



Control Number: 42864



Item Number: 12

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.

42864

RECEIVED

AFFIDAVIT 2014 SEP 11 AM 9:30

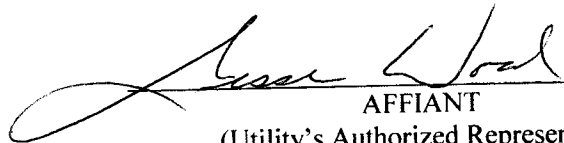
STATE OF TEXAS

PUBLIC UTILITY COMMISSION
FILING CLERK

COUNTY OF ~~CALHOUN~~ WHARTON

I, **JESSE WOOD** being duly sworn, file this **NOTICE OF PROPOSED RATE CHANGE** as **PRESIDENT OF FARMERS TRANSPORT INC., DBA ENCHANTED HARBOR** (indicate relationship to Utility, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Utility); that, in such capacity, I am qualified and authorized to file and verify such NOTICE; and that all statements made and matters set forth herein are true and correct.

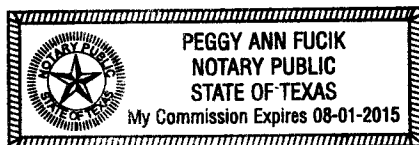
I further represent that a copy of the attached NOTICE was provided by MAIL (mail or hand delivery) to each customer or other affected party on or about SEPT 12, 20 13

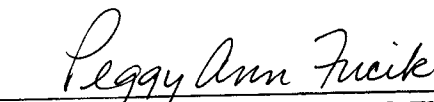

AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Utility, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME,
this the 13th day of SEPTEMBER, 20 13, to certify
which witness my hand and seal of office.

SEAL




NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

PEGGY ANN FUCIK
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 08-01-2015

APPLICATION FOR A RATE/TARIFF CHANGE

SECTION IA - GENERAL INFORMATION

Applicant FARMERS TRANSPORT INC.
(Individual, Corporation, or Other Legal Entity)

Utility Name: ENCHANTED HARBOR UTILITY
(If different than above)

Legal form of Application:

☐ Individual ☐ Partnership ☒ Sub Chapter-S Corporation

☐ Corporation Provide Charter Number _____

☐ Other Please Explain:

Utility Address: LOT 30, MARSHAL JOHNSON SOUTH PORT ALTO TEXAS 77979
Street Address or Location City State Zip Code

County(ies) where services are provided: CALHOUN

CCN Number(s): 12683

Contact Person: JESSE WOOD Telephone Number: 979-637-0010

Position: V.P. Fax Number: _____

Address: 2301 NANCY LOU EL CAMPO TEXAS 77437
Street Address or Location City State Zip Code

If the applicant is a corporation, please provide a copy of the corporation's "Certificate of Account Status" (regarding the payment of franchise taxes) from the State Comptroller's Office. This "Certificate of Account Status" can be obtained from the website at: **** SEE ATTACHMENT #1 ****

Comptroller of Public Accounts, Office Management ¹
P. O. Box 13528
Austin, Texas 78711
1-800-252-5555

1. <https://ourcpa.cpa.state.tx.us/coa/Index.html>

SECTION IB - MISCELLANEOUS INFORMATION

- SECTION IB - MISCELLANEOUS**
- A. How often and on what dates are water meters typically read? END OF EACH MONTH
- B. When are bills typically sent out? FIRST OF EACH MONTH
- C. Do you serve customers within the corporate limits of a municipality? If No, Go to D. ____ Yes X No
If yes, which municipalities? _____

Have you filed a request to change rates with the municipality? ☐ Yes ☒ No
If no, please explain: _____

- D. Are you currently collecting the Regulatory Assessment Fee from your customers? X Yes No

If yes, are you current in your payment of the Regulatory Assessment Fee to the Texas Commission on Environmental Quality or the predecessor agency, Texas Water Commission, for assessments payable beginning January 1, 1992? X Yes No

- E. Water Utilities: Please indicate the Public Water System Identification numbers for each of your systems:

System Name	TCEQ PWS ID #	County	Rate Increase Applicable?
ENCHANTED HARBOR UTILITY	0290050	CALHOUN	YES

For each of the systems, please provide a copy of the most recent public water system annual inspection report letter from the Texas Commission on Environmental Quality and a written explanation detailing how and when you will comply with all noted deficiencies.

- [illegible]

Wastewater Treatment Plant Name	TCEQ Discharge Permit Number	County	Rate Increase Applicable?
N/A			

For each of the plants, please provide a copy of the most recent inspection report letter from the Texas Commission on Environmental Quality and a written explanation detailing how and when you will comply with all noted deficiencies.

**A SURCHARGE OF \$47.73 IS ALSO REQUESTED FOR THE CAPITAL IMPROVEMENTS
IN INVESTIGATION:1086553 TRACK#504815 *PLEASE SEE ATTACHMENT# 2***

SECTION II: OPERATIONAL INFORMATION – WATER

Manager (or owner if services are routinely provided to the utility)

Name _____ Relationship to Owner: _____

Short job description:

Approximate number of hours per week this person works for the company:

Salary: _____ Hourly _____ Weekly _____ Monthly _____ Annual _____

Employees

Name _____ Relationship to Owner: _____

Short job description:

Approximate number of hours per week this person works for the company:

Salary: _____ Hourly _____ Weekly _____ Monthly _____ Annual _____

Name _____ Relationship to Owner: _____

Short job description:

Approximate number of hours per week this person works for the company:

Salary: _____ Hourly _____ Weekly _____ Monthly _____ Annual _____

Contract Services (attach additional sheets if necessary)

Name FARMERS TRANSPORT INC. Relationship to Owner: OWNER

Short job description:

**MONITOR SYSTEM, TAKE SAMPLES, MAINTAIN FACILITIES, DO REPAIRS, READ METERS, BILLING, ACCOUNTING
A/P, AR, CUSTOMER SERVICE, TCEQ REPORTINGS, MANAGE SYSTEM**

Approximate number of hours per week this person works for the company: 30

Amount paid for services: \$1,625 Hourly _____ Weekly _____ Monthly X Annual _____

Please provide the names and classification of the utility's certified operators:

Certified Operator's Name/ Classification	Certified Operator's Name/Classification
JESSE WOOD/D	
BRAD RYAN/C	

-Attach additional sheet(s) if necessary-

SECTION III. PLANT & EQUIPMENT INFORMATION – WATER

A. CUSTOMER CONTRIBUTIONS

If any of the items included in your plant and equipment were 100% financed with customer contributions, assessments, surcharges, extension fees, etc., you may not include depreciation or return on those items in your cost of service. However, if those customer contributions did not cover the entire cost of the asset, you may include the amount that the utility paid for. Please list below all items that were funded either all or in part by customer contributions and indicate amount that the customers contributed for each item.

Table III. A.

Item [A]	Date of installation [B]	Total Cost [C]	Amount of Customer Contribution [D]	Difference [E]= [C] - [D]
N/A				①
				①
				①
				①
				①
				①

- Attach additional sheet(s) if necessary –

- ① If any amount in this column is greater than zero, enter that item in the appropriate category in **Table III. B**

B. ORIGINAL COST & DEPRECIATION SCHEDULE – WATER

Please provide the following inventory of the water utility plant being used to provide water service at the end of the test year. You will be responsible for supporting this information with invoices or other documentation. Round your figures to the nearest dollar. **Amounts should be computed as of the end of the "test year."**

Table III. B.

supporting this information with invoices or other documentation for the "test year."

Table III. B.

[A]	[B]	[C]	[D]	Depreciation					
Item	Date Of Installation	Service Life (yrs) * **	Original Cost when installed \$	Years in Service			[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$)	[G] = [D]-[F] Net Book Value (\$)
				YR ①	Mos ②	Days ③			
Land		n/a							
Wells		50							
Well Pumps:									
5 hp or less	11/02/01	5	606	11	1	29	0	606	0
Greater than 5 hp		10							
Booster Pumps:									
5 hp or less		5							
Greater than 5 hp		10							
Chlorinators		10							
Structures:									
Wood		15							
Masonry		30							
Storage Tanks	5/10/00	50	22,276	12	7	21	446	5,633	16,643
Pressure Tanks	11/15/00	50	2,983	12	1	16	60	728	2,255
Distribution System (mains and lines)		50							
Meters and Service (taps not covered by fees)	11/02/01	20	1,760	11	1	29	88	982	778
Office Equipment		10							
Vehicles		5							
Shop Tools		15							
Heavy Equipment		10							
Fencing	11/02/01	20	1,200	11	1	29	60	670	530
Other: (Please list)									
Total			28,825				654 ①	8,619 ②	20,206 ③

* TCEQ Suggested Service Life ** Other Service Life

① Enter this number in Table VI. A., Line [O], Column ① ② If [F] is greater than [D], enter the total for [D] ③ Enter this number in Table IV. E., Line [A]
- Attach additional sheet(s) if necessary -

C. DEVELOPER CONTRIBUTIONS - WATER
If any of the Items listed in the Depreciation Schedule were contributed by a developer, please list those items and the associated cost below.

Table III. C.

Item	Date of installation or Contribution	Total Cost	Amount of Developer Contribution	Net Book Value (from Table III.B.)
N/A				
Total				①

- Attach additional sheet(s) if necessary -

SECTION IV - LONG TERM DEBT & EQUITY INFORMATION – WATER

A. EQUITY

EQUITY
How much equity or total capital does the company have in the utility? 0
Enter also in **Table IV, D.**, Box ③ below

B. RATE OF RETURN

RATE OF RETURN
What rate of return (profit) on investment in plant (equity) is expected? 0 %
Enter also in **Table IV. D., Box (4)** below

NOTE: You may choose

- NOTE: You may choose**
- an average equity return established by the staff each year and included with the Annual Report Instructions
- OR**
- an interest rate that you think is fair that is less than the rate established by the staff **OR**
 - to use the **Rate of Return Worksheet** which is attached to the **Instructions**.

C. BANKRUPTCY

Has the utility or utility owner filed bankruptcy within the last seven years? _____ Yes **X** No
If YES, explain status of applicant at this time. _____

If YES, explain status of applicant at this time.

D. NOTES PAYABLE - WATER
List the following information concerning debt and equity of the utility and attach copies of notes payable:

Round all percentages to two (2) decimal places.

Round all percentages to two (2) decimal places.

Table IV. D.

[A] Name of Bank/Lender	[B] Date of Issue	[C] Date of Maturity	[D] Original Amount of Loan	[E] Outstanding or Unpaid Balance- End of Test Year	[F] Interest Rate	[G] Weighted Average [E] × [F]
Part I - Debt			\$	\$	%	%
N/A			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
		Total	\$ ①	\$ ②		% ⑥
Part 2 - Investment/Equity				\$ ③	% ④	% ⑦
Total Debt & Equity				\$ ⑤		
				Rate of Return		0 % ⑧

- ① Total amount of original loans
- ② Total amount of the outstanding balance on the loans
- ③ Equity in the utility - From **Section IV. A.**
- ④ Return on Equity - From **Section IV. B.**
- ⑤ Total of ② + ③
- ⑥ Total weighted average of debt - To **Table V, Line [C]**
- ⑦ Weighted average of Investment/Equity ③ ÷ ⑤ * ④
- ⑧ Sum of ⑥ + ⑦ - To **Table IV. E., Line [G]**

E. INVESTED CAPITAL & RETURN – WATER

Table IV. E.

Net Book Value - From Table III. B., Box ③	[A]	\$	20,206
Working cash allowance -Amount From Table VI. A., Line [L] Column ③ , Box ⑦(÷⑧)	[B]	\$	
Materials and supplies	[C]	\$	
Subtotal - Sum of [A] thru [C]	[D]	\$	20,206
Developer Contributions - From Table III. C., Box ①	[E]	\$	
Total invested capital [D] - [E]	[F]	\$	20,206
Rate of return - From Table IV. D., Box ⑧	[G]		0 %
Return/Interest - If [F] is greater than -0-, then enter [F] * [G]. If [F] is less than -0-, enter -0-.	[H]	\$	0
Enter this amount in Table V., Line [A] and Table VI. A., Line [Q], Column ②			

SECTION V - INCOME TAX CALCULATION – WATER

Use the following table to determine the amount of income tax that can be included in your revenue requirement.

Table V.

Return - From Table IV. E., Line [H]	[A]	\$	0
Interest Calculation			
Total Invested Capital - From Table IV. E., Line [F]	[B]	\$	
Weighted Cost of Debt Capital - Percentage From Table IV. D., Box ⑥	[C]		%
Interest [B]*[C]	[D]	\$	
Taxable Income [A] - [D]	[E]	\$	
Enter Income Tax from Tax Table (Appendix A)	[F]	\$	0 ①

①To **Table VI. A., Line [P], Column ②**

SECTION VI - UTILITY INCOME & EXPENSE INFORMATION - WATER

A REVENUE REQUIREMENT

Please provide the following information regarding the cost to the utility of providing water utility service over your selected twelve month "test year."
Note 1 - Instead of using the percentages listed, you may take the Total Cost and multiply it by 67% to determine the fixed portion and 33% for the variable portion.

TABLE VI. A.

Test Year	01/01/2012 to 12/31/2012	Line	12 Month "test year" per books	Known and Measurable Changes	Revenue Requirement for next yr	% of (3) that is fixed (Note 1)	Fixed Expenses (Note1)	Variable Expenses (Note 1)
			(1)	(2)	(3)=(1)+(2)	(4)	(5)=(3)*(4)/100	(6)=(3)-(5)
						50		
		[A]				90	46,800	5,200
		[B]	19,500	32,500	52,000	0		3,850
		[C]	850	3,000	3,850	0		399
		[D]	399		399	0		2197
		[E]	2197		2197	0		5,132
		[F]	10,264		10,264	50	5,132	4,636
		[G]	9,273		9,273	50	4,637	
		[H]	500		500	100	500	
		[I]	1,789		1,789	100	1,789	
		[J]		3,600	3,600	100	3,600	
		[K]				50		
		[L]	44,772	39,100	83,872 (7)		62,458	21,414
		[M]				50		
		[N]	597		597	100	597	
		[O]	654		654	100	654	
		[P]				100		
		[Q]				100		
		[R]	46,023		85,123		63,709	21,414
		[S]	0			100		
		[T]	46,023	39,100	85,123 (8)		63,709 (9)	21,414 (10)
		[U]				67		

A SURCHARGE OF \$47.73 IS ALSO REQUESTED FOR THE CAPITAL IMPROVEMENTS

IN INVESTIGATION:1086553 TRACK#504815 *PLEASE SEE ATTACHMENT# 2*

B. KNOWN & MEASURABLE

If you listed anything in **TABLE VI. A.** above as an increase/decrease expected in the next 12 months, please provide a short explanation by item why there will be a change and how you projected the cost. Changes in cost must be known and measurable and supported by invoices or other documentation.

SEE ATTACHMENT #3

-Attach additional sheet(s) or a separate listing for sewer service if necessary-

SECTION VII - CUSTOMER INFORMATION - WATER

NUMBER OF CUSTOMERS

How many customers (active connections) did you have at the beginning and at the end of the twelve month test year?

TABLE VII

Connection Type	Line	Beginning of period ①	End of period ②	Equivalency Factor ③	Meter Equivalents ④=②*③
Non-Metered Connections:					
Residential	[A]			1	
Commercial	[B]			1	
Standby	[C]			1	
Metered Connections:					
5/8" x 3/4"	[D]	93	92	1	92
3/4"	[E]			1.5	
1"	[F]			2.5	
1 1/2"	[G]			5	
2"	[H]			8	
3"	[I]			15	
Other:	[J]				
Total	[K]				92 ⑤

⑤ To Table IX. B., Line [B] AND Table X. A., Line [F]

SECTION VIII - PRODUCTION & CONSUMPTION INFORMATION - WATER

Please provide the following information regarding water utility operations over your selected twelve month "test year".

Table VIII

Total number of gallons pumped (total master meter reading for the year)	[A]	575,560	gallons
Total number of gallons purchased from another source for sale to customers (if any)	[B]	1,946,000	gallons
Total number of gallons provided to customers $[C]=[A]+[B]$	[C]	2,521,560	gallons
Total number of gallons billed to your customers (total customer consumption)	[D]	2,349,432	gallons
System losses: $([C] - [D]) \times 100\% = [E]$	[E]	172,128	7 %
Source of Purchased water			

① To Table IX. A., Line [B] AND Table X. A., Line [B]

SECTION IX - RATE DESIGN - WATER

A. VARIABLE RATE CALCULATIONS

Table IX. A.

	Line		Instructions
Total Variable Costs	[A]	\$ 21,414	From Table VI. A., Line [T], Box ⑥ or Line [U], Box ⑥
Total # of Gallons Billed to Customers	[B]	2,349,432	From Table VIII, Line [B]
Total # of 1,000 Gallons billed	[C]	2,349	Divide Line [B] by 1,000
Variable Cost per 1,000 gallons	[D]	\$ 9.12	Divide Line [A] by Line [C] Transfer to Table IX. B., Lines [E] through [J], Box ⑥

B. BASE RATE CALCULATIONS

Table IX. B.

	Line		# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost to be added to base rate	Total base rate per meter size
		①	②	③	④=②*③	⑤=①+④
Total fixed costs - From Table VI. A., Line [T], Box ⑥ or Line [U], Box ⑥	[A]	\$ 63,709				
Total meter equivalents at end of test year - From Table VII, Line [K], Box ⑥	[B]	92				
Base charge per meter equivalent or for each unmetered connection [A] - [B] and then divide by 12	[C]	\$ 57.71				
Base charge per meter size			3	9.12 ⑥	27.36	85.07
5/8" x 3/4" or unmetered	Multiply [C] by 1			⑥		
3/4"	Multiply [C] by 1.5			⑥		
1"	Multiply [C] by 2.5			⑥		
1 1/2"	Multiply [C] by 5.0			⑥		
2"	Multiply [C] by 8.0			⑥		
3"	Multiply [C] by 15.0			⑥		
Other:				⑥		

⑥ From Table IX. A., Line [D]

**A SURCHARGE OF \$47.73 IS ALSO REQUESTED FOR THE CAPITAL IMPROVEMENTS
IN INVESTIGATION:1086553 TRACK#504815 *PLEASE SEE ATTACHMENT# 2***

SECTION X - ALTERNATE METHOD OF RATE DESIGN - WATER

After you have performed the calculations in **SECTION IX**, you may find that the cost per 1,000 gallons is not what you think your customers will approve. If that is the case, then the following will allow you to calculate a rate structure that still recovers your revenue requirement, but with rates that you think may be more appropriate for your customers.

Table X. A.

	Line		
Cost per 1,000 gallons	[A]	\$	This is the rate that you think is appropriate Enter in Table X. B., Column ③, Lines [B] through [H]
Total # of 1,000 Gallons billed	[B]		From Table IX. A., Line [C]
Total Cost to be recovered through gallonage charge	[C]	\$	Multiply Line [A] times Line [B]
Total Revenue Requirement	[D]	\$	From Table VI. A., Line [T] Box ⑤
Total to be recovered through base rate	[E]	\$	Subtract Line [C] from Line [D]
Total number of meter equivalents	[F]		From Table VII, Line [K], Box ⑤
Base rate per meter equivalent	[G]	\$	Divide Line [E] by Line [F] & then divide by 12months Enter this in Table X. B., Line [A] Column ①

Table X. B.

	Line		# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost added to base	Total base bill per meter size
		①	②	③	④=②*③	⑤=①+④
Base charge per meter equivalent or for each unmetered connection From Table X. A, Line [G]	[A]	\$				
Base rate per meter size						
5/8" x 3/4" or unmetered	Multiply [A] ① by 1	[B]			⑤	
3/4"	Multiply [A] ① by 1.5	[C]			⑥	
1"	Multiply [A] ① by 2.5	[D]			⑥	
1 1/2"	Multiply [A] ① by 5.0	[E]			⑥	
2"	Multiply [A] ① by 8.0	[F]			⑥	
3"	Multiply [A] ① by 15.0	[G]			⑥	
Other:		[H]			⑥	

⑥ From **Table X. A., Line [A]**

ATTACHMENT #1



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

March 12, 2013

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office

FARMERS TRANSPORT, INC.

is, as of this date, in good standing with this office having no franchise
tax reports or payments due at this time. This certificate is valid through
the date that the next franchise tax report will be due May 15, 2013.

This certificate does not make a representation as to the status of the
entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted
entity is subject to franchise tax as required by law. This certificate is
not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 12th day of
March 2013 A.D.

A handwritten signature of Susan Combs in black ink, written in a cursive style.

Susan Combs
Texas Comptroller

Taxpayer number: 17422117808
File number: 0058774000

Form 05-304 (Rev 12-07/17)

Ryan W. Shaw, PhD, Chairman
Charles Robinson, Jr., PhD, Secretary
Toby Baker, PhD, Director
Takesha Brown, PhD, Deputy Director

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Prevention and Control of Environmental Pollution

June 25, 2013

CERTIFIED MAIL 91 7199 9991 7031 0288 3884
RETURN RECEIPT REQUESTED

Mr. Jesse Wood, President
Farmers Transport, Inc.
2301 Nancy Lou Street
El Campo, Texas 77437

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
Enchanted Harbor Utility, located 4 miles east of the intersection of State Highway 172
and Park Road 159 (Calhoun County), Texas; Regulated Entity No.: RN101442556;
TCEQ ID No.: 0290050; Investigation No.: 1086553

Dear Mr. Wood:

On April 19, 2013, Keith Ladner and Shaunette Gillespie of the Texas Commission on Environmental Quality (TCEQ) Corpus Christi Region Office conducted an investigation of the above referenced regulated entity to evaluate compliance with applicable requirements for public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by July 25, 2013 a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for violation Tracking No. 504820. A due date for submitting compliance documentation for outstanding alleged violation Tracking Nos. 504815, 506079, and 506082 will be determined after you provide a compliance plan for these alleged violations.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Corpus Christi Region Office at (361) 825-3100 or the Central Office Publications Ordering Team at 512-235-0018.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, we will have the opportunity to contest the violations.

documented in this notice. Should you choose to do so, you must notify the Corpus Christi Region Office within 10 days from the date of this letter. At that time, a Water Section Manager will schedule a violation review meeting to be conducted *within 21 days from the date of this letter*. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the enclosed Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Mr. Ladner in the Corpus Christi Region Office at (361) 871-1000.

Sincerely,



Melanie Edwards, Water Section Work Leader
Corpus Christi Region Office
Texas Commission on Environmental Quality

ME/K1/mjd

Enclosure: Summary of Investigation Findings

Summary of Investigation Findings

ENCHANTED HARBOR UTILITY

Investigation #
1086553
Investigation Date: 04/19/2013

CALHOUN COUNTY

Additional ID(s): 0290050

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 504815 Compliance Due Date: To Be Determined
30 TAC Chapter 290.44(c)

Alleged Violation:

Investigation: 1086553

Comment Date: 06/17/2013

Failed to meet the maximum number of connections per the minimum waterline size requirements of two inches

Specifically, the 2 inch line on Marshall Johnson Avenue serves 96 connections

The minimum waterline sizes are for domestic flows only and do not consider fire flows. Larger pipe sizes shall be used when the licensed professional engineer deems it necessary. It should be noted that the required sizes are based strictly on the number of customers to be served and not on the distances between connections or differences in elevation or the type of pipe. No new waterline under two inches in diameter will be allowed to be installed in a public water system distribution system. These minimum line sizes do not apply to individual customer service lines.

Maximum Number of Connections	Minimum Line Size (inches)
10	
25	2 1/2
50	3
100	4
150	5
250	6
>250	8 and larger

Recommended Corrective Action: Your water system must be modified to meet this requirement to assure an adequate supply of water at all times. Please be advised that public water systems shall notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, or distribution facilities. Public water systems shall submit plans and specifications for the proposed changes upon request.

The water system may request an exception to these requirements by writing to ICEQ, Water Supply Division, Public Drinking Water Section, Technical Review & Oversight, MC 155, P.O. Box 13087, Austin, TX 78711-3087, phone: (512) 439-4798.

Please submit to this office a detailed compliance plan. A due date for submitting compliance documentation will be determined after you provide a compliance plan for this alleged violation.

Track No: 504820 Compliance Due Date: 07/25/2013
30 TAC Chapter 290.46(t)

Alleged Violation:

Investigation: 1086553

Comment Date: 06/17/2013

Failed to post a legible sign at each of its production, treatment, and storage facilities

Specifically, the water plant did not have a water ownership sign posted

ATTACHMENT #2

EXPLANATION OF COMPLIANCE FOR VIOLATIONS

INVESTIGATION:1086553

TRACK #504820 - FAILED TO POST A LEGIBLE SIGN AT FACILITIES

NEW SIGNS HAVE BEEN PLACED AT THE WATER PLANT

TRACK #504815 - FAILED TO MEET THE MAXIMUM NUMBER OF
CONNECTIONS PER THE MINIMUM WATERLINE
SIZE REQUIREMENTS OF TWO INCHES

THE ATTACHED ITEM DESCRIPTION PAGE LISTS THE COST TO
UPGRADE TO FOUR INCH LINES, WITH METER AND TANK
IMPROVEMENTS.

WE ARE CURRENTLY COMPLETING A RATE/TARIFF CHANGE TO
PAY FOR NEEDED EXPENSE INCREASES ALONG WITH A SURCHARGE
REQUEST TO FUND THESE IMPROVEMENTS.

WE HAVE HAD DISCUSSIONS WITH SEVERAL CUSTOMERS ABOUT
INVESTING, ARE APPLYING AT TWO BANKS, AND ARE WORKING
WITH A PRIVATE INDIVIDUAL FOR FUNDING. THE REQUESTED
SURCHARGE IS THE ONLY METHOD OF REPAYMENT THE UTILITY
CAN SHOW TO THESE PROSPECTIVE INVESTORS.

ENCHANTED HARBOR UTILITY HAS NO CREDIT AND FEW ASSETS
THAT A BANK OR INVESTOR WILL ACCEPT. THEREFORE, FARMERS
TRANSPORT INC, THE PARENT SUB CHAPTER S CORP., AND JESSE
& DEBBIE WOOD WILL HAVE TO SIGN FOR ANY LOANS.

IF OUTSIDE FUNDING IS NOT FOUND, A MULTI-PHASE, AND A
MULTI-YEAR INSTALLATION MAY NEED TO BE USED WITH A
COMBINATION OF PERSONAL ASSETS AND COLLECTED SURCHARGES
USED TO FUND THE PROJECT.

ONCE THE SURCHARGE IS APPROVED, WE SHOULD BE ABLE TO
SOLIDIFY THE TYPE OF FUNDING AVAILABLE AND BEGIN
CONTACTING ENGINEERS AND CONTRACTORS TO START THE
PROJECT.

THE ENCLOSED AMORTIZATION SCHEDULE IS BASED ON THE FULL
COST, A RATE OF RETURN WORK SHEET INTEREST RATE OF 10%
AND ON A 20 YEAR NOTE.

MONTHLY NOTE PAYMENT: \$ 4,390.85
CUSTOMER BASE: 92

MONTHLY SURCHARGE: \$ 47.73

ITEM/DESCRIPTION	QTY	UNIT PRICE	EXTENSION	BID OR ESTIMATE	DEPRECIATION YEARS
1 4" C-900 DR-18 PVCWATER MAIN	5900	\$ 3.00	\$ 17,700.00	BID	50
2 4" TAPS	100	\$ 30.00	\$ 3,000.00	USA BB	50
3 CURB STOPS	100	\$ 25.00	\$ 2,500.00	USA BB	50
4 METER CUTOFF VALVES	100	\$ 25.00	\$ 2,500.00	USA BB	20
5 METER BOXES	100	\$ 25.00	\$ 2,500.00	USA BB	50
6 3/4 LINE 30' AVERAGE	3000	\$ 0.50	\$ 1,500.00	G&W	50
7 4" MJ GATE VALVE	20	\$ 200.00	\$ 4,000.00	G&W	50
8 BLOW OFF ASSEMBLY	1	\$ 450.00	\$ 450.00	G&W	50
9 RADIO READ METERS	1	\$ 32,125.00	\$ 32,125.00	INFINITY	20
10 BILLING SOFTWARE	1	\$ 10,000.00	\$ 10,000.00	INFINITY	5
11 WEBSITE SETUP FEE	1	\$ 5,000.00	\$ 5,000.00	INFINITY	5
12 NEW 10HP WELL PUMP & CONTROLS	1	\$ 8,500.00	\$ 8,500.00	Crintendon	10
13 MOTOR CONTROL AND STORAGE BUILDING	1	\$ 25,000.00	\$ 25,000.00	EST	15
14 NEW 20,000 GAL GROUND STORAGE	1	\$ 19,040.00	\$ 19,040.00	DIAMOND	50
15 NEW 5,000 GAL PRESSURE STORAGE	1	\$ 18,551.00	\$ 18,551.00	USA BB	50
		ASSETS	\$ 152,366.00		Annual Dep.
					\$ 8,632.74
LABOR					
16 MOVE EXISTING GROUND STORAGE	1	\$ 1,500.00	\$ 1,500.00	EST	
17 BORING ENTIRE LENGTH MJ AVE.	5900	\$ 16.00	\$ 94,400.00	SRG	
18 CROSSOVER BORING	50	\$ 600.00	\$ 30,000.00	SRG	
19 JW CONSULTING FEE & BACKHOE RENTAL	1	\$ 25,000.00	\$ 25,000.00	BID	
20 LABOR TO INSTALL 4" VALVES	23	\$ 500.00	\$ 11,500.00	BID	
21 LABOR TO INSTALL 4" TAPS	96	\$ 500.00	\$ 48,000.00	BID	
22 CONNECTIONS TO MAIN	5	\$ 1,200.00	\$ 6,000.00	G&W	
23 LEGAL FEES	1	\$ 10,000.00	\$ 10,000.00	G&W	
		LABOR	\$ 226,400.00		
		TOTAL COST	\$ 378,766.00		
24 TCEQ recommended contingency		10%	\$ 37,876.60	TCEQ	
25 ENGINEERING @ 10%		10%	\$ 37,876.60	G&W	
		TOTAL	\$ 454,519.20		
			\$ 580,800.00		
			\$ (126,280.80)		28%
G&W BID FOR MUD (WATER PORTION)					
SAVINGS					

Vorton Financial Tools - Loan Calculations.

Based on a loan of \$455,000.00.
At an interest rate of 10.00%, over a term of 20 year(s).
With payments of \$4,390.85, made monthly.
Total cost of the loan: \$1,053,803.64

Payment	Interest Paid	Principal	Balance	Interest to Date	Total to Date
01/14	\$3,791.67	\$599.18	\$454,400.82	\$3,791.67	\$4,390.85
02/14	\$3,788.67	\$604.18	\$453,796.64	\$7,578.34	\$8,781.70
03/14	\$3,781.64	\$609.21	\$453,187.43	\$11,359.98	\$13,172.55
04/14	\$3,776.56	\$614.29	\$452,573.15	\$15,136.54	\$17,563.39
05/14	\$3,771.44	\$619.41	\$451,953.74	\$18,907.98	\$21,954.24
06/14	\$3,766.28	\$624.57	\$451,329.17	\$22,674.26	\$26,345.09
07/14	\$3,761.08	\$629.77	\$450,699.40	\$26,435.34	\$30,735.94
08/14	\$3,755.83	\$635.02	\$450,064.38	\$30,191.17	\$35,126.79
09/14	\$3,750.54	\$640.31	\$449,424.07	\$33,941.71	\$39,517.64
10/14	\$3,745.20	\$645.65	\$448,778.42	\$37,686.91	\$43,908.48
11/14	\$3,739.82	\$651.03	\$448,127.39	\$41,426.73	\$48,299.33
12/14	\$3,734.39	\$656.45	\$447,470.94	\$45,161.12	\$52,690.18
01/15	\$3,728.92	\$661.92	\$446,809.02	\$48,890.05	\$57,081.03
02/15	\$3,723.41	\$667.44	\$446,141.58	\$52,613.46	\$61,471.88
03/15	\$3,717.85	\$673.00	\$445,468.57	\$56,331.30	\$65,862.73
04/15	\$3,712.24	\$678.61	\$444,789.96	\$60,043.54	\$70,253.58
05/15	\$3,706.58	\$684.27	\$444,105.70	\$63,750.12	\$74,644.42
06/15	\$3,700.88	\$689.97	\$443,415.73	\$67,451.00	\$79,035.27
07/15	\$3,695.13	\$695.72	\$442,720.01	\$71,146.13	\$83,426.12
08/15	\$3,689.33	\$701.52	\$442,018.50	\$74,835.47	\$87,816.97
09/15	\$3,683.49	\$707.36	\$441,311.14	\$78,518.96	\$92,207.82
10/15	\$3,677.59	\$713.26	\$440,597.88	\$82,196.55	\$96,598.67
11/15	\$3,671.65	\$719.20	\$439,878.68	\$85,868.20	\$100,989.52
12/15	\$3,665.66	\$725.19	\$439,153.49	\$89,533.85	\$105,380.38
01/16	\$3,659.61	\$731.24	\$438,422.25	\$93,193.47	\$109,771.21
02/16	\$3,653.52	\$737.33	\$437,684.92	\$96,846.98	\$114,162.06
03/16	\$3,647.37	\$743.47	\$436,941.45	\$100,494.36	\$118,552.91
04/16	\$3,641.18	\$749.67	\$436,191.78	\$104,135.54	\$122,943.76
05/16	\$3,634.93	\$755.92	\$435,435.86	\$107,770.47	\$127,334.61
06/16	\$3,628.63	\$762.22	\$434,673.65	\$111,399.10	\$131,725.45
07/16	\$3,622.28	\$768.57	\$433,905.08	\$115,021.38	\$136,116.30
08/16	\$3,615.88	\$774.97	\$433,130.11	\$118,637.26	\$140,507.15
09/16	\$3,609.42	\$781.43	\$432,348.67	\$122,246.67	\$144,898.00
10/16	\$3,602.91	\$787.94	\$431,560.73	\$125,849.58	\$149,288.85
11/16	\$3,596.34	\$794.51	\$430,766.22	\$129,445.92	\$153,679.70
12/16	\$3,589.72	\$801.13	\$429,965.09	\$133,035.64	\$158,070.55
01/17	\$3,583.04	\$807.81	\$429,157.29	\$136,618.68	\$162,461.39
02/17	\$3,576.31	\$814.54	\$428,342.75	\$140,194.99	\$166,852.24
03/17	\$3,569.52	\$821.33	\$427,521.42	\$143,764.51	\$171,243.09
04/17	\$3,562.68	\$828.17	\$426,693.25	\$147,327.19	\$175,633.94
05/17	\$3,555.78	\$835.07	\$425,858.18	\$150,882.97	\$180,024.79
06/17	\$3,548.82	\$842.03	\$425,016.15	\$154,431.79	\$184,415.64
07/17	\$3,541.80	\$849.05	\$424,167.10	\$157,973.59	\$188,806.48
08/17	\$3,534.73	\$856.12	\$423,310.98	\$161,508.31	\$193,197.33

ATTACHMENT #3

KNOWN & MEASURABLE CHANGES

CONTRACT LABOR FROM 19,500 TO 52,000

THE TWO OFFICERS OF THE PARENT SUBCHAPTER S CORP., FARMERS TRANSPORT INC, HAVE BEEN MANAGING, MONITORING, TAKING SAMPLES, MAINTAINING FACILITIES, DOING ALL REPAIRS, READING METERS, BILLING, ACCOUNTING, A/P, A/R, CUSTOMER SERVICE, AND TCEQ REPORTING. WE ALSO USE OUR PRIVATE VEHICLES, BACKHOE, TOOLS AND COMPUTERS FOR ENCHANTED HARBOR AND HAVE A 120 MILE ROUND TRIP TO REACH THE UTILITY.

OVER THE LAST THREE YEARS THE PROPOSED SOUTH PORT ALTOM.U.D. HAS BEEN TRYING TO FORM AND PURCHASE ENCHANTED HARBOR UTILITY AND A RATE INCREASE HAS BEEN DELAYED. TO ALLOW ENCHANED HARBOR TO BE ABLE TO PAY ITS EXPENSES, FARMERS TRANSPORT INC. HAS DECREASED THE CONTRACT LABOR IT CHARGED FROM \$31,265 IN 2010 TO \$24,000 IN 2011 AND \$19,500 IN 2012. THE CURRENT RATE IS FAR BELOW WHAT IT COST FOR THE WORK TO BE DONE. AN ACCOUNTING FIRM AVERAGING ONLY 8 HOURS PER WEEK AT \$45/HR COST \$18,720 PER YEAR.

FARMERS TRANSPORT INC, IS INCREASING THE CONTRACT LABOR RATE FROM \$375 PER WEEK TO \$1000 PER WEEK. THIS WILL INCLUDE THE HIRING OF A PART TIME OPERATOR WITH A VEHICLE ALLOWANCE AND PART TIME HELPER FOR REPAIRS.

PURCHASED WATER FROM \$850 TO \$3,850

SUNILANDINGS UTILITIES SOLD WATER AT A MINIMAL RATE IN 2012 TO HELP A FINANCIALLY STRUGGLING ENCHANTED HARBOR.

WATER PURCHASED FROM SUNILANDINGS IS \$47.33 PER MONTH FOR THE FIRST 3000 GALLONS AND \$1.75 PER 1000 GALLONS USED. USING CURRENT PURCHASED GALLONS, THIS WOULD BE 159,000 AVERAGE GALLONS PER MONTH AT \$1.75, OR \$278.25 PER MONTH.

\$ 47.33
278.25

\$ 325.58 X 12 MONTHS = \$3,906.96

RATE CASE EXPENSE FROM \$0 TO \$3,600

COST TO PREPARE RATE/TARIFF CHANGE FORMS WITH SUPPORTING DOCUMENTS AND REPORTS.

NOTICE OF PROPOSED RATE CHANGE

Farmers Transport Inc. dba Enchanted Harbor Utility 12683

Company Name

CCN Number

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:

Enchanted Harbor Utility

Subdivisions or Systems Affected by Rate Change

2301 Nancy Lou St	El Campo Texas	77437	973-637-0054
Company Address	City	State	Zip
			Telephone
\$53,621	09/12/2013		
Annual Revenue Increase	Date Customer Notice Mailed		
10/01/2001	Last day of month		
Date of Last Rate Change	Date Meters Typically Read		

EFFECTIVE DATE OF PROPOSED INCREASE: January 1, 2014

BILLING COMPARISON

Water

Existing	10,000 gallons:	\$ 48.50 /mo	Existing	30,000 gallons:	\$ 78.50 /mo
Proposed	10,000 gallons:	\$ 95.57 /mo	Proposed	30,000 gallons:	\$ 125.57 /mo

Sewer

Existing	10,000 gallons:	\$ NA /mo	Proposed	10,000 gallons:	\$ NA /mo
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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.)

Page 2

CURRENT RATES		PORPOSED RATES	
Monthly base rate including <u>2000</u> gallons		Monthly base rate including <u>3000</u> gallons	
Meter Size:		Meter Size:	
RESIDENTIAL		RESIDENTIAL	
$\frac{5}{8}$ " or $\frac{3}{4}$ "	\$ 36.50	$\frac{5}{8}$ " or $\frac{3}{4}$ "	\$ 85.07
1"	\$	1"	\$
1½"	\$	1½"	\$
2"	\$	2"	\$
3"	\$	3"	\$
Other:	\$	Other:	\$
GALLONAGE CHARGE:		GALLONAGE CHARGE:	
\$ 1.50 for each additional 1000 gallons over the minimum		\$ 1.50 for each additional 1000 gallons over the minimum	

MISCELLANEOUS FEES		MISCELLANEOUS FEES	
Tap Fee	\$ 200	Tap Fee	\$ 500
Reconnect fee:		Reconnect fee:	
Non-payment		Non-payment	
(Maximum - \$25.00)	\$ 25	(Maximum - \$25.00)	\$ 25
Customer's Request	\$ 100	Customer's Request	\$ 500
Transfer Fee	\$ 10	Transfer Fee	\$ 10
Late Charge	\$ 5	Late charge: (Indicate either \$5.00 or 10%)	\$ 5
Returned Check Charge	\$ 25	Returned Check Charge	\$ 25
Deposit	\$ 50	Deposit (Maximum \$50.00)	\$ 50
Meter test fee	\$ 25	Meter test fee	\$ 25.00

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

** THERE IS NO SEWER SERVICE AT ENCHANTED HARBOR UTILITY **

NOTICE OF PROPOSED RATE CHANGE - SEWER (Cont.)				Page 3	
CURRENT RATES		PORPOSED RATES			
Monthly base rate including <u>NA</u> gallons		Monthly base rate including <u>NA</u> gallons			
Meter Size:		Meter Size:			
RESIDENTIAL		RESIDENTIAL			
$\frac{5}{8}$ " or $\frac{3}{4}$ "	\$	$\frac{5}{8}$ " or $\frac{3}{4}$ "	\$		
1"	\$	1"	\$		
1½"	\$	1½"	\$		
2"	\$	2"	\$		
3"	\$	3"	\$		
Other:	\$	Other:	\$		
GALLONAGE CHARGE:		GALLONAGE CHARGE:			
\$ <u>NA</u> for each additional 1000 gallons over the the minimum		\$ <u>NA</u> for each additional 1000 gallons over the the minimum			
Gallonge charges are determined based on average consumption for winter period which includes the following months:		Gallonge charges are determined based on average consumption for winter period which includes the following months:			
MISCELLANEOUS FEES		MISCELLANEOUS FEES			
Tap Fee	\$	Tap Fee	\$		
Reconnect fee:		Reconnect fee:			
Non-payment		Non-payment			
(Maximum - \$25.00)	\$	(Maximum - \$25.00)	\$		
Customer's Request	\$	Customer's Request	\$		
Transfer Fee	\$	Transfer Fee	\$		
Late Charge	\$	Late charge: (Indicate either \$5.00 or 10%)	\$		
Returned Check Charge	\$	Returned Check Charge	\$		
Deposit	\$	Deposit (Maximum \$50.00)	\$		
Meter test fee	\$	Meter test fee	\$ 25.00		

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

ENCHANTED HARBOR UTILITY

2301 Nancy Lou St
El Campo, Texas 77437
973-637-0054 / water@jwnet.net

September 12, 2013

Dear Customers,

Enclosed is a notice of a Proposed Rate Change for Enchanted Harbor Utility. The last Rate Change was twelve years ago and an increase was delayed the last several years waiting on the outcome of the proposed MUD. Because rate changes are time consuming and expensive, we do them only when necessary instead of every few years. This makes the proposed increase of \$48.57 appear to be high, even though it is the first change in twelve years.

Although expenses have increased every year, we have done all we can to keep the system operating without increasing rates. As many of you know, Jesse & Debbie Wood have been doing all of the managing, monitoring, sampling, maintenance, accounting, meter reading, billing, customer service, and state reporting with very little outside help. Because of this we now find ourselves at a point where we need to hire help and due to the rising cost of fuel, electricity, materials, fees and the ever-increasing regulatory demand we are left with no choice but to request a substantial rate increase.

As some of you know, our water lines are old and undersized and do not meet the TCEQ requirements. TCEQ had taken no action on this problem until June 2013 when we received a violation that "Enchanted Harbor failed to meet the maximum number of connections per the minimum waterline size requirements of two inches". To be in compliance, we have over a mile of 2 inch water lines that need to be replaced with 4 inch line. We also need a larger pressure tank and new meters. The engineering firm for the MUD had recently calculated the water upgrade to cost \$600,000.00, but we have managed to reduce that to about \$455,000.00. Therefor we are also requesting a Surcharge of \$47.73 per month to make these required capital improvements.

We are seeking financing at this time, but in the current financial atmosphere funding could be difficult and anyone interested in financing all or part of this project, please let us know as soon as possible.

Please use the above email account for any questions you may have, or if you would like to have a group meeting. We would be more than happy to travel to a location of your choosing for a "town hall" meeting since most customers do not live full time in Port Alto.

IT IS CRUCIAL that we be able to communicate with our customers and the best way to communicate is by email as this tends to avoid confusion and misunderstandings. Please take time to drop us an email with your name and phone number to water@jwnet.net. Or call us at 973-637-0054

Enchanted Harbor Utility
(Water Utility Name)

Water Tariff Page No. 2
Revision Date: _____

SECTION 1.0 -RATE SCHEDULE

Section 1.01 - Rates

Monthly base rate including	3000	gallons
Meter Size: 5/8		
Residential		
5/8" or 3/4"	\$	85.07
1"	\$	
1 1/2"	\$	
2"	\$	
3"	\$	
Other:	\$	
Gallage Charge:	\$	1.50

for each additional 1000 gallons over the minimum.

Regulatory Assessment Fee

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER 1%

Section 1.02 - Miscellaneous Fees

TAP FEE

TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" X 3/4" METER. \$ 500

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEE DISCONNECTED FOR THE FOLLOWING REASONS:

- | | | |
|---|----|-----|
| a) Non payment of bill (Maximum \$25.00) | \$ | 25 |
| b) Customer's request | \$ | 500 |
| Or other reasons listed under Section 20CF of this tariff | \$ | |

TRANSFER FEE

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED. \$ 10

LATE CHARGE (Not more than \$5.00 or 10%)(Indicate one)

A ONE TIME PENALTY MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING. \$ 5.00

RETURNED CHECK CHARGE

\$ 25

CUSTOMER DEPOSIT (Maximum \$50)

\$ 50

METER TEST FEE (actual cost of testing the meter up to)

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY \$ 25.00

RATES LISTED ARE EFFECTIVE ONLY IF THIS PAGE HAS TCEQ APPROVAL STAMP