



Control Number: 43002



Item Number: 16

Addendum StartPage: 0

PUC DOCKET NO. 43002

APPLICATION OF CURTIS D. LOGAN §  
d/b/a L AND T WATERWORKS, LLC §  
TO ACQUIRE AND TRANSFER §  
FACILITIES HELD BY WR COFFEY §  
d/b/a MOODY LAND COMPANY, CCN §  
NO. 12919, IN FREESTONE COUNTY §

PUBLIC UTILITY COMMISSION  
OF  
TEXAS

2014 OCT 21 PM 1:59  
FILED

**COMMISSION STAFF RECOMMENDATION ON FINAL DISPOSITION**

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files this Recommendation on Final Disposition in response to Order No. 3. In support of its Request, Staff states the following:

**I. BACKGROUND**

On December 23, 2013, Curtis D. Logan, dba L and T Waterworks, LLC (L&T) and WR Coffey dba Moody Land Company (Moody) filed an application for a proposed sale from Moody to L&T of its water utility system and transfer of service area Certificate of Convenience and Necessity (CCN) No. 12919 in Freestone County, Texas. By letter dated July 10, 2014, the TCEQ administratively approved the sale from Moody to L&T and instructed the parties to proceed with the signed contract or bill of sale and to provide documents supporting the disposition of customer deposits. On July 24, 2014, the parties provided the TCEQ the signed contract and transfer serving as bill of sale and information regarding the disposition of customer deposits, in accordance with 30 TEX. ADMIN. CODE § 291.112(e).<sup>1</sup> Effective September 1, 2014, functions relating to the economic regulation of water utilities transferred from the TCEQ to the Commission.<sup>2</sup> On September 29, 2014 the parties signed documents consenting to the map and tariff of CCN No. 12919 prepared by Staff.

On October 9, 2014, Order No. 3 was issued requiring Staff to file a final recommendation by October 22, 2014. Therefore, this recommendation on final disposition is timely filed.

<sup>1</sup> Currently P.U.C. SUBST. R. 24.112(e)

<sup>2</sup> See House Bill (HB) 1600 and Senate Bill (SB) 567, the 83rd Legislature.

16

## II. RECOMMENDATION

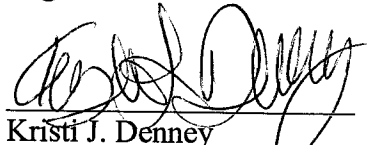
Based on the attached documentation and memorandum of Debbie Reyes Tamayo, Program Specialist, Water Utilities Division, the parties have met all required criteria and Staff recommends final approval. Staff will file a joint proposed order no later than November 5, 2014.

**DATED: October 22, 2014**

Respectfully Submitted,

Joseph P. Younger  
Division Director  
Legal Division

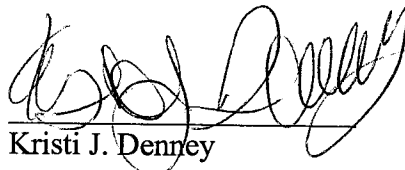
Stephen Mack  
Managing Attorney  
Legal Division



Kristi J. Denney  
Attorney, Legal Division  
State Bar No. 24074129  
(512) 936-7290  
(512) 936-7268 (facsimile)  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

### PUC DOCKET NO. 43002 CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 22, 2014 in accordance with P.U.C. Procedural Rule 22.74.



Kristi J. Denney

**Public Utility Commission of Texas**

**Memorandum**

**TO:** Kristi Denney  
Legal Division

**THRU:** Tammy Benter, Director  
Water Utilities Division

**FROM:** Debbie Reyes Tamayo, Program Specialist  
Water Utilities Division

**SUBJECT:** Staff Recommendation for Commission Approval of  
Docket No. 43002

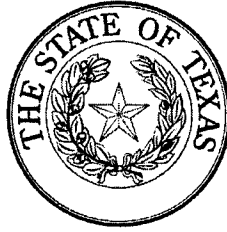
**DATE:** October 22, 2014

On December 23, 2013, Curtis D. Logan dba L and T Waterworks, LLC applied to acquire and transfer facilities held by WR Coffey dba Moody Land Company, Certificate of Convenience and Necessity (CCN) No. 12919, in Freestone County, Texas.

The applicant meets all of the statutory requirements of Texas Water Code (TWC) Chapter 13 and the Commission's Chapter 24 rules and regulations. After considering the factors in TWC 13.246(c) and P.U.C. SUBST. R. 24.102(d), I determined that approving this application to acquire and to transfer CCN No. 12919 is necessary for the service, accommodation, convenience and safety of the public. I have also determined that the applicant is capable of providing continuous and adequate service.

Staff recommends approval of the Map, tariff, and consent forms are attached to this recommendation. Also attached is a final STM Checklist completed after sale documents were received.

TB/DRT



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

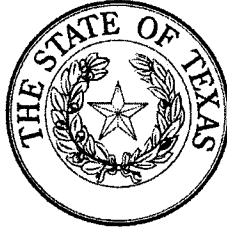
**Curtis D. Logan dba L and T Waterworks, LLC**

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

## **Certificate of Convenience and Necessity No. 12919**

to provide continuous and adequate water utility service to that service area or those service areas in Freestone County as by final Order or Orders duly entered by this Commission, which Order resulting from Docket No. 43002 is on file at the Commission offices in Austin, Texas; and is a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty Curtis D. Logan dba L and T Waterworks, LLC, to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, the \_\_\_\_\_ day of \_\_\_\_\_ 2014.



**CANCELATION OF  
CERTIFICATE OF CONVENIENCE AND NECESSITY**

To Provide Water Service Under V.T.C.A., Water Code  
and Public Utility Commission of Texas Substantive Rules

**Certificate No. 12919**

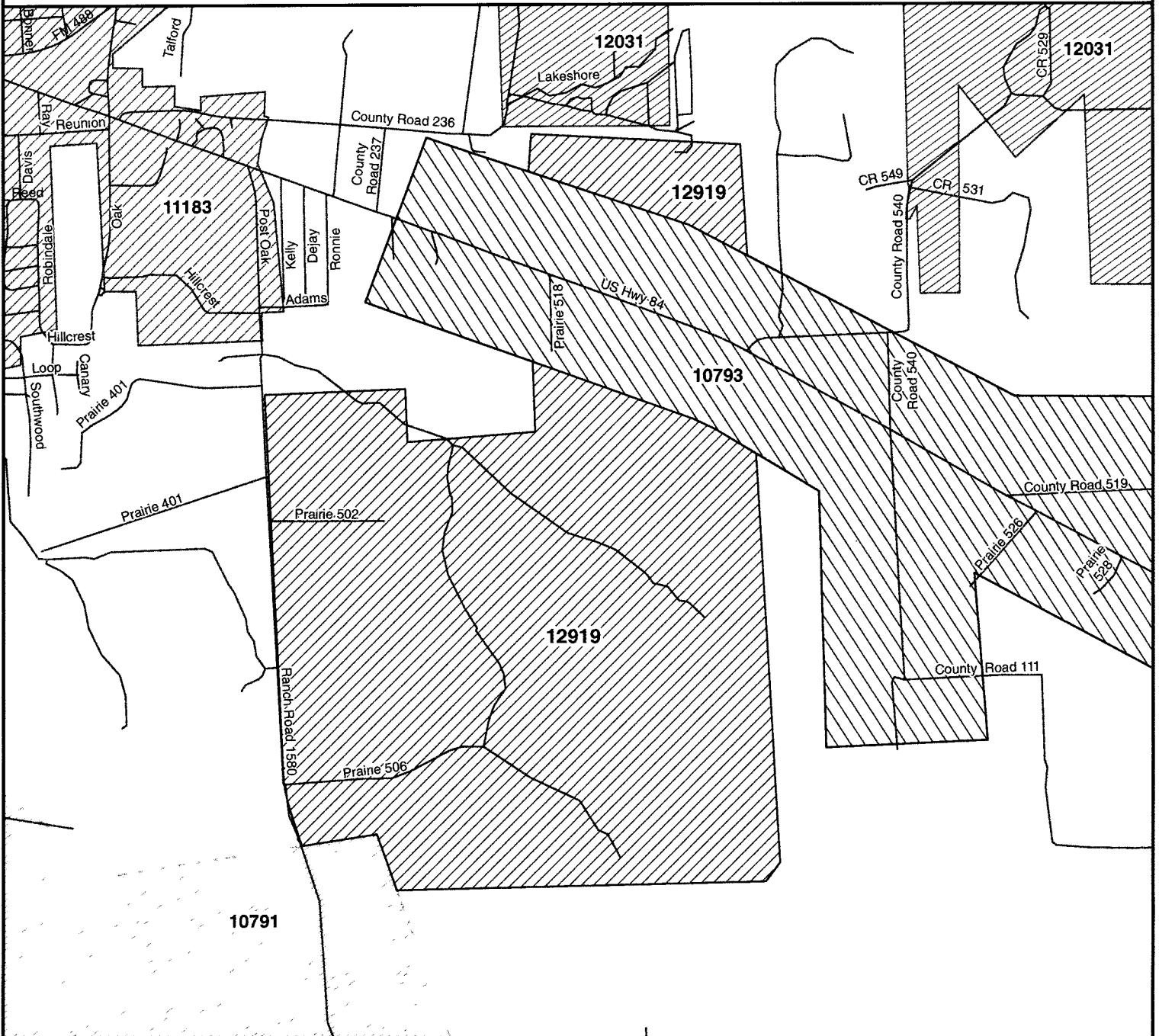
Certificate No. 12919 was canceled by Order of the Commission in Docket No. 43002. WR Coffey dba Moody Land Company's, facilities and lines were transferred to Curtis D. Logan dba L and T Waterworks, LLC, CCN No. 12919, in Freestone County.

Please reference Docket No. 43002 for the location of maps and other information related to the service area transferred.

Certificate of Convenience and Necessity No. 12919 is hereby canceled by Order of the Texas Commission on Environmental Quality.

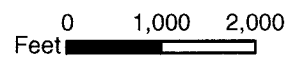
Issued at Austin, Texas, the \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Curtis D. Logan dba L and T Waterworks, LLC  
 Water Service Area  
 CCN No. 12919  
 PUC Docket No. 43002  
 Transferred CCN No. 12919 from WR Coffey dba Moody Land Company  
 in Freestone County



**Water CCN Service Areas**

-  12919 - L and T Waterworks LLC
-  10791 - South Freestone WSC
-  10793 - Turlington WSC
-  11183 - City of Fairfield
-  12031 - Thompson Water & Construction



Public Utility Commission of Texas  
 1701 N. Congress Ave  
 Austin, TX 78701

Map by: Suzanne Jaster  
 Date created: Sept. 15, 2014  
 Project path: n:/gis/projects/applications/43002.mxd

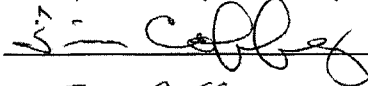
**CONSENT FORM**

Applicant's Name: Curtis D. Logan dba L and T Waterworks, LLC  
Docket No.: 43002

- I concur with the map and tariff contained in the staff memorandum transmitted by letter dated **September 23, 2014**.
- I do not concur with and intend to respond to the map and tariff contained in the staff memorandum transmitted by letter dated **September 23, 2014**.

I understand that I have 14 days from the date of this letter to provide my response.

I am authorized by WR Coffey dba Moody Land Company to sign this form.

Signature: 

Printed Name: TIM COFFEY  
Relationship to Applicant: INDEPENDENT EXECUTOR OF THE ESTATE OF WILLIAM (W.R.) COFFEY

Date signed: SEPTEMBER 29, 2014

Mail or E-mail to:  
Debbie Reyes Tamayo  
Water Utilities Division  
Public Utilities Division of Texas  
P.O. Box 13326  
Austin, Texas 78711-3326  
debbie.reyestamayo@puc.texas.gov



**CONSENT FORM**

Applicant's Name: Curtis D. Logan dba L and T Waterworks, LLC  
Docket No.: 43002

- I concur with the proposed map and tariff contained in the staff memorandum transmitted by letter dated **September 23, 2014.**
- I do not concur with and intend to respond to the map and tariff contained in the staff memorandum transmitted by letter dated **September 23, 2014.**

I understand that I have 14 days from the date of this letter to provide my response.

I am authorized by Curtis D. Logan dba L and T Waterworks, LLC. to sign this form.

Signature: Rayjeana Logan

Printed Name: Rayjeana Logan

Relationship to Applicant: Spouse,

Date signed: 9-29-14

Mail or E-mail to:  
Debbie Reyes Tamayo  
Water Utilities Division  
Public Utilities Division of Texas  
P.O. Box 13326  
Austin, Texas 78711-3326  
[debbie.reyestamayo@puc.texas.gov](mailto:debbie.reyestamayo@puc.texas.gov)

MAILING LIST FOR DOCKET NO. 43002

Mr. Curtis D. Logan- **Buyer**  
Curtis D. Logan dba L and T Waterworks, LLC  
1560 ACR 485  
Palestine, TX 75803

Mr. Timothy W Coffey- **Seller**  
WR Coffey dba Moody Land Company's  
P.O. Box 423  
Centerville, TX 75833



# **WATER UTILITY TARIFF**

**Docket Number: 43002**

**FOR**

**Curtis D Logan dba L and T Waterworks, LLC**  
**Formally W.R. Coffey dba Moody Land Company**

Curtis D. Logan dba L and T Waterworks, LLC  
(Utility Name)

P.O. Box 1217  
(Business Address)

Palestine, Texas 75833  
(City, State, Zip Code)

(903) 477-0501  
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:  
12919

This tariff is effective in the following county:  
Freestone

This tariff is effective in the following cities or unincorporated towns (if any):  
None

This tariff is effective in the following subdivisions or systems:  
Moody Land Company (PWS ID#0810038)

## **TABLE OF CONTENTS**

SECTION 1.0-RATE SCHEDULE.....	2
SECTION 2.0- SERVICE RULES AND POLICIES .....	4
SECTION 3.0- EXTENSION POLICY .....	13
APPENDIX A - DROUGHT CONTINGENCY PLAN .....	18
APPENDIX B- APPLICATION FOR SERVICE .....	19

**SECTION 1.0 -- RATE SCHEDULE**

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$26.00</u> (Includes <u>1,000</u> gallons)	<u>\$4.00</u> per 1000 gallons over the minimum

FORM OF PAYMENT: The utility will accept the following forms of payment:  
Cash X, Check X, Money Order X, Credit Card, Other (specify) \_\_\_\_\_  
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT  
PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE  
GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT..... 1.0%  
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL  
MONTHLY BILL AND REMIT THE FEE TO THE TCEQ.

**Section 1.02 - Miscellaneous Fee**

TAP FEE ..... \$600.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A  
STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE  
COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) ..... Actual Cost  
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL  
AREAS.

TAP FEE (Large meter) ..... Actual Cost  
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE  
INSTALLED.

METER RELOCATION FEE ..... Actual Relocation Cost, Not to Exceed Tap Fee  
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE  
RELOCATED.

**SECTION 1.0 – RATE SCHEDULE (Continued)**

**METER TEST FEE ..... \$ 25.00**

THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST 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. THE FEE MAY NOT EXCEED \$25.

**RECONNECTION FEE**

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Nonpayment of bill (Maximum \$25.00) ..... \$25.00
- b) Customer's request that service be disconnected ..... \$25.00

**TRANSFER FEE ..... \$25.00**

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

**LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... \$25.00**

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

**RETURNED CHECK CHARGE..... \$20.00**

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

**CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00**

**COMMERCIAL & NON-RESIDENTIAL DEPOSIT ....1/6TH OF ESTIMATED ANNUAL BILL**

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:**

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [PUC §24.21(k)(2)]

**LINE EXTENSION AND CONSTRUCTION CHARGES:**

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

## SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) rules relating to Water and Wastewater Utility regulations, available at its office for reference purposes. The rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest rules or commission approved changes to the rules supersede any rules or requirements in this tariff.

### Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

### Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the commission.

### Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

#### (A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1.0. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1.0. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by PUC 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

### Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

### Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

### Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, Section 290.46(j). The utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.



SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in Title 30 Texas Administrative Code (TAC) §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

## SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

### Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

### Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

SECTION 2.0 -- SERVICE RULES AND POLICIES(Continued)

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.10 - Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(D) Prorated Bills

If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.11- Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Section 2.12 - Service Disconnection

(A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

## SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

### Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 36 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

### Section 2.14 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

### Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

### Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through either the TCEQ or PUC complaint process, depending on the nature of the complaint. Pending resolution of a complaint, the commission may require continuation or restoration of service.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the commission.

Section 2.17 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

## SECTION 3.0--EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: NO CONTRIBUTION IN AID OF CONSTRUCTION MAY BE REQUIRED OF ANY CUSTOMER EXCEPT AS PROVIDED FOR IN THIS APPROVED EXTENSION POLICY.

The utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the utility and the applicant, in compliance with PUC rules and policies, and upon extension of the utility's certified service area boundaries by the PUC.

The applicant for service will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility is not required to extend service to any applicant outside of its certificated service area and will only do so under terms and conditions mutually agreeable to the utility and the applicant, in compliance with PUC rules and policies, and upon extension of the utility's certificated service area boundaries by the PUC.

### Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the TCEQ, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the TCEQ if:

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

If an exception is granted by the TCEQ, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.



SECTION 3.0 -- EXTENSION POLICY (Continued)

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of PUC 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by PUC R. 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.

for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The utility will provide a written service application form to the applicant for each request for service received by the utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

**STM Checklist**

**Applicant: L&T Waterworks & Moody Land Co**

**Application No.: 37827-S**

§13.301(a)	Was written application filed on or before the 120 <sup>th</sup> day before the effective date of a sale? Yes	Date verified: 06/30/14
Description: The application was filed on 12/23/13 and accepted for filing on 05/05/14.		
§13.301(a)	Was proper public notice provided? Yes.	Date verified: 06/30/14
Date(s): May 09, 2014		
Waivers: N/A.		
Additional notice required for amendment: No		
All appropriate entities notified: Yes, see letter dated 05/09/14.		
§13.301(b)	Does the purchaser have adequate FMT to provide continuous and adequate service to the requested area and any areas currently certificated to that person? Yes.	Date verified: 06/30/14
Description: See FM memo dated 05/08/14.		
Description of qualifications: The transaction will have no effect on the current customer's rates and services. Curtis Logan was the operator of the PWS system for Moody Land Company and is the current owner of L and T Waterworks. LLC. The transfer of the system was executed by Timothy Coffey who is the independent executor of the estate of William WR Coffey. In 2012 and 2011 Moody Land Company reported net income of \$9,592 and \$15,064 respectfully per their Annual Report submitted to TCEQ. Projected Balance Sheets and Income Statements were additionally provided with their application. For the startup year cash was reported as \$26,000 and total assets as \$85,000. Liabilities were reported as \$0.00 and projected income was reported as \$37,425. Projections after the 5 <sup>th</sup> year of startup were additionally reported as liabilities still remaining a \$0.00 balance as cash and total assets were reported as \$211,500 and \$270,500 respectfully. Also, net income was reported as being a cumulative amount of \$184,674. The buyer Curtis Logan holds a Class B-Groundwater License.		
Description of any plans for improvements: The application identifies the improvements needed by starting up capital and monthly income.		
§13.301(c)	Is a bond or other financial assurance required to ensure continuous and adequate service? No.	Date verified: 06/30/14
Description: See FM memo dated 05/08/14.		
§13.301(d)	Will the transaction serve the public interest? Yes.	Date verified: 06/30/14
Is the applicant willing to make improvements? There appears to have contributions in place of 34,820.00 to blast and paint the interior and exterior of the existing welded steel storage tank. This will help remove the temporary storage tank and reconnect the existing tank. The total aid for construction is 145,118.25.		
Description: The transaction is due to the death of William R WR Coffey and the heirs need the transfer completed.		
§13.301(e)	Does the purchaser or any affiliate of the purchaser have a history of noncompliance with the requirements of the commission within the past 5 years? No.	Date verified: 06/30/14
Description: The Seller William Coffey, Owner for Moody Water System was sent a letter with date of May 12, 2011, stating after further review by TCEQ Moody Water System is in compliance by documentation received on February 23, 2011, resolving the alleged violations with no further actions to require concerns of the investigation. See Compliance Summary.		
Any active enforcement actions? No. N/A		
Date of previous enforcement orders: N/A		
Penalties: N/A.		
In compliance with previous orders? N/A		

§13.301(e)	Does the purchaser or any affiliate of the purchaser have a history of continuing mismanagement or misuse of revenues as a utility service provider? No.	Date verified: 06/30/14
Description: N/A.		
§13.301(j)	If applicable, has the seller made a written disclosure to the purchaser related to customer contributions in aid of construction derived from specific surcharges? N/A	Date verified: 06/30/14
Description: N/A		
If applicable, have protestants' concerns been addressed by letter from the staff or utility? N/A. No protests were received.		Date verified: 06/30/14
Names of protestants: N/A		
Description of protests: N/A		
Protestants included on mailing list? N/A.		
Have any customer deposits been accounted for? The amount of the deposits was transferred to L&T Waterworks & Moody Land Co. The checks were written and mailed on 7/24/14.		Date verified: 9/16/14
Have all tariff issues including rates, tap fees and service rules/extension policy language been resolved?		Date verified: 9/19/14
Description: N/A		Date tariff was stamped approved: 9/19/14
If entity is a WSC, is most recent version of tariff on file? N/A		Date WSC tariff was received: N/A.
§13.132	Does the applicant have a current Annual Report on file? No. This is a new applicant requesting to obtain the CCN from Moody Land Company.	Date verified: 06/30/14
Description: N/A		Date annual report was received: N/A
Do any of the systems being transferred have violations that need to be corrected? See Compliance Summary.		Date verified: 06/30/14
If the purchaser is a corporation, is it in good standing with the State Comptroller? Purchaser is not a corporation.		Date verified: 06/30/14
Have all TCEQ Fees and penalties and any laboratory fees owed by either the seller or purchaser been paid? Yes. None owed.		Date verified: 06/30/14
What are the terms of the sale? L and T waterworks, LLC has applied to acquire the facilities and transfer the CCN 12919. The transfer is to better serve the customers. The asset purchase agreement is for 110,298.55.		Date verified: 06/30/14
Sales price: 110,298.25		
# of customers affected: 85		
Original cost of plant being transferred: Unknown		
Accumulated depreciation: N/A		
Date of closing: March 20, 2014		
If facility being transferred is a wastewater treatment system, has the applicant requested a transfer of the wastewater discharge permit? N/A This is for water only.		Date verified: 06/30/14
Miscellaneous information: Na		Date verified: 06/30/14
Is the system under the jurisdiction of a city (if yes, name the city)? No.		
Is the seller's CCN being canceled? No. This new operator L and T waterworks, LLC, will obtain the original CCN 12919 in this application.		

**COMPLIANCE SUMMARY:**

*(Please create a general description for every water and/or wastewater system being transferred)*

Name of Water System: L and T Waterworks, LLC

PWS: 0810038

Inspection Date: February 23, 2011

A notice of violation for the compliance evaluation investigation was issued by letter dated February 23, 2011. After further review by TCEQ Moody Water System was informed by letter dated May 12, 2011, stating adequate compliance documentation was received resolving the alleged violations with one unresolved alleged violation to be place in the file to be evaluated during a subsequent investigation by the Waco Regional Office Richard Monreal.

Signed:

*Debbie Reynolds*

Date:

*9-23-14*