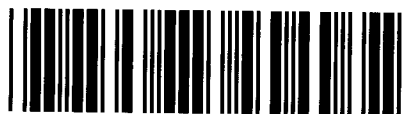




Control Number: 43072



Item Number: 6

Addendum StartPage: 0

October 27, 2014

Public Utility Commission of Texas
Central Records
1701 N. Congress, Suite 8-100
Austin, TX 78701

2014 OCT 28 AM 9:45

FILED

Re: Application of T&W Water Service Company to Amend its Water CCN
and the Certificate of Woodland Hills LLC in Liberty County
P.U.C. Docket No. 43072
Response to Order No. 2

Dear Sirs:

This letter was previously submitted to PUC attorney assigned to the application referenced above. This re-submittal includes an original and 10 copies of the attached documents per 22.71(c). We apologize for the confusion.

This letter is in response to Order No.2 dated August 28, 2014 regarding the above-referenced CCN amendment application. Responses to the subjects cited in the order are provided below and correspond to the numbered comments in PUC Interoffice Memorandum attached to the order.

1. Woodland Hills Water LLC (12388) has verbally agreed to allow the area that overlaps with the proposed CCN area to be decertified. The attached agreement is currently in the process of being executed. Once executed we will forward you a copy.
2. The application notices have been revised as follows:
 - a. Overlapping area will become single certificated area based on the agreement above.
 - b. New Public Utility Commission notice forms are provided with this letter.
 - c. Current customer population of 101 has been revised.
3. Complete information for the application item No. 4 is as follows:
 - 4.A.i. The following entities have service areas within two miles of the proposed CCN area: Aqua Texas Inc., Woodland Hills Water LLC, Pure Utilities LC, City of Liberty, City of Dayton and City of Kenefick.
 - 4.A.ii. Please find attached written requests for service to the City of Kenefick and Aqua Texas, Inc. If any responses are received they will be forwarded to you.
 - 4.A.iii. The original application included a response from the City of Liberty denying service for the proposed area. A copy is attached for you convenience. No other written responses have been received to date. If any responses are received they will be forwarded to you.
 - 4.B. The City of Liberty denied the request for service.
4. The Projected Sources and Uses of Cash Statements has been updated to include the principle plus interest amounts.

October 27, 2014

Page 2 of 2

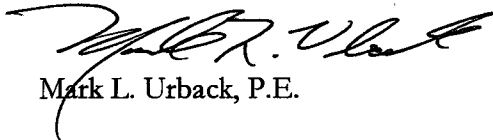
5. The developer will build roads and clear lots for the proposed development one section at a time. Each section will include 25 to 50 lots. The developer anticipates it will take one and a half to two years to build-out each section. Each section will be built-out before the next section is started. T&W Water Service Company will install the distribution piping with cash as each new section is developed.
6. The "Long Term Liabilities Other" on page 26 is a combination of accounts payable to shareholders and an affiliated construction company. The "Owners' Equity Other on page 29 is Treasury Stock.
7. Please find attached a map illustrating all facilities for production and distribution for both existing area being served and the proposed areas that have been planned. The land plan for the remaining areas will not be designed until the current sections have been built out. Once the land plan for these areas has been developed, plans and specifications for additional production and distribution facilities to serve these new areas will be sent to the TCEQ for approval prior to construction.
8. The notices have been revised to indicate the acreage in the shapefile.

If you have any questions, I can be contacted at 713-462-3242 or murback@cobbfendley.com.

Sincerely,

COBBFENDLEY

Texas Registration No. 274



Mark L. Urback, P.E.

cc: Ronald Payne, T&W Water Service Company



AGREEMENT TO DECERTIFY CCN SERVICE AREA

Woodland Hills Water LLC agrees to allow the portion of its Certificate of Convenience and Necessity (CCN) 12388 that overlaps the T&W Water Service Company, Inc. CCN 12892 area in the proposed amendment (Docket No. 43072) to be decertified. See the attached Exhibit 1 for the overlapping CCN area to be decertified.

BY: _____

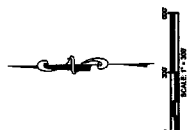
BY: _____

TITLE: _____

TITLE: _____

WOODLAND HILLS WATER, LLC

T&W WATER SERVICE COMPANY, INC.

[illegible]LIBERTY COUNTY,
KENEFICK, TEXAS

CobbFendley
TARL Fenn Ferguson No. 274
TARL Fenn Ferguson No. 10047
13450 Northwest Freeway, Suite 1100
Houston, Texas 77040
713.482.3242 | fax 713.482.3262
www.cobbendley.com

T&W WATER SERVICE COMPANY
CCN APPLICATION

**EXHIBIT 1:
OVERLAPPING C**

SUBMITTED:
SCALE: 1" = 300'
DATE: AUGUST 2014
SHEET NO.: 1 OF 4
DRAWING BY: MLL
CHECKED BY: MLL
DATE: 10/1/14

October 22, 2014

City of Kenefick
3564 FM 1008
Dayton, TX 77535

Re: Service Availability Request

Dear Sirs:


Please be advised that T&W Water Service Company intends to file an application with the Texas Commission on Environmental Quality (TCEQ) to extend their existing certificate of convenience and necessity (CCN #12892) which currently serves the Oaks of Trinity Subdivision for water utility service in Liberty County. The proposed service area consists of approximately 1,150 acres and is generally bound by County Road 638 on the north, Texas Hwy 321 on the west, French Creek on the south and FM 1008 on the east. The current development plan calls for about 200 residential units or their equivalent service demands. It is anticipated that service will be needed by March 1, 2015.

You have been identified as a neighboring utility of like kind and/or municipality with an extraterritorial jurisdiction (ETJ) within two miles of the proposed service area. Pursuant to TCEQ regulations, T&W Water Service Company formally asks whether you are willing or able to provide water utility service sufficient to meet the TCEQ's minimum service standards plus local demands to this property, thereby providing continuous and adequate utility service to the consuming public. Please fill out the questionnaire below and return to us. It will be filed with the TCEQ.

If you have any questions, please call the undersigned at 713-462-3242. Your timely response to this inquiry is greatly appreciated. If you do not respond within ten days, it will be presumed that you do not desire or cannot provide utility service to the property.

Sincerely,

COBB, FENDLEY & ASSOCIATES, INC.



Mark L. Urback, P.E.
Senior Project Manager

T&W Water Service Company

PO Box 2927

Conroe, Texas 77305

(936) 756-7400

Service Questionnaire

1. _____ is willing to provide water service to the property
_____ yes _____ no (If yes please continue, if no please sign and return.)
2. _____ currently has the service capacities to provide continuous and adequate service to the property except for the mains necessary to interconnect the property with _____'s existing utility system
_____ yes _____ no
3. _____ will have to build additional service capacities to serve the property _____ yes _____ no
4. The additional capacities that will be required to serve the property will require the construction of a complete onsite utility system(s) located on the property
_____ yes _____ no
5. The additional capacities that will be required to serve the property will consist of
: _____

6. The estimated cost to provide service to the property is \$_____, of which \$_____ will be paid by the land owner/developer and \$_____ will be paid by _____.
7. Service will be made available on _____, 200_____.
8. Other requirements for obtaining service from _____:

(signature)

(print name)

(title)

October 22, 2014

Agua Texas, Inc.
2211 Louetta Rd.
Spring, TX 77388

Re: Service Availability Request

Dear Sirs:

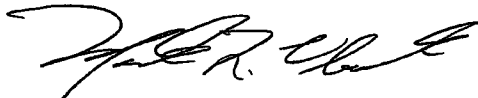
Please be advised that T&W Water Service Company intends to file an application with the Texas Commission on Environmental Quality (TCEQ) to extend their existing certificate of convenience and necessity (CCN #12892) which currently serves the Oaks of Trinity Subdivision for water utility service in Liberty County. The proposed service area consists of approximately 1,150 acres and is generally bound by County Road 638 on the north, Texas Hwy 321 on the west, French Creek on the south and FM 1008 on the east. The current development plan calls for about 200 residential units or their equivalent service demands. It is anticipated that service will be needed by March 1, 2015.

You have been identified as a neighboring utility of like kind and/or municipality with an extraterritorial jurisdiction (ETJ) within two miles of the proposed service area. Pursuant to TCEQ regulations, T&W Water Service Company formally asks whether you are willing or able to provide water utility service sufficient to meet the TCEQ's minimum service standards plus local demands to this property, thereby providing continuous and adequate utility service to the consuming public. Please fill out the questionnaire below and return to us. It will be filed with the TCEQ.

If you have any questions, please call, please call the undersigned at 713-462-3242. Your timely response to this inquiry is greatly appreciated. If you do not respond within ten days, it will be presumed that you do not desire or cannot provide utility service to the property.

Sincerely,

COBB, FENDLEY & ASSOCIATES, INC.



Mark L. Urback, P.E.
Senior Project Manager

T&W Water Service Company
PO Box 2927
Conroe, Texas 77305
(936) 756-7400

Service Questionnaire

1. _____ is willing to provide water service to the property
_____ yes _____ no (If yes please continue, if no please sign and return.)
2. _____ currently has the service capacities to provide continuous and adequate service to the property except for the mains necessary to interconnect the property with _____'s existing utility system
_____ yes _____ no
3. _____ will have to build additional service capacities to serve the property _____ yes _____ no
4. The additional capacities that will be required to serve the property will require the construction of a complete onsite utility system(s) located on the property
_____ yes _____ no
5. The additional capacities that will be required to serve the property will consist of
: _____

6. The estimated cost to provide service to the property is \$_____, of which \$_____ will be paid by the land owner/developer and \$_____ will be paid by _____.
7. Service will be made available on _____, 200____.
8. Other requirements for obtaining service from _____:

(signature)

(print name)

(title)

Notice for Publication

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

_____ COUNTY(IES), TEXAS

Name of Applicant _____ has filed an application for a CCN to obtain or amend CCN No. (s) _____ and to decertify a portion(s) of _____ with the
(Name of Decertified Utility)

Public Utility commission of Texas to provide _____

(specify 1) water or 2) sewer or 3) water & sewer)

utility service in _____

The proposed utility service area is located approximately _____ miles _____ [direction] of downtown _____, [City or Town] Texas, and is generally bounded on the north by _____; on the east by _____; on the south by _____; and on the west by _____

See enclosed map of the proposed service area.

The total area being requested includes approximately _____ acres and _____ current customers.

A copy of the proposed service area map is available at (Utility Address and Phone Number): _____

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should file with the PUC at the following address:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO
PROVIDE WATER/SEWER UTILITY SERVICE IN

_____ COUNTY(IES), TEXAS

To: _____ Date Notice Mailed _____ 20 _____
(Neighboring System, Landowner or City)

(Address)

City State Zip

Name of Applicant _____ has filed an application for a
CCN to obtain or amend CCN No. (s) _____ and to
decertify a portion(s) of _____ with the
(Name of Decertified Utility)

Public Utility Commission of Texas to provide _____

(specify 1) water or 2) sewer or 3) water & sewer

utility service in _____ County(ies).

The proposed utility service area is located approximately _____ miles _____
[direction] of downtown _____, [City or Town] Texas, and is
generally bounded on the north by _____; on the east by
_____; on the south by _____; and on the west by _____

See enclosed map of the proposed service area.

The total area being requested includes approximately _____ acres and _____
current customers.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

Filing Clerk
Public Utility Commission of Texas
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P.O. Box 13326
Austin, Texas 78711-3326

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

Notice to Customers of IOUs in Proposed Area

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

Liberty COUNTY(IES), TEXAS

Dear Customer: _____ Date Notice Mailed 20 14

Name of Applicant T&W Water Service Company has filed an application for a CCN to obtain or amend CCN No. (s) 12892 and to decertify a portion(s) of 12388 - Woodland Hills Water LLC with the
(Name of Decertified Utility)

Public Utility commission of Texas to provide water
(specify 1) water or 2) sewer or 3) water & sewer)
utility service in Liberty County(ies).

The proposed utility service area is located approximately 4 miles northeast
[direction] of downtown Bayton, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone Number): 12284 FM 3083, Conroe, TX 77384 (936) 756-7400

The current utility rates which were first effective on February 1, 20 09

Monthly Flat Rate of \$ _____ Per connection

-OR-

Monthly Base Rate Including per 0 gallons connection for:

5/8" meter	\$22.00
1" meter	\$55.00
1 1/2" meter	\$110.00
2" meter	\$176.00

Other \$ 352.00

Gallage charge of \$ 2.37 Per 1,000
Gallons above minimum (same for all meters sizes)

Miscellaneous Fees

Regulatory Assessment

Tap Fee (Average Actual Cost)

Reconnecting fee:

- Non Payment (\$25.00 max)
- Transfer
- Customer's request

Late fee

Returned Check charge

Customer Deposit (\$50.00 max)

Meter test fee

(Actual Cost not Exceed \$25.00)

Other Fees

1%
\$ 750.00
\$
\$25.00
\$40.00
\$10.00
\$5.00 or 10%
\$25.00
\$50.00
\$25.00
\$

Your utility service rates and fees cannot be changed by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

Filing Clerk
Public Utility Commission of Texas
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If a public hearing is requested, the Commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

IF A HEARING IS HELD, it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

If you are a landowner with a tract of land at least 25 acres or more, and is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

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Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income	281,349.00	325,576.00	368,919.00	411,402.00	453,054.00	1,840,299.00
Depreciation (if Funded)						
Loan Proceeds						
Other						
Total Sources	281,349.00	325,576.00	368,919.00	411,402.00	453,054.00	1,840,299.00
USES OF CASH						
Net Loss						
Principle Portion of Pmts.	57,256.00	57,256.00	57,256.00	19,352.00		191,120.00
Fixed Asset Purchase	200,000.00	122,066.00	124,508.00	126,999.00	129,538.00	703,111.00
Reserve						
Other						
TOTAL USES	257,256.00	179,322.00	181,764.00	146,351.00	129,538.00	894,231.00
NET CASH FLOW	24,093.00	146,254.00	187,155.00	265,051.00	323,516.00	946,068.00
DEBT SERVICE COVERAGE						
Cash Available for Debt	221,807.00	343,968.00	384,869.00	424,861.00	463,974.00	1,839,479.00
Service (CADS)						
Net Income (Loss)	281,349.00	325,576.00	368,919.00	411,402.00	453,054.00	1,840,299.00
Depreciation , or Reserve Interest						
TOTAL	281,349.00	325,576.00	368,919.00	411,402.00	453,054.00	1,840,294.00
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest	197,714.00	197,714.00	197,714.00	159,810.00	140,458.00	893,410.00
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS	1.40	1.60	1.90	2.60	3.20	

