-R

CN: 600693022; RN: 102676509 (water) and 101260453 (sewer)

Dear Mr. Zeppa:

On March 12, 2013, the Texas Commission on Environmental Quality (TCEQ) received applications for water and sewer rate/tariff changes. The applications have been assigned Docket No. 2013-1735-UCR. Any further communication should refer to this docket number.

The TCEQ has received 33 protests from a total of 202 water customers and 199 sewer customers, which is more than ten percent (10%) of the affected customers.

This matter has been referred to the State Office of Administrative Hearings for scheduling. Once the hearing is scheduled, you will receive a notice of hearing explaining when and where the hearing will be held.

In order to review this rate change request, the staff of the TCEQ may need additional information regarding the utility's cost of providing service. You may be receiving Staff Requests for Information (RFI's) within a few weeks. We would appreciate your cooperation in providing the information requested.

If you have questions about this process or what material you should bring with you to the hearing, please contact Ms. Sheresia Perryman at 512/239-3654 or Ms. Heidi Graham at 512/239-0844, by fax at 512/239-6972, by email at sheresia.perryman@tceq.texas.gov or heidi.graham@tceq.texas.gov. If you contact our office by correspondence, please include MC153 in the letterhead address.

Sincerely,

A handwritten signature in black ink, appearing to read "Tammy Benter".

Tammy Benter, Manager
Utilities and Districts Section
Water Supply Division

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • tceq.texas.gov

How is our customer service? tceq.texas.gov/customerurvey
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48

Mailing List for Douglas Utility Company
Docket No. 2013-1735-UCR
(Application Nos. 37554-R and 37555-R)

Mr. Mark H. Zeppa, Attorney
Law Office of Mark H. Zeppa, PC
4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759

Mr. Herbert Zieben
Douglas Utility Company
32 E. Rivercrest Dr.
Houston, Texas 77042

NOTICE OF PROPOSED RATE CHANGE

Douglas Utility Company
Company Name

11369 and 20527
CCN Numbers

has submitted a rate change application to the Texas Commission on Environmental Quality (Commission). The proposed rates listed on the next page will apply to service received after the effective date provided below. If the Commission receives protests to the proposed increase from 10 percent of the ratepayers or from any affected municipality before the 91st day after the proposed effective date, a public hearing will be scheduled to determine if the proposed rates are reasonable. Protests should be mailed to:

**Texas Commission on Environmental Quality
Water Supply Division
Utilities & Districts Section, MC 153
P. O. Box 13087
Austin, Texas 78711-3087**

Unless protests are received from 10 percent of the ratepayers or the Commission staff requests a hearing, no hearing will be held and rates will be effective as proposed. Please read the following information carefully:

Fountainview

Subdivisions or Systems Affected by Rate Change

32 E Rivercrest Drive	Houston	Texas	77042	(713) 783-4553
Company Address	City	State	Zip	Telephone
\$(141,199) (31.9%) Water				
\$ 127,066 113.0% Sewer				
\$(14,133) (2.5)% Combined				

On or before March 10, 2013

Annual Revenue Increase

Date Customer Notice Mailed

July 1, 2008

12th day of the month

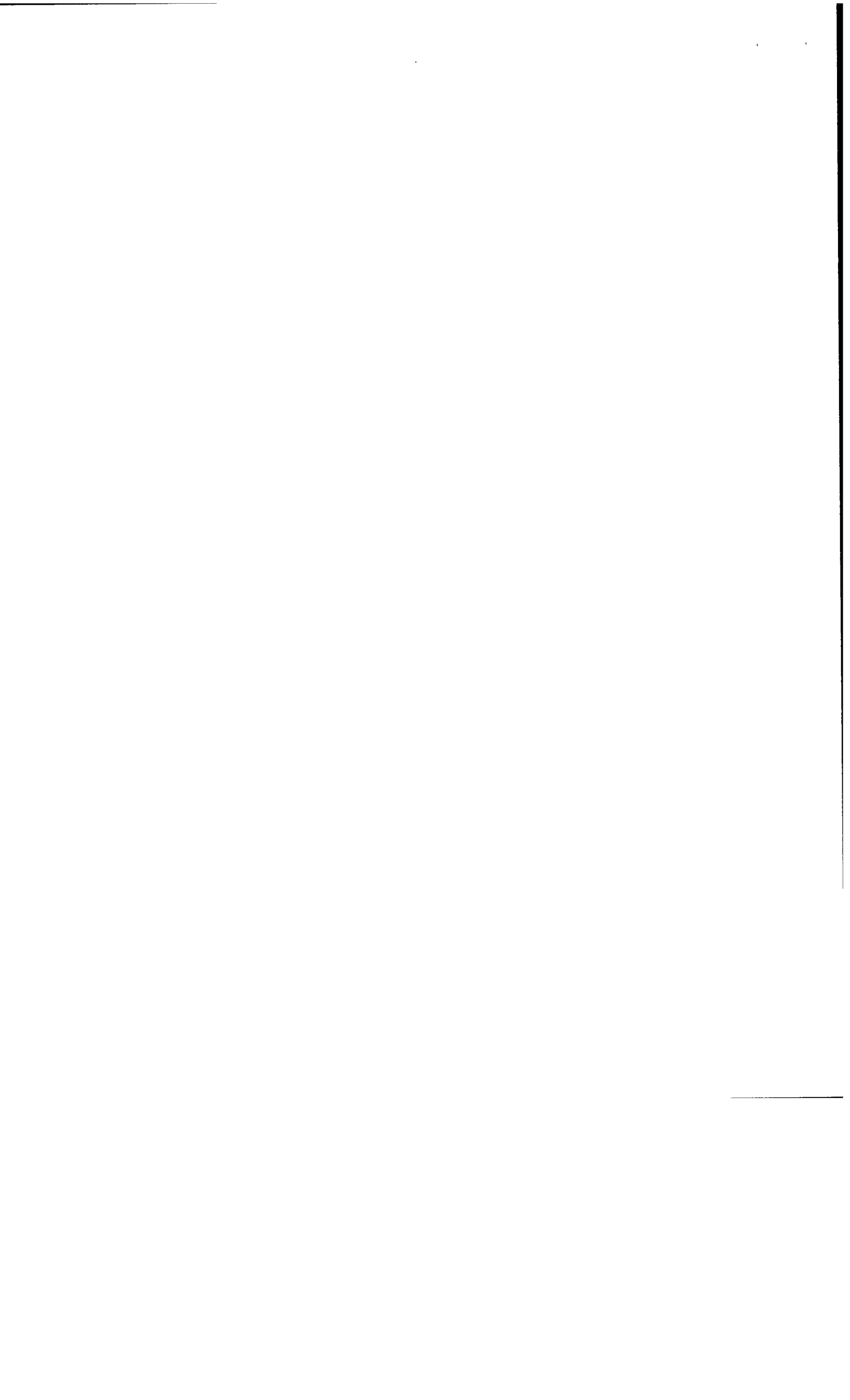
Date of Last Rate Change

Date Meters Typically Read

EFFECTIVE DATE OF PROPOSED INCREASE: May 12, 2013

BILLING COMPARISON

Water					
Existing - 5/8" x 3/4"	10,000 gallons:	\$ 55.20/mo	Existing	30,000 gallons:	\$ 148.60/mo
Proposed - 5/8" x 3/4"	10,000 gallons:	\$ 42.65/mo	Proposed	30,000 gallons:	\$ 107.85/mo
Existing - 3/4"	10,000 gallons:	\$ 54.20/mo	Existing	30,000 gallons:	\$ 148.60/mo
Proposed - 3/4"	10,000 gallons:	\$ 48.03/mo	Proposed	30,000 gallons:	\$ 113.03/mo
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Proposed - 2" Commercial	10,000 gallons:	\$ 115.30/mo	Proposed	30,000 gallons:	\$ 180.30/mo
Existing - 3" Commercial	10,000 gallons:	\$ 104.20/mo	Existing	30,000 gallons:	\$ 196.60/mo
Proposed - 3" Commercial	10,000 gallons:	\$ 187.75/mo	Proposed	30,000 gallons:	\$ 252.75/mo
Existing - 4" Commercial	10,000 gallons:	\$ 140.20/mo	Existing	30,000 gallons:	\$ 232.60/mo
Proposed - 4" Commercial	10,000 gallons:	\$ 281.25/mo	Proposed	30,000 gallons:	\$ 358.25/mo
Existing - 6" Commercial	10,000 gallons:	\$ 140.20/mo	Existing	30,000 gallons:	\$ 232.60/mo

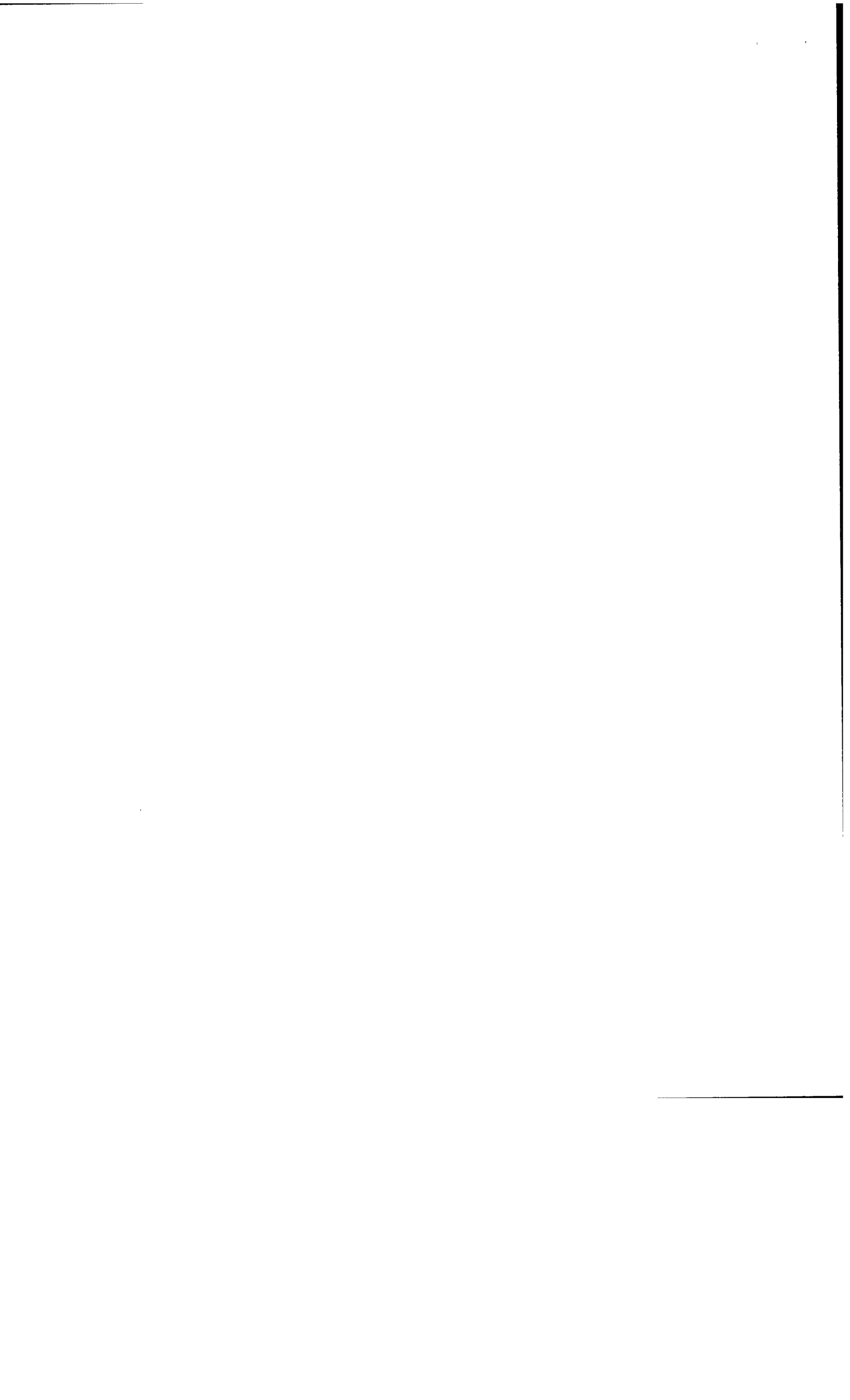


Proposed - 8" Commercial	10,000 gallons:	\$ 550.00/mo	Proposed	30,000 gallons:	\$ 615.00/mo
Existing - 8" Commercial	10,000 gallons:	\$ 140.20/mo	Existing	30,000 gallons:	\$ 232.80/mo
Proposed - 8" Commercial	10,000 gallons:	\$ 860.50/mo	Proposed	30,000 gallons:	\$ 925.50/mo
Sewer					
Existing - 5/8" x 3/4" Or unmetered	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed - 5/8" x 3/4" Or unmetered	10,000 gallons:	\$ 44.50/mo	Proposed	30,000 gallons:	\$ 104.50/mo
Existing - 3/4"	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed - 3/4"	10,000 gallons:	\$ 51.75/mo	Proposed	30,000 gallons:	\$ 111.75/mo
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Proposed - 4" Commercial	10,000 gallons:	\$ 392.50/mo	Proposed	30,000 gallons:	\$ 452.50/mo
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Proposed - 6" Commercial	10,000 gallons:	\$ 755.00/mo	Proposed	30,000 gallons:	\$ 815.00/mo
Existing - 8" Commercial	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed - 8" Commercial	10,000 gallons:	\$ 1,190.00 /mo	Proposed	30,000 gallons:	\$ 1,250.00/mo

The proposed rates will apply to all service rendered after the effective date and will be reflected on the bill you receive approximately 30 to 45 days after the effective date.

In the event that the application is set for hearing, the specific rates requested by the utility may be decreased or increased by order of the Commission. If the Commission orders a lower rate to be set, the utility may be ordered to refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest. You may inspect a copy of the rate change application at your utility's office or at the Commission's office at Park 35 - Building F, 12015 Park 35 Circle, Suite 3101, Austin, Texas, west side of IH-35, south of Yager Lane. Additional information about the application can be obtained by contacting the Utilities and Districts Section at 512/239-4691. Information about how you can participate in the rate setting process can be obtained by contacting the Public Interest Counsel at 512/239-6363.

Si desea informacion en Espanol, puede llamar al 512-239-0200.



NOTICE OF PROPOSED RATE CHANGE -WATER (Cont.)

CURRENT RATES		PROPOSED RATES	
Monthly base rate including <u>0</u> gallons		Monthly base rate including <u>0</u> gallons	
Meter Size:		Meter Size:	
5/8 X 3/4 "	\$ 10.00	5/8 X 3/4 "	\$ 10.36
3/4 "	\$ 10.00	3/4 "	\$ 16.53
1"	\$13.00	1 "	\$ 25.88
1 1/2 "	\$22.00	1 1/2 "	\$ 51.75
2 " (commercial)	\$ 33.00	2 " (commercial)	\$ 82.80
3 " (commercial)	\$ 58.00	3 " (commercial)	\$ 155.25
4 " (commercial)	\$ 94.00	4 " (commercial)	\$ 258.75
6 " (commercial)	\$ 94.00	6 " (commercial)	\$ 517.50
8 " (commercial)	\$ 94.00	8 " (commercial)	\$ 828.00
Gallonge Charge:		Gallonge Charge:	
\$ <u>4.62</u> for each additional 1000 gallons over the minimum		\$ <u>3.25</u> for each additional 1000 gallons over the minimum	
Miscellaneous Fees		Miscellaneous Fees	
Tap fee 5/8" or 3/4"	\$ 350.00	Tap fee 5/8" or 3/4"	\$ 875.00
Tap fee - larger than 5/8" or 3/4"	\$ 350.00	Tap fee - larger than 5/8" or 3/4"	Actual Cost
Reconnect fee: Non-payment (Maximum - \$25.00)	\$ 25.00	Reconnect fee" Non-payment (Maximum - \$25.00)	\$ 25.00
Customer=s request	\$ 40.00	Customer=s request	\$ 50.00
Transfer fee	\$ 25.00	Transfer fee	\$ 25.00
Late charge	\$ 5.00	Late charge (Indicate either \$5.00 or 10%)	\$ 5.00
Returned check charge	\$ 25.00	Returned check charge	\$ 25.00
Deposit	\$50.00	Deposit (Maximum \$50.00)	\$50.00
Commercial & non-residential deposit	1/6 th of estimated annual bill	Commercial & non-residential deposit	1/6 th of estimated annual bill
Meter test fee	\$25.00	Meter test fee	\$ 25.00

Regulatory Assessment of 1% is added to base rate and gallonge charges

TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonge charge according to the formula:

$$TGC = cgc \cdot \frac{pr}{(pr) + (cgc)(r)} \quad (1.0-r)$$

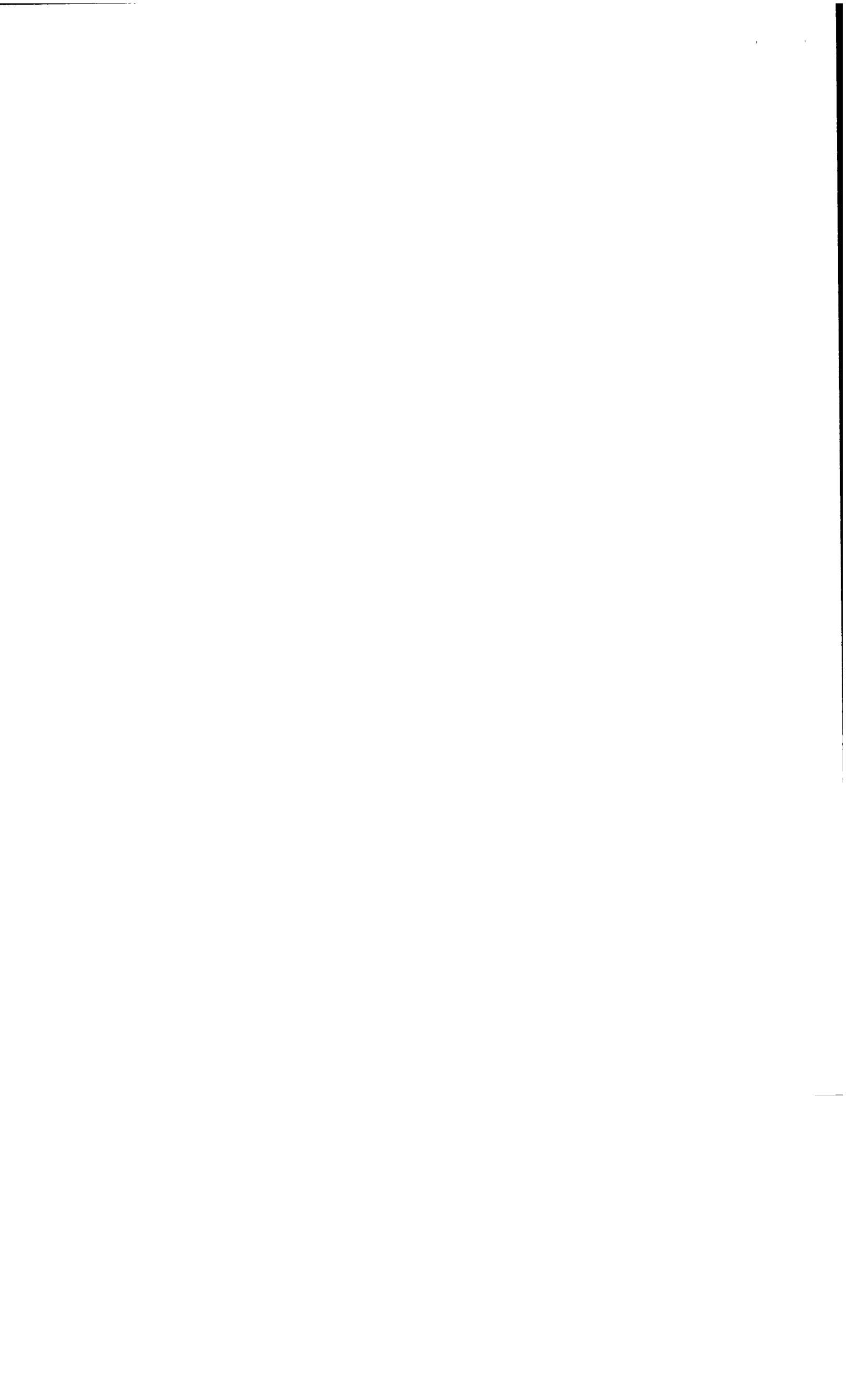
Where:

TGC = temporary gallonge charge

cgc = current gallonge charge

r = water use reduction expressed as a decimal fraction (the pumping restriction)

pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff pr shall equal 0.5.



GROUNDWATER REDUCTION PLAN FEE

The Houston Groundwater Reduction Plan Fee is calculated as follows:

$$(GRP \text{ Fee per } 1000 \text{ gallons}) \times (\text{Total Usage in month in } 1000 \text{ gallon units})$$

For period before treated surface water is actually used, the GRP Fee, based on Monthly Pumpage at the Wells, will be passed through as follows:

$$GRP \text{ Fee Per } 1000 \text{ gallons usage by customers} = (Q \times R \times P) / GS$$

Q = Quantity of groundwater pumped in billing period in 1000 gallons

R = Groundwater Reduction Plan Fee per 1000 gallons

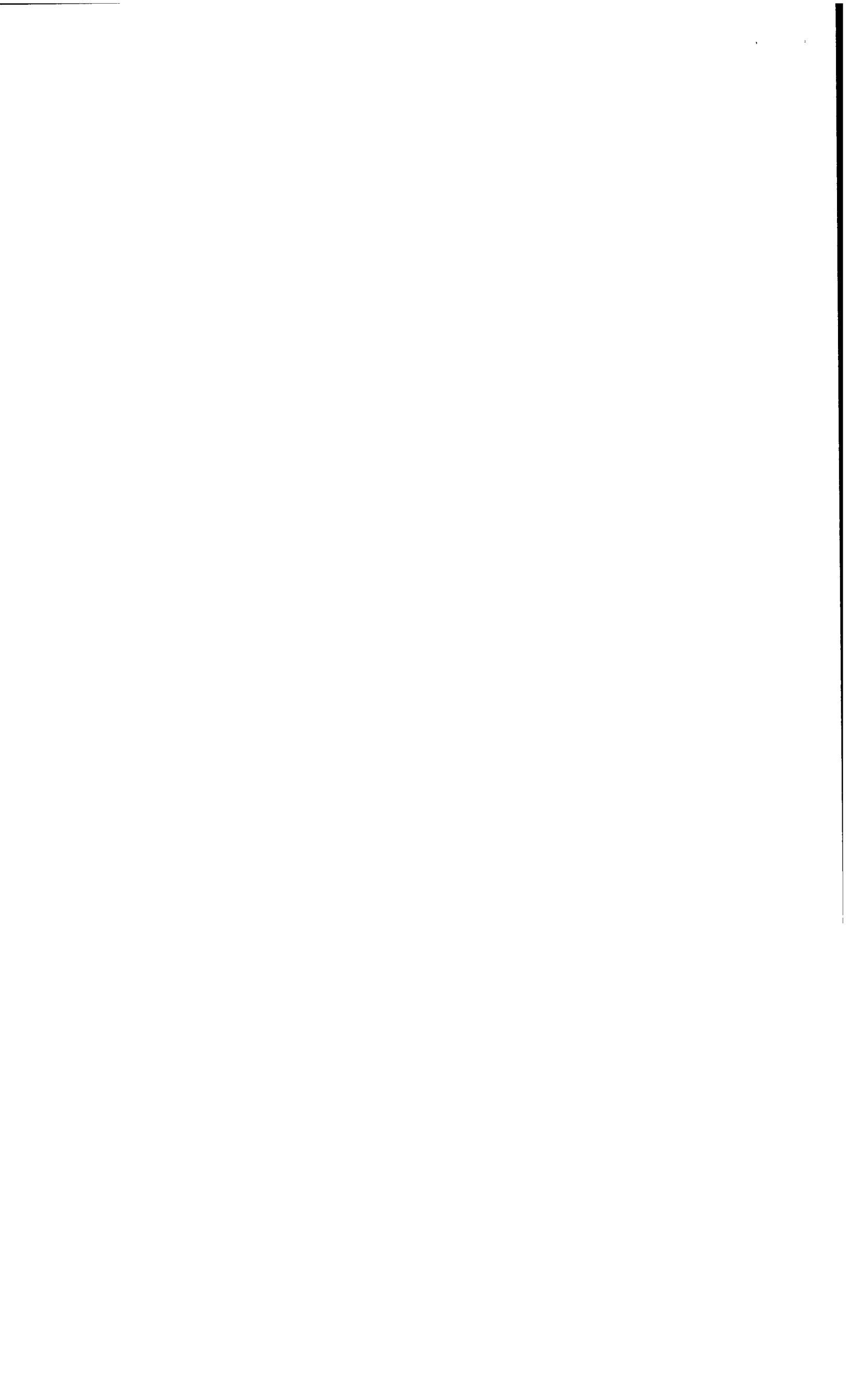
P = Percentage of total required by contract

GS = Total gallons sold during billing period in 1000 gallons

NOTICE OF PROPOSED RATE CHANGE - SEWER (Cont.)

e 3

CURRENT RATES		PROPOSED RATES	
Monthly base rate including <u> 0 </u> gallons		Monthly base rate including <u> 0 </u> gallons	
Meter Size:		Meter Size:	
Residential		Residential	
5/8 X 3/4 "	\$ 15.00	5/8 X 3/4 "	\$14.50
3/4 "	\$ 15.00	3/4 "	\$ 21.75
1"	\$ 15.00	1"	\$ 36.25
1 1/2 "	\$ 15.00	1 1/2 "	\$ 72.50
2" (commercial)	\$ 16.00	2" (commercial)	\$ 116.00
3" (commercial)	\$ 15.00	3" (commercial)	\$ 217.50
4" (commercial)	\$ 15.00	4" (commercial)	\$ 362.50
6" (commercial)	\$ 15.00	6" (commercial)	\$ 725.00
8" (commercial)	\$ 15.00	8" (commercial)	\$ 1,160.00
Gallonage Charge:		Gallonage Charge:	
\$ <u> 5.00 </u> for each additional 1000 gallons over the minimum		\$ <u> 3.00 </u> for each additional 1000 gallons over the minimum	
<small>Gallonage charges are determined based on average consumption for winter period which includes the following months: December, January & February. Residential customers who do not have a winter consumption history shall be imputed the winter consumption average for the system in which they reside until they establish their own history. Commercial customers shall not be subject to winter averaging. Their bills shall be calculated on their actual water consumption each month year round.</small>			



Miscellaneous Fees		Miscellaneous Fees	
Tap fee - Residential	\$ 650.00	Tap fee - Residential	\$ 650.00
Tap fee - Commercial	Actual Cost	Tap fee - Commercial	Actual Cost
Sewer Connection Inspection Fee - Residential	\$ 0.00	Sewer Connection Inspection Fee - Residential	\$ 50.00
Sewer Connection Inspection Fee - Commercial	\$ 0.00	Sewer Connection Inspection Fee - Commercial	Actual Cost
Plan Review Fee - Non Residential	\$ 0.00	Plan Review Fee - Non Residential	\$ 200.00
Reconnect fee: Non-payment (Maximum - \$25.00)	\$ 25.00	Reconnection fee: Non-payment (Maximum - \$25.00)	\$ 25.00
Customer's request	\$ 40.00	Customer's request	\$ 50.00
Transfer fee	\$ 25.00	Transfer fee	\$ 25.00
Late charge	\$ 5.00	Late charge (Indicate either \$5.00 or 10%)	\$ 5.00
Returned check charge	\$25.00	Returned check charge	\$ 30.00
Deposit	\$ 50.00	Deposit (Maximum \$50.00)	\$ 50.00
Commercial & non-residential deposit	1/6 th of estimated annual bill	Commercial & non-residential deposit	1/6 th of estimated annual bill
SERVICE RELOCATION	N/A	SERVICE RELOCATION	Actual cost to relocate that service connection
REPAIRS OR MAINTENANCE OF CUSTOMER PLUMBING	N/A	REPAIRS OR MAINTENANCE OF CUSTOMER PLUMBING	INCURRED COST
Regulatory Assessment of 1% is added to base rate and gallonage charges			

RATE NOTICE ADDENDUM

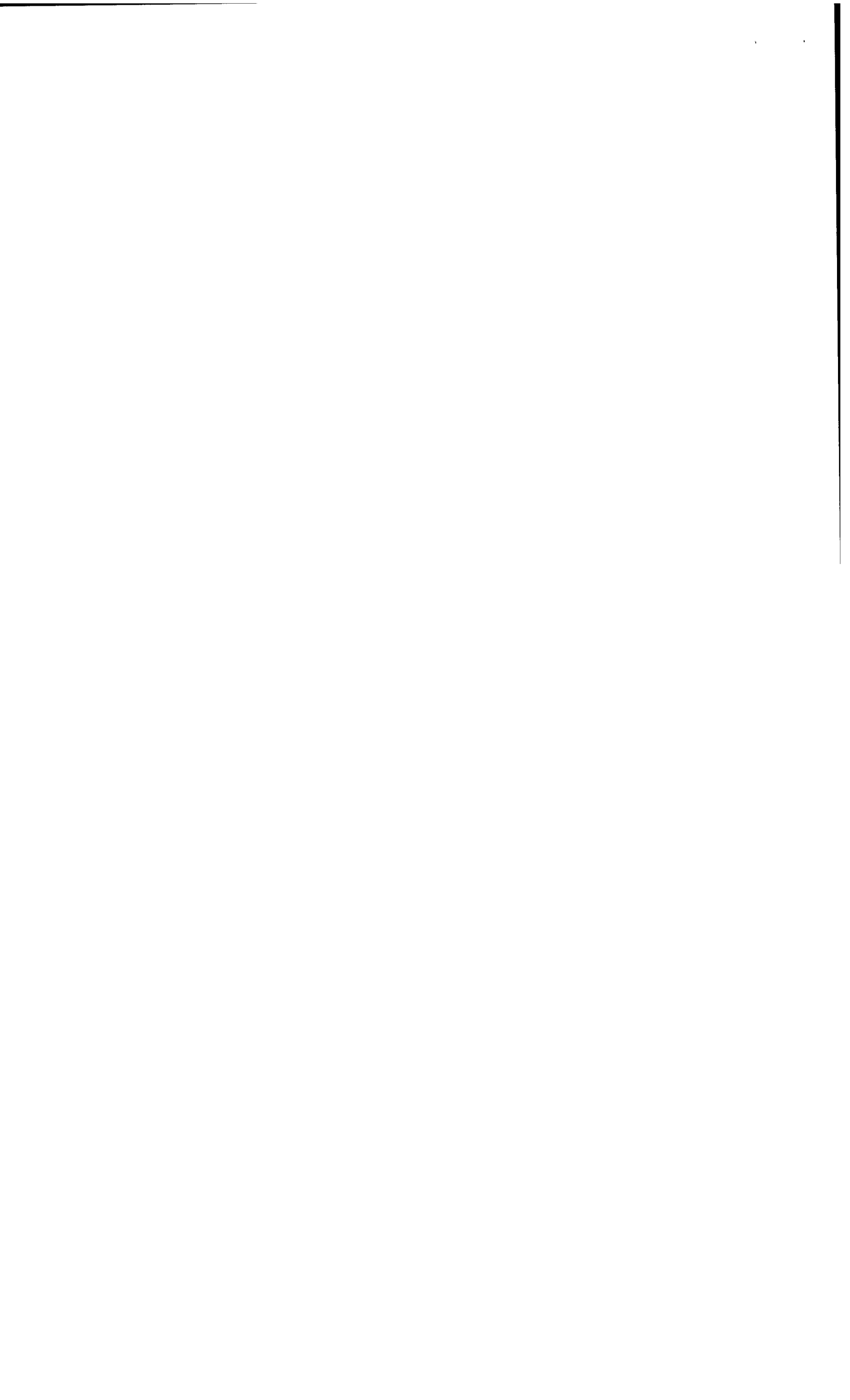
The final rates to any customer or class of customers approved in this application may be greater or less than these noticed rates, but they will not recover a larger total revenue requirement. The utility may amend the rate change application where permitted by law. There may be monthly customer surcharges for rate case expenses, capital improvements, collection of lost revenues during the pendency of the case or other purpose approved in the final order. The utility may propose and have approved pass through clauses permitted by the Water Code and/or TCEQ rules. The utility may propose or receive changes to its tariff that may affect terms and conditions under which any present or future customer receives service. *The utility may seek or receive invested capital findings and a rate base bench mark for future rate cases.* The utility may propose or receive changes to its extension policies. The utility may propose or receive changes to its Drought Management and Water Conservation Plan that may affect present or future customers. For these reasons, all affected current or future customers are encouraged to review the rate change application and tariff(s) and take such action as that customer deems appropriate.



Exhibit B

Signatures of Ratepayers Protesting the
Douglas Utility Company Rate Change

Douglas Utility Company Rate Change Protest



— MCGINNIS LOCHRIDGE —

Philip S Haag
phaag@mcginnislaw.com
(512) 495-6008 o
(512) 505-6308 f

August 12, 2013

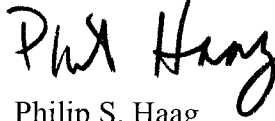
Texas Commission on Environmental Quality
Ms. Heidi Graham - MC 159
Utilities Technical Review Team
P.O. Box 13087
Austin, Texas 78711-3087

Re: Protest to the Service Rates of Douglas Utility Company and Request for Hearing

Dear Ms. Graham:

Please find attached petition for the above referenced matter. Kindly direct communication regarding this protest to my attention McGinnis Lochrige, 600 Congress Avenue, Suite 2100, Austin, Texas 78701, phaag@mcginnislaw.com

Sincerely,



Philip S. Haag

PSH/jlw
Enclosures

cc: Office of the Chief Clerk
Mark Zeppa

PHILIP S. HAAG
CHIEF CLERKS OFFICE
AUG 12 PM 2:52
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



PROTEST TO THE SERVICE RATES
OF DOUGLAS UTILITY COMPANY
AND REQUEST FOR HEARING

Douglas Utility Company
32 E. Rivercrest Drive
Houston, Texas 77042

The undersigned ratepayers of Douglas Utility Company (CCN Number 11369 and 20527), as listed on Exhibit B hereto, and which is incorporated by reference, hereby protest the rate change requested and implemented by Douglas Utility District and request a hearing on the rate changes to determine whether the rates are just and reasonable. The undersigned allege that the rate increases are not just and reasonable. The rate changes are effective on May 12, 2013. The affected rates are those charged for utility service (including water and sewer service) as more particularly specified in the Notice of Proposed Rate Change (Notice), which is attached as Exhibit "A" and is herein incorporated by reference. According to the Notice the ratepayers were provided the Notice on or about March 12, 2013 regarding this increase of rates, although there is some question as to whether the notices were correctly provided to all the affected ratepayers. The undersigned request a contested case hearing be held to determine whether proper notice of the proposed rate change was provided to all ratepayers and whether the proposed rates established are just and reasonable. The undersigned designate Rainbow Housing Assistance Corporation ("Rainbow") as their representative in this matter. Correspondence to the ratepayers' representative should be directed to Mr. Phil Haag, McGinnis Lochridge, 600 Congress Avenue, Suite 2100, Austin, Texas 78701, 512-495-6008.

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

2013 APR 12 PM 2:56

CHIEF CLERKS OFFICE

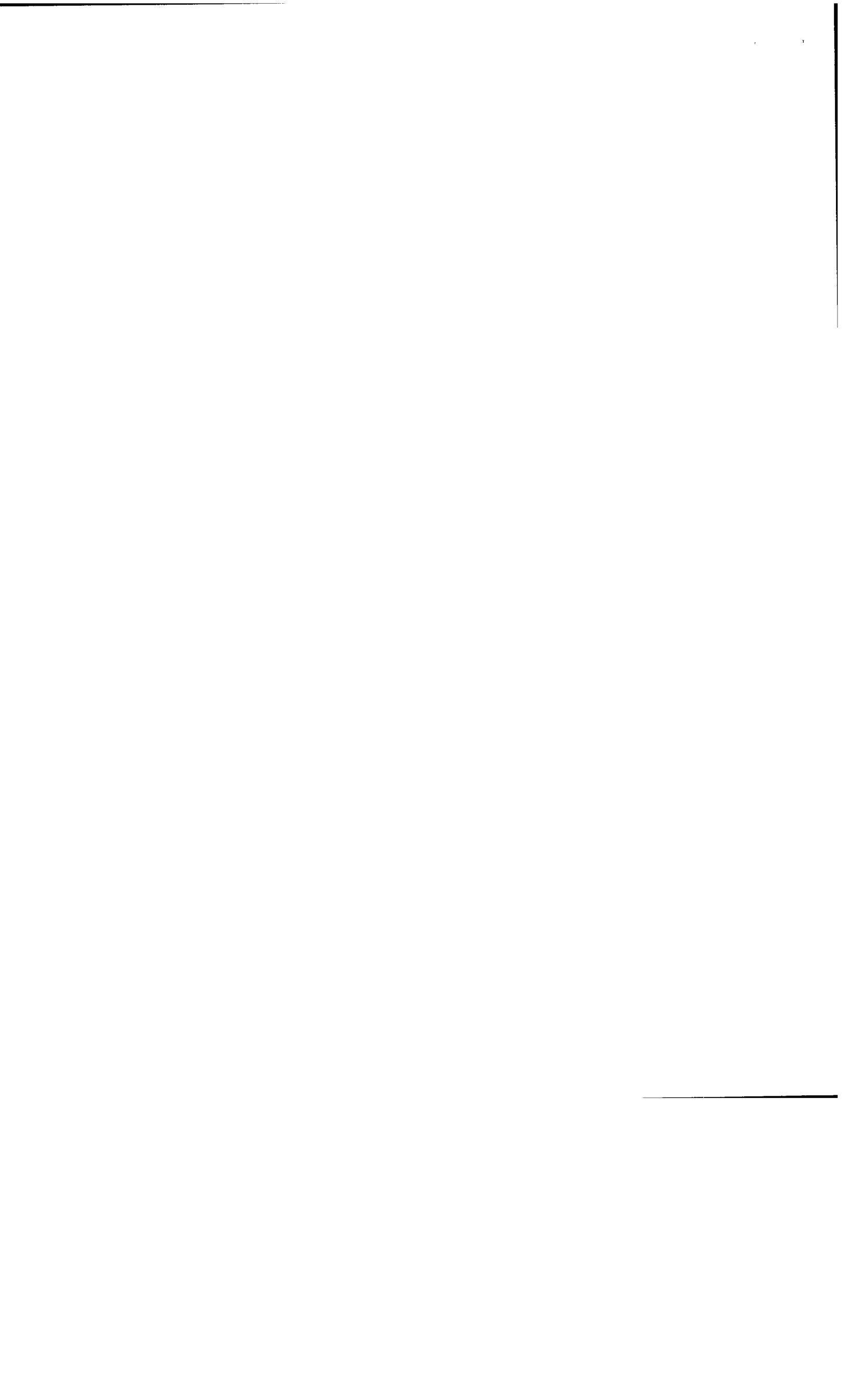


Exhibit A
Notice of Proposed Rate Change

Douglas Utility Company Rate Change Protest



NOTICE OF PROPOSED RATE CHANGE

Douglas Utility Company

11369 and 20527

Company Name

CCN Numbers

has submitted a rate change application to the Texas Commission on Environmental Quality (Commission). The proposed rates listed on the next page will apply to service received after the effective date provided below. If the Commission receives protests to the proposed increase from 10 percent of the ratepayers or from any affected municipality before the 91st day after the proposed effective date, a public hearing will be scheduled to determine if the proposed rates are reasonable. Protests should be mailed to:

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Water Supply Division
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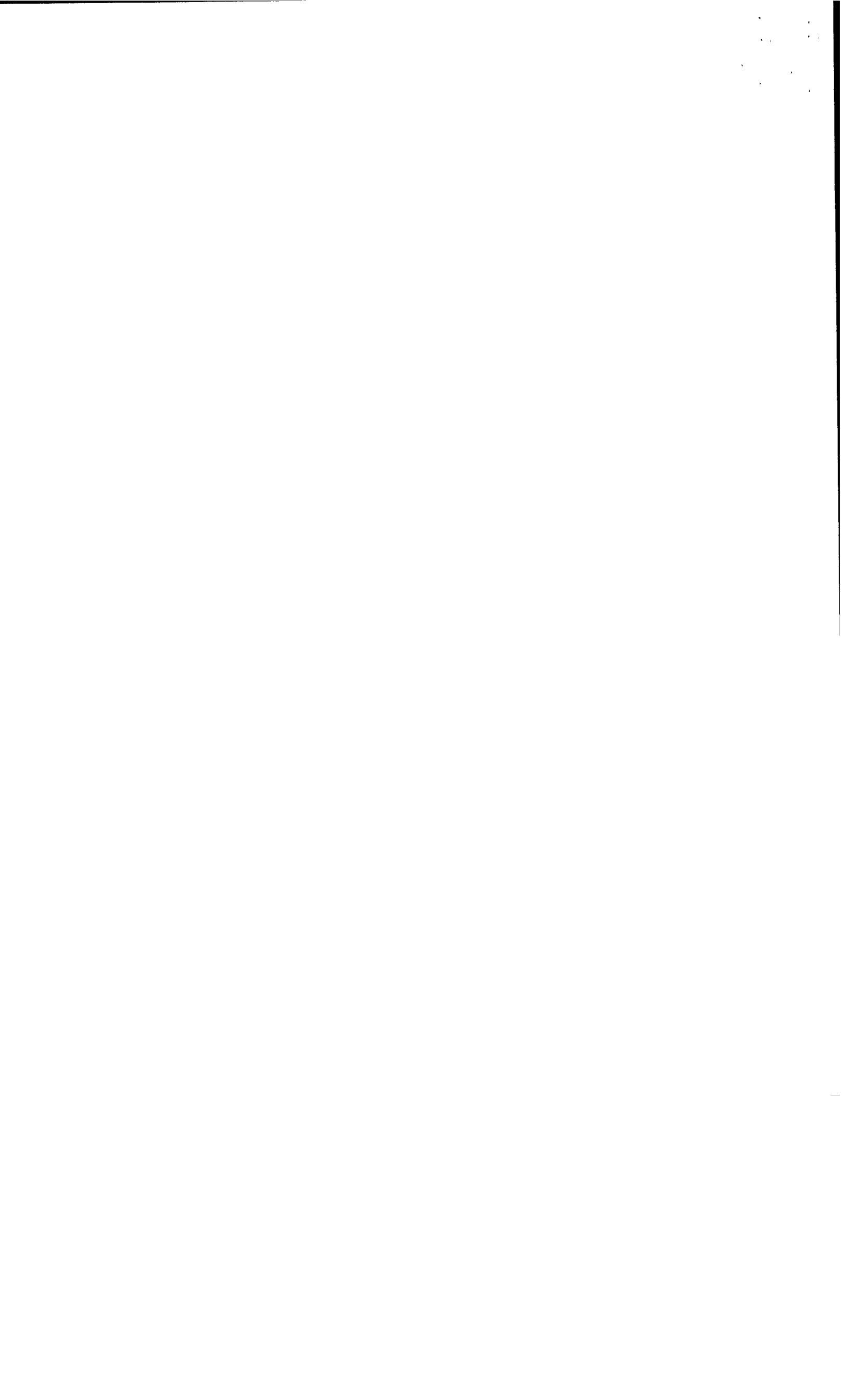
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Proposed - 6" Commercial	10,000 gallons:	\$ 755.00/mo	Proposed	30,000 gallons:	\$ 815.00/mo
Existing - 8" Commercial	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed - 8" Commercial	10,000 gallons:	\$ 1,190.00 /mo	Proposed	30,000 gallons:	\$ 1,250.00/mo

The proposed rates will apply to all service rendered after the effective date and will be reflected on the bill you receive approximately 30 to 45 days after the effective date.

In the event that the application is set for hearing, the specific rates requested by the utility may be decreased or increased by order of the Commission. If the Commission orders a lower rate to be set, the utility may be ordered to refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest. You may inspect a copy of the rate change application at your utility's office or at the Commission's office at Park 35 - Building F, 12015 Park 35 Circle, Suite 3101, Austin, Texas, west side of IH-35, south of Yager Lane. Additional information about the application can be obtained by contacting the Utilities and Districts Section at 512/239-4691. Information about how you can participate in the rate setting process can be obtained by contacting the Public Interest Counsel at 512/239-8363.

Si desea informacion en Espanol, puede llamar al 512-239-0200.



NOTICE OF PROPOSED RATE CHANGE -WATER (Cont.)

CURRENT RATES		PROPOSED RATES	
Monthly base rate including 0 gallons		Monthly base rate including 0 gallons	
Meter Size:		Meter Size:	
5/8 X 3/4 "	\$ 10.00	5/8 X 3/4 "	\$ 10.35
3/4 "	\$ 10.00	3/4 "	\$ 15.53
1"	\$13.00	1 "	\$ 25.88
1 1/4 "	\$22.00	1 1/4 "	\$ 51.75
2 " (commercial)	\$ 33.00	2 " (commercial)	\$ 82.80
3 " (commercial)	\$ 58.00	3 " (commercial)	\$ 155.25
4 " (commercial)	\$ 94.00	4 " (commercial)	\$ 258.75
6 " (commercial)	\$ 94.00	6 " (commercial)	\$ 517.50
8 " (commercial)	\$ 94.00	8 " (commercial)	\$ 828.00
Gallonge Charge:		Gallonge Charge:	
\$ 4.62 for each additional 1000 gallons over the minimum		\$ 3.25 for each additional 1000 gallons over the minimum	
<u>Miscellaneous Fees</u>		<u>Miscellaneous Fees</u>	
Tap fee 5/8" or 3/4"	\$ 350.00	Tap fee 5/8" or 3/4"	\$ 875.00
Tap fee - larger than 5/8" or 3/4"	\$ 350.00	Tap fee - larger than 5/8" or 3/4"	Actual Cost
Reconnect fee: Non-payment (Maximum - \$25.00)	\$ 25.00	Reconnect fee* Non-payment (Maximum - \$25.00)	\$ 25.00
Customer=s request	\$ 40.00	Customer=s request	\$ 50.00
Transfer fee	\$ 25.00	Transfer fee	\$ 25.00
Late charge	\$ 5.00	Late charge (Indicate either \$5.00 or 10%)	\$ 5.00
Returned check charge	\$ 25.00	Returned check charge	\$ 25.00
Deposit	\$50.00	Deposit (Maximum \$50.00)	\$50.00
Commercial & non-residential deposit	1/6 th of estimated annual bill	Commercial & non-residential deposit	1/6 th of estimated annual bill
Meter test fee	\$25.00	Meter test fee	\$ 25.00

Regulatory Assessment of 1% is added to base rate and gallonage charges

TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = cgc \cdot \frac{pr}{(1.0-r)}$$

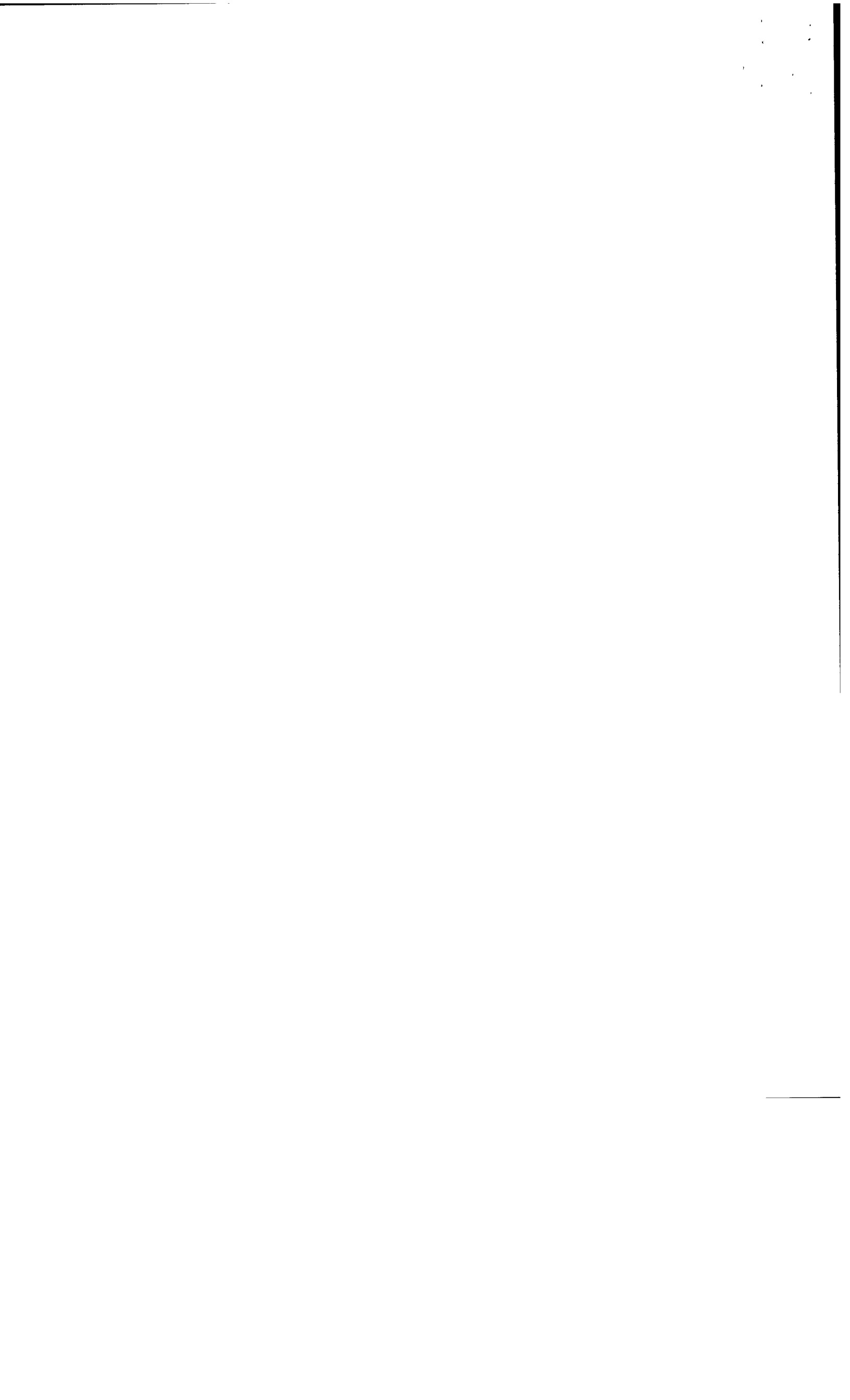
Where:

TGC = temporary gallonage charge

cgc = current gallonage charge

r = water use reduction expressed as a decimal fraction (the pumping restriction)

pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff pr shall equal 0.5.



GROUNDWATER REDUCTION PLAN FEE

The Houston Groundwater Reduction Plan Fee is calculated as follows:

$$(GRP \text{ Fee per } 1000 \text{ gallons}) \times (\text{Total Usage in month in } 1000 \text{ gallon units})$$

For period before treated surface water is actually used, the GRP Fee, based on Monthly Pumpage at the Wells, will be passed through as follows:

$$GRP \text{ Fee Per } 1000 \text{ gallons usage by customers} = (Q \times R \times P) / GS$$

Q = Quantity of groundwater pumped in billing period in 1000 gallons

R = Groundwater Reduction Plan Fee per 1000 gallons

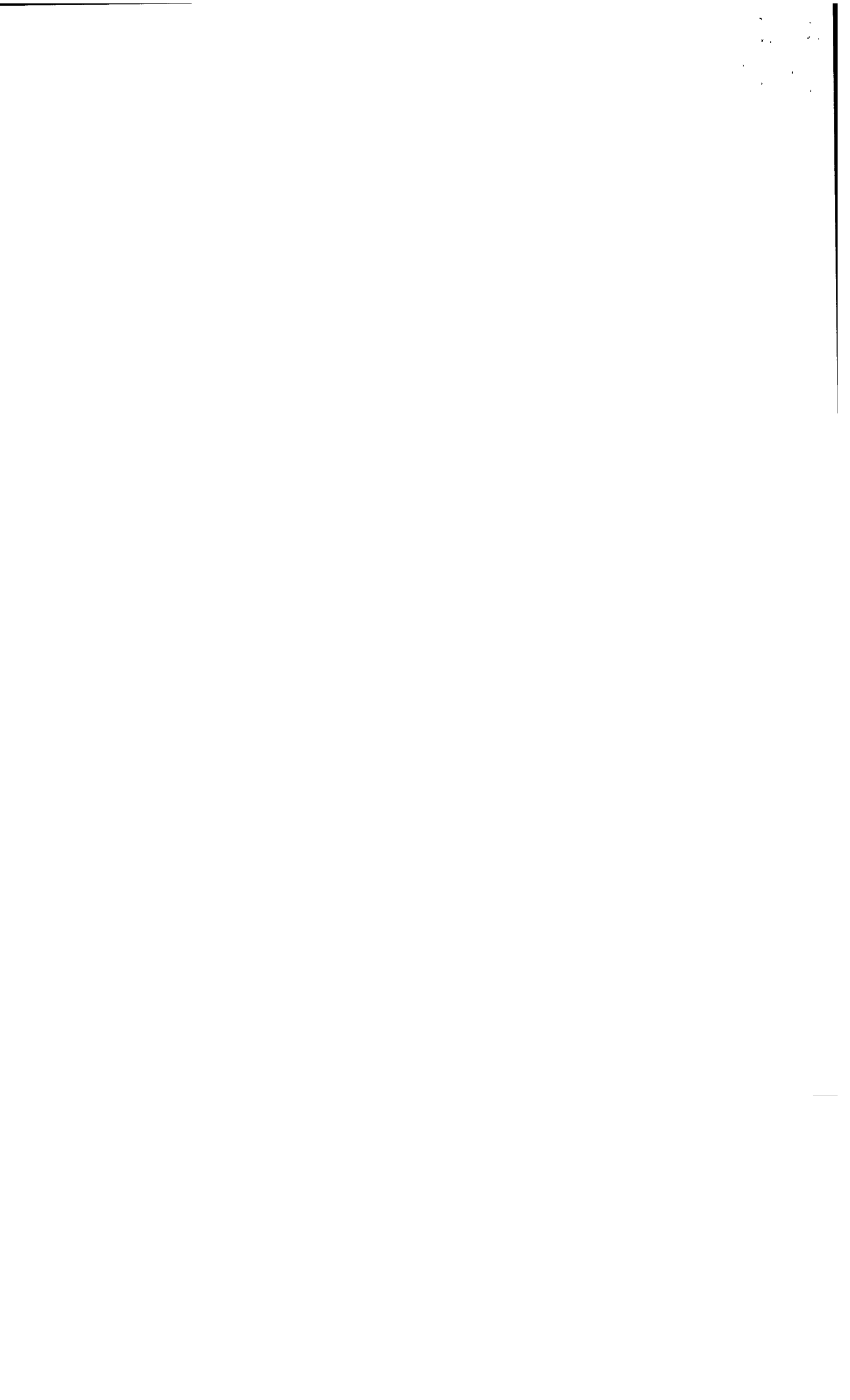
P = Percentage of total required by contract

GS = Total gallons sold during billing period in 1000 gallons

NOTICE OF PROPOSED RATE CHANGE - SEWER (Cont.)

e 3

CURRENT RATES		PROPOSED RATES	
Monthly base rate including <u> 0 </u> gallons		Monthly base rate including <u> 0 </u> gallons	
Meter Size:		Meter Size:	
Residential		Residential	
5/8 X 3/4 "	\$ 15.00	5/8 X 3/4 "	\$14.50
3/4 "	\$ 15.00	3/4 "	\$ 21.75
1"	\$ 15.00	1"	\$ 36.25
1 1/2 "	\$ 15.00	1 1/2 "	\$ 72.50
2" (commercial)	\$ 15.00	2" (commercial)	\$ 116.00
3" (commercial)	\$ 15.00	3" (commercial)	\$ 217.50
4" (commercial)	\$ 15.00	4" (commercial)	\$ 362.50
6" (commercial)	\$ 15.00	6" (commercial)	\$ 725.00
8" (commercial)	\$ 15.00	8" (commercial)	\$ 1,160.00
Gallonage Charge:		Gallonage Charge:	
\$ <u> 5.00 </u> for each additional 1000 gallons over the minimum		\$ <u> 3.00 </u> for each additional 1000 gallons over the minimum	
<p>Gallonage charges are determined based on average consumption for winter period which includes the following months: December, January & February. Residential customers who do not have a winter consumption history shall be imputed the winter consumption average for the system in which they reside until they establish their own history. Commercial customers shall not be subject to winter averaging. Their bills shall be calculated on their actual water consumption each month year round.</p>			



Miscellaneous Fees		Miscellaneous Fees	
Tap fee - Residential	\$ 650.00	Tap fee - Residential	\$ 650.00
Tap fee - Commercial	Actual Cost	Tap fee - Commercial	Actual Cost
Sewer Connection Inspection Fee - Residential	\$ 0.00	Sewer Connection Inspection Fee - Residential	\$ 50.00
Sewer Connection Inspection Fee - Commercial	\$ 0.00	Sewer Connection Inspection Fee - Commercial	Actual Cost
Plan Review Fee - Non Residential	\$ 0.00	Plan Review Fee - Non Residential	\$ 200.00
Reconnect fee: Non-payment (Maximum - \$25.00)	\$ 25.00	Reconnection fee: Non-payment (Maximum - \$25.00)	\$ 25.00
Customer's request	\$ 40.00	Customer's request	\$ 50.00
Transfer fee	\$ 25.00	Transfer fee	\$ 25.00
Late charge	\$ 5.00	Late charge (Indicate either \$5.00 or 10%)	\$ 5.00
Returned check charge	\$25.00	Returned check charge	\$ 30.00
Deposit	\$ 50.00	Deposit (Maximum \$50.00)	\$ 50.00
Commercial & non-residential deposit	1/6 th of estimated annual bill	Commercial & non-residential deposit	1/6 th of estimated annual bill
SERVICE RELOCATION	N/A	SERVICE RELOCATION	Actual cost to relocate that service connection
REPAIRS OR MAINTENANCE OF CUSTOMER PLUMBING	N/A	REPAIRS OR MAINTENANCE OF CUSTOMER PLUMBING	INCURRED COST
Regulatory Assessment of 1% is added to base rate and gallonage charges			

RATE NOTICE ADDENDUM

The final rates to any customer or class of customers approved in this application may be greater or less than these noticed rates, but they will not recover a larger total revenue requirement. The utility may amend the rate change application where permitted by law. There may be monthly customer surcharges for rate case expenses, capital improvements, collection of lost revenues during the pendency of the case or other purpose approved in the final order. The utility may propose and have approved pass through clauses permitted by the Water Code and/or TCEQ rules. The utility may propose or receive changes to its tariff that may affect terms and conditions under which any present or future customer receives service. *The utility may seek or receive invested capital findings and a rate base bench mark for future rate cases.* The utility may propose or receive changes to its extension policies. The utility may propose or receive changes to its Drought Management and Water Conservation Plan that may affect present or future customers. For these reasons, all affected current or future customers are encouraged to review the rate change application and tariff(s) and take such action as that customer deems appropriate.

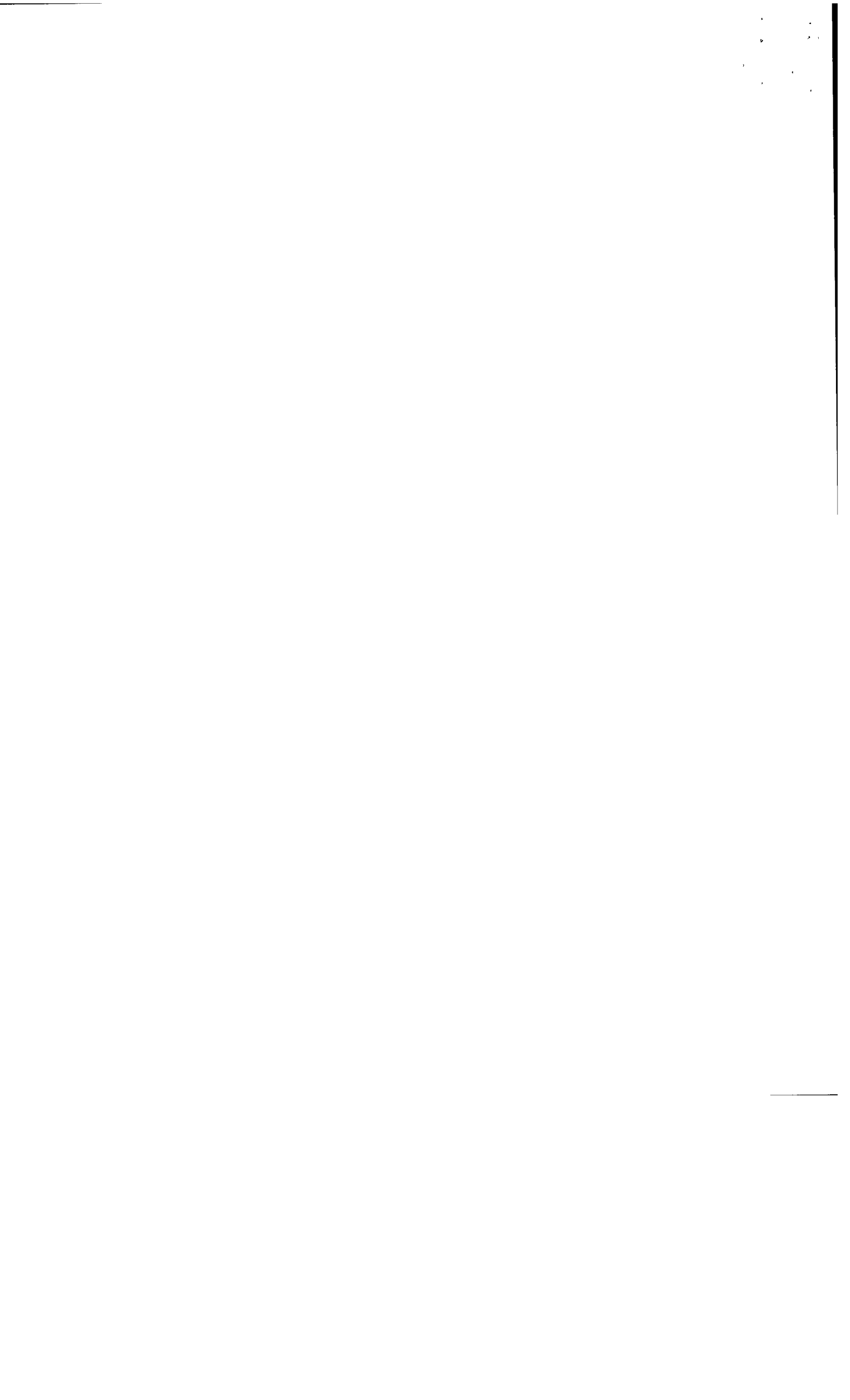
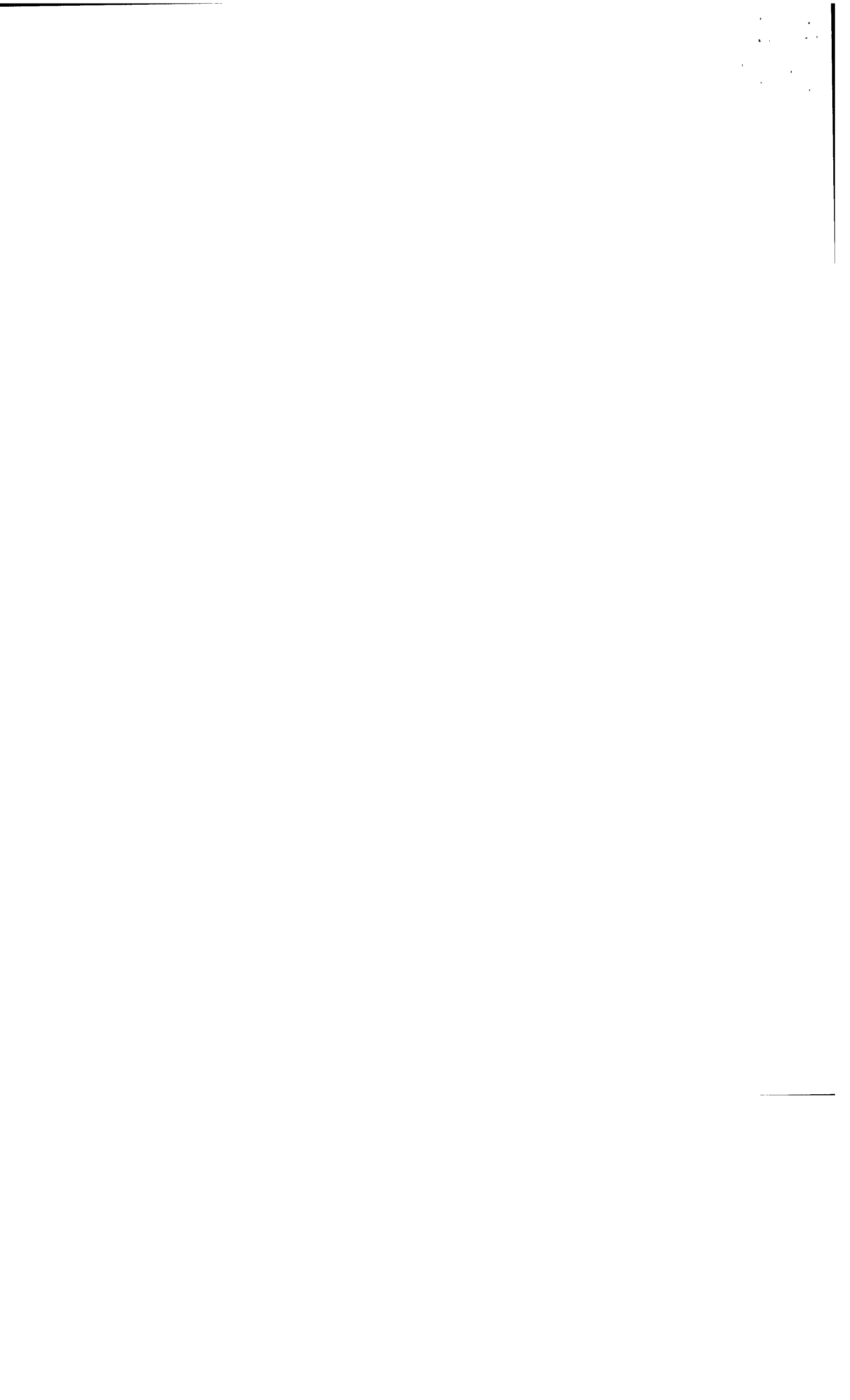


Exhibit B

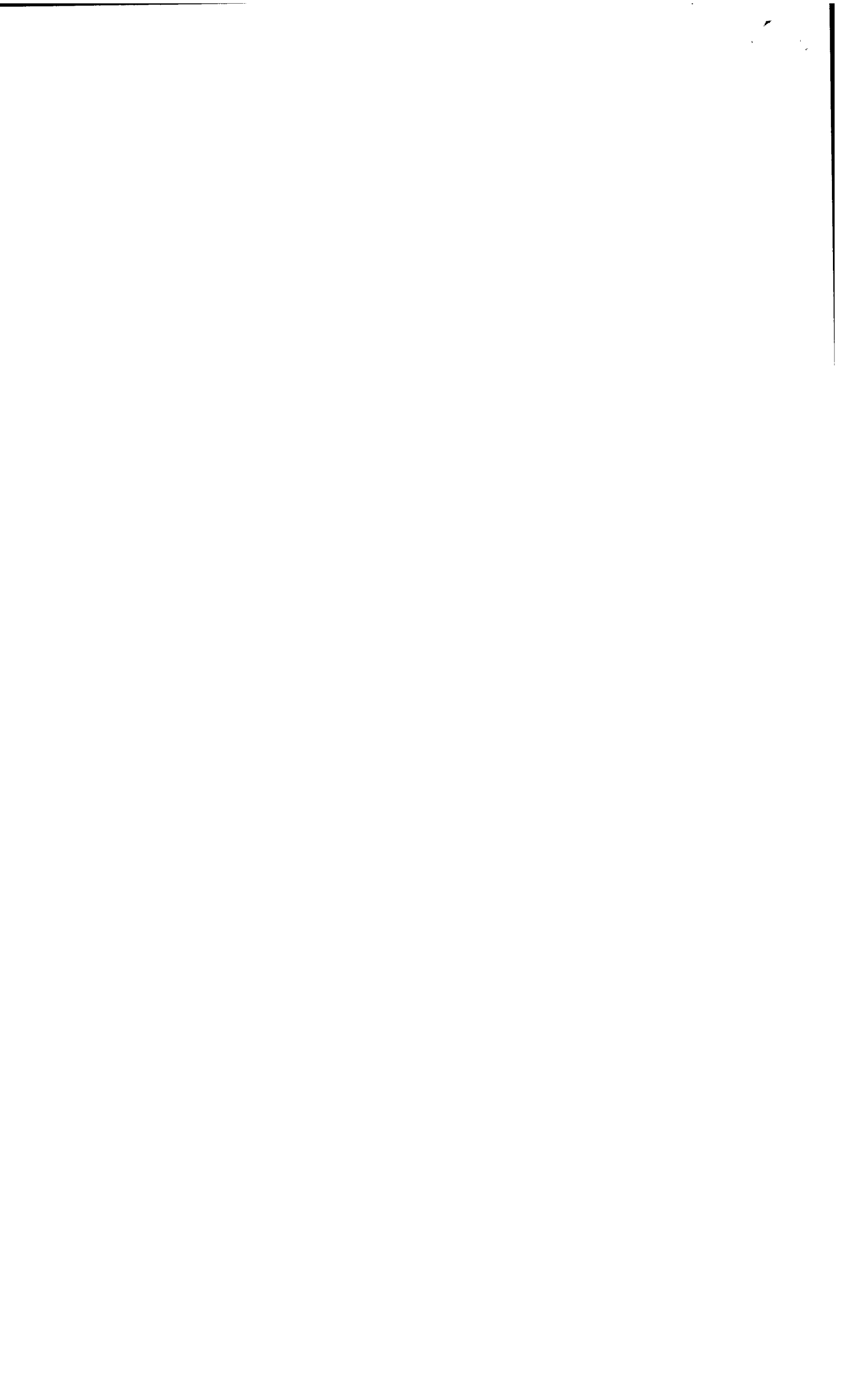
Signatures of Ratepayers Protesting the
Douglas Utility Company Rate Change

Douglas Utility Company Rate Change Protest



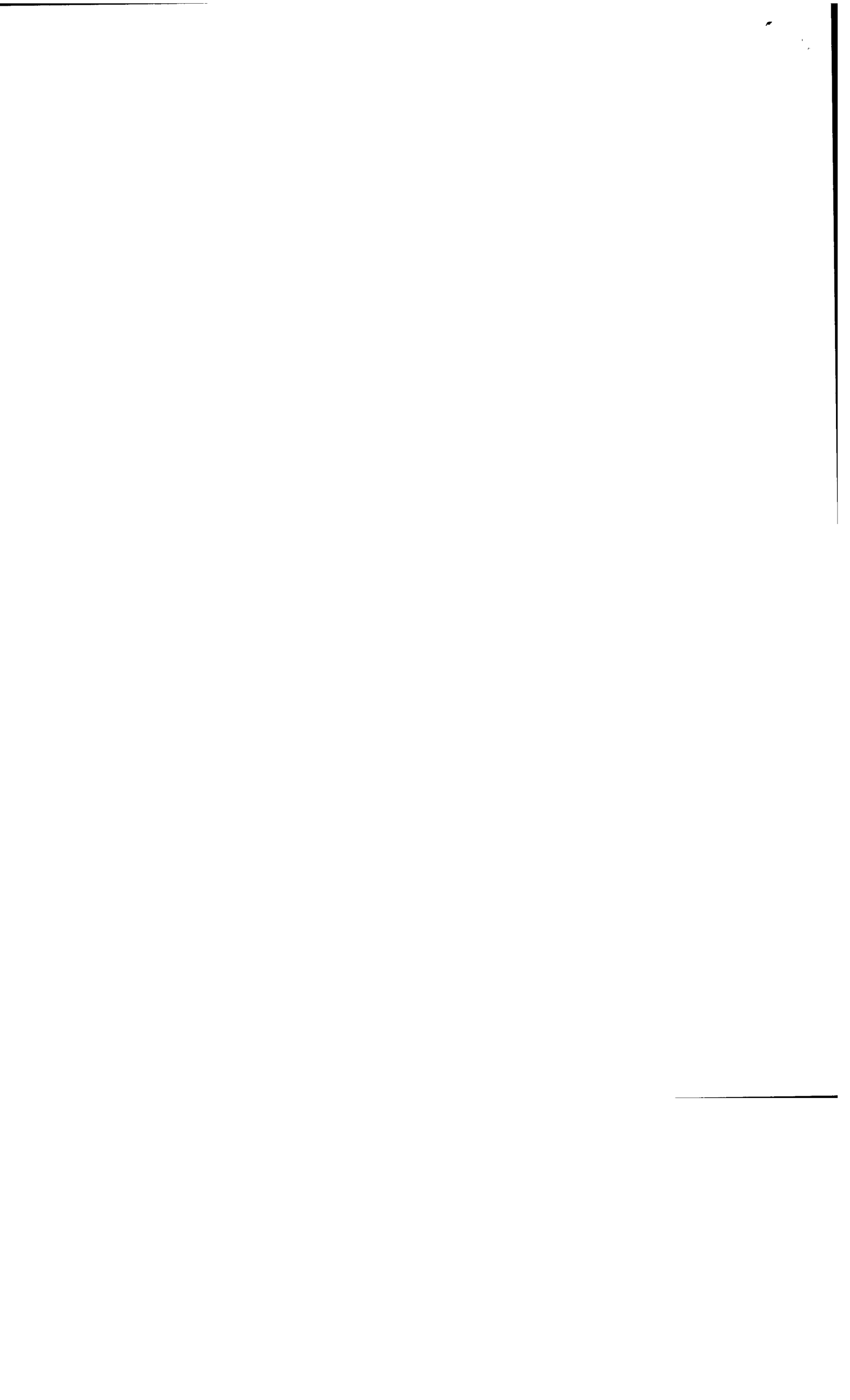
Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
Annie Andrews Annie Andrews	5406 Farley	281-219-3648
Tremel Thymes Tremel Thymes	5411 Farley	225-240-9107
Roger Lavergne Roger Lavergne	5419 Farley	
Erma McLemore Erma McLemore	5507-A Farley Dr	
Cynthia M. Hdz. Cynthia M. Hernandez	5422 Indianola Dr	(281) 987-2161
Raquel Ruiz Raquel Ruiz	5423 Indianola Dr.	
Maria Trujillo Cody Scott Cody Scott	5430 Indianola Dr. 5431 Indianola Dr	281-590-3259

Douglas Utility Company Rate Change Protest



Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
Joshua Perry	5439 Indianola dr. 77036	
Elizabeth Crowe	5439 Indianola dr 77036	713-448-7525
Ana Rodriguez	5510 Cannonway Dr 77032	
Femi Gonzalez	5522 Cannonway 77032	
ZOILA VARELA	5507 CANNONWAY 77032	
Gloria Lott	77032. 14719 Picton	713)658-5971
D. Elmore	5502 Mc CRACKEN	281 442 3700
C. KERR	5542 Mc CRACKEN	281 590 3570

Douglas Utility Company Rate Change Protest



Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
ISMAEL HERNANDEZ C. Hernandez Since 1970-	5414 INDIANOLA Houston TX 77032.	281-449-2150
Alfredo Amet af af	5411 Indianola Dr. Houston, TX 77032	281-795-0901
Dr. Tom HERNANDEZ	5402 Indianola Houston Tx 77052	2/1A
AGUSTIN 4502-INDIANOLA		281 830 7570
Cirilo Ibanga	5503 McCracken Rd Houston TX 77032	281-760-7286
Brian Gutierrez	5415 McCracken Rd. Houston, TX 77032	281-608-5077
Gary Watson	5402 McCracken Houston TEXAS 77032	281-682-3630

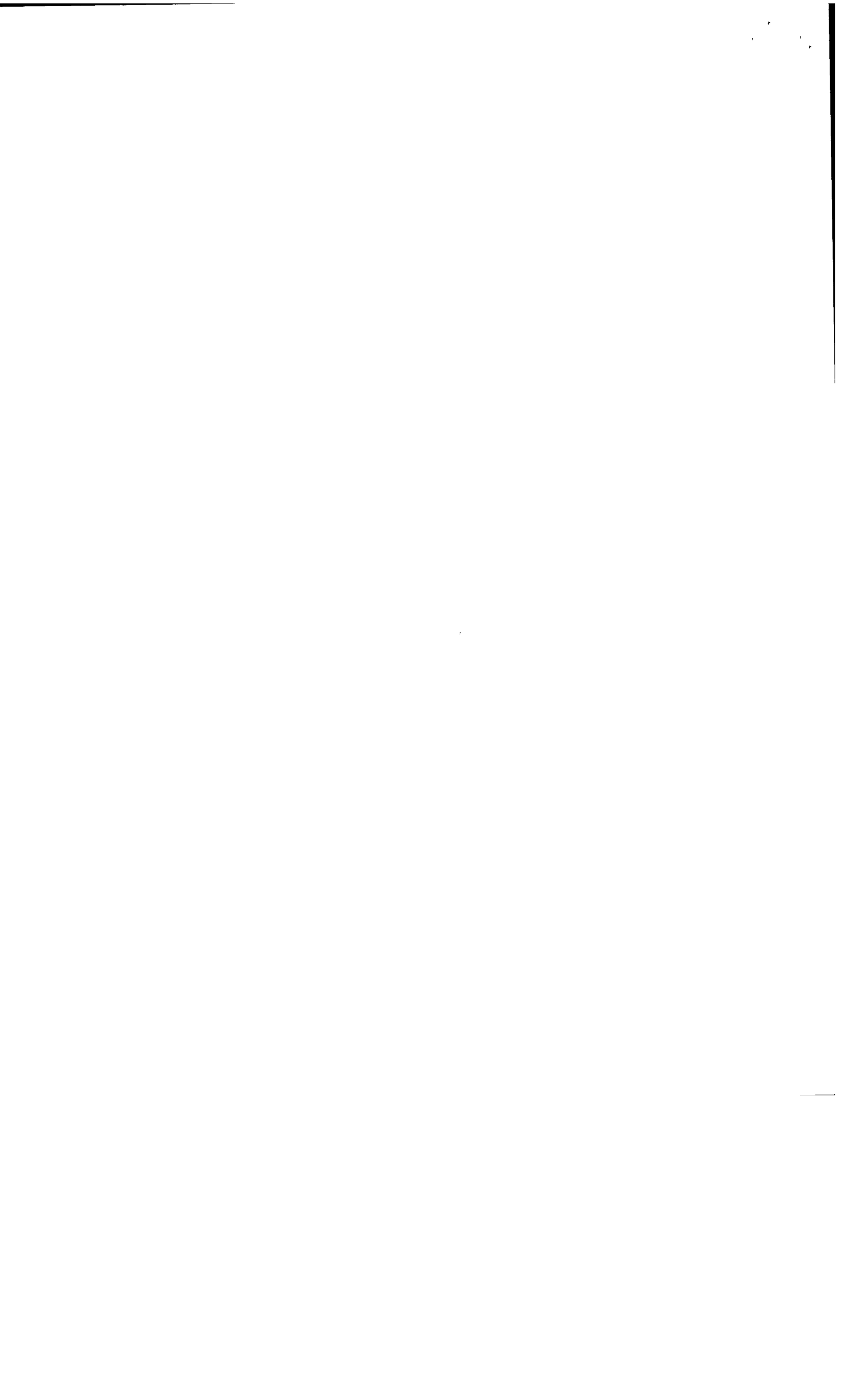
Douglas Utility Company Rate Change Protest

Russell Rios
2nd house
left
Picton Stop left

Mountain View.
Russell.

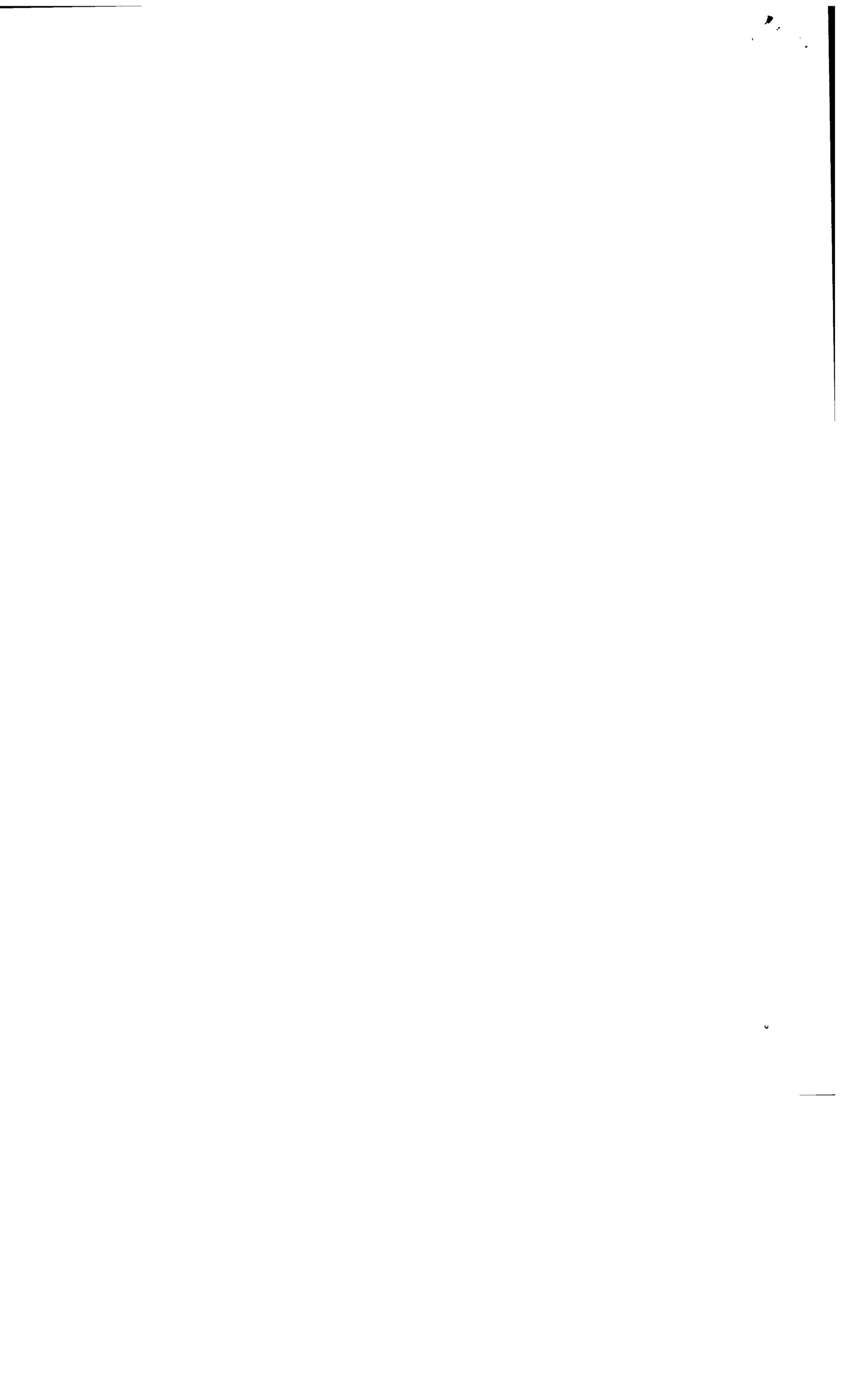
Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
5434 McCracken Maurice B.	5434 McCracken Houston, TX 77032	
Rafael Ruiz	5526 Indianola Dr. Houston, Tx 77032	
Socorro Ruiz	5439 McCracken Rd Houston, Tx 77032	
Arlene Ruiz	5522 Indianola Dr. Houston, Tx 77032	
Margarita Perez	5523 McCracken Rd. Houston, Tx, 77032	
Robert Taylor	14909 Lee Rd Houston, Tx 77032	
Mary Atiyeh	14409 Lee Rd 5002 14409 Lee Rd Houston, Tx 77032	

Douglas Utility Company Rate Change Protest



Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
<i>Jane H. Libby</i>	<i>5410 McQuarrie</i>	<i>7139895409</i>

Douglas Utility Company Rate Change Protest



Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
Equality Community Housing Corporation - Ownership Haverstock Hills <i>Lynne Janice</i>	5619 Aldine Bender Rd, Houston, TX 77032 3120 W Carefree Hwy Ste 1-246 Phoenix, AZ 85086	602-903-1843
J Allen Management - Management Company Haverstock Hills <i>John W. Allen</i>	5619 Aldine Bender Rd, Houston, TX 77032 1390 Broadway St, Beaumont, TX 77701	409-833-8947
Haverstock Hills Apartments <i>Kathy Barnilleaux</i>	5619 Aldine Bender Rd, Houston, TX 77032	281-449-2323

Douglas Utility Company Rate Change Protest

